

Rise Up



WINDFORCE PLC

ANNUAL REPORT 2020/21



Rise Up

At the helm of breakthrough technology, setting the standards for power generation, and delivering a diversified portfolio, we at WindForce are elevating the industry with an uninterrupted energy flow that is revitalising the nation. With international standard projects under our belt, we offer a level of service, expertise and innovation that is unrivaled and consummates the expectations of our stakeholders and the wider community.

We are rising up as the juggernaut of sustainable, clean energy, breaking through the norms to make a significant contribution to our environment and beyond.

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REPORT PROFILE

[GRI 102-45/46/48/49/50/52/52/53/54/55],
[GRI 102-12]

INTRODUCTION

This is the first formal Annual Report published by WindForce PLC (WF) after the Company was listed on the Colombo Stock Exchange in April 2021. Annual reports prepared in previous years, including the most recent report for the FY 2019/20 have been reserved only for private circulation among shareholders, and hence not made available publicly. There are no restatements pertaining to these previous reports.

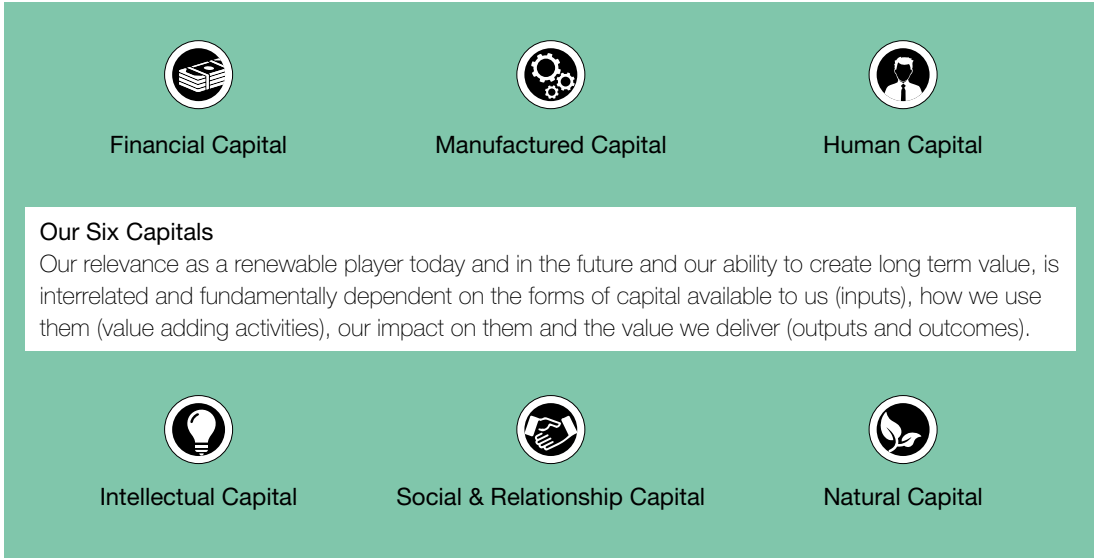
SCOPE AND BOUNDARY

This integrated report has been prepared for the period 01st April 2020 to 31st March 2021 and covers WF's core business activities in wind power, solar power and hydro power generation, in Sri Lanka, Pakistan, Uganda and Ukraine. Also included in the report are details regarding the progress of WF's project pipeline in Sri Lanka and overseas.

REPORTING FRAMEWORKS

For its first annual report WF has chosen to report on the basis of the SIX CAPITALS defined by the International Integrated Reporting Council's (IIRC) International <IR> Integrated Reporting Framework. In this way, the report seeks to demonstrate how the Company creates value for all its stakeholders. Our goal is to provide our stakeholders an in-depth overview of the Company's holistic approach to value creation, covering both tangible and intangible, financial and non-financial aspects of the business. To further support this, the report also strives to

benchmark the key sustainability indicators set out under the GRI (Global Reporting Initiative) Standard; "Core" option. The GRI Content index shown on page 215.



The Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards and in compliance with the requirements of the Companies Act 2007.

The Corporate Governance report is in accordance with the Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka (ICASL) Shouldn't and Securities and Exchange Commission of Sri Lanka (SEC).

DETERMINATION OF REPORT CONTENT BASED ON THE PRINCIPLE OF MATERIALITY

The principle of Materiality as outlined by the GRI Standards has been applied in assessing what information is to be included in this integrated report. Topics deemed material are those that can affect our value creation capacity. Page 51 of this report outlines the Material Topics relevant to WF.

REPORT PROFILE

ASSURANCE

Assurance of the report content is provided through a combination of internal and external sources. The content included in this Integrated Report has been approved by the respective business heads and reviewed by the Managing Director and the Audit Committee prior to submission to the Board of Directors for approval.

An independent review of the Company's Financial Statements has been carried out by WF's external auditors, M/S BR de Silva & Co. Chartered Accountants. Their report is on page 145.

FORWARD LOOKING STATEMENTS

This Integrated Report may contain what are deemed to be "forward-looking statements" that are based on the beliefs of the Company's management as well as assumptions made by and information currently available. These forward-looking statements include, information relating to WF's business prospects, future developments, trends and conditions in the industry and geographical markets in which the Company operates. Such forward-looking statements are, by their nature, subject to risks and uncertainties and as such, actual results and performance of the Company may differ materially from those implied by such statements due to many factors. Readers are therefore cautioned not to place undue reliance on such statements. WF does not undertake any obligation to update any revisions to these statements publicly after the date of this report.

BOARD RESPONSIBILITY

The Board of Directors of WindForce PLC acknowledges its responsibility for ensuring the completeness, accuracy and integrity of this report. The Board confirms that it collectively reviewed the contents of the report in conjunction with the assurance reports obtained from our various internal and external assurance providers, including assessments on risk and internal controls.

On this basis, the Board is satisfied that the Integrated Report for FY 2020/21 addresses all the issues that are material to its ability to create value and thereby provides an accurate assessment of the Company's performance for the financial year ended 31st March 2021.

FEEDBACK

We welcome your questions and your suggestions to help improve the quality of our reporting process and request that all feedback be directed to:

Mr. Lasith Wimalasena

Chief Executive Officer
lasith@windforce.lk

ABOUT US

WindForce PLC is a leading renewable energy development company in Sri Lanka and has been a dominant player in Sri Lanka's wind power industry since its first project in 2010. The Company was established to handle all aspects of renewable energy development and today owns, develops and operates top-of-the-line power plants that are fully equipped to meet the growing demand for clean, green energy.

In addition to its dominant presence in the local wind power space, WindForce has further diversified into large scale, ground and rooftop solar power generation systems and mini hydro plants, both locally and overseas. Having expanded its reach to Pakistan, Uganda and Ukraine, the Company continues to explore new opportunities to extend its global footprint.

WindForce has a team of professionals with years of experience with the capacity and capability to work with advanced technologies and adapt to a range of diverse geographical conditions. With their wealth of knowledge on feasibility studies, engineering management, procurement, construction and maintenance of power plants, the WindForce team has time and again proven their ability to design, develop and maintain viable, sustainable and eco-friendly power plants on par with international standards.



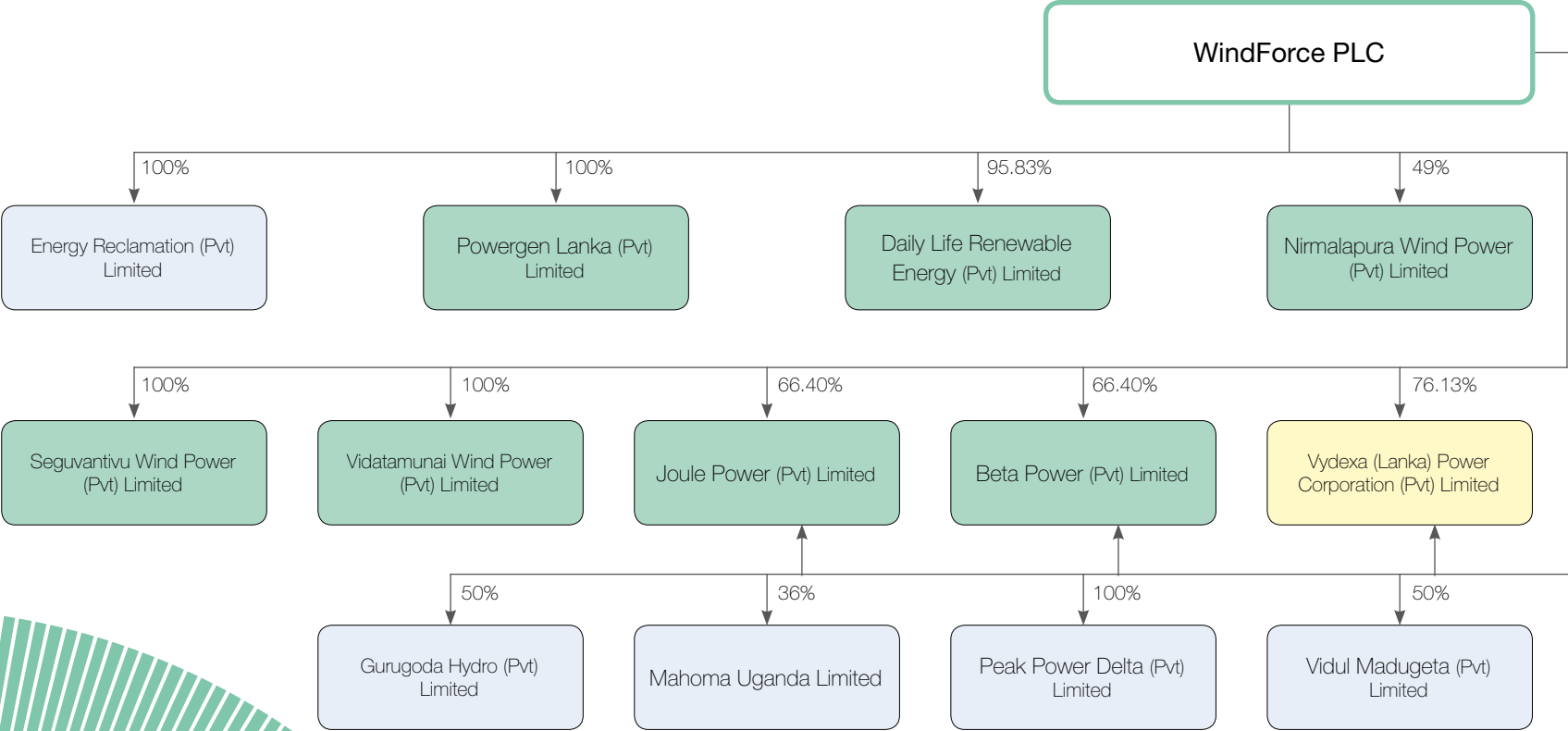
WINDFORCE PLC

VISION

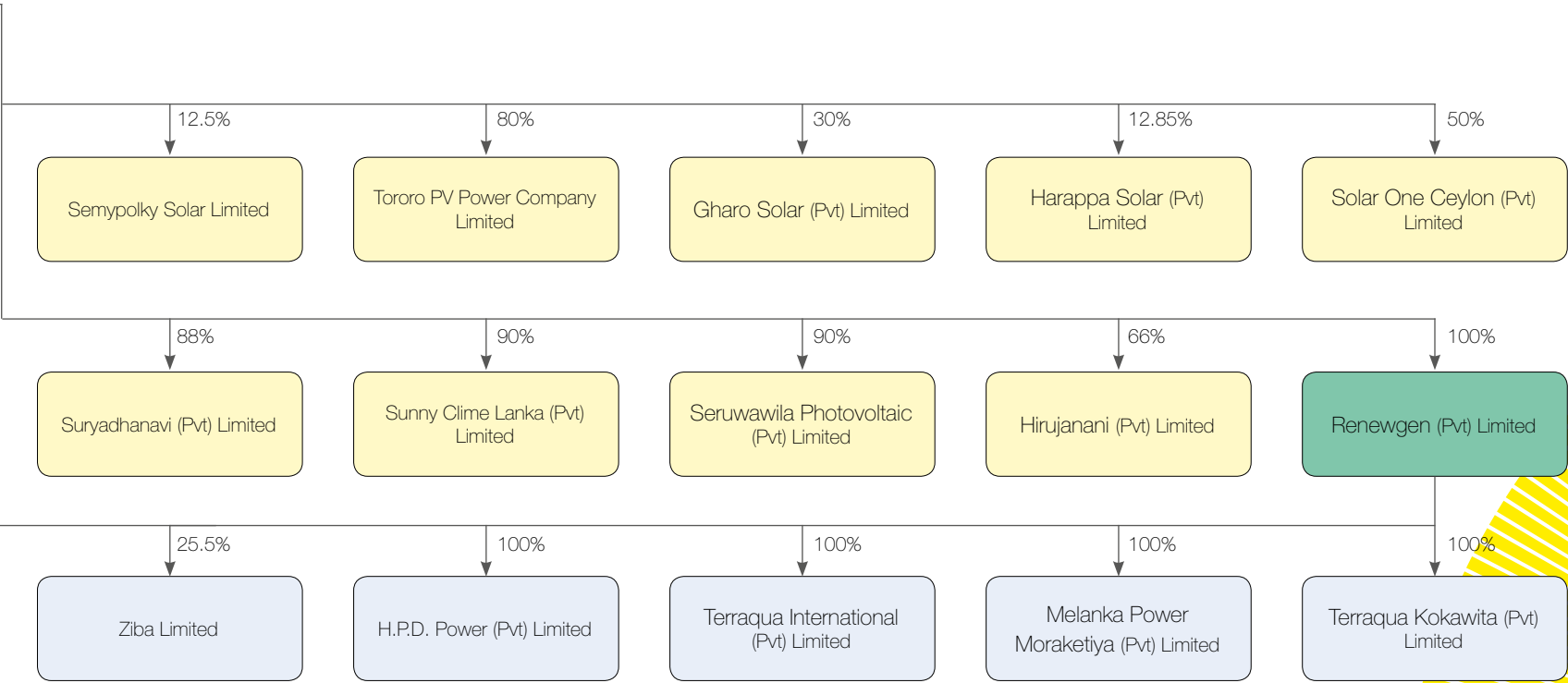
To pioneer and spearhead the growth of Renewable Energy in Sri Lanka and progress into overseas markets with the use of cutting edge technology and energy-efficient renewable energy plants that are socially, financially and legally sustainable to our investors in the long run.

MISSION

To hold our position as the largest contributor of Sri Lanka's renewable energy by investing in viable, eco-friendly and state-of-the-art renewable energy power plants and to venture beyond our shores and become prominent players in the global market.



WINDFORCE STRUCTURE



Holding Company

Solar Power Plants

Wind Power Plants

Hydro Power Plants

Rise up...
So that future
generations will
breathe free...



Rise

Up

Wind Power

Local Plants

WindForce PLC has been Sri Lanka's leading supplier and facilitator of wind power for over a decade. Our wind power plants are constructed with breakthrough technology and unparalleled expertise; they are commercial grade, ultra-modern plants that delivers a steady, uninterrupted flow of electricity to the national grid.

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WIND
POWER

69.2MW

Total Installed Capacity

138,200MT

Estimated CO₂ Savings

194.7GWh

Annual Energy



WIND
POWER



Seguwantivu

Name of Plant	Annual Average CO ₂ Savings
Seguwantivu	17,700MT
Capacity	Location
9.6MW	Puttalam, Sri Lanka
Date of Commission	WindForce's Stake
May 2010	100.00%
Estimated Annual Average Generation	WindForce's Investment
25GWh	LKR 1.2 Bn

Name of Plant	Annual Average CO ₂ Savings
Vidatamunai	17,700MT
Capacity	Location
9.6MW	Puttalam, Sri Lanka
Date of Commission	WindForce's Stake
July 2010	100.00%
Estimated Annual Average Generation	WindForce's Investment
25GWh	LKR 1.5 Bn



Vidatamunai

WIND POWER

Name of Plant	Annual Average CO ₂ Savings
Nirmalapura	20,900MT
Capacity	Location
10.0MW	Puttalam, Sri Lanka
Date of Commission	WindForce's Stake
July 2012	49.00%
Estimated Annual Average Generation	WindForce's Investment
29.4GWh	LKR 490 Mn



Name of Plant	Annual Average CO ₂ Savings
Daily Life	19,300MT
Capacity	Location
10.0MW	Puttalam, Sri Lanka
Date of Commission	WindForce's Stake
July 2012	95.83%
Estimated Annual Average Generation	WindForce's Investment
27.2GWh	LKR 1.1 Bn

WIND
POWER



Powergen

Name of Plant	Annual Average CO ₂ Savings
Powergen	16,000MT
Capacity	Location
10.0MW	Puttalam, Sri Lanka
Date of Commission	WindForce's Stake
July 2012	100.00%
Estimated Annual Average Generation	WindForce's Investment
22.5GWh	LKR 1.5 Bn

Name of Plant	Annual Average CO ₂ Savings
Joule Power	23,300MT
Capacity	Location
10.0MW	Kilinochchi, Sri Lanka
Date of Commission	WindForce's Stake
December 2014	66.40%
Estimated Annual Average Generation	WindForce's Investment
32.8GWh	LKR 580 Mn



Joule Power

WIND POWER

Name of Plant

Beta Power

Capacity

10.0MW

Date of Commission

December 2014

Estimated Annual Average Generation

32.8GWh

Annual Average CO₂ Savings

23,300MT

Location

Kilinochchi, Sri Lanka

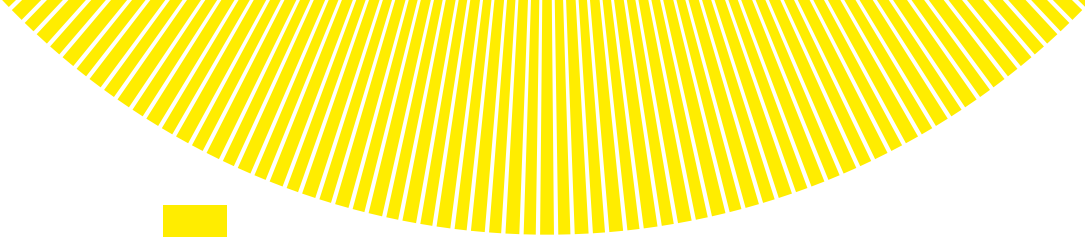
WindForce's Stake

66.40%

WindForce's Investment

LKR 580 Mn





Solar Power

Windforce PLC. ventured into solar power generation with its first project – Solar One Ceylon (Pvt) Ltd – in 2016. Since then, the project has achieved national recognition and the Company has constructed various solar power plants around the country. WindForce has also ventured overseas to Ukraine, Uganda and Pakistan for solar power projects. All projects have been successful in generating electricity for national use.

Local Plants



Overseas Plants



SOLAR
POWER

122.5MW

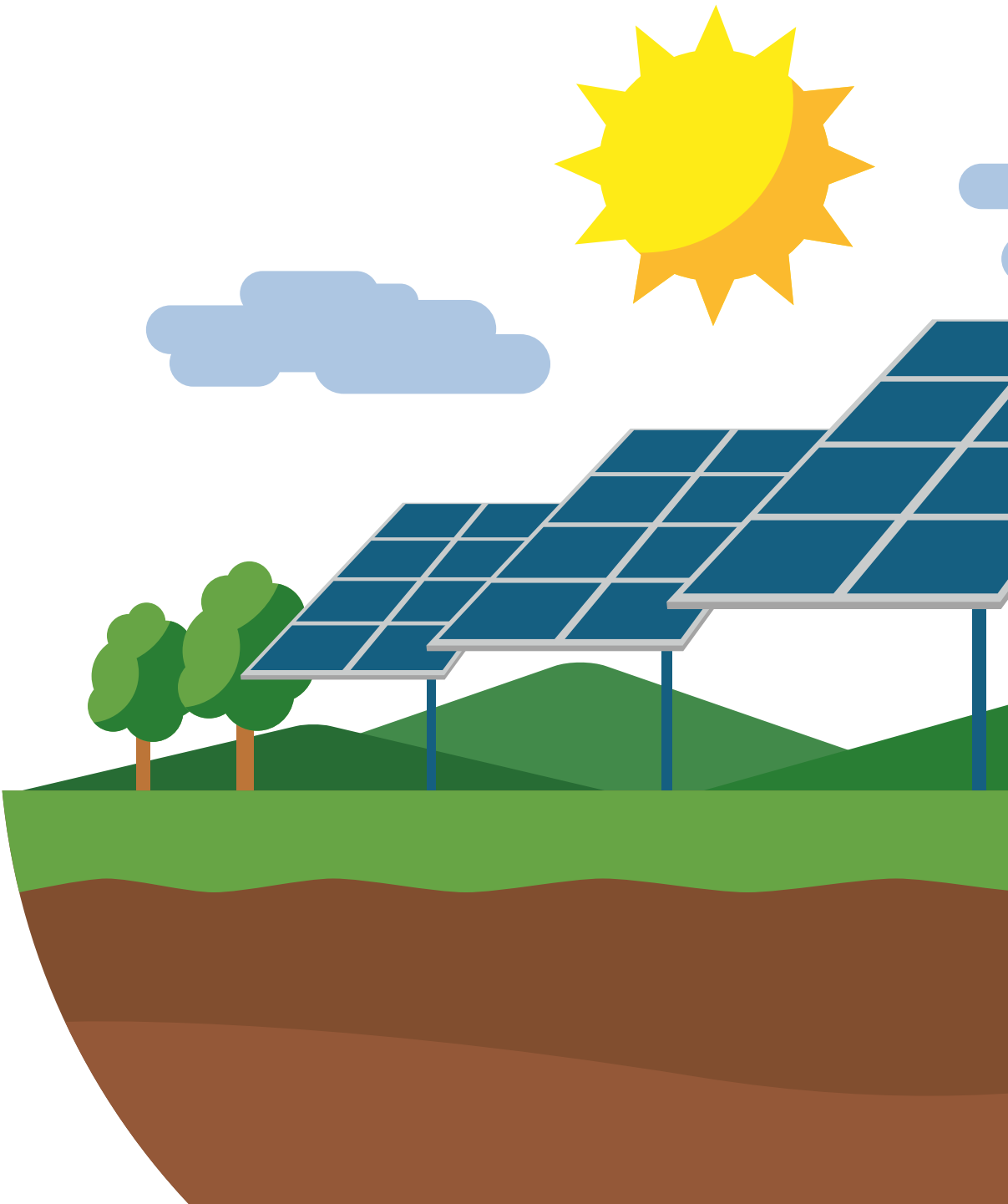
Total Installed Capacity

160,300MT

Estimated CO₂ Savings

224.23GWh

Annual Energy



SOLAR
POWER



Solar One

Name of Plant	Annual Average CO ₂ Savings
Solar One	16,000MT
Capacity	Location
10.0MW	Welikanda, Sri Lanka
Date of Commission	WindForce's Stake
December 2016	50.00%
Estimated Annual Average Generation	WindForce's Investment
21GWh	LKR 490 Mn

Name of Plant	Annual Average CO ₂ Savings
Vydexa	16,000MT
Capacity	Location
10.0MW	Vavuniya, Sri Lanka
Date of Commission	WindForce's Stake
July 2017	76.13%
Estimated Annual Average Generation	WindForce's Investment
21.7GWh	LKR 932 Mn



Vydexa

SOLAR POWER

Name of Plant
Suryadhanavi
Capacity
11.4MW
Date of Commission
November 2018
Estimated Annual Average Generation
15.03GWh

Annual Average CO₂ Savings
11,000MT
Location
Roof Tops, Sri Lanka
WindForce's Stake
88.00%
WindForce's Investment
LKR 360 Mn



Name of Plant
Sunny Clime
Capacity
1.0MW
Date of Commission
February 2019
Estimated Annual Average Generation
1.68GWh

Annual Average CO₂ Savings
1,000MT
Location
Vavuniya, Sri Lanka
WindForce's Stake
90.00%
WindForce's Investment
LKR 48 Mn

SOLAR
POWER



Name of Plant
Seruwawila
Capacity
1.0MW
Date of Commission
February 2019
Estimated Annual Average Generation
1.68GWh

Annual Average CO₂ Savings
1,000MT
Location
Vavuniya, Sri Lanka
WindForce's Stake
90.00%
WindForce's Investment
LKR 48 Mn



Name of Plant	Annual Average CO ₂ Savings
Hirujanani	1,800MT
Capacity	Location
2.1MW	Roof Tops, Sri Lanka
Date of Commission	WindForce's Stake
April 2019	66.00%
Estimated Annual Average Generation	WindForce's Investment
2.8GWh	LKR 54 Mn

SOLAR POWER

Name of Plant

Harappa Solar

Capacity

18.0MW

Date of Commission

October 2017

Estimated Annual Average Generation

27GWh

Annual Average CO₂ Savings

19,000MT

Location

Harappa, Pakistan

WindForce's Stake

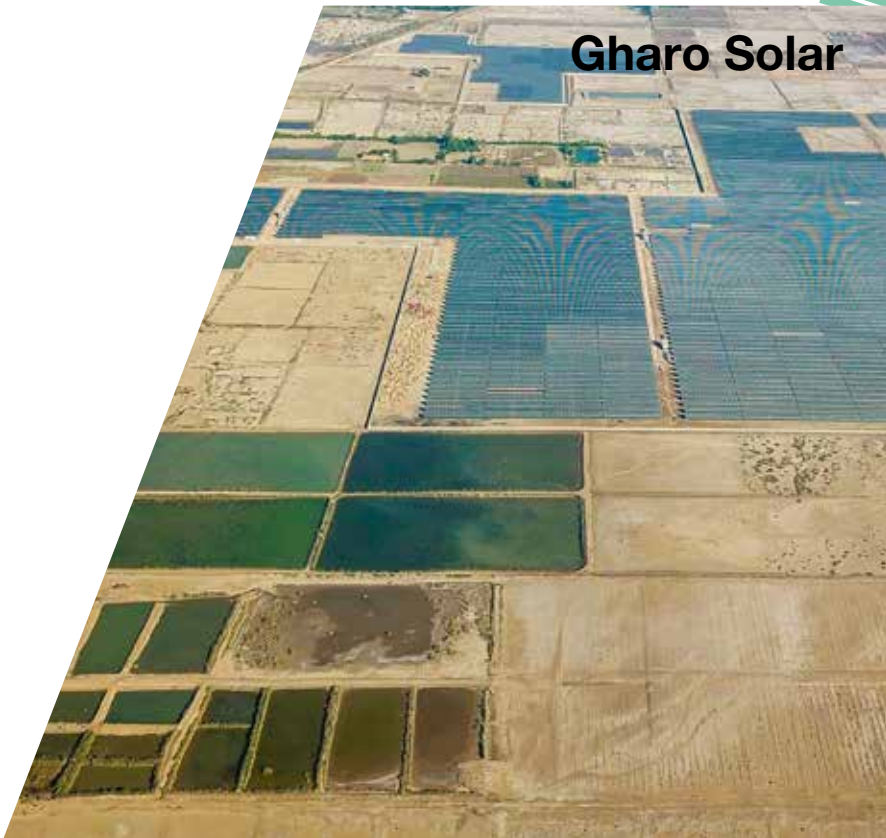
12.85%

WindForce's Investment

LKR 109 Mn



Gharo Solar



Name of Plant

Gharo Solar

Capacity

50.0MW

Date of Commission

December 2019

Estimated Annual Average Generation

100GWh

Annual Average CO₂ Savings

71,000MT

Location

Gharo, Pakistan

WindForce's Stake

30.00%

WindForce's Investment

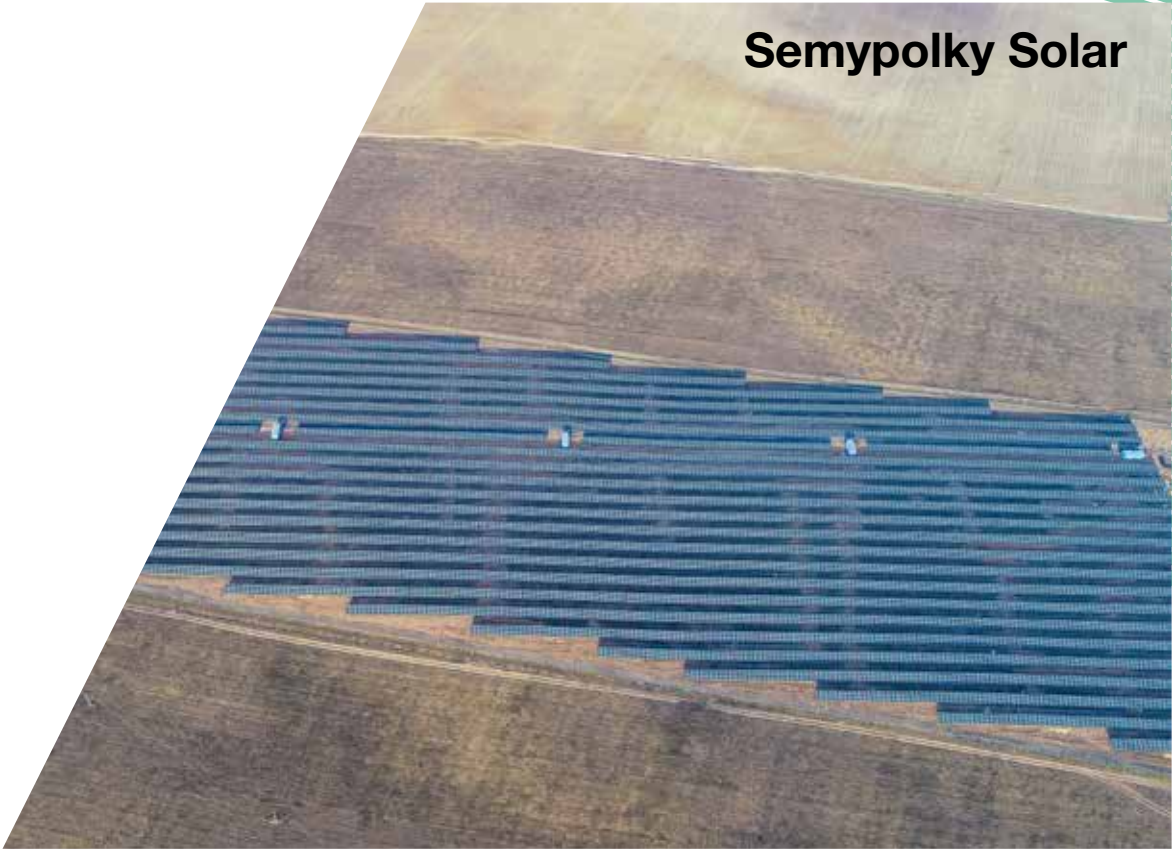
LKR 969 Mn

SOLAR
POWER



Tororo PV Power

Name of Plant	Annual Average CO ₂ Savings
Tororo PV Power	16,000MT
Capacity	Location
10.0MW	Tororo, Uganda
Date of Commission	WindForce's Stake
August 2020	80.00%
Estimated Annual Average Generation	WindForce's Investment
22.74GWh	LKR 579 Mn



Name of Plant
Semypolky Solar

Capacity
10.6MW

Date of Commission
July 2020

Estimated Annual Average Generation
10.6GWh

Annual Average CO₂ Savings
7,500MT

Location
Brovarskiy, Ukraine

WindForce's Stake
12.50%

WindForce's Investment
LKR 101 Mn

Hydro Power

WindForce PLC has constructed and currently operate a number of mini hydro power plants across several locations in Sri Lanka. The Company has also expanded to Uganda and has established 2 mini hydro power plants in the country.

Local Plants

8

Overseas Plants

2

HYDRO
POWER

26.3MW

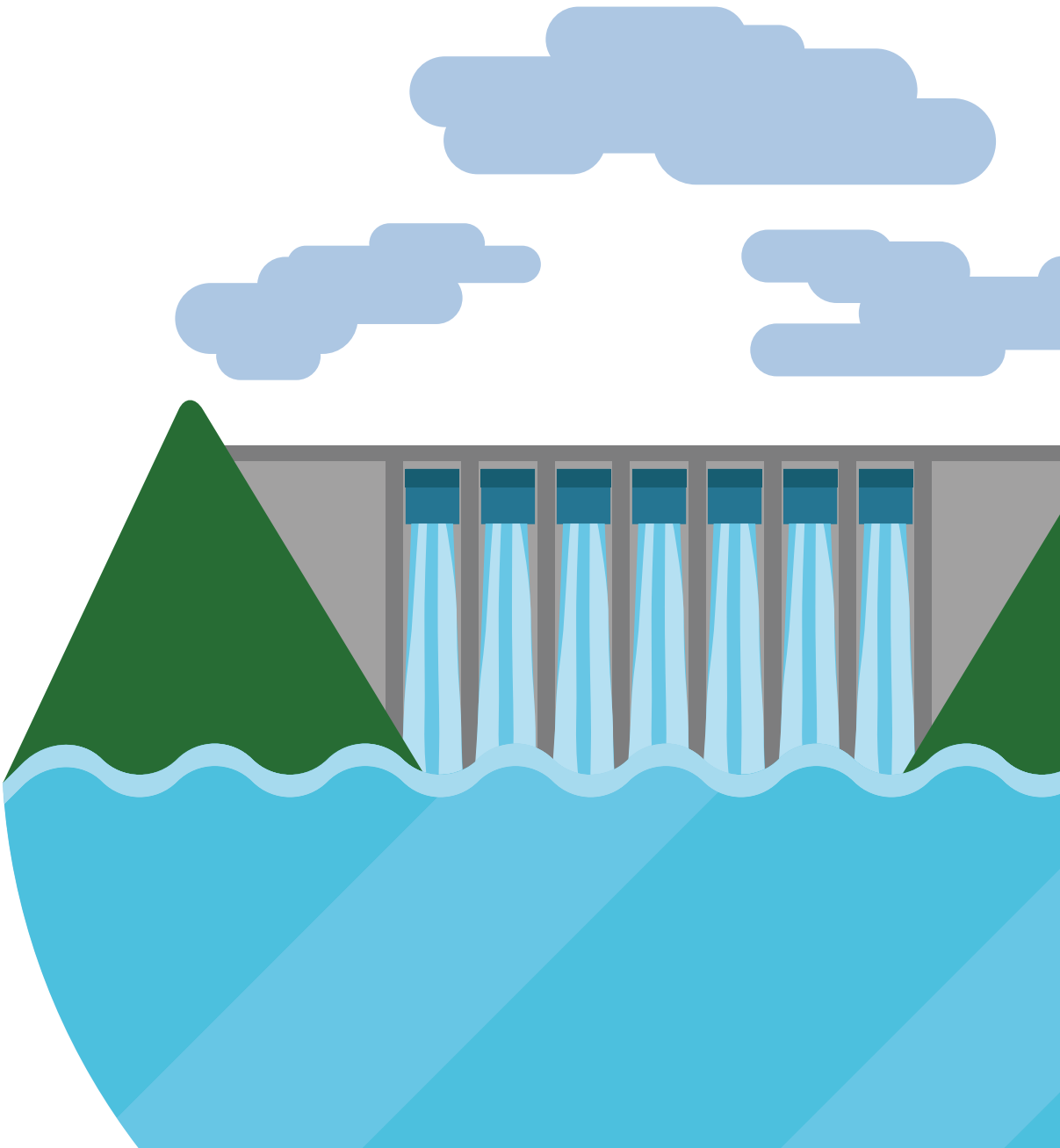
Total Installed Capacity

78,300MT

Estimated CO₂ Savings

110.4GWh

Annual Energy



HYDRO
POWER



Name of Plant	Annual Average CO ₂ Savings
Energy Reclamation	2,500MT
Capacity	Location
0.8MW	Sitagala, Sri Lanka
Date of Commission	WindForce's Stake
April 2019	100.00%
Estimated Annual Average Generation	WindForce's Investment
3.5GWh	LKR 130 Mn

Name of Plant	Annual Average CO ₂ Savings
Terraqua International	3,500 MT
Capacity	Location
1.3MW	Halathura Ganga, Sri Lanka
Date of Commission	WindForce's Stake
February 2009	100.00%
Estimated Annual Average Generation	WindForce's Investment
4.9GWh	LKR 300 Mn



HYDRO POWER

Name of Plant

Gurugoda Hydro

Capacity

1.2MW

Date of Commission

March 2010

Estimated Annual Average Generation

3.3GWh

Annual Average CO₂ Savings

2,300MT

Location

Kegalle, Sri Lanka

WindForce's Stake

50.00%

WindForce's Investment

LKR 80 Mn



Gurugoda Hydro



**Terraqua
Kokawita**

Name of Plant

Terraqua Kokawita

Capacity

1.2MW

Date of Commission

June 2012

Estimated Annual Average Generation

4.4GWh

Annual Average CO₂ Savings

3,000MT

Location

Kalawana, Sri Lanka

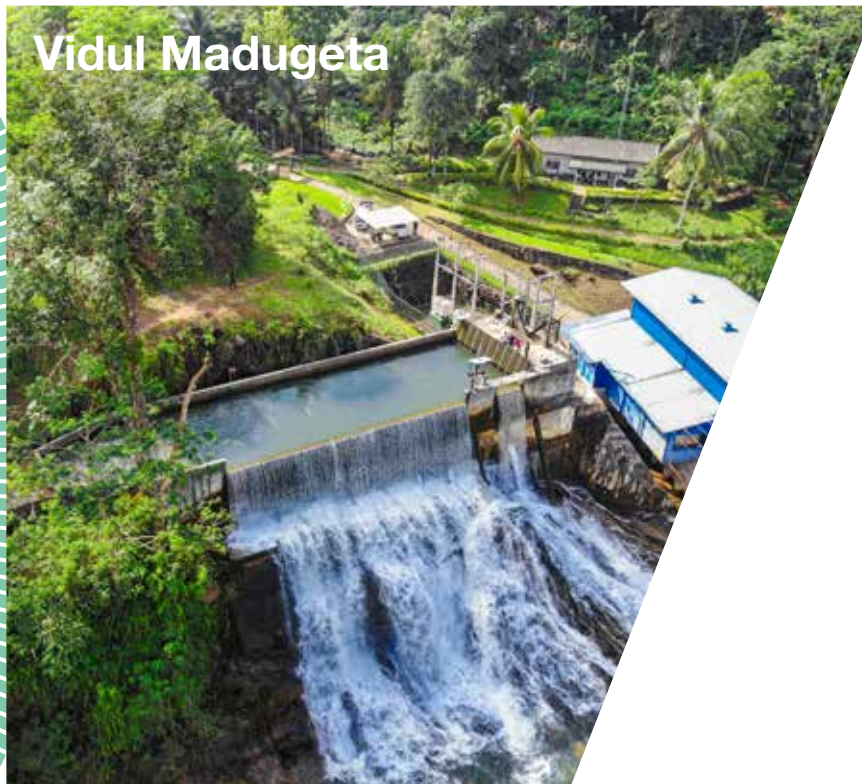
WindForce's Stake

100.00%

WindForce's Investment

LKR 327 Mn

HYDRO POWER



Vidul Madugeta

Name of Plant
Vidul Madugeta
Capacity
2.5MW
Date of Commission
November 2013
Estimated Annual Average Generation
11.2GWh

Annual Average CO₂ Savings
8,000MT
Location
Neluwa, Sri Lanka
WindForce's Stake
50.00%
WindForce's Investment
LKR 110 Mn

Name of Plant
Melanka Power
Capacity
3.8MW
Date of Commission
February 2014
Estimated Annual Average Generation
12.3GWh

Annual Average CO₂ Savings
8,700MT
Location
Haldummulla, Sri Lanka
WindForce's Stake
100.00%
WindForce's Investment
LKR 466 Mn



Melanka Power

HYDRO POWER

Name of Plant

Peak Power

Capacity

2.0MW

Date of Commission

May 2016

Estimated Annual Average Generation

7.5GWh

Annual Average CO₂ Savings

5,300MT

Location

Ginigathhena, Sri Lanka

WindForce's Stake

100.00%

WindForce's Investment

LKR 230 Mn



Name of Plant

H.P.D. Power

Capacity

3.2MW

Date of Commission

December 2016

Estimated Annual Average Generation

16.7GWh

Annual Average CO₂ Savings

12,000MT

Location

Dambulla, Sri Lanka

WindForce's Stake

100.00%

WindForce's Investment

LKR 382 Mn

HYDRO
POWER

Mahoma Uganda



Name of Plant

Mahoma Uganda

Capacity

2.7MW

Date of Commission

October 2018

Estimated Annual Average Generation

9.9GWh

Annual Average CO₂ Savings

7,000MT

Location

Mahoma, Uganda

WindForce's Stake

36.00%

WindForce's Investment

LKR 98 Mn

HYDRO
POWER



Name of Plant	Annual Average CO ₂ Savings
Ziba	26,000MT
Capacity	Location
7.6MW	Kyambura, Uganda
Date of Commission	WindForce's Stake
July 2019	25.50%
Estimated Annual Average Generation	WindForce's Investment
36.7GWh	LKR 266 Mn

BOARD OF DIRECTORS



BOARD OF DIRECTORS

1

RANIL PATHIRANA

Chairman, Non-Executive Non-Independent Director

Mr. Ranil Pathirana is the Chairman of WindForce PLC, where he serves in a Non-Executive capacity.

Mr. Pathirana is a Fellow Member of the Chartered Institute of Management Accountants, UK (FCMA - UK) and holds a Bachelor of Commerce Degree from the University of Sri Jayewardenepura.

Mr. Pathirana is on the boards of several listed entities. He is a Non-Executive Director of Ambeon Holdings PLC, BPPL Holdings PLC, ODEL PLC & Alumex PLC.

He also serves as a Director of the Hirdaramani Group which includes apparel, leisure & investment holding companies. He is the Managing Director for Hirdaramani International Exports (Pvt) Limited. The Hirdaramani Group has apparel manufacturing facilities across Sri Lanka, Bangladesh, Vietnam and Ethiopia.

2

ASGI AKBARALLY

Deputy Chairman, Executive Non-Independent Director

Mr. Ali Asghar (Asgi) Akbarally serves as the Executive Deputy Chairman of WindForce PLC.

He holds a BSc in Industrial Engineering from the California State University. He is also a Fellow Member of the Institute of Certified Professional Managers.

Mr. Akbarally also serves as the Chairman of Amana Bank PLC, the Chairman - Hermitage Resorts (Pvt) Limited, Uthurumaafaru Holding (Pvt) Limited Maldives, Lhaviyani Holdings (Pvt) Limited and Cocoon Investments (Pvt) Limited Maldives and a Director of Alumex PLC.

He is an Executive Director of Akbar Brothers (Pvt) Limited, one of Sri Lanka's largest diversified corporates, globally renowned for its tea exports. He also holds directorships in multiple subsidiaries and affiliates of the Akbar Group.

Mr. Asgi Akbarally is currently the Honorary Consulate of the Hashemite Kingdom of Jordan. A classic car enthusiast, Mr. Akbarally has authored a coffee table book on "Classic and Vintage Automobiles of Ceylon" and is the Patron of the Classic Car Club of Ceylon.

3

MANJULA PERERA

Managing Director, Executive Non-Independent Director

Mr. Manjula Perera, who serves as an Executive Non-Independent Director on WindForce PLC Board is also the Managing Director of the Company.

A Fellow of the Institute of Engineering and Technology, UK, he graduated with first-class honours in Electrical Engineering from the University of Moratuwa. Mr. Perera also holds a MEng from the University of Moratuwa.

He began his career at Lanka Transformers Limited, the largest private sector power generation company in Sri Lanka. He worked for over a decade at various managerial levels, from Design Engineer to Group Business Development Manager.

Entering the power generation sector as an entrepreneur in 2008, Mr. Perera partnered with a few local investment companies to develop mini hydro power plants and thereafter moved on to set up the first and largest wind power plant in Sri Lanka, contributing directly to the National Grid.

BOARD OF DIRECTORS

4

HUZEFA AKBARALLY

Non-Executive Non-Independent Director

Mr. Huzefa Akbarally is a Non-Executive, Non-Independent Director of the Company.

Mr. Akbarally holds a Bachelor of Science Degree in Computer Science, a Bachelor of Engineering Degree in Electrical and Computer Systems Engineering and a Master of Engineering Science Degree by Research in Electrical and Computer Systems Engineering from Monash University Australia.

He has been a Director at Akbar Brothers since 1996. Sri Lanka's premier exporters of tea, Akbar Brothers have business interests in mini hydro, wind power generation and pharmaceuticals. Mr. Akbarally also serves as the Chief Executive Officer of CleanCo Lanka Limited, a vehicle emission testing company operating under the brand, Drivegreen.

5

HUSSAIN AKBARALLY

Executive, Non-Independent Director

Mr. Hussain Akbarally serves as an Executive, Non-Independent Director on the WindForce PLC Board.

He holds a degree in Science from the University of Melbourne, and an MBA from Harvard Business School.

Mr. Akbarally currently serves as an Executive Director of Akbar Brothers (Pvt) Limited, and its subsidiaries. Akbar Brothers is Sri Lanka's largest exporter of Ceylon Tea to the international market

and has diversified interests in the areas of pharmaceuticals, import trading, renewable energy, property management, manufacturing, hospitality, agriculture and environmental control.

Mr. Hussain Akbarally is credited with spearheading the Group's diversification into the avenues of solar power, hospitality and agriculture amongst others. He was honoured as one of the New Energy Leaders by the Asian Development Bank in 2018 for his work in the renewable energy space.

6

MOIZ NAJMUDEEN

Non-Executive Non-Independent Director

Mr. Moiz Najmudeen serves as a Non-Executive Non-Independent Director on the WindForce PLC Board.

Mr. Moiz Najmudeen is a renowned entrepreneur and the Founder, Chairman and CEO of The Debug Group of Companies and its subsidiaries. In 1989 he established his first major endeavour where he founded Debug Computer Services and later changed the name to Debug Computer Peripherals (Pvt) Limited.

Mr. Najmudeen later started Debug investments to enter into the energy sector through investments in mini hydro, solar and wind power. The company is now the largest entity in the Debug Group.

Mr. Moiz Najmudeen is the Founder of the Marina Leisure Club and Amber Collection, part of the Debug Hospitality and Leisure sector. He also co-owns the luxury hotel The Palmstone Retreat in Kithulgala.

7

VINOD HIRDARAMANI

Non-Executive Non-Independent Director

Mr. Vinod Hirdaramani serves as a Non-Executive Non-Independent Director on the WindForce PLC Board.

Mr. Vinod Hirdaramani was educated at Harrow School in the UK and holds a BA Degree from the Northwestern University in the United States. He is also an Alumnus of the Harvard Business School.

He joined the Board of Directors of the Hirdaramani Group in 1993. He oversees the functions of the Hirdaramani Group's Knit facilities in both Sri Lanka and Vietnam, and is mainly involved in the investments the group made in the renewable energy sector.

Mr. Hirdaramani also serves as a Director on many subsidiary companies of the group. The Hirdaramani Group own 38 facilities across Sri Lanka, Bangladesh, Vietnam and Ethiopia. He is a member of the Young Presidents' Organisation, where he served as the past Chapter Chair for the Sri Lanka Chapter.

BOARD OF DIRECTORS

8

DILSHAN HETTIARATCHI

Non-Executive Independent Director

Mr. Dilshan Hettiaratchi serves as a Non-Executive, Independent Director on the WindForce PLC Board.

Mr. Hettiaratchi is a Finance Professional. He is a CFA Charter Holder, an ACMA and holds an MBA from the University of Colombo. He also completed Leading Across Boundaries which is a High-Performance Leadership Programme offered by Saïd Business School of the University of Oxford. With over 30 years of experience in the Finance and Banking sector, he is a Managing Director of Faber Capital Limited, which is an Investment Banking firm headquartered in Dubai. The firm specialises in Capital Markets, Renewable Energy and Advisory opportunities.

Prior to joining Faber Capital, he was the Managing Director and Head of Debt Capital Markets - MENA and Pakistan for Standard Chartered Bank. He is currently a Director of Amana Bank PLC and Asset Trust Management Limited, which is a SEC regulated Asset Management Company.

Mr. Hettiaratchi was intricately involved in the establishment of Sri Lanka's first Utility Scale Solar PV project.

9

SAUMYA AMARASEKERA

Non-Executive Independent Director

Mrs. Saumya Amarasekera, serves as a Non-Executive, Independent Director on the WindForce PLC Board.

Mrs. Amarasekera is an Attorney-at-Law, counting over 30 years in active legal practice mainly in Civil Law practicing in the Original, Appellate and the Supreme Court. She holds a degree in Masters-of-Laws (LLM) from the University of Pennsylvania with particular emphasis on Insurance Law, Privacy and Defamation Law.

Mrs. Amarasekera was appointed a President's Counsel by the President of Sri Lanka. Her extensive knowledge and practice also centres around the areas of Property Law, Family Law Testamentary and Trust Condominium disputes. She has represented clients at Arbitrations both local and international.

She served as the Deputy Chairperson of Sampath Bank PLC at the time of her retirement in June 2020.

Mrs. Amarasekera presently serves as the Chairperson of two advisory committees appointed by the Ministry of Justice for the Review of the Condominium Law and Review of the Registration of Title Act.

10

SAVANTHA DE SARAM

Non-Executive Independent Director

Mr. Savantha De Saram, serves as a Non-Executive, Independent Director on the WindForce PLC Board.

Mr. De Saram is the Senior Partner of M/s D. L. & F. De Saram, Attorneys-at-Law and Notaries Public, specialising in infrastructure, M&A, cross border financing (including project financing) and corporate and commercial law. He has been in practice for over 20 years.

Mr. De Saram currently serves as a Non-Executive Director of BPPL Holdings PLC and Hunter & Company PLC.

MANAGEMENT TEAM



Manjula Perera
Managing Director



Lasith Wimalasena
Chief Executive Officer



Sudath Chandana
Chief Operating Officer



Rizmin Razik
Chief Financial Officer



Chamika Perera
Chief Development Officer



Prasanna Dissanayake
General Manager - Hydro



Chamira Gunaratne
General Manager - Wind



Sanjaya Navarathne
General Manager - Solar

MANAGEMENT TEAM



Sanjeeva Dharamapriya
Deputy General Manager - Solar



Ahadha Hassen
Executive Secretary



Mervyn Francis
Manager - Accounting



Lalith Hewagama
Manager - Operational Finance



Aravinda Karunarathne
Manager - Operation and Maintenance



Rajkumar Kanagaratnam
Manager - Operation and Maintenance



Nimanthi Mihirani
Manager - Logistics

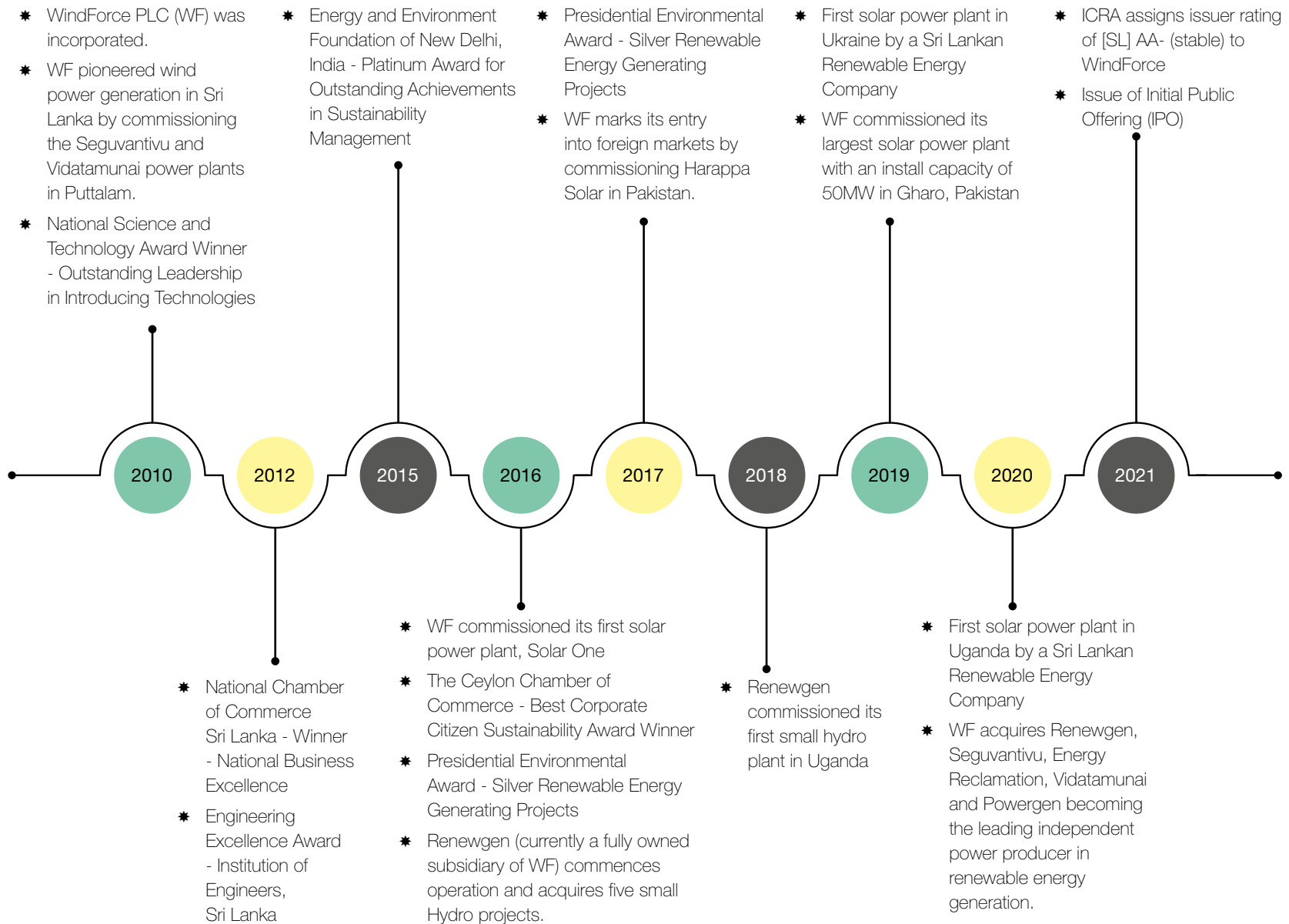




Rise Up

Rise Up...
so that we leave
the world a
better place...

KEY MILESTONES



FINANCIAL HIGHLIGHTS



GROUP REVENUE

LKR 4.3 Bn



PROFIT AFTER TAX

LKR 2.1 Bn



PAT GROWTH

13%

Year ended 31st March	2021 LKR	2020 LKR	%
Operating Results			
Group Revenue	4,310,110,387	3,484,204,412	24%
Profit Before Taxation	2,547,753,514	2,359,159,000	8%
Profit After Taxation	2,146,248,524	1,896,798,412	13%
Profit Attributable to Parent	1,749,818,522	1,540,914,968	14%
Gross Dividend Paid	400,000,000	1,021,383,630	-61%
Financial Position			
Total Assets	34,033,446,447	27,181,177,208	25%
Equity Attributable to the Equity Holders of the Parent	20,958,613,338	16,346,614,537	28%
No. of Ordinary Shares	1,148,153,601	1,148,153,601	0%
Gearing Ratio	21.85%	27.29%	-20%
Return on Capital Employed	10.30%	11.79%	-13%
Shareholder Information			
Return on Assets	6.31%	6.98%	-10%
Earnings Per Share	1.52	1.87	-18%
Dividend Per Share	0.35	1.24	-72%
Net Asset Value Per Share	18.25	19.83	-8%
Interest Cover	7	6	19%

NON-FINANCIAL HIGHLIGHTS



481.21GWh
**TOTAL ENERGY
GENERATION**



135
**TOTAL
WORKFORCE**



5.5 HRS/ANNUM
**AVERAGE TRAINING HOURS
PER EMPLOYEE**



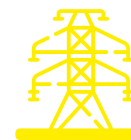
97.3MW
**TOTAL OVERSEAS INSTALLED
CAPACITY**



376,800MT
**ESTIMATED TOTAL
CO₂ SAVED**



0
**NUMBER OF
INJURIES**



19MW
**INSTALLED CAPACITY
FOR THE YEAR**



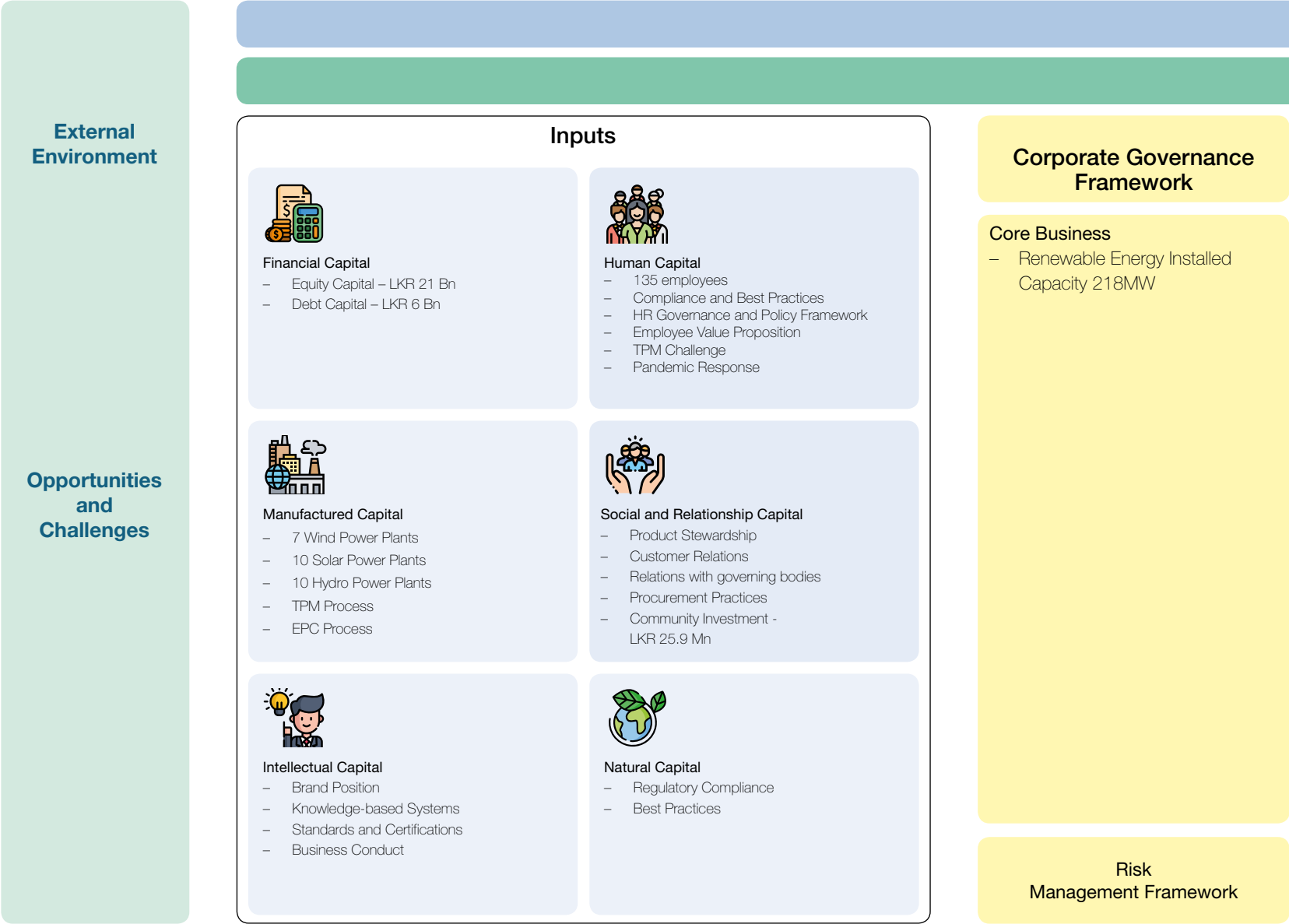
120.7 MW
**TOTAL LOCAL
INSTALLED CAPACITY**

CHAPTER – 1

STRAT- EGY

Business Model / 44
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BUSINESS
MODEL



BUSINESS MODEL

Mission, Vision

Strategy

Outputs for WindForce

- AA- (Stable) Issuer Rating by ICRA Lanka
- High overall Brand Ranking
- Recognition as a global renewable energy company
- Ability to attract foreign investors
- Lower costs through operational excellence
- Higher employee productivity and motivation
- Low employee attrition
- Strong track record to support future business growth
- Enhanced reputation as a responsible corporate steward

Outputs for WindForce



Shareholders

- ROE – 10.2%
- ROCE – 10.3%
- Dividend Payout LKR 400 Mn
- Value Creation through IPO



Suppliers

- Total Value distributed - LKR 1.03 Bn
- Percentage on Local Suppliers - 85%
- New suppliers on-boarded - 57



Customers

- Energy Generated – 481.21GWh
- Product Safety Violations – None
- Reported incidents of anti-competitive behaviour – ZERO



Regulators

- Contribution to the national renewable energy agenda
- Reported Incidents of non-compliance of environmental regulations - None
- Reported incidents of bribery and corruption - None
- Operations at risk for corruption - None
- Operations at risk for Human Rights - None
- Direct / Indirect political contributions made - None
- Health and Safety violations - None



Employees

- Total monetary benefits paid - LKR 201 Mn
- Opportunity for share ownership through IPO
- Fatalities - 0
- Major Injuries - 0
- Minor Injuries - 0
- Incidents of discrimination - 0
- Ratio of entry level wage (men:women) - 1:1



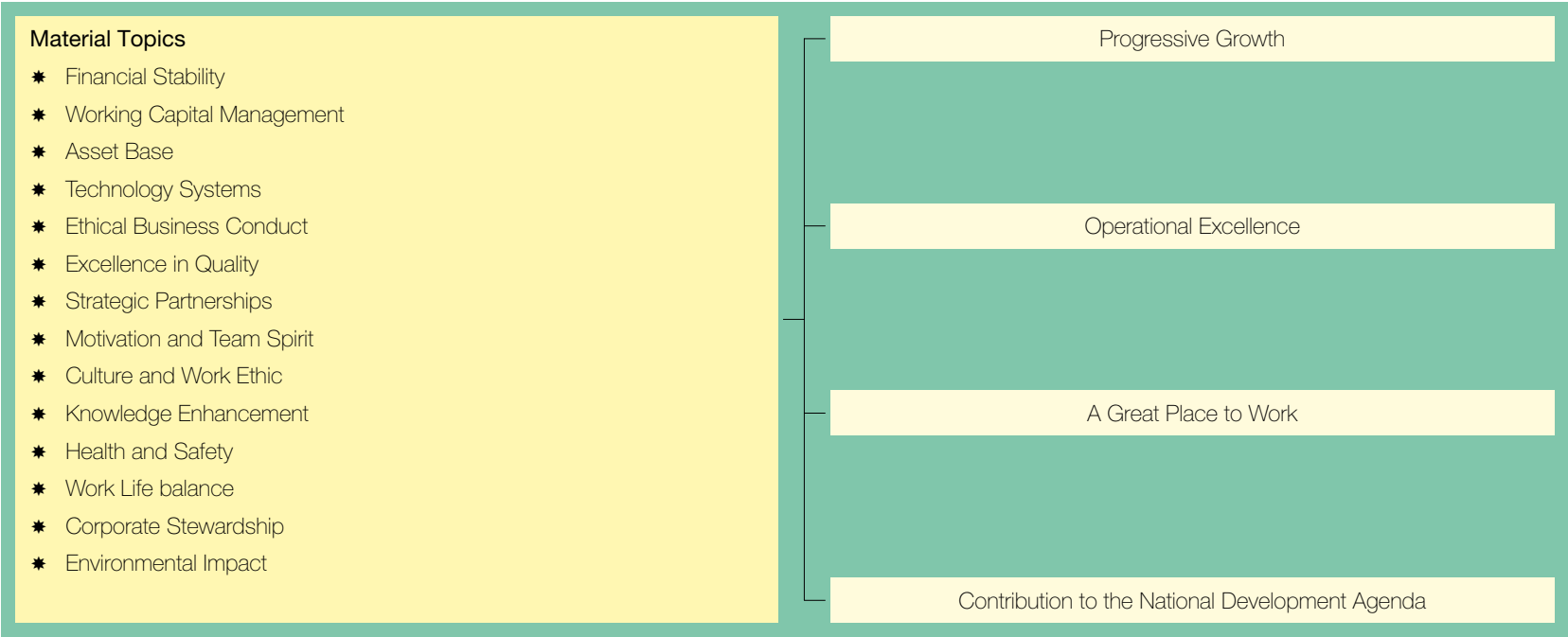
Communities

- Emissions from core business - ZERO
- Livelihood development opportunities
- Access to clean drinking water
- Community Infrastructure development
- Emergency relief assistance

Since inception WF's strategy has remained firmly anchored to its mission. Hence, we use a combination of short, medium and long term planning cycles to enable WF to realise its strategic intent; while striking the right balance to safeguard stakeholder interests.

WF's overall strategy is underpinned by four Strategic Pillars that have been established by scrutinising the list of Material Topics relevant to the Company. These four Strategic Pillars serve as the main nerve center providing directional guidance regarding the allocation of resources.

BASIS OF STRATEGY FORMULATION AND EXECUTION



CORPORATE STRATEGY

PROGRESSIVE GROWTH



Targets and Objectives

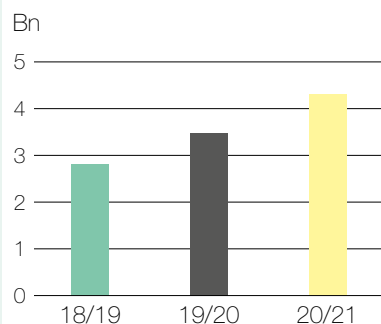
- * Maintain a strong renewable energy mix
- * Maintain an optimal split between local and overseas project exposure
- * Maintain overall gearing ratio at 25%-50%

Strategic Drivers

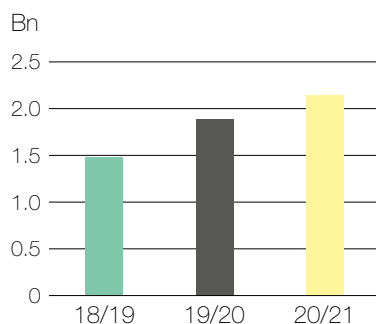
- * Continuously expand the project pipeline to maintain a diversified portfolio of renewable energy assets, including Wind, Solar, Hydro and alternative clean energy
- * Gain first mover advantage in overseas markets
- * Maintain an optimal balance between equity and debt to safeguard the balance sheet
- * Seek out value adding partnerships to support value creation

Strategy in action

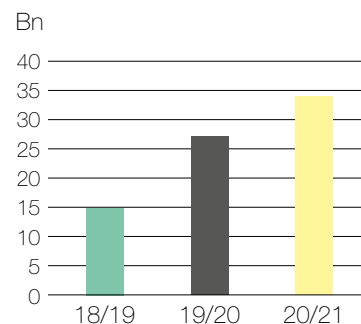
REVENUE



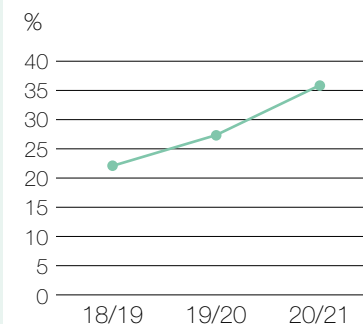
PAT



TOTAL ASSET BASE



GEARING RATIO

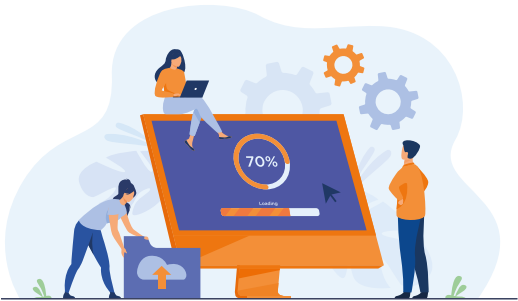


FOCUS FOR 2020/21

- * - Commissioned the 9MW Semypolky Solar plant in Ukraine
- * - Commissioned the 10MW Tororo Solar PV power project in Uganda
- * - Raised LKR 3.2 billion through the initial public offering
- * - Repaid approximately 5% of project loans
- * - Tied up with Tundra Fonder, a Swedish asset manager specialising in frontier markets

CORPORATE STRATEGY

OPERATIONAL EXCELLENCE



Targets and Objectives

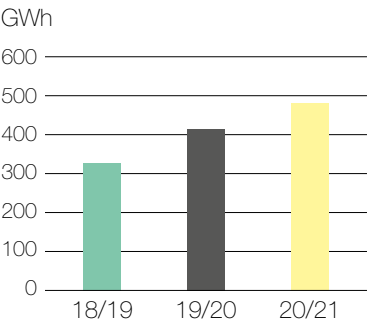
- * Aim for 97% plant availability
- * Ensure optimal energy generation at all plants

Strategic Drivers

- * Adoption of the latest renewable energy technology for Wind, Solar, Hydro and Waste-to-Energy
- * Implementation of globally recognised management systems in projects in quality, EHS and risk management activities.
- * Engineering-Procurement-Construction (EPC) Process
- * Strengthen tacit knowledge of employees
- * Encourage innovation among teams

Strategy in action

GENERATION VOLUME



FOCUS FOR 2020/21

- In-house management of O&M activities at all plants
- Total number of training hours - 745 hours
- TPM challenge

CORPORATE STRATEGY

A GREAT PLACE TO WORK



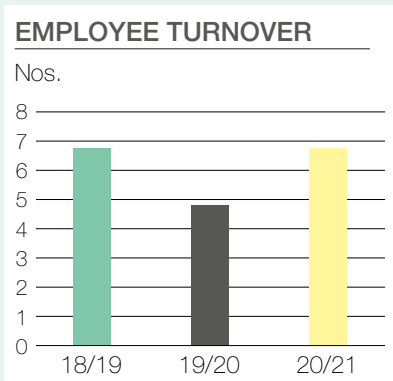
Targets and Objectives

- * Maintain over 85% Employee Satisfaction
- * Minimise employee attrition
- * Ensure ZERO fatalities or accidents

Strategic Drivers

- * ISO 45001 - Occupational Health and Safety Management Standards
- * Employee Value Proposition
- * Employee Relations

Strategy in action



FOCUS FOR 2020/21

- Total monetary benefits distributed to employees - LKR 201 Mn
- Employees were allowed to purchase 7.5% of the shares issued as part of the IPO
- Employee safety measures in response to the COVID-19 pandemic

CORPORATE STRATEGY

CONTRIBUTION TO THE NATIONAL DEVELOPMENT AGENDA



Targets and Objectives

- * Lead the way towards Sri Lanka's energy transition
- * Drive Sri Lanka's efforts to achieve carbon neutral status
- * Support Sri Lanka's contribution to the UN SGD's

Strategic Drivers

- * Be the largest private sector renewable energy company contributing to the national grid
- * Contribute to SDG 7, 9 and 17 through the core business
- * Community investment to drive SDG 1,2,4, 6,8,10,13 and 15

FOCUS FOR 2020/21

- Launch of a new 5-pillar CSR Model

MATERIAL TOPICS

Our Material Topics are those issues that could seriously affect WF’s commercial viability and social relevance. Having understood that the Materiality determination process can be used as a business tool to achieve strategic objectives and meet stakeholders’ expectations, we undertook the first ever Materiality determination exercise for WF at the start of the current financial year. The steps followed are shown below;

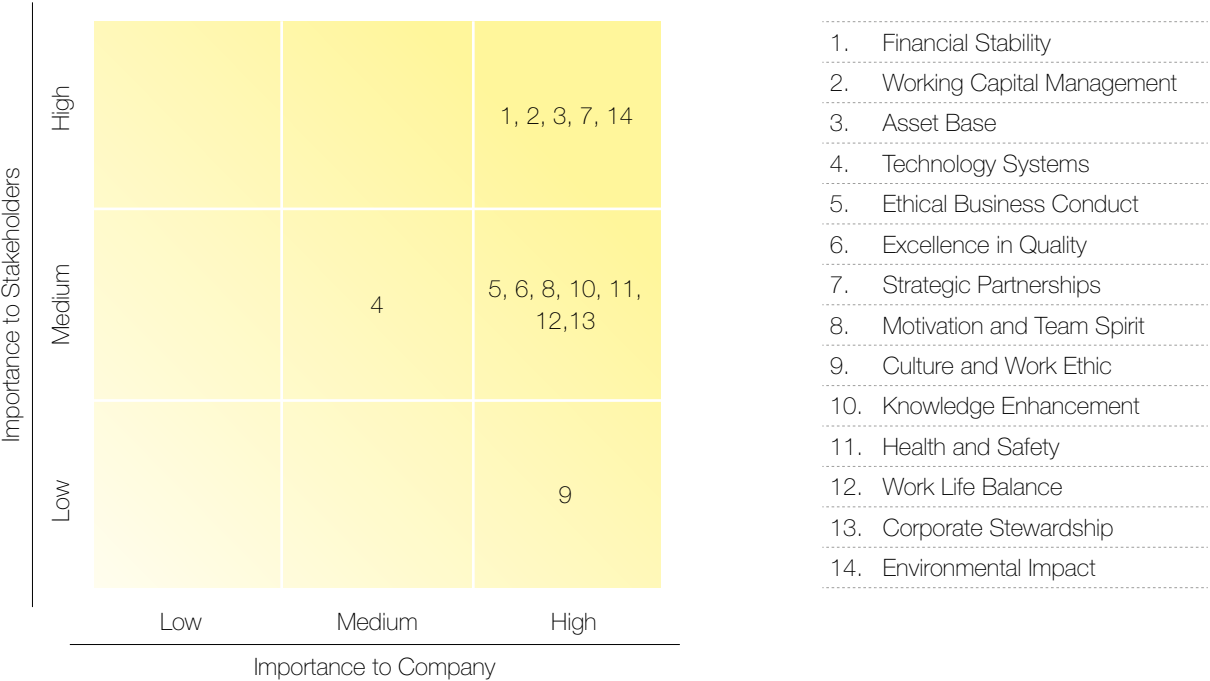
STEP 1 - IDENTIFY MATERIAL TOPICS

In identifying WF’s Material Topics, we considered the views and concerns raised by our stakeholders during our interactions with them. In addition, we also took into account matters that emerged through our risk management and audit frameworks and looked more deeply at global trends that are affecting our industry. We also referred to various principles and guidelines such as the United Nations Sustainable Development Goals (SDG’s). In this way we sought to make a holistic assessment of the most material economic, social and environmental topics that are important to our stakeholders or impact our business.

On this basis, we identified a total of 14 Material Topics.

STEP 2 - PRIORITISE MATERIAL TOPICS

Identified Material Topics were then ranked based on their importance to stakeholders as well as their importance to the Company. For this purpose, we used a Materiality Matrix as shown below. The results of the Materiality Matrix have been verified by the Senior Management and the WF Board.



MATERIAL TOPICS

[GRI 102-47] [GRI 103- 1/2/3]

Material Topic	Topic Boundary	Why it is considered Material	Management Approach	Further References	Evaluating the effectiveness of our management approach
Financial Stability	Internal	Improves shareholder returns and strengthens brand equity	Consistent revenue growth and strong cost management	Financial Capital - Page 77	NPBT NPAT ROE Credit Rating No. of new projects
Working Capital Management	Internal	Ensures business continuity	Strike the optimal balance between equity, debt and investor funding	Financial Capital - Page 77	Liquidity Ratio Debt: Equity Ratio
Asset Base	Internal / External	Strengthens industry standing	Diversified investment strategy	Manufactured Capital - Page 87	Growth in Asset Base No. of new projects
Technology Systems	Internal / External	Increases customer and investor confidence	Procurement practices Product stewardship Business networks	Social and Relationship Capital - Page 99 Intellectual Capital - Page 94	No. of new projects
Ethical Business Conduct	Internal / External	Enhances brand credibility	Business conduct Customer relations Relations with governing bodies	Intellectual Capital - Page 94 Social and Relationship Capital - Page 99	Incidents of non-compliance Brand awards Plant availability No. of new projects

MATERIAL TOPICS

Material Topic	Topic Boundary	Why it is considered Material	Management Approach	Further References	Evaluating the effectiveness of our management approach
Excellence in Quality	Internal / External	Increases customer and investor confidence	Investment in knowledge-based systems Total Productive Maintenance (TPM) EPC process Governance and Oversight	Intellectual Capital - Page 94 Manufactured Capital - Page 87	
Strategic Partnerships	Internal / External	Increases customer and investor confidence	Business networks Standards and Certifications Procurement practices	Intellectual Capital - Page 94 Social and Relationship Capital - Page 99	
Motivation and Team Spirit	Internal	Contributes towards the achievement of corporate objectives	Employee Value Proposition	Human Capital - Page 80	Employee satisfaction level
Culture and Work Ethic	Internal	Builds team spirit and loyalty among the workforce	HR governance and policy framework		Employee attrition rate
Knowledge Enhancement	Internal / External	Contributes towards the achievement of corporate objectives	Investment in knowledge-based systems Total Productive Maintenance (TPM) EPC process		On-time completion of projects Improved efficiency at existing plants Safety track record

MATERIAL TOPICS

Material Topic	Topic Boundary	Why it is considered Material	Management Approach	Further References	Evaluating the effectiveness of our management approach
Health and Safety	Internal / External	Increases employee confidence	Compliance and Best Practices HR Governance and Policy Framework		
Work-Life Balance	Internal	Strengthens ability to retain key staff	HR Governance and Policy Framework Compliance and Best Practices		
Corporate Stewardship	Internal / External	Helps reduce socioeconomic disparity	Community investment	Social and Relationship Capital - Page 99	Direct contribution to communities No. of beneficiaries
Environmental Impact	Internal / External	Supports the national environmental goals	Regulatory compliance Best Practices	Natural Capital - Page 97	Incidents of non-compliance Contribution to the national renewable energy mix

PROPOSED ACTION FOR THE FUTURE

Going forward we expect to review WF's Material Topics annually in order to proactively address any new areas that may become relevant in the future depending on development in our business, regulatory and risk environments or based on any changes in the needs of our stakeholders and society at large.

KEY RISKS

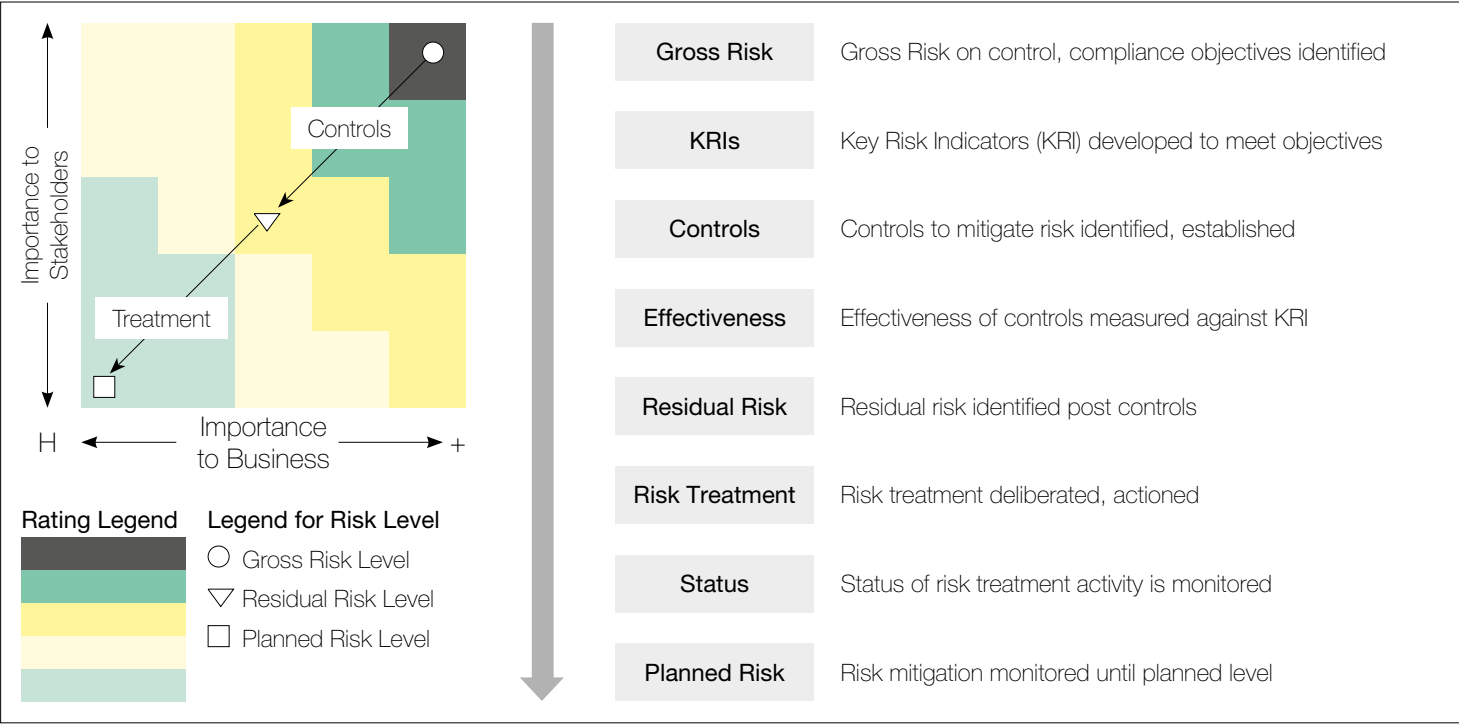
OVERVIEW

As in the case of any business, risk is inherent to WF's operations as well. WF is exposed to risks throughout the value chain as a result of the Company's growing international footprint as well as due to emerging trends in the renewable energy sector. Amidst this backdrop, our goal is to be proactive in identifying risks early so they can be mitigated if not completely avoided.

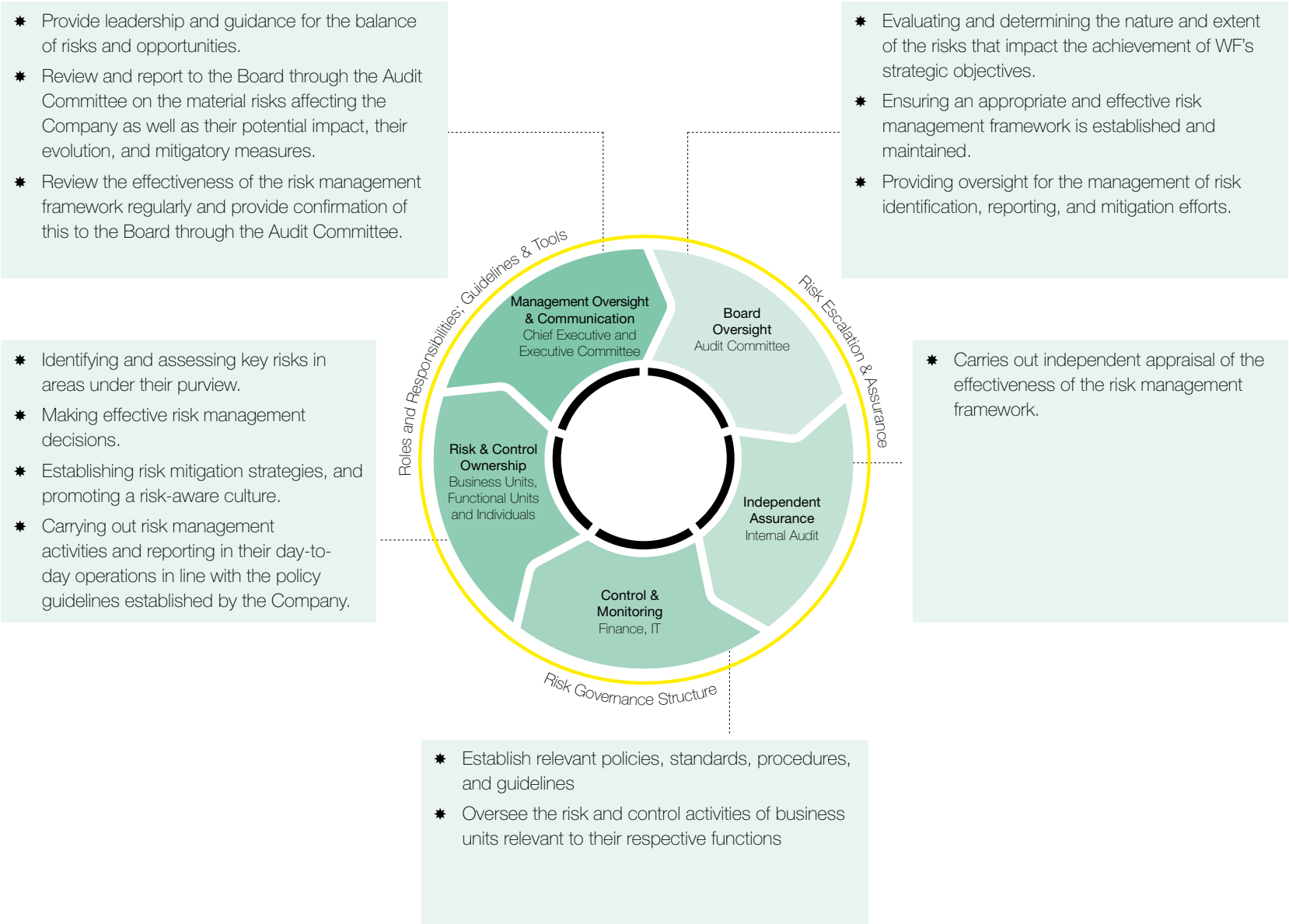
WF's APPROACH TO RISK MANAGEMENT [GRI 102 - 11]

WF's approach to risk management is based on the precautionary principle, that seeks to avoid any negative effects or damage to the Company that may result from the exposure to potential risk factors.

Premised on this, Risk management is integrated into all business and decision-making processes including strategy formulation, business development, business planning, capital allocation, investment decisions, internal control, and day-to-day operations. This is supported by an effective risk awareness culture where we make sure that risk management becomes the responsibility of everyone across the Company.



KEY
RISKS



KEY RISKS

Compliance plays a major role in implementing the precautionary principle in our risk management activities. WF complies fully with all applicable laws and regulations at national and local levels in all countries where we operate. The responsibility for fulfilling compliance requirements are delegated to the respective functional heads who in turn are expected to continuously work with their teams to ensure there is no deviation. On the project side, we have developed a set of processes to ensure that any third parties also abide by our policies and guidelines. The WF Board periodically reviews compliance reports of all laws applicable to the Company.

MANAGING WF's KEY RISKS

Financial Risks

Potential Risk Factors	Risk Mitigation Measures	
Delay in revenue receipts from utilities	- Continuous and ongoing monitoring of dues - Regular interactions with utilities to ensure timely settlements	New threat events for FY 2020/21 and WF's response WF's experienced substantial delays in receiving tariff payments from the CEB due to the COVID-19 pandemic. During this time, WF's leadership continued to work with CEB officials to expedite receipts
Project funding	- Integrated project planning including matching of funding requirements at each stage of the project - Negotiating contingency funding lines	
Working capital requirements	- Stringent cash flow management - Maintaining adequate liquidity buffers to ensure a Liquid Asset Ratio of 36% of the total asset base	
Exchange rate volatility	- Income from overseas plants are managed carefully to ensure a net positive position meets direct expense requirements - To mitigate the potential currency risk, overseas projects are financed through foreign debt mobilised in the same currency as the tariff	New threat events for FY 2020/21 and WF's response The sizable depreciation of the Rupee against the US Dollar had a dual impact on WF's bottom line in the current financial year. On one hand the appreciation of the US Dollar had a positive impact on the Dividend Income and Management Fee Income repatriated by the Company's overseas plants. On the other hand, the depreciation of the Rupee had a negative impact on the Company's cost structures owing to the higher cost of imported spare parts and foreign services. However, a significant portion of the cost increases was by the devaluation gain earned on repatriated income. Going forward WF is evaluating the possibility of factoring in an allowance for devaluation loss as part of the bid cost.

KEY RISKS

Operational Risks

Potential Risk Factors	Risk Mitigation Measures	
Plant Performance	- Applying TPM (Total Productive Maintenance) principles at all operational plants - Strict governance and oversight to ensure plant performance is maintained at optimal levels	
Supply chain disruptions	- Selection of suppliers based on the project-wise procurement plan - Comprehensive vendor selection process to develop working relationships with local suppliers - Contract with globally reputed Original Equipment Manufacturers (OEM) companies with a strong track record for reliability - Continuously expanding the network of supply chain partners for spare parts and other consumables to avoid supply chain disruptions	
Employee Health and Safety	- Implementation of a safety manual based on the ISO 45001, Occupational Health and Safety Management Standards, at all plants - Plant teams receive mandatory safety training by a certified trainer - All systems and processes are subject to ongoing review through a regular hazard identification process with mitigation action taken as required - Annual safety audit in compliance with the requirement of the ISO 45001 standard - Safety Procedures for each project site based on the respective site complexity and nature	New threat events for FY 2020/21 and WF's response The COVID-19 pandemic brought additional challenges to WF's operations on issues related to staff health. In response WF introduced appropriate control measures to safeguard employee health and well-being
Employee loyalty and commitment	Human capital development activities aimed at giving employees a sense of achievement and pride to be part of the WF team	

Strategic Risks

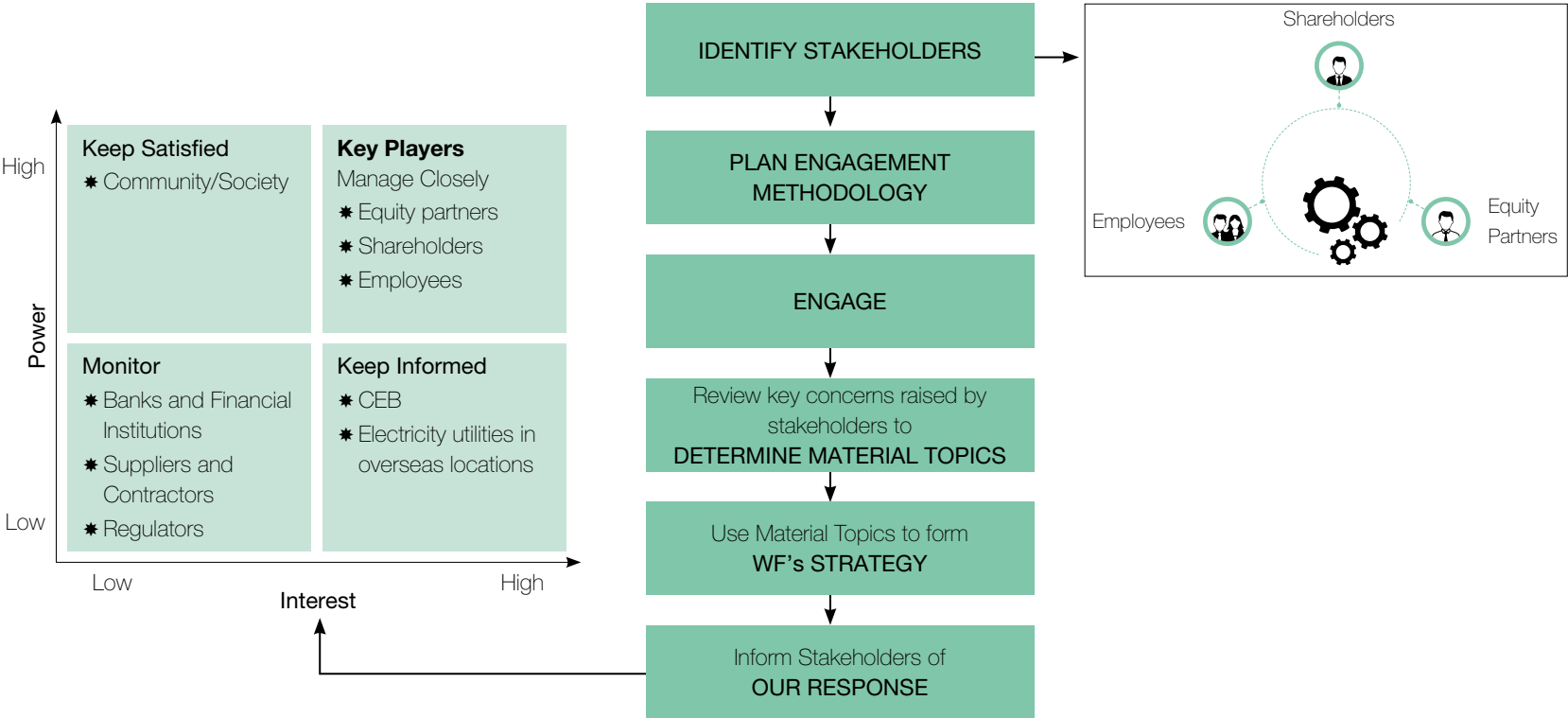
Potential Risk Factors	Risk Mitigation Measures	
Extreme weather events as a result of climate change	- Investing in building a diversified portfolio covering the full spectrum of renewable energy assets, including wind, solar and hydro power - Seeking out opportunities for alternative clean energy investment - Broad-basing the offshore footprint	
Delay in project completion deadlines	- In-house management of the EPC (Engineering-Procurement-Construction) process - Systematic progress monitoring and appropriate corrective actions as and when necessary - Strict governance and oversight to ensure on-time completion of projects	
Slow adoption of technology	- Ongoing monitoring and review of global technology trends - Innovative research projects	
Inability to expand the project pipeline	- Long range planning cycles spanning 5 to 10 years - Pursuing business development opportunities both locally and overseas	

STAKEHOLDER GOALS

At WF, we recognise the importance of being responsive to stakeholder expectations and interests. We believe that continuous, constructive and open dialogue is key to ensuring that we not only understand stakeholder expectations, but we also give stakeholders a better understanding of our business and encourage them to stay invested in WF's progress.

WF has a highly streamlined approach towards stakeholder engagement, which is aimed at building strong relationships with them based on trust and mutual respect.

[GRI 102 - 40/42/43/44]



STAKEHOLDER GOALS

The process begins with the identification of WF's various stakeholder groups based on internal discussions and the day to day control processes, including risk assessment and the internal audit framework. Thereafter suitable engagement mechanisms are planned out and executed, while key concerns raised by stakeholders during these engagements are further scrutinised to determine what topics are most material to each stakeholder group. Material Topics identified in this manner are then integrated into WF's strategy with stakeholders informed of our response, accordingly.

Stakeholder Group	Engagement Methodology		Key concerns raised	Our Response
	Medium	Frequency		
Employees	– Management meetings – Internal communication – One-on-one discussions – Performance reviews	– Continuous and ongoing	– Performance evaluation – Remuneration – Training and Development	– Compliance and Best Practices – HR Governance and Policy Framework – Employee Value Proposition
Equity Partners and Shareholders	– Board Meetings – AGM – Announcement on the CSE and WF digital platforms	– Quarterly – Annually – As required	– Business plan and strategy – ROI and Risk – Sustainability	– Risk Management Framework – Brand Positioning – Business Conduct
Financial institutes and Banks	– Progress reports – Announcements and Financial publications on the CSE website	– Quarterly / Annually – As needed	– Business performance – Project financing	– Corporate Governance Framework – Business Conduct
Customers (Electrical utility in the relevant countries)	– One-on-one meetings	– As required	– Tariff rates – Project commissioning and Grid interconnection	– Submitting relevant information as mentioned in the SPPAs – Adhering to the regulations determined by the customer in the relevant countries.
Community/ Society/ Environment	– On-site visits – Meeting with community appointed leader	– Quarterly	– CSR – Community needs and requirements	– Community Investment Programme
Suppliers and Contractors	– Meetings – Company/Site visits	– Project Related	– Prices – Quality – Credit Period – Transparency – Terms of Contract	– Appointment of a special procurement team – Preparation of a dedicated procurement plan
Government institutions	– Meetings – WF website – Networking events – Press releases	– Project Related	– Compliance to laws – Health and Safety – Government initiated projects	– Adhere to laws and regulations – Ensure health and safety mechanisms – Contribute to good causes and initiatives

SUSTAINABILITY PRINCIPLES

As a renewable energy company, WF has always been ahead of the game in terms of sustainability impact. However having acquired a deeper understanding about its importance, our efforts have matured over the last decade, where we have come to think of sustainability not as a values-based responsibility, but more a strategic imperative that can support our growth ambitions over time.

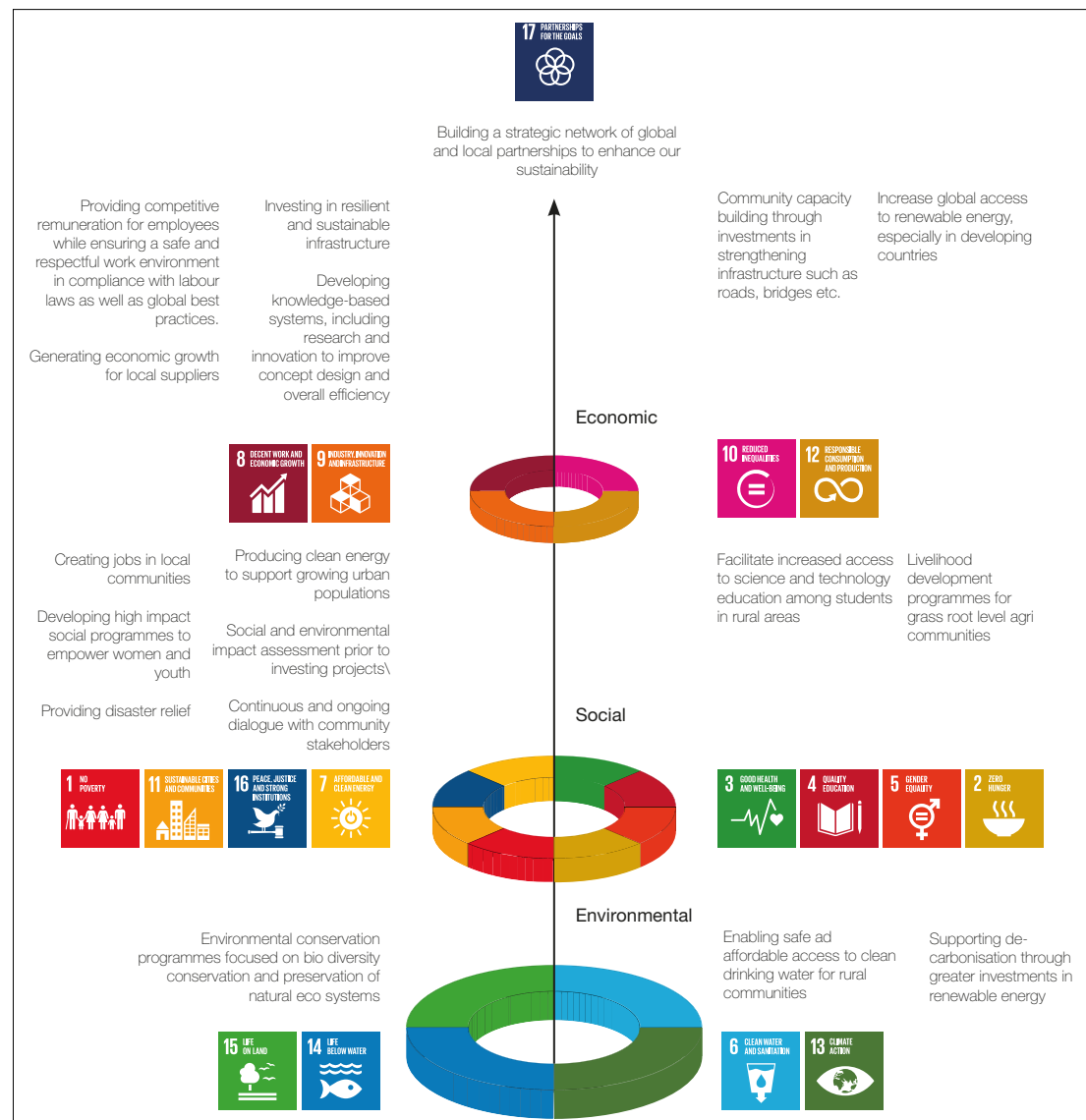
Today WF considers itself an advocate of sustainability, not merely because we are a renewable energy company, but due to our unequivocal commitment to adopt the triple bottom line approach to ensure our business contributes towards economic, social and environmental sustainability.

BENCHMARKING OUR SUSTAINABILITY STRATEGY AGAINST THE UN SUSTAINABLE DEVELOPMENT GOALS

Aiming to lead by example in finding solutions that can make a meaningful difference towards addressing global challenges, WF has aligned its strategy to the UN Sustainable Development Goals (SDG's) which have provided a more structured framework to direct our sustainability efforts.

The 17 SDGs and 169 subgoals address a wide range of global challenges, form part of the UN's 2030 Agenda for Sustainable Development that serve as a blueprint for a better and more sustainable future.

WF's contribution to the SDG's are depicted below;



CHAIRMAN'S STATEMENT



“

Despite challenges and obstacles, the WF Management Team placed its recipe for success at the fore and pushed our Company to achieve an attractive financial performance for 2020/21.

”

CHAIRMAN'S STATEMENT

Dear Shareholders

The world has experienced probably the most unusual year known in modern history, leaving countries, populations and commerce in dire straits. Undeniably a challenging year, the pandemic wreaked havoc globally - demanding that the world to take stock of its priorities, re-look at the fundamentals of development and give the earth a chance to heal. With renewable energy being our focus, at WindForce, our business is built around these priorities, where sustainable development and the efficient use of natural resources are combined to form the ethos of our foundation.

On behalf of the board of Directors of WindForce PLC, it gives me great pleasure to present the first integrated annual report of the Company for the year ended 31st March 2021.

The report aligns with the standards embedded in the GRI Standard (Core) and Integrated Reporting guidelines wherein global best practices for accountability, transparency and sincerity of action are defined in key sustainability metrics that demonstrates a culture of going beyond compliance.

THE YEAR IN A NUTSHELL

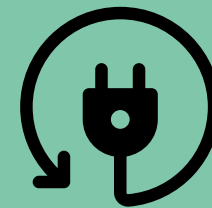
We are a pioneer in wind power generation and one of the first in solar power generation. Today our portfolio consists of 27 renewable energy plants. We are the only Sri Lankan company to have set up solar power plants in Pakistan, Uganda and Ukraine. Therefore, the WF strategic formula embraced the new environment with dynamism, as fundamentals which included flexibility and lean thinking were already well established. Hence, despite challenges and obstacles, the WF Management Team placed its recipe for success at the fore and pushed our Company to achieve an attractive financial performance for 2020/21, with a revenue growth of 24% and a bottom-line increase of 13%. Our financial performance is detailed in the following pages of this report.



Ranil Pathirana

Chairman, Non-Executive Non-Independent Director

“We have been handed this mantle of change by our stakeholders with the expectation that we remain true to the fundamental tenets of your Company, committed to the sustainable consciousness that remains at the heart of our business”.



27

renewable energy plants

“We are indeed proud to be the most diversified private sector renewable energy company in the country”.

CHAIRMAN'S STATEMENT

THE IPO AND BEYOND

WindForce made history at the Colombo Stock Exchange this year when we had the largest Initial Public Offering (IPO) on the Colombo Bourse since 2011, raising LKR 3.2 Bn.

The IPO opened a completely new chapter in our journey as a renewable energy company, enabling us to expand our growth opportunities both in Sri Lanka and overseas. WF was given a further endorsement when ICRA Lanka Limited gave the Company an issuer rating of (SL) AA- (stable), the highest ever rating bestowed on a corporate in Sri Lanka at the time of the issuance.

This was a period when investor confidence was at an all-time low and this heavily over-subscribed IPO injected positive sentiment into the Colombo Bourse, as our share traded above its debut price of LKR 16. The IPO was oversubscribed over seven times the issue value which also goes to show WF's role in augmenting investor sentiment in the renewable energy sector.

Going public also meant that WF transitioned from a family owned business to a public listed company. To those of us directors and senior management who have been a part of the WF journey from inception, this transition placed new responsibilities in our hands. We have been handed this mantle of change by our stakeholders with the expectation that we remain true to the fundamental tenets of your Company, committed to the sustainable consciousness that remains at the heart of our

business, sincere in our ideology and responsible in our actions to ensure that the decisions we make will be positively impactful.

It is therefore with great pleasure that we allocated 7.5% of the IPO issue to our WF team. This allocation was oversubscribed which also gave us the confidence that our team believes in our ethos and are eager to take ownership of ensuring we meet our objectives and goals.

The key objectives of the IPO were stated in the Prospectus and work is ongoing to complete the said projects and achieve our targets.

Subsequent to the IPO and as part of our strategic growth plans, we acquired a 33% stake in Solar Universe (Pvt) Ltd that holds the rights and required approvals to develop a 10MW ground mounted solar power farm in Vavunathivu, Sri Lanka. This project is scheduled for completion by March 2022. WF was also granted cabinet approval for the construction of a 15MW (10MW+5MW) wind power plant, Hiruras (Pvt) Ltd in Mannar, Sri Lanka. In our quest to make renewable energy more affordable and accessible, we are also in the process of developing a 30MW battery storage power station in Senegal, fuelling our ambition of being a change agent in the global renewable energy sector by embracing cutting edge technology.

A mere two months after the IPO, WF augmented the value addition to local and foreign investors and partners by issuing dividends of LKR 1.03 Bn, which yet again helped to bolster positive sentiment on the Colombo Stock Market.

WAY FORWARD

Being conferred the status of Sri Lanka's #1 renewable energy company in just over a decade of operations was due to a clear strategy, unwavering passion and forward-thinking dynamism.

With the astute investments and growth opportunities we have identified above, WindForce will continue its leadership status as the largest Independent Power Producer (IPP) in renewal energy in Sri Lanka and one of the largest in the region.

In our early years, our investments were in hydro power. Subsequently, WF moved into wind power plants, which with its success, gave us immense confidence to move forward, charting a sustainable course for growth. Now our focus is set on expanding into the solar power sector and exploring options in the Waste to Energy space to build a holistic renewable energy portfolio that truly resonates with our business ethos. The next two years will herald larger strides in the latter sector, if required approvals and project viability benchmarks are met.

We are indeed proud to be the most diversified private sector renewable energy company in the country. Hence, with our passion to become a global champion in green energy pushing us ahead, we continue exploring expansion opportunities in Sri Lanka and overseas, continually raising the bar in knowledge, capability and competency in a milieu of state-of-the-art technology.

CHAIRMAN'S STATEMENT

The UN Sustainability Development Goal 7 aims to have universal access to affordable clean energy in the global energy mix by 2030 and countries around the world are working towards renewable energy options. The global journey towards a world fuelled by green energy is exemplified by the EU's plans to increase its renewable energy mix to 40% by 2030 and cut energy consumption by 9% by the same year.

Aligned with the UN SDG goal, Sri Lanka's national target is to have 70% renewable energy in its energy mix by 2030. The country has an additional target of becoming carbon neutral by 2050. Both these diktats have been embedded in national policy where fuel diversification and energy security have become strategic objectives. This therefore augurs well for the Company's future and our plans to champion clean energy, with Sri Lanka's wide-ranging plans to use renewable energy in the form of solar, wind, water and bio-fuels gaining traction.

ACKNOWLEDGEMENTS

Our journey of 11 years has been a learning curve and one which has been extremely rewarding. I would like to take this opportunity to thank my fellow directors for their guidance and support during the year, especially the Executive Deputy Chairman and Managing Director for their efforts to drive WindForce to greater heights.

My appreciation to our CEO and the WF Team for their dedication and hard work, especially during a year of unprecedented challenges.

Trust and confidence is what we observed when our IPO was oversubscribed, and I extend a warm welcome to our new shareholders. You are assured of our utmost dedication, commitment and effort in ensuring that your expectations will be surpassed as you make this journey with us.



Ranil Pathirana

Chairman, Non-Executive Non-Independent Director
8th September 2021

MANAGING DIRECTOR'S REVIEW

“

Moving forward from this point, we expect to continue growing consistently by strategically expanding our portfolio of renewable energy assets in Sri Lanka and overseas.

”



MANAGING DIRECTOR'S REVIEW

Dear Stakeholders

The financial year 2020/21 was unprecedented on many fronts. Let me qualify this statement by saying that for WindForce it was a year marked by unprecedented milestones and remarkable achievements.

At a time when the entire world was tilting on its axis amidst the COVID-19 pandemic, WF not only stayed on course but celebrated some important corporate milestones that will forever be etched in our history. I refer to WF's initial public offering in March 2021 which was a massive success with shares being oversubscribed many times over. On a personal note, it was a moment of triumph that I believe is the culmination of WF's decade-long journey towards becoming the #1 renewable energy company in Sri Lanka.

FINANCIAL RESULTS

Our financial results for the year ended 31st March 2021, I believe, testifies to the strength of our strategy and the agility and resilience of our business model.

At LKR. 4.3 Bn, WF's Revenue for the FY 2020/21, was 24% higher than the topline reported in the previous financial year. The increase is attributed primarily to WF's restructuring activities that resulted in a positive LKR 1.2 Bn impact to the revenue. The newly commissioned Tororo Solar Plant in Uganda also made a notable contribution towards revenue for the FY 2020/21.

Overall cost of sales increased by 37%, primarily as a result of the LKR 306 Mn incurred as part of the restructuring effort and another LKR 124 Mn attributed to the newly commissioned Tororo Solar Plant. Nevertheless, our cost structures remained well contained across all sectors, with the 13% reduction in O&M expenses for the wind power sector leading to a substantial decline in overall costs.



Manjula Perera
Managing Director, Executive Non-Independent

“We will continue pursuing large scale projects to meet our long term growth objectives. We are currently scoping out possibilities with the aim of making further inroads in the wider Asian region and the African continent”.



4.3 Bn

Revenue for 2020/21



24%

Growth

“Being a renewable energy producer, WF is already a sustainability champion”.

MANAGING DIRECTOR'S REVIEW

The low interest rate environment also worked in our favour enabling WF to benefit from significantly lower funding costs compared to the previous years. We also succeeded in settling a large share of our project loans during the year, which helped to further reduce WF's Finance Expenses. And even after an additional LKR 45 Mn in finance costs for Tororo Plant, our total Finance Expenses for the FY 2020/21 declined to LKR 421 Mn, a sizable 12% drop compared to the 2019/20.

The share of profits from WF's associate investments, increased by 36% in the year under review. Interestingly the increase was despite the combined effect of the unforeseen generation drop due to a transformer failure in plants Dali Life, Nirmalapura and PowerGen as well as the Tariff drop due to plants entering their second tier in operation. At this point, it is worth mentioning though that LKR 197 Mn from the Ghoro Solar plant added a significant boost to the share of profits from WF's associate investments.

I am also very pleased to announce that backed by these strong financial results and strong balance sheet indicators, WF was awarded the AA- (stable) issuer rating by ICRA Lanka Limited for the year under review. Incidentally, this is also the highest rating issued to a Sri Lankan corporate to date.

OPERATIONAL PROGRESS

Our diversified portfolio of renewable energy assets continued to perform at optimum levels throughout the year with all power plants recording 97% -98% availability in the FY 2020/21. At this point, I must reiterate that being an energy producer, the pandemic impact on our existing plant operations was minimal. With the production of electricity declared an essential service, all our power plants remained fully operational throughout the year, including during the 2-month islandwide lockdown. WF's portfolio of 21 power plants in Sri Lanka together contributed appropriately 260GWh of renewable energy to the national grid in the year under review.

I believe this figure would have been much higher, had it not been for the fact that our Nirmalapura, Dali Life and PowerGen wind power plants were compelled to operate below capacity due to the failure of the 75 MVA power transformer at the CEB's Norochcholai Wind Collector Substation in July 2020. The three plants continued to operate on a limited basis for more than a year thereafter as the temporary interconnection arrangements offered by the CEB proved to be insufficient to accommodate the rated capacities of these plants.

WF's solar investments too continued to generate good results, with all six of our solar plants in Sri Lanka fully operational throughout the year. Slightly lower generation volumes were recorded at our solar plants in Vavuniya and Wellikanda in the year under review, which were affected by uncharacteristically high rainfall in these areas.

We continued to expand our solar footprint in Sri Lanka with the addition of a 10MW ground solar installation in Vavunathivu, for which the PPA was signed in March 2021 just prior to the conclusion of the financial year. With construction work on the project well under way at the time of writing, I expect the plant to be operational latest by March 2022.

I am also very pleased to announce that we continued to expand our portfolio of offshore solar assets by successfully completing and commissioning two new solar plants within the financial year. The relentless efforts by the project teams to overcome pandemic related challenges enabled the 9MW plant in Ukraine to be commissioned in July 2020. Meanwhile with more than 95% of the work on the 15MW Tororo plant in Uganda already completed before COVID-19 reached pandemic status, we were able to commission the plant by August 2020.

These investments, while marking WF's transition as a truly global renewable energy operator, will also serve as a key catalyst in advancing our journey in the years ahead.

Our portfolio of hydropower investments delivered a strong performance this past year. After years of erratic weather, Sri Lanka received consistently high rainfall for a large part of 2020, making it a good year for hydropower generation.

MANAGING DIRECTOR'S REVIEW

COVID-19 IMPACT

While the COVID-19 pandemic scenario did not directly impact the running of our existing plants, I must admit it severely hampered the progress of our project pipeline, both locally and overseas.

In Sri Lanka, the tender awarding procedure was delayed for many months as state institutions remained shut as part of the government's efforts to curb the spread of the virus. We were thus forced to accept the inevitable - that approval for what would become our largest wind power project to date, a 15MW project in Mannar would be delayed beyond the end of the financial year. This meant our timeline on this project would also be pushed back by at least a year.

However, by far the most significant concerns for us were due to the pandemic related international travel restrictions that hampered negotiations on several potential overseas projects. While final negotiations on the 30MW Solar PV power project in Senegal was substantially delayed, we were unable to proceed beyond initial negotiations for a number of other projects including a 150MW solar PV project tender in Pakistan and several solar power plant development opportunities in Cameroon which, if successful, would be some of the largest projects undertaken by WF to date.

Meanwhile, as the Sri Lankan government's decision to offer payment relief to electricity consumers during the pandemic began to affect the CEB's cash flow position, we had to contend with substantial delays in receiving tariff payments from the CEB. After several months of delayed payments, I am happy to say that receipts have regularised.

FOCUS ON SUSTAINABILITY

Our commitment to sustainability is anchored to the Sustainable Development Goals adopted by the United Nations General Assembly as a framework to facilitate its 2030 agenda. Being a renewable energy producer WF is already a sustainability champion. Through our core business activities, we are contributing directly to several targets under Goal 7: Affordable and Clean Energy as well as to Goal 9: Industry, Innovation and Infrastructure.

However, not content to rest on these laurels, we are now looking to play a more distinct role as a sustainability advocate. Towards this end, we spent a considerable amount of time this past year to understand the broader systemic issues that challenge the progress of our communities and to formulate a new sustainability strategy to redirect WF's efforts to meaningfully respond to these issues. The result is a new five-pillar strategy that will serve as the main blueprint driving our community investment programme. The main pillar, WindForce පීඨසතර (Education & Childhood Development) has been designated as WF's flagship community initiative aimed at supporting STEM education among rural youth in Sri Lanka, thus contributing to Goal 4: Quality Education.

WindForce සහන (Community and Livelihood Development), as the global community enrichment framework that focuses on holistically addressing community needs supports multiple SDG's. WindForce අත්හිත (Pure Hands for Emergency Relief) and WindForce සුවසිරි (Healthcare) both have specific mandates to assist in tackling key national priorities, such as healthcare and disaster management, while WindForce තර්ක හරහා (Environment Conservation) is the eco pillar under which all environmental conservation projects will be carried out.

FUTURE OUTLOOK

Looking back at how far WF has come over the past decade, it is abundantly clear that our robust business model and sound strategy is what has propelled us to where we stand today. Moving forward from this point, we expect to continue growing consistently by strategically expanding our portfolio of renewable energy assets in Sri Lanka and overseas.

I believe there is a very real opportunity to expand our renewable energy footprint in Sri Lanka, especially in light of the Sri Lankan government's recent declaration to aim for a 70:30 ratio in the country's energy mix by 2030 in favour of renewable energy. To meet this target, the country's renewable energy capacity will need to grow six-fold from the current 850MW. Amidst this backdrop, the opportunities for a renowned private sector renewable energy operator such as WindForce, are seemingly limitless.

To further enhance our scalability in the local renewable energy domain and support our goal of maintaining a consistent growth trajectory over time, we are looking to further diversify into alternative clean energy. We have already made some good headway in this regard by investing in a waste-to-energy project, which we expect to operationalise by 2023. The plant, located in Karadiyana, just 15 kilometers from Colombo, is equipped with a 400-metric ton per day incinerator plant and a 100-metric ton per day anaerobic digestion plant, which together has the capability to generate 10MW of electricity.

MANAGING DIRECTOR'S REVIEW

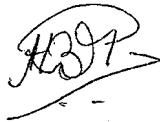
Growing our overseas presence will remain a key priority going forward. I remain confident that we will be able to conclude negotiations and secure the three major projects in Senegal, Cameroon and Pakistan that were delayed due to pandemic related travel restrictions. At the same time, we will continue pursuing large scale projects of this nature to meet our long term growth objectives. We are currently scoping out possibilities with the aim of making further inroads in the wider Asian region and the African continent. WindForce's successful track record in Pakistan, Uganda and Ukraine, will no doubt prove to be a sizable advantage in this regard.

APPRECIATIONS

This past year has shown us many things, among them the resilience and determination of our people in the face of lingering uncertainty. I would like to take this opportunity to personally thank each and every member of the WindForce team including senior leadership for their commitment and drive in making sure the job is done, despite the odds.

I also wish to express my sincere gratitude to the Chairman and my colleagues on the Board for their wise counsel and steadfast support at all times.

A special word of thanks to the Ceylon Electricity Board and the Sustainable Energy Authority of Sri Lanka for their support. Let me also place on record my appreciation for the regulatory bodies and utilities in all other countries where we operate. Finally, I wish to thank our shareholders for their trust and confidence in WindForce. Many of you are only at the start of your journey with us and I hope you will continue to stay invested in the years to come, for I am very confident that WindForce is destined for bigger and better things in the future.



Manjula Perera

Managing Director, Executive Non-Independent
Director
8th September 2021

PERFOR- MANCE

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OPERATING ENVIRONMENT

GLOBAL ENERGY SECTOR

Demand and Supply of Electricity

Record growth of renewables – led by wind and solar PV, which in 2020 grew by 12% and 23%, respectively, combined with a decline in global electricity demand – put fossil fuel-fired and nuclear power plants in a tight spot in 2020. Demand from non-renewable sources decreased by more than 3%.

Coal was the hardest hit among all sources of electricity in 2020, down 440 TWh. The 4.4% drop in generation from coal was the largest ever absolute decline and the largest relative decline in the past fifty years. Driven by low gas prices, the United States alone accounted for almost half of the global net decline. The European Union was responsible for an additional 23% of the decline – a decline largely offset by increases in generation from renewable sources.

Gas-fired power plants experienced lesser declines in generation compared to coal, down only 1.6% in 2020. Gas was less affected owing to competitive prices, especially during the middle of the year. In the United States, where gas-fired generation increased by 2% in 2020, coal-fired generation dropped by a staggering 20%, or 210 TWh.

Oil continued its uninterrupted global decline since 2012, decreasing by 4.4%.

Renewable Energy

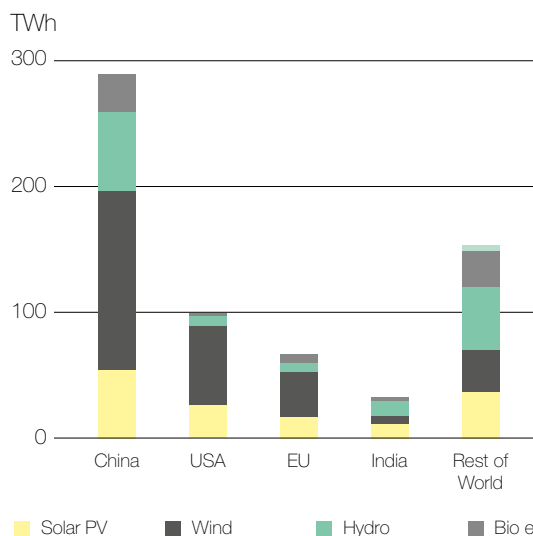
Renewable energy has so far been the energy source that has demonstrated the greatest resilience against COVID-19 lockdown measures, with electricity generation through renewable sources seemingly largely unaffected by these challenges.

In Q1 2020, the global use of renewable energy was 1.5% higher than in Q1 2019. The increase was driven by a rise of about 3% in renewable electricity generation after more than 100 GW of solar PV and about 60 GW of wind power projects were completed in 2019.

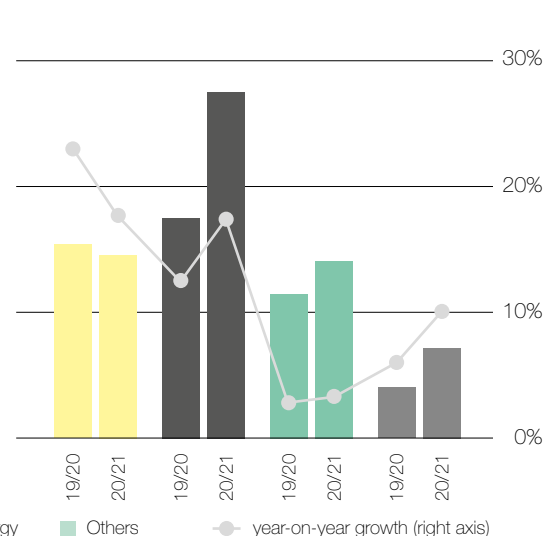
Renewable energy use increased 3% in 2020 as demand for all other fuels declined. The primary driver was an almost 7% growth in electricity generation from renewable sources. Long-term contracts, priority access to the grid, and continuous installation of new plants underpinned renewables growth despite lower electricity demand, supply chain challenges, and construction delays in many parts of the world. Accordingly, the share of renewables in global electricity generation jumped to 29% in 2020, up from 27% in 2019. Bio energy use in the industry grew 3% but was largely offset by a decline in biofuels as lower oil demand also reduced the use of blended biofuels.

Renewable electricity generation increase by technology, country and region

2020-2021 BY REGION AND SOURCE



GLOBAL BY PERIOD AND SOURCE



OPERATING ENVIRONMENT

Future Prospects for the Global Renewable Energy Sector

Electricity generated from renewable sources is set to expand by more than 8% in 2021 to reach 8,300 TWh, the fastest year-on-year growth since the 1970s. Solar PV and wind are set to contribute two-thirds of renewables growth.

Wind is set for the largest increase in renewable generation, growing by 275 TWh, or almost 17%, which is significantly greater than 2020 levels.

Hydropower generation is expected to increase further in 2021 through a combination of economic recovery and new capacity additions from large projects especially in China. Meanwhile energy from waste electricity projects in Asia are projected to drive growth of bioenergy.

Increases in electricity generation from all renewable sources should push the share of renewables in the electricity generation mix to an all-time high of 30% in 2021.

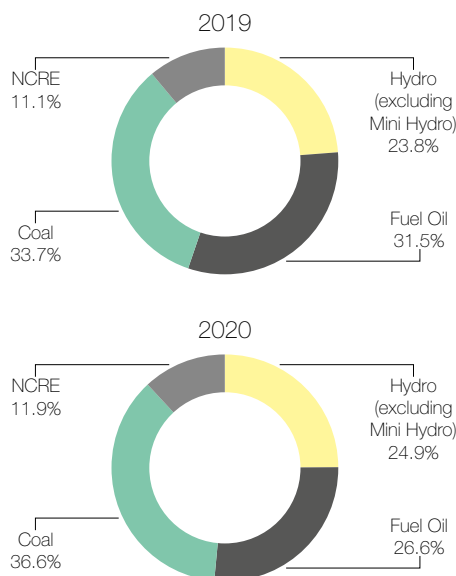
Source: Global Energy Review 2021 published by the International Energy Agency

ENERGY SECTOR - SRI LANKA

Total electricity generation registered a decline of 1.3% to 15,714GWh in 2020. A significant decline in generation was observed in the months of March, April, and May 2020 due to reduced electricity demand amidst lockdown measures which were imposed to curb the COVID-19 spread. A rebound in electricity generation was observed in June 2020 with the removal of the nationwide lockdown and the gradual return to normalcy. However, following

the emergence of the COVID-19 second wave the declining trend resumed in the latter part of the year. In terms of the generation mix, hydropower generation increased during 2020 supported by sufficient rainfall received in the catchment areas leading to healthy reservoir levels.

Figure 3.4
ELECTRICITY GENERATION MIX



Source: Ceylon Electricity Board

Coal power generation also increased during 2020, since units of the Norochcholai coal power plant did not experience any extended closures as observed in the previous years.

The combined effect of increased hydro and coal power generation led to a notable reduction in fuel oil-based power generation. Meanwhile, power generation through Non-Conventional Renewable Energy (NCRE) sources, including mini-hydro generation, registered an increase in 2020. Overall, the CEB contributed 70.9% of total power generation, while Independent Power Producers (IPPs) accounted for the remainder.

Future Prospects for Sri Lanka's Renewable Energy Sector

The government's declaration to meet 70% of the country's electricity demand using renewable energy sources by the year 2030, opens up some significant opportunities for the expansion of the country's renewable energy sector in the years ahead. This new long term generation plan which is currently being developed is expected to create a framework to systematically increase the share of renewable energy in the national energy mix, with a special emphasis on setting up technologically advanced solar PV plants.

Source: CBSL AR 2020

OPERATING ENVIRONMENT

Entity	Location	Installed Capacity (MW)*	Date of Commissioning	PPA Period (Years)	PPA Years Left	Plant Load Factor
Wind Power Projects						
Seguwantivu	Puttalam	9.6	May-10	20	9.0	33%
Vidatamunai	Puttalam	9.6	Jul-10	20	9.2	32%
Nirmalapura	Puttalam	10.0	Jul-12	20	11.2	23%
Daily Life	Puttalam	10.0	Jul-12	20	11.2	28%
Powergen	Puttalam	10.0	Jul-12	20	11.2	15%
Joule Power	Kilinochchi	10.0	Dec-14	20	13.6	37%
Beta Power	Kilinochchi	10.0	Dec-14	20	13.6	40%
Solar Power Projects						
Solar One	Welikanda	10.0	Dec-16	20	15.7	19%
Vydexa	Vavuniya	10.0	Jul-17	20	16.1	20%
Suryadhanavi	Rooftops	11.4	Nov-18	20	17.5	15%
Sunny Clime	Vavuniya	1.0	Feb-19	20	17.8	19%
Seruwawila	Vavuniya	1.0	Feb-19	20	17.8	19%
Hirujanani	Rooftops	2.1	Apr-19	20	17.8	15%
Harappa Solar	Pakistan	18.0	Oct-17	25	21.4	24%
Gharo Solar	Pakistan	50.0	Dec-19	25	23.6	24%
Tororo PV Power	Uganda	10.0	Aug-20	20	19.3	26%
Semypolky Solar	Ukraine	9.0	Jul-20	20	19.2	13%
Hydro Power Projects						
Energy Reclamation**	Sitagala	0.8	Apr-19	5	3.0	42%
Terraqua International	Halathura Ganga	1.3	Feb-09	20	7.8	41%
Gurugoda Hydro	Kegalle	1.2	Mar-10	20	8.8	31%
Terraqua Kokawita	Kalawana	1.2	Jun-12	20	11.1	35%
Vidul Madugeta	Neluwa	2.5	Nov-13	20	12.5	42%
Melanka Power	Haldummulla	3.8	Feb-14	20	12.8	37%
Peak Power	Ginigathhena	2.0	May-16	20	15.0	45%
H.P.D. Power	Dambulla	3.2	Dec-16	20	15.6	41%
Mahoma Uganda	Uganda	2.7	Oct-18	20	17.4	50%
Ziba	Uganda	7.6	Jul-19	20	18.2	55%

*Installed Capacity will be measured in MWp for Solar Plants

** Project PPA has been renewed

REVIEW OF BUSINESS OPERATIONS

CONTEXT AND STRATEGY

In its capacity as an electricity supplier to Sri Lanka's national grid, WF's plants are deemed "must run" operations. Hence the day to day running of WF's existing plant operations were largely unaffected by the COVID-19 pandemic. During the 2-month island-wide lockdown at the start of the current financial year, all recommended COVID safety protocols were put in place with plant teams placed in bio bubbles and strictly rostered to ensure uninterrupted plant operations during this period. However, the performance of 03 power plants namely Nirmalapura WPP, DLRE WPP and PowerGen WPP were affected by the failure in the 75 MVA transformer at the Norochcholai Wind Collector Substation owned and operated by the Ceylon Electricity Board (CEB). During the absence of the operations in the Wind Collector Substation, the above plants were connected to the Distribution network through temporary interconnection arrangements and continued to operate at a limited capacity owing to the fact that the capacity of the existing distribution network was not capable of absorbing the rated capacities. On the operational front, WF took control of the O & M maintenance activities of all wind power plants, except for the PowerGen WPP. The move not only led to a considerable reduction in overall operating costs, but also provided an opportunity for teams to pursue greater innovation to optimise plant performance.

All solar power plants in Sri Lanka too continued to operate at their maximum performance levels throughout the FY 2020/21 without any significant disruption. WF's solar plants in Pakistan, Uganda and Ukraine, also remained fully operational throughout the year.

On the downside, the progress of WF's local and overseas project pipelines were affected due to the pandemic. In Sri Lanka, the government's tender evaluation and awarding process slowed down considerably owing to the mandatory closure of state institutions for an extended period of time due to the pandemic. Consequently, formal awarding of the 15MW wind power project in Mannar to WF was delayed beyond the end of the financial year.

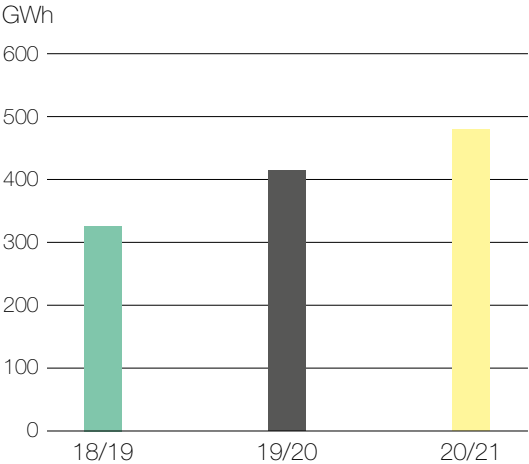
WF's international project pipeline too faced some setbacks due to COVID related travel restrictions. Final negotiations on the 30MW Solar PV power project in Senegal was substantially delayed. Notably despite some scheduling delays, the perseverance shown by all teams ensured that the two ongoing projects - the Semypolky solar plant in Ukraine and the Tororo Solar PV power project in Uganda, were fully completed and commissioned for operations in July 2020 and August 2020 respectively.

Meanwhile, delays in receiving tariff payments remained an industry-wide challenge for all renewable energy companies in Sri Lanka. As the government's decision to offer payment relief to electricity consumers during the pandemic began to affect the CEB's cash flow position, renewable energy producers began seeing significant delays in tariff payments. WF too was similarly affected. Regardless of such cash flow pressures, the Company succeeded in honouring payment commitments to its stakeholders.

PLANT PERFORMANCE

	Wind Power	Solar Power	Hydro Power
FY 2020/21			
Installed Capacity (MW)	69.2	122.5	26.3
Generation Volumes (GWh)	168.09	219.35	93.77
FY 2019/20			
Installed Capacity (MW)	69.2	103.5	26.3
Generation Volumes (GWh)	209.72	122.31	83.70

GENERATION INCREASING YEAR ON YEAR



REVIEW OF BUSINESS OPERATIONS

FOCUS FOR THE FUTURE

The Sri Lankan Government's recent declaration that 70% of the country's energy needs be met through renewable energy by 2030, creates a firm foundation for WF to accelerate its growth agenda in the years ahead.

After receiving formal approval for the 15MW Wind power project in Mannar, the main focus for the near term would be to commission the plant by 2022, which will see WF's wind portfolio increase by 21.7%. Beyond this, WF also stands to benefit from the government's recent announcement that PPA's which have successfully completed their initial term will be extended by a further 20 years.

On the solar front, the acquisition of 1/3 stake in Solar Universe (Pvt) Limited, is seen as an important investment that will bring some notable synergies for WF. Moreover, the latest project by Solar Universe (Pvt) Limited, a 10MW Solar PV plant in Vavunathivu is expected to add a significant boost to WF's solar footprint in Sri Lanka.

Going forward, the Company will remain aggressive in its overseas expansion drive. The immediate priority would be to expedite the final negotiations for the 30MW Solar PV power project in Senegal to enable construction work to begin at earliest. At the same time, WF will step up efforts to deepen the penetration into overseas markets where the Company already has an established presence, while leveraging on its expertise in serving those markets to pursue potential opportunities in new regions and territories over the next 3 to 5 years.

FINANCIAL CAPITAL



Our Financial Capital Development Philosophy

Underpinned by our vision and broad based strategy, WF aims to improve its financial position in order to continuously enhance the value delivered to shareholders, after meeting all financial obligations and contributing towards community wellbeing

Our Material Matters

- * Financial Stability
- * Working Capital Management

Our Management Approach

- * Consistent Revenue Growth
- * Cost Management Principles

Value Creation Highlights for 2020/21

Net Profit attributed to shareholders

LKR 1.7 Bn
(LKR 1.5 Bn - 2019/20)

Amount paid to providers of debt capital

LKR 421 Mn
(LKR 478 Mn - 2019/20)

The Financial Capital of WindForce PLC consists of Shareholder funds (Equity) and Debt capital, which is utilised to cover the costs associated in supplying renewable energy to the country's national grid. Effective management of Financial Capital is vital for any organisation. At WindForce PLC we ensure by effective financial management, we continue to maximise shareholder wealth while achieving the Company's growth objectives and serving our communities by and large.

An overview of our Financial Performance is presented below focusing on key areas of Profitability, Asset Management, Liquidity and Solvency.

	2021	2020	Change
Revenue	4,310,110,387	3,484,204,412	1,024,681,815 24%
Cost of Sales	(1,555,479,553)	(1,131,447,396)	(424,032,157) 37%
Administration Expenses	(593,338,434)	(540,227,097)	(66,394,337) 10%
Finance Costs	(420,558,810)	(477,740,500)	57,181,690 -12%
Share of results of equity accounted investee	409,099,565	300,038,441	109,061,124 36%
Income Tax Expenses	(401,504,991)	(462,360,588)	15,279,387 -13%
Profit after Taxation	2,146,248,524	1,896,798,412	201,709,981 13%

FINANCIAL CAPITAL

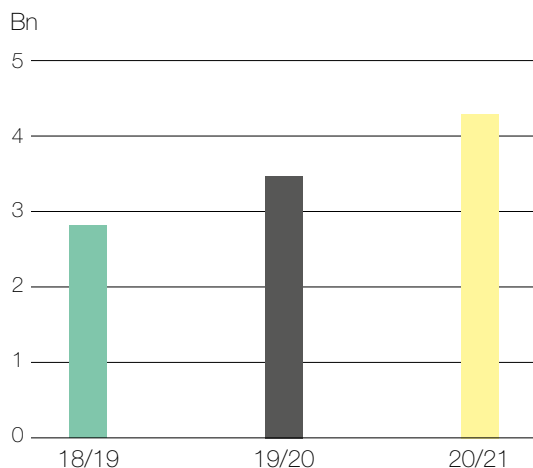
REVENUE

WF registered Revenue of LKR 4.3 Bn for FY 2020/21 compared to LKR 3.4 Bn recorded in the previous year. This solid 24% improvement is despite the unforeseen generation drop owing to a transformer failure in plants Daily Life, Nirmalapura and PowerGen during the year as well as the tariff drop due to plants entering their second tier in operation. Notably, WF's restructuring efforts resulted in a positive LKR 1.2 Bn impact to the revenue. The Tororo solar Plant commissioned in Uganda in August 2020 also contributed positively adding a further LKR 238 Mn towards revenue for the FY 2020/21.

CONSISTENT REVENUE GROWTH

Backed by its diversified portfolio of renewable energy assets both locally and overseas, WF has always recorded a consistent improvement in Revenue results enabling the Company to maintain its 3-year CAGR at a healthy 15%.

REVENUE



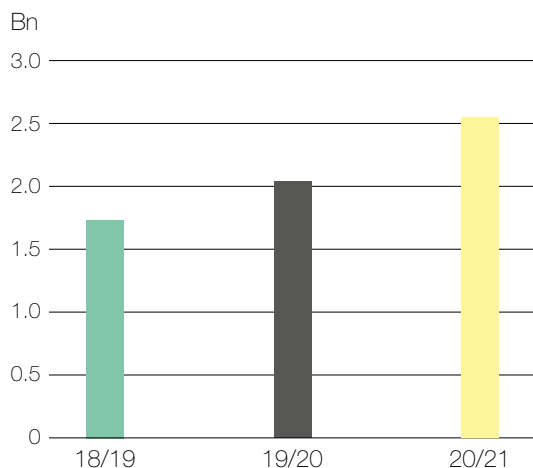
OPERATING PROFIT

WF reported a 25% improvement in Operating Profit for the year ending 31st March 2021, from LKR 2.05 Bn in 2019/20 to LKR 2.56 Bn for FY 2020/21. This was despite a 37% increase in Cost of Sales which was attributed to the restructuring impact of LKR 306 Mn and another LKR 124 Mn arising from the newly commissioned Tororo solar Plant. Meanwhile if the combined effect of this LKR 430 Mn is removed, the Cost of Sales would be on par with the previous financial year, a clear testament to WF commitment to strictly manage costs.

COST MANAGEMENT PRINCIPLES

Cost management is strictly applied mainly at an operational level, out of which operation and maintenance costs account for almost 7% of the Company's cost structure. Looking at costs in a holistic manner, WF's cost management initiatives extend to the management of finance costs as well.

OPERATING PROFIT



EXPENSES

Administrative expenses moved up to LKR 593 Mn in the FY 2020/21, denoting 10% increase over the LKR 540 Mn reported in the previous financial year. Of the LKR 53 Mn increase for the year, more than 75% is on account of the newly commissioned Tororo plant, while the balance is an effect of the restructuring activity.

Meanwhile, despite an additional LKR 45 Mn worth of finance costs due to the newly commissioned Tororo plant, WF's overall Finance Expenses declined notably in the year under review, from LKR 478 Mn in 2019/20 to LKR 421 Mn in the year under review. This sizable 12% decline year on year is due to the fact that most of the project loans were repaid in full in the current financial year as well as proactive efforts by WF to take advantage of the drop in the AWPLR during the year under review.

NET PROFIT

Bolstered by the robust Revenue increase, Net Profit before tax increased by 8% year on year, from LKR 2.35 Bn in the previous financial year to LKR 2.54 Bn for FY 2020/21.

WF reported Profit after Tax of LKR 2.15 Bn, a 13 % increase compared to the LKR 1.89 Bn recorded for the previous financial year. The increase is also partly due to a 36% increase in the share of profits from WF's associate investments, which includes LKR 197 Mn from the Gharo Solar plant.

Meanwhile WF paid LKR 61 Mn less in taxes for the year following the government's announcement to cut tax rates from 28% to 24% and 14%. This

FINANCIAL CAPITAL

was however largely negated by the LKR 24 Mn increase in deferred tax provision. Consequently, the Company's overall tax expenses reflect a 13% decline from LKR 462 Mn in 2019/20 to LKR 402 Mn in the year under review.

OTHER KEY FINANCIAL INDICATORS

	2021	2020
Earnings Per Share	1.52	1.87
Interest Cover	7.06	5.94
ROA (%)	6.31	6.98
Gearing Ratio (%)	21.9	27.3
ROCE (%)	10.3	11.8
Credit Rating (ICRA)	AA- Rating	N/A

EARNINGS PER SHARE (EPS)

Strong bottom line results for FY 2020/21 saw the Net Profit attributed to Ordinary Shareholders increase by 14 % from LKR 1.54 Bn in the previous year to LKR 1.75 Bn in the current financial year. Nevertheless, EPS declined by LKR 35 cents due to the increase by 324 Mn in the weighted average number of shares due to the restructuring.

Interest Cover

WF's Interest Cover improved significantly to 7.06 in the year under review, from 5.94 in the previous financial year, a 19% improvement which is mainly due to the drop in AWPLR. The fact that most of project loans were paid in full during the year was also a major contributory factor towards the improvement in Interest Cover.

Return on Assets (ROA)

ROA declined from 6.98% in 2019/20 to 6.31% in the current financial year, reflecting a 10% drop year on year. This is attributed to the increase in the asset base as a result of the newly commissioned Tororo plant.

Gearing Ratio

With a sizable portion of the Company's project loans being settled in the current financial year, WF's Gearing Ratio declined to 21.9% in the FY 2020/21 denoting a 20% reduction from the 27.3% recorded in the previous financial year. It should be noted that the lower Gearing Ratio greatly enhances WF's ability to secure funding lines at more competitive rates in the future.

Return on Capital Employed (ROCE)

While WF has offered its shareholders lucrative returns in excess of 10% in the year under review, ROCE declined to 10.3% in the FY 2020/21 from 11.8% in the FY 2019/20. The drop in the ROCE due to the increase in Equity and the higher retained earnings in the current financial year.

Credit Rating (ICRA)

WF's consistent financial performance and strong balance sheet saw the Company being assigned an issuer rating of AA- (stable) by ICRA Lanka Limited. This is the highest rating given to a corporate in Sri Lanka.

ECONOMIC VALUE ADDED [GRI 201]

Direct economic value generated	LKR
Revenue	4,310,110,387
Economic value distributed	
Operating costs	(2,148,817,987)
Employee wages and benefits	(201,461,112)
Payments to providers of capital	(790,876,682)
Payments to government	(401,504,991)
Community investments	(25,930,000)
Economic value retained	741,519,616

IMPACT ON OTHER CAPITALS

MANUFACTURED CAPITAL - A strong financial position creates a firm foundation to consistently invest in growing the asset base

INTELLECTUAL CAPITAL - Greater financial stability enhances the credibility of the WF brand and raises the Company's profile in the industry

HUMAN CAPITAL



Our Human Capital Development Philosophy

Our aim is to create a culture where our people feel valued, have a clear sense of belonging, know what is expected of them and are fully engaged and motivated to work towards the success of the Company. Accordingly, we encourage collaboration, promote autonomy and recognise teamwork as the basis of driving personal growth.

Our Material Matters

- * Motivation and Team Building
- * Culture and Work Ethic
- * Knowledge Enhancement
- * Health and Safety

Our Management Approach

- * Compliance and Best Practices
- * HR Governance and Policy Framework
- * Employee Value

Value Creation Highlights for 2020/21

Workplace Safety

Employee Training Average training

Contribution to the SDG's



COMPLIANCE AND BEST PRACTICES

Compliance is a fundamental tenet that underpins our overall approach to Human Capital Development. WF's operations in Sri Lanka are governed by two major labour laws - the Shop and Office Employees (Regulation of Employment and Remuneration) Act, No. 19 of 1954 and its amendments, applicable to our administrative employees, and the Factories Ordinance (No. 45 of 1942) and its amendments which applies to our technical and project teams. Further reiterating its commitment as a responsible employer, WF complies with the relevant labour laws in countries where the Company has large scale renewable energy projects.

Our approach goes beyond compliance as we strive to emulate the best practices set out under the International Labour Organisation (ILO) convention and the United Nations Global Compact for Human Rights.

WF prides itself as an equal opportunity employer offering equal pay and promising careers for both men and women. **[GRI 405]** However, the highly technical nature of our business as a renewable energy producer has caused our workforce to be largely male dominated.

As a non-discriminatory employer we have a zero tolerance for any form of harassment in the workplace. We have strict guidelines for our leaders to promote the respectful treatment of colleagues regardless of age, gender, marital status, religious

beliefs or other status protected by law. This non-discriminatory approach extends across all Human Capital processes as well, starting from recruitment, selection, training and development. All vacancies are advertised both internally and externally, to give existing employees the opportunity to consider potential career opportunities. Our selection process too assures a level playing field for all potential candidates to compete, while our fair and equitable selection process sees that candidates are selected purely on the grounds of merit. Our selection process also includes additional protocols to verify the age of all new recruits, to ensure that WF's operations are not at risk for child labour. **[GRI 408]**.

HUMAN CAPITAL

Furthermore, we do not accept or condone any aspect of forced labor as we believe, employees choose to work for us at their own discretion and are free to leave subject to the conditions indicated in all our employment contracts. Accordingly, WF's operations are not at risk for forced or compulsory labour. [GRI 409]

HR GOVERNANCE AND POLICY FRAMEWORK

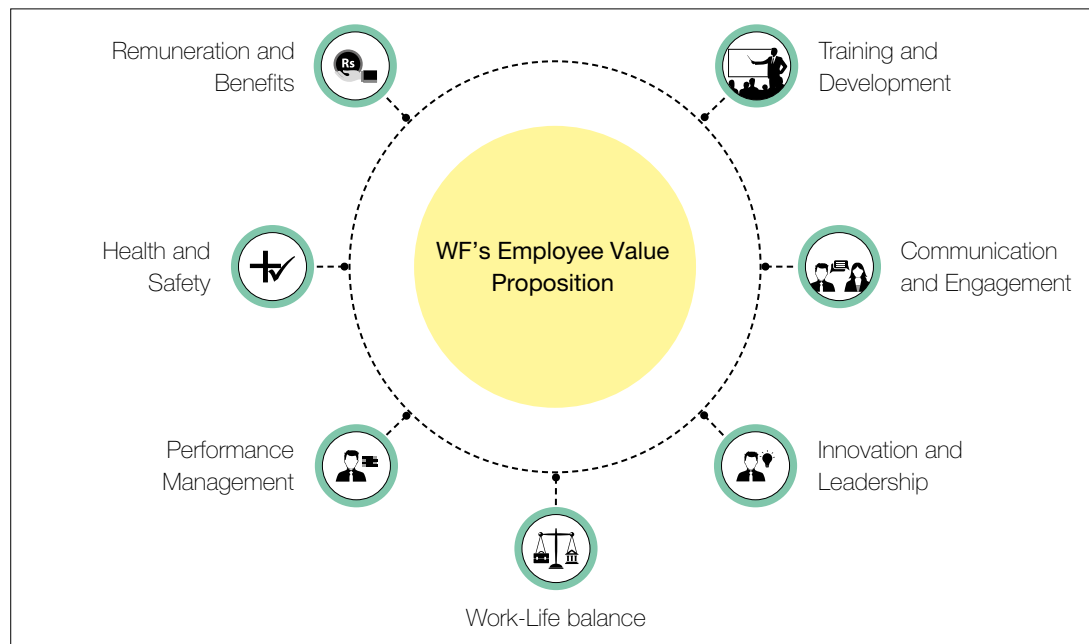
WF's framework of HR policies and procedures creates a foundation for implementing compliance and best practices for the benefit of all our employees.

These policies and procedures come under the purview of the HR Department. The HR Department under the leadership of the Head of HR regularly reviews and updates policies and procedures to reflect new compliance requirements and latest best practices that may become relevant from time to time. The HR Department is further required to monitor the implementation of these policies without exception.

Policies and Procedures	
Recruitment Protocol Outlines the process followed for workforce planning, advertising, to how, when and with whom the interviews will/should be conducted	On-Boarding Protocol Describes how new recruits are on-boarded and oriented to the Company's operational process and corporate culture.
Safety Policy Sets out the guiding principles for a safe and secure work environment and building the safety culture.	Conduct Policies Defines "appropriate workplace behavior" for employees covering a wide range of issues from dress code to sexual harassment.
Employee Handbook Serves as a guide to inform employees on a range of topics including but not limited to compensation, attendance and leave, benefits etc.	Disciplinary and Termination Policy Sets out the instances warranting disciplinary action and termination
Exit Interview Details the procedures to be followed, including who should conduct the interview and how	

HUMAN CAPITAL

EMPLOYEE VALUE PROPOSITION



Remuneration and Benefits

Our salary structures are in accordance with market standards for our sector and are designed to remunerate employees fairly for their qualifications, expertise and job requirements. All other monetary incentives are based on the collective performance of teams. These include variable allowances based on plant performance and annual bonuses dependent on the Company's performance. An additional gratuity fund is also maintained for employees who have served the Company for a period of five years or more. [GRI 401]

WF employees are also entitled to the following non-monetary benefits;

- * Life and Medical Insurance cover
- * Health insurance covering cost of OPD expenses
- * Compulsory annual/ blocked leave.

As per our non-discriminatory approach, men and women performing similar roles are remunerated equally without bias.

Monetary Benefits Distributed To Employees			
	2020/21	2019/20	2018/19
Remuneration (LKR)	170,061,599	117,833,944	93,488,688
WF's Contribution to EPF & ETF (LKR)	18,864,942	10,398,951	8,420,821
Contribution to the Gratuity Fund (LKR)	12,534,571	18,871,296	3,960,496

In the year under review, our employees benefited from the opportunity to purchase shares in the Company at its Initial Public Offering (IPO) in March 2021. A total of 7.5% of the shares issued as part of the IPO was attributed to shares purchased by employees and directors in this manner.

HUMAN CAPITAL

Performance Management

WF takes a distinctly different approach towards performance management which is based on the underlying premise that; “employees understand that they are part of a team and that teamwork is the key to achieving the goals of the Company.”

At our plants, the Plant Manager under the supervision of the sector head closely monitors the collective performance of their respective teams. As part of this process, the Plant Manager is also required to frequently engage with teams to offer feedback as well as facilitate necessary training, coaching and mentoring to strengthen the teams' alignment with performance objectives. At the end of each financial year, the senior management conducts an independent review of the performance of each plant team and determines appropriate team-based incentives. The same performance management process is employed at WF's overseas plants as well.

The performance of administrative employees meanwhile is linked to pre-determined KPI's assigned to respective departments. Performance against these KPI's are reviewed on an ongoing basis by the senior management team consisting of the CEO, COO, CFO and CDO. Departmental teams receive training based on the recommendations of the senior management team.

The performance of all 135 of WF's permanent employees were reviewed in the FY 2020/21.

Communication and Engagement

At the heart of our business approach is a strong team-based culture where all employees embrace the fact that the Company can move forward most effectively only through collaboration and teamwork. Over the years, we have come to accept that regular communication and ongoing engagement are the building blocks for sustaining this unique culture.

As an organisation committed to benchmark globally accepted labour practices, WF fully supports the right of employees to form associations. However, the unequivocal commitment to continuous and ongoing interaction with employees has enabled WF to build strong relationships based on trust and mutual respect, which has prevented the need for collective agreements and ensured WF's operations are not at risk for freedom of association. **[GRI 102-41]**

We begin building relationships with employees right from the point of on-boarding. All new recruits, regardless of whether they are administrative employees or part of the plant teams, are subject to a structured six month on-boarding programme. For the first two months, new recruits in the administrative category benefit from the buddy system to help them assimilate to WF's culture and work ethic. Selected members of the senior management are also assigned to reach out to new recruits and check in on their progress throughout the six month on-boarding process. Plant Managers are tasked with managing the on-boarding of new recruits to their respective plant teams.

Our open door policy is the embodiment of open communication, where all employees without exception have direct access to the senior management including WF's CEO and MD at any time throughout the year. Beyond this, weekly stand up meetings with the senior management provide an opportunity for team leaders to interact with senior management. All employees also have the opportunity for a one-on-one meeting with WF's MD and CEO, bi-annually to discuss their performance and their grievances. At plant level, plant managers engage with their respective teams through daily toolbox meetings, while the bi-annual site visit is an opportunity for plant teams to interact with the senior management. Typically the daily toolbox meetings and the weekly stand up meetings, are used as the channels to keep plant teams and administrative employees respectively apprised of operational changes. In this way, employees are given a minimum of two weeks prior notice ahead of implementing operational changes. **[GRI 402]**

WF also conducts an annual Employee Wellness Survey. Conducted by an independent third party, the survey is used to measure employee satisfaction and gather insights regarding areas for improvement.

WF's highly active annual event calendar is another key component of the overall approach to building the team culture. The annual trip, sports day, new year celebrations have become much looked forward to events for employees to socialise with their colleagues and the management in an unofficial capacity.

HUMAN CAPITAL

Health and Safety [GRI 403]

The nature of WF business as a renewable energy producer does not pose any risk of ill health to its employees. However, the Company's project sites and operational power plants do carry a risk of injury to those working onsite. Working at heights and electrocution are the most vulnerable hazards associated with the operation and maintenance of wind power plants. And while the hazards associated during the project execution varies largely depending on the nature of the project and the terrain, falling objects and traffic accidents are the most common reasons for injury at project sites.

We believe it is our duty as a socially responsible organisation to ensure that all our people return home safely after completing the jobs assigned to them. It is this overarching principle that has inspired WF to declare safety as its #1 priority.

Regulatory compliance serves as the point of origin for managing safety across all our operational plant sites around the world. In Sri Lanka, we comply with the Factory Ordinance No. 45 of 1942 which is the main legislative instrument on Occupational Health and Safety. Similarly we comply with statutory compliance requirements in other jurisdictions in which we operate.

Over and above this, WF's Board-approved Health and Safety Policy provides the overall direction for company-wide safety management vis-a-vis clear OH&S goals and safety performance objectives to safeguard employees against injury. Applying the principles captioned in our Safety Policy we have implemented a robust Health and Safety Management System (HSMS) which is consistent

with the latest version of ISO 45001 Occupational Health and Safety Standards (OH&S). In addition to our employees, any subcontractors, visitors and all other related parties who perform and deliver various responsibilities within a project site or power plant also benefit WF's OH&S protocols and standards.

The HSMS is operationalised through a series of Safety Manuals that detail the standard operating procedures to allow each sector to effectively manage its OH&S risks and to pursue improvements in OH&S performance specific to their respective projects or the power plant. Plant Managers provide oversight for the proper implementation of the HSMS in their respective sites. They are also responsible for ongoing risk assessment and for actionable initiatives that promote continuous improvement of the safety performance of their respective plant sites or projects. To support this, we encourage plant teams to actively contribute towards the detection and management of safety risks. Daily "Toolbox" meetings are conducted at all plant sites primarily for the purpose of discussing and identifying the hazards and risks associated with on-going work. Plant Managers are responsible for investigating accidents and are further required to table these reports at the monthly management meeting, along with corrective action taken to prevent recurrence. Moreover, hazard identification audits are carried out internally every 06 months under the supervision of the COO, while the entire HSMS is subject to an annual compliance audit as per the ISO 45001 standard.

Safety awareness and training are both vital in the implementation of the HSMS. A pre-planned safety training schedule covering such areas as working

at heights, lockout and tagout procedures, wind turbine climbing and rescue in the event of an injury or illness etc. are carried out annually for all plant teams. The fire drill and first aid training are also part of the mandatory training safety training schedule for plant teams.

The risk identification and assessment for projects depends largely on the scope and scale of each project. Before the commencement of a project, a comprehensive risk assessment is done to identify potential risks, with appropriate risk mitigation procedures and preventive protocols implemented accordingly. These broadly focus on elimination or substitution of high-risk activities, engineering controls, signage / warnings, and administrative controls, and the use of necessary protective equipment. Meanwhile safety training at project sites are customised to suit the specific nature and complexity of the individual project.

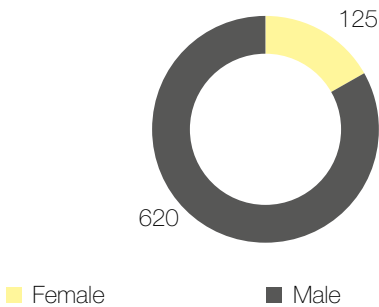
Training and Knowledge Enhancement [GRI 404]

Retaining WF's competitive edge depends on sustaining an agile and high-performing workforce. This means providing relevant training and development to strengthen the capacity of our engineers and technical teams. We take a planned approach that includes a combination of formal training, coaching and exposure and developmental assignments. Normally our engineers have access to at least two structured training assignments annually including at least one overseas assignment. In 2020, given the COVID-19 pandemic related constraints, most training and development activities were done virtually. However operational and technical training that requires practical applications were held in

HUMAN CAPITAL

person in line with all recommended COVID-19 safety and social distancing protocols.

TRAINING IN HOURS FOR 2020/21



Innovation and Leadership

Innovation and leadership go hand in hand with WF's efforts to develop a strong talent pipeline with capability to support the Company's strategy. While prioritising teamwork, we also encourage all our employees to develop the required skills needed to step up and take over leadership of their respective team as and when needed. We believe this approach creates opportunities for all employees to learn and grow, while ensuring the Company has access to a reliable talent pool at all times.

Our main activity in this regard is the annual TPM Challenge, whereby we seek to foster shared responsibility and in doing so promote innovation and leadership. The TPM Challenge encourages employees to explore new and innovative ways of working to maximise the operational efficiency. We drive them to take challenges, and mistakes are accepted as a part of their learning process.

Work life balance [GRI 403]

We realise that our employees perform demanding jobs that are often associated with high levels of stress, which is why we believe a healthy work-life balance is vital in safeguarding their physical and mental wellbeing.

We expect our administrative employees to work only 40 hrs during the week and no one is expected to work after 5pm. They also benefit from a relaxed work atmosphere in the workplace that gives them the autonomy to perform their roles. WF's administrative employees have the ability to opt for flexi hours. For practical reasons, the flexi hours option is not extended to project and plant teams. Plant teams work in 12 hour shifts.

Employee leave entitlements are offered in accordance with the Shop and Office Act. Furthermore, we insist that all employees utilise their annual leave in full during the year. This is done to encourage employees to spend time with their families and to take a break from their regular work routine.

PANDEMIC RESPONSE

Taking proactive steps at the onset of the pandemic itself, a special COVID-19 response team was set up to implement recommended protocols for the safety of WF's employees.

As per the recommendations of the COVID-19 response team, plant staff were split into groups and stationed on site to maintain continuity of the electricity supplied to the national grid. Each group was contained in a bio bubble in adherence to all COVID precautionary measures. We also looked into putting them on the priority list for vaccinations.

Administrative staff meanwhile were assigned to work remotely during the lockdown and for several months after that. Our offices were reconfigured and all necessary safety protocols implemented prior to the return of employees in June 2020. During the COVID 1st and 2nd waves, we also opened up one of our facilities to be used as a quarantine centre for our employees and their families as and when needed.

All employees were paid in full and without delay throughout the year and essential food items were distributed to employees during the lockdown period.

HUMAN CAPITAL

Key Statistics for 2020/21

Count as at 31st March 2021 [GRI 405] [GRI 102-8]	Female	Male	Total
Full time employees	6	129	135
New Hires	2	17	19
Turnover	3	4	7

Employee Breakdown by age and gender	Female	Male	Total
18 to 30	2	42	44
31 to 45	4	67	71
46 to 55	0	16	16
Above 56	0	4	4

New Hires Breakdown [GRI 401]	Female	Male	Total
18 to 30	1	13	14
31 to 45	1	4	5
46 to 55	0	0	0
Above 56	0	0	0

Turnover Breakdown	Female	Male	Total
18 to 30	1	3	4
31 to 45	2	1	3
46 to 55	0	0	0
Above 56	0	0	0

Total Employee Attrition Rate - 5.2%

Injury Record [GRI 403]	Socially Responsible Workplace [GRI 406] [GRI 202]
Fatalities - 0	Incidents of discrimination - 0
Major Injuries - 0	Ratio of entry level wage (men:women) - 1: 1

IMPACT ON OTHER CAPITALS

A skilled, competent and motivated workforce understands the Company's strategy and is committed to its execution. This in turn impacts other Capitals.

FINANCIAL CAPITAL - Increases the ability to drive long term sustained earnings

INTELLECTUAL CAPITAL - Strengthens WF's competitive advantage and enhances brand positioning

SOCIAL AND RELATIONSHIP CAPITAL - Build trust with customers and business partners

FOCUS FOR THE FUTURE

In the process of becoming the #1 renewable energy producer in Sri Lanka, our employees have received wide exposure and extensive training that makes them the best team in the industry. We realise that this also means our employees are highly sought after by our competitors. As such, our focus for the future will be to retain our talent pool by ensuring they are valued and appreciated for their dedication to the Company. While monetary benefits will remain a key part of this approach, we will seek to do more to keep our employees satisfied and happy in everything they do.

MANUFACTURED CAPITAL



Our Manufactured Capital Development Philosophy

We aim to develop a diversified portfolio of renewable energy investments to strengthen WF's market presence, while ensuring these assets continue to operate at optimal levels

Our Material Matters

- * Asset Base
- * Technology Systems
- * Excellence in Quality

Our Management Approach

- * Diversified Investments Strategy
- * Technology Adoption
- * Total Productive Maintenance (TPM)
- * New Projects

Value Creation Highlights for 2020/21

New Investments

LKR ZERO (LKR 9 Bn – 2019/20)

Contribution to the SDG's

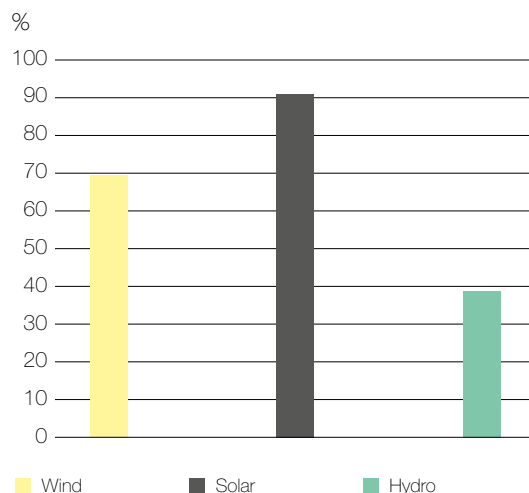


DIVERSIFIED INVESTMENT STRATEGY

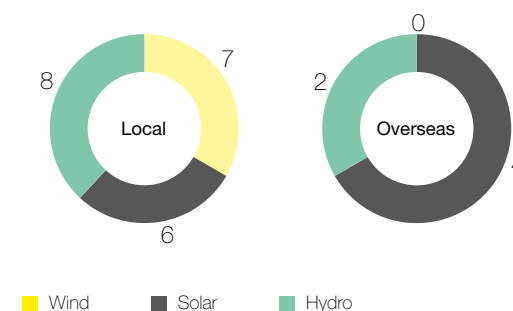
WF portfolio consists of 27 operational power plants - 07 wind power plants, 10 solar plants and 10 hydro power plants.

	Wind	Solar	Hydro
Energy Generation (Gwh)	168.09	219.35	93.77
WF's Renewable Energy generation mix (%) - 2020/21	34.93%	45.58%	19.49%

WINDFORCE RENEWABLE ENERGY GENERATION MIX



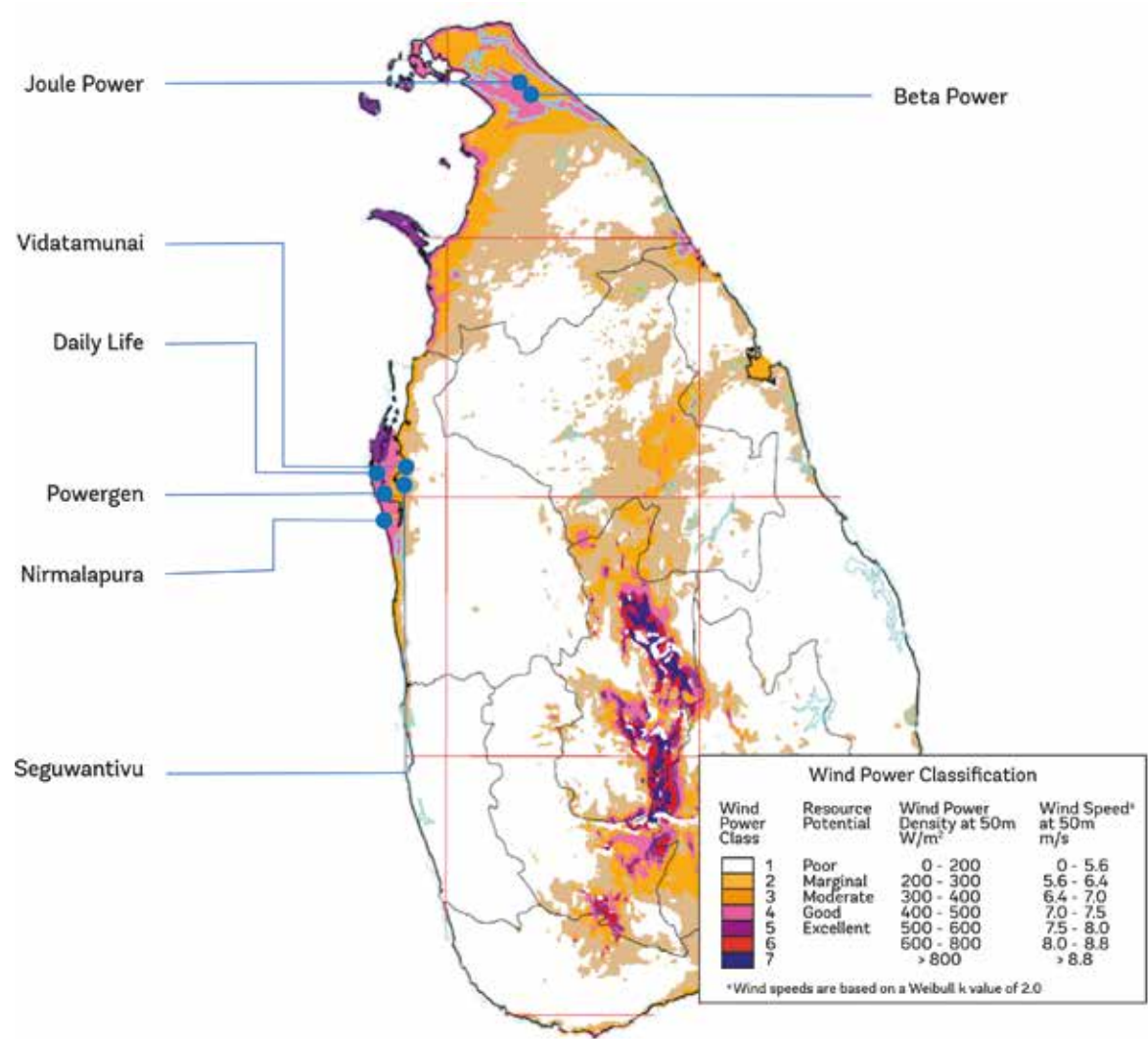
POWER PLANT BREAKDOWN



MANUFACTURED CAPITAL

After pioneering wind energy in Sri Lanka over a decade ago, we have since then expanded our bandwidth by growing our wind power portfolio. Today with a portfolio of seven wind power plants in Sri Lanka, WF is the leading wind power producer in the country.

WF'S WIND POWER PLANTS ARE STRATEGICALLY LOCATED IN AREAS WITH HIGH WIND DENSITY



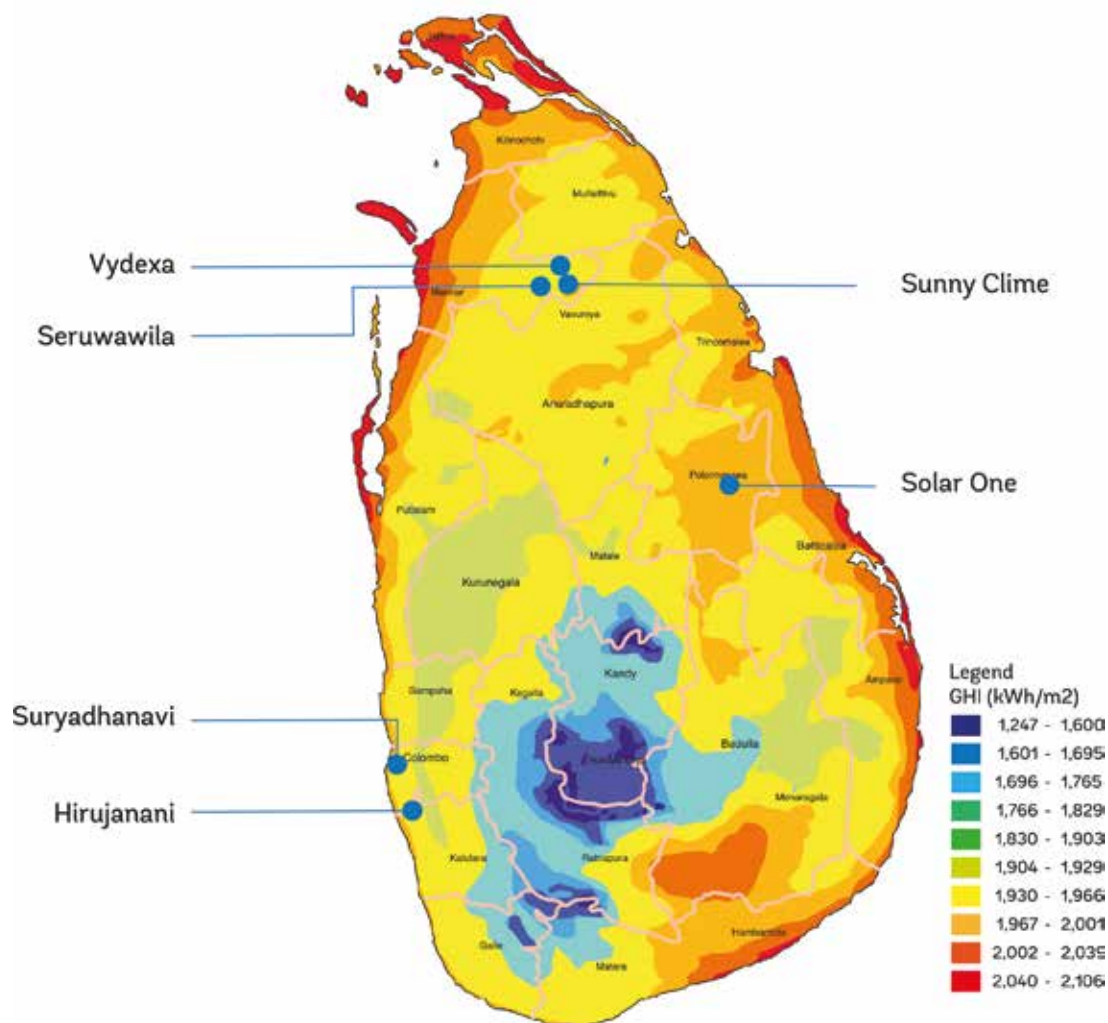
MANUFACTURED CAPITAL

All our plants are strategically located in areas within high density wind corridors. To further complement this, we are continuously upgrading our wind turbine technology to harness the maximum potential of the higher wind speeds in these areas. Having mostly used 800 kW wind turbines in our first few plants, we are now moving to install the latest 2.5MW wind turbines to improve scalability.

All our wind power plants operate through the CEB's (Ceylon Electricity Board) 3-tier Power Purchase Agreements spanning over a period of 20 years, where first mover advantage in the wind power segment has allowed WF to lock-in higher tariff rates.

In parallel WF has continued to diversify into other areas of the renewable energy sphere, becoming one of the first local companies to venture into large scale solar energy investments in Sri Lanka. Consistent investments since then in both ground and rooftop solar has seen WF's solar footprint growing steadily to reach six plants around the country. Meanwhile, having made a strategic decision in 2018 to expand to overseas markets, WF now has a growing global presence in the solar space, marked by two solar plants in Pakistan and one each in Ukraine and Uganda. WF is the first Sri Lankan Company to set up solar plants in these countries.

WF'S SOLAR POWER PLANTS ARE STRATEGICALLY LOCATED IN AREAS WITH HIGH GLOBAL HORIZONTAL IRRADIANCE



MANUFACTURED CAPITAL

All WF's solar power plants are strategically located in areas where the Annual Average Global Horizontal Irradiance (GHI) is highest. To further capitalise on this, we have invested in bi facial solar modules that capture not only direct irradiation but also diffused energy, resulting in significantly higher average energy generation levels compared to standard solar panels. At our first power plant in Sri Lanka - SolarOne, we have invested in highly sophisticated single-axis solar technology, where panels rotate on a single point, moving in unison from east to west in direct correlation with the sun's movement during the day.

Our portfolio of 26 MW of hydropower plants consist of eight mini hydros in Sri Lanka and two in Uganda.

Similar to the wind power plants, all solar power and hydro power plants too are on long term power purchase agreements - in Sri Lanka with the CEB and in overseas markets with the respective local utilities in those countries.

TECHNOLOGY ADOPTION

Investing in the latest technology since inception has enabled WF to harness more energy from available resources, giving WF a strong competitive edge over peers. The use of technology also reduces the need for human intervention, thereby minimising the risk of human error and in turn enhancing the overall sustainability of plant operations. Moreover, investing in the latest proven technologies gives WF ready access to technical support and replacement parts, thus safeguarding the continuity of main operations.

Wind Power



When setting up wind power plants, WF procures the latest technology available at the time from original equipment manufacturers. Accordingly, the WF's plants in Puttalam operate on Type AE59 wind turbine generators while Vensys 82 wind energy converters are used in our Beta and Joule WPPs. In our quest to continuously strengthen our technology systems, we are now looking at investing in the Goldwind GW 121 wind turbine model for our newest wind plant, Hiruras (Pvt) Ltd.

Solar Power



At present WF's solar power plants use bifacial solar modules with string inverter technology coupled with single axis tracking system, the latest available technology in Sri Lanka. For our future investments, we expect to move to the full cell mono module and bifacial technology. Going forward, we also plan to explore the concept of Solar PV with Battery Energy Store Systems (BESS) and floating solar systems, which can be mounted on bodies of water such as reservoirs and lakes.

Hydro Power



All WF's Hydro plants run on equipment produced by world renowned European specialists such as Global Hydro GmbH, Repros GmbH and Kolektor Turboinstitut d.o.o. More recently we have also introduced centralised glass reinforced pipes to three of our Hydropower plants to drive more efficient energy generation.

TOTAL PRODUCTIVE MAINTENANCE (TPM)

All our operational plants are run on the basis of globally accepted TPM principles, where we leverage on the skills and expertise of our plant teams to enable continuous and ongoing maintenance. Our ultimate goal with the use of TPM is to target on average a 95% plant availability at all times.

NEW PROJECTS

Since 2015 all new renewable energy projects in Sri Lanka have been awarded by way of a tender based on the grid connectivity requirements specified under the CEB's long term energy generation plan. Hence new project locations are largely dependent on the tender. All new projects are undertaken subject to the initial feasibility report to review the scope and scale of the project. Other key aspects addressed through the initial feasibility report include the land availability, accessibility etc. A comprehensive environmental assessment is also a mandatory requirement of the initial feasibility report.

MANUFACTURED CAPITAL

Based on the findings of the feasibility report, land is typically procured on a long term lease either from the government or from private parties, which has resulted in almost 76% of WF's projects being on leasehold land.

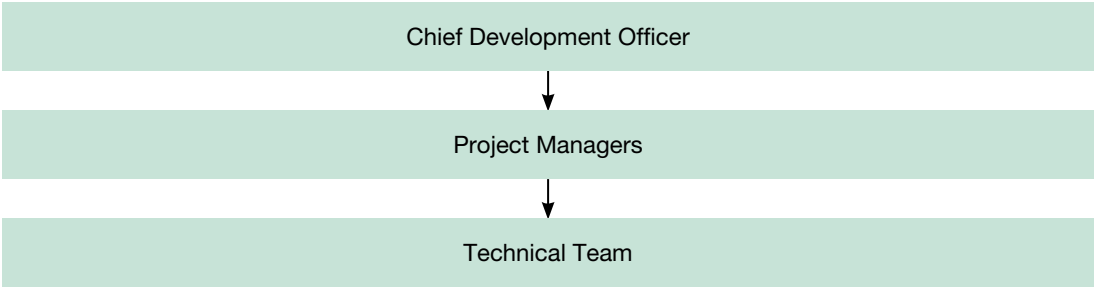
ENGINEERING-PROCUREMENT-CONSTRUCTION PROCESS

The Engineering-Procurement-Construction (EPC) process is the key driver of all new projects. Our EPC process which in the past was outsourced, was brought fully under WF's purview in the current financial year. With this new development, WF's in-house teams now handle end to end management of all key pillars of the EPC process; the technology plan, risk management plan, quality plan, OHS plan, resource plan, the procurement plan and the implementation plan.

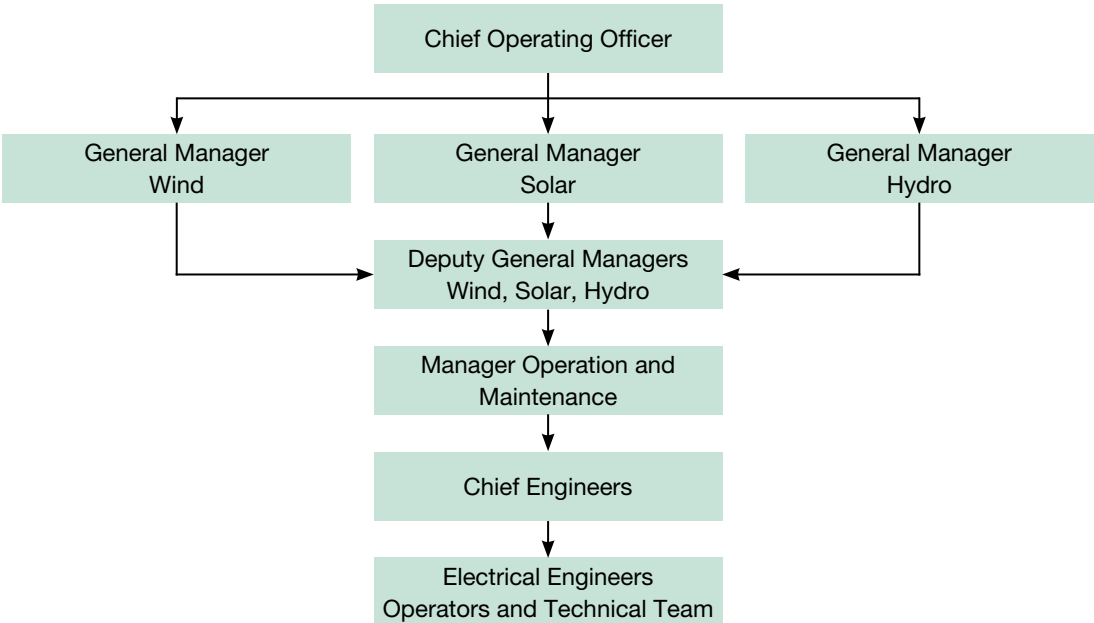
GOVERNANCE AND OVERSIGHT

All our plants and projects are supported by a strong governance and oversight framework to ensure all stated objectives are achieved.

The project or plant development process is overlooked by our Chief Development Officer. Engineers are then assigned to relevant projects based on their area of expertise (Wind, Solar, Hydro) and act as the project managers. Throughout the duration of the project, Project Managers have access to in-house support services such as Finance, Logistics and Design & Engineering.



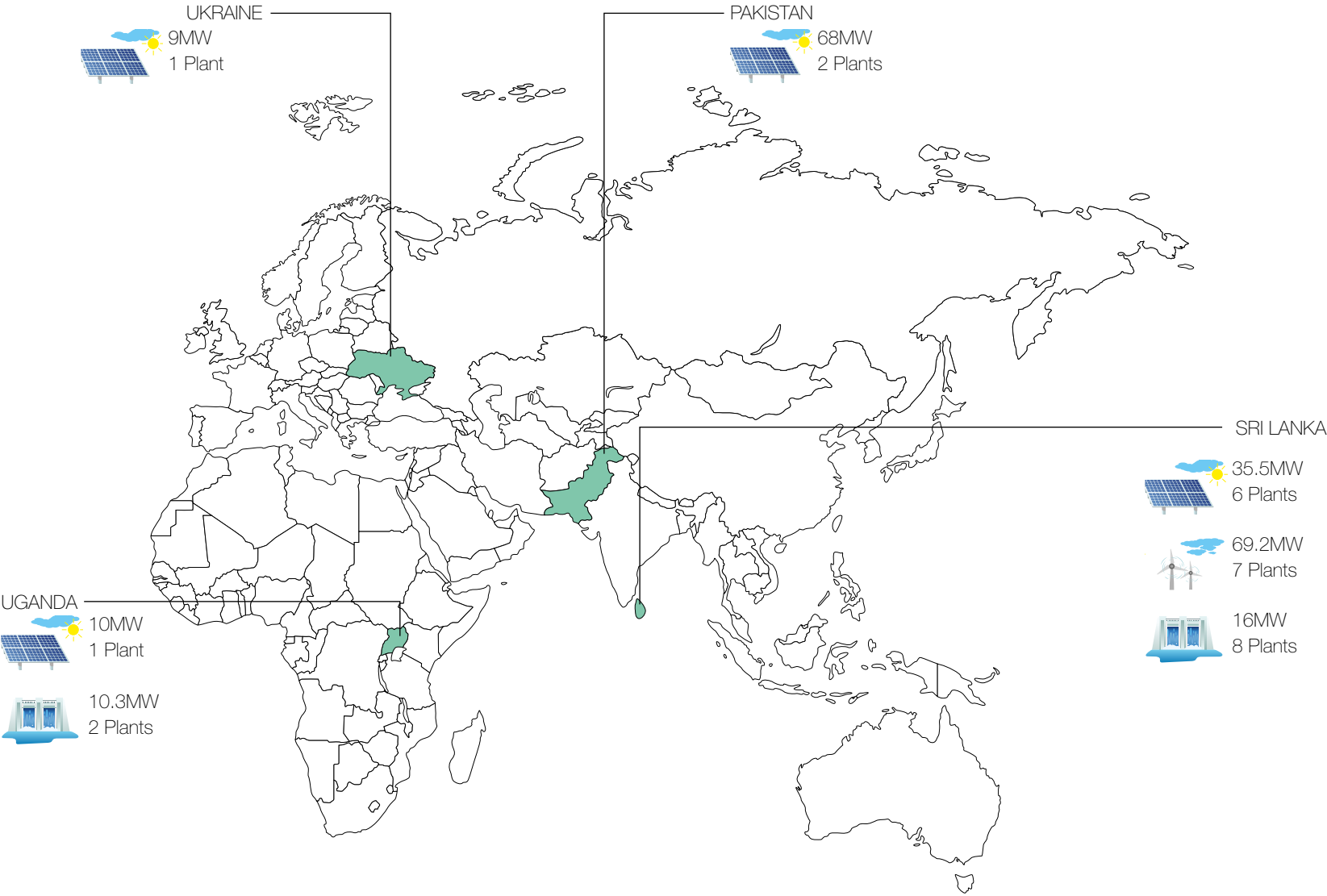
All operations plants are overlooked by WF's Chief Operating Officer. Under him, we have appointed a General Manager for each sector (Wind, Solar, Hydro) who manage the day to day running of their respective plants along with their team of engineers, operators and technical team.



MANUFACTURED CAPITAL

KEY STATISTICS FOR 2020/21

Geographical Distribution of Installed Capacity



MANUFACTURED CAPITAL

	2020/21 (Source Audit draft)	2019/20	2018/19
Additions (LKR)	1,011,547,709	10,646,095,384	962,256,516
Value of Asset Base as at the end of the year (LKR)	15,239,783,617	15,275,256,667	8,885,883,688

IMPACT ON OTHER CAPITALS

A solid well managed manufactured capital base contributes towards strengthening all other capitals.

FINANCIAL CAPITAL - A strong asset base demonstrates the Company's financial stability and capacity to deliver sustainable returns over time

INTELLECTUAL CAPITAL-

A diversified portfolio of renewable energy assets, enhances WF's brand ranking

HUMAN CAPITAL- Learning opportunities through the TPM principles and the EPC process helps to boost employee competencies in turn leading to improved motivation

SOCIAL AND RELATIONSHIP CAPITAL -

The collective strength of the asset base builds trust and confidence among key stakeholders

GOALS FOR THE FUTURE

The focus for the future will be to further strengthen the asset base primarily through larger solar and wind investments, both locally and overseas. Meanwhile, in seeking to capitalise on the Sri Lankan government's strong push towards renewable energy, we also intend to further diversify our asset base through strategic investments in a waste-to-energy plant. Technology adoption will remain a key driver in our efforts to achieve optimal results through the waste-to-energy model. In this regard, we have identified two alternative technologies, Incineration and anaerobic digestion, which are currently being reviewed.

INTELLECTUAL CAPITAL



Our Intellectual Capital Development Philosophy

Focus on strengthening core aspects of the business in a way that will provide a distinct advantage over peers.

Our Material Matters

- * Ethical Business Conduct
- * Excellence in Quality
- * Strategic Partnerships

Our Management Approach

- * Brand Positioning
- * Knowledge-based Systems
- * Business Networks

Value Creation Highlights for 2020/21

Brand Equity
IPO

**Incidents of Bribery
or Corruption**
ZERO

Contribution to the SDG's



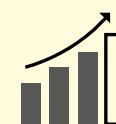
BRAND POSITIONING

Having pioneered wind power generation in Sri Lanka in 2010, WF is widely regarded as the vanguard responsible for transforming Sri Lanka's energy sector and leading the country towards new frontiers in renewable energy. Over the years we have built a solid reputation thanks to our commitment to design, construct, operate and maintain all our plants in line with the latest global standards for renewable energy. The more recent decision to diversify into other spheres of the renewable energy milieu has seen WF steadily increasing its investment in both solar and hydro generation in Sri Lanka over the past decade. Today WF remains the only renewable energy operator in Sri Lanka to date with a footprint of seven wind power, six solar and eight mini hydro plants in strategic locations around the country. These

efforts have served to further cement our brand positioning in Sri Lanka's renewable energy sector. With the most diversified portfolio in the country, the WindForce brand has become synonymous with innovation and leadership in renewable energy technology and enjoys a commanding position in the local renewable energy sector.

At the same time, we also ventured overseas to explore potential opportunities in South Asia, Africa and Eastern Europe and gained first mover advantage in these regions. We now operate two solar plants in Pakistan, one solar plant and two mini hydro plants in Uganda and one solar plant in Ukraine. By successfully penetrating these markets, WF has earned the distinct honour of becoming the first and only Sri Lankan Company to date, to set up and operate solar plants in Pakistan, Uganda and Ukraine.

The soundness of these strategies have allowed WF to continue to deliver solid financial results over the past decade. Our ability to perform consistently well has significantly augmented our credentials, which are further validated by the rating AA- (Stable) assigned to WF for the FY 2020/21, by ICRA Lanka Limited.



**WF IPO raised
LKR 3.2 Bn**

In testimony to the strength of our brand, WF's Initial Public Offering (IPO) was massively oversubscribed within hours of its launch on 24th March 2021. When the LKR 3.2 Bn IPO closed on its official opening day, a total of 1,654 applications were

INTELLECTUAL CAPITAL

received requesting 1.6 Bn shares worth LKR 25.73 Bn, denoting an over subscription of as much as 8 times the initial value.

INVESTING IN KNOWLEDGE-BASED SYSTEMS

Given that the knowledge of our people are the lifeblood of the business, we maintain a vertically integrated team structure to ensure WF has the in-house capability to execute the entire life cycle of a renewable energy plant from project initiation to operation and thereafter ongoing maintenance of power plants.

Building a strong knowledge base with the right skills is vital towards facilitating our vertically integrated team structure. As a standard practice, we recruit qualified professionals with the required credentials. At present, our team consists of 12 fully qualified engineers with broad exposure in renewable energy project design and operation. They are supported by a team of 100 trained technical officers who specialise in the day-to-day maintenance at our plants.

Beyond this, we take a proactive approach towards building capacity and encourage our teams to dynamically enhance their skills and expertise on-the-job. Teams are allowed flexibility and innovation is encouraged as a platform for ongoing learning. These efforts are complemented by regular technical training, including overseas assignments. At the same time, we promote continuous professional development to allow our experts to further enhance their knowledge in line with the latest global trends, technological developments and compliance requirements that impact our industry.

Collectively these approaches have enabled our engineers to gain the confidence to handle complex engineering projects on their own and expand their capability to undertake overseas projects while maintaining all required international standards and quality requirements.

BUSINESS NETWORKS

Business networks are crucial to WF's strategy execution, especially in driving our diversification and overseas expansion plans. We aim to work with organisations who are specialists in their field of expertise in order to benefit from their advanced technology and technical knowhow. However, we are careful to engage with like-minded partners who share the same values and work ethic as WF, which we feel is critical in sustaining our operations over the long term.

On this basis, WF has forged long term partnerships with several globally renowned brands in the renewable energy generation sphere, including Norsk Solar, a leading energy solutions provider in the Nordic region and Frontier Energy, a major investor in renewable energy in Africa.

Further as an active member of the Wind Power Association of Sri Lanka, the Grid Connected Solar Power Association and the Small Hydro Power Association WF works towards advancing the country's renewable energy sector. As a member of the The Institution of Engineers Sri Lanka (IESL), WF operates as an accredited Training Institution for Engineers to qualify for their Corporate Membership of the IESL. [GRI 102 - 13]

STANDARDS AND CERTIFICATIONS

As a keen advocate of quality, our various internal systems and processes are benchmarked against the following international standards:

- ✱ ISO 10006:2017 - Guidelines for Quality Management in Projects
- ✱ ISO 14001:2015 - Environmental Management Standards
- ✱ ISO 45001-2018 Occupational Health and Safety Management Standards



**WF is a recognised
training body by the IESL**

INTELLECTUAL CAPITAL

BUSINESS CONDUCT

As a renewable energy producer and a listed entity, a wide range of regulatory frameworks apply to our day-to-day operations. Compliance with these regulations is considered as an absolute priority. Please refer to the Corporate Governance Report on page 109 to 133 for more details.

Beyond this, we aim to conduct our business in an honest and ethical manner and expect our employees to act professionally, fairly and with integrity in their business dealings and relationships on behalf of the Company. Towards this end, we maintain a zero-tolerance approach towards bribery and corruption and human rights violations, which are enforced through a set of Conduct Policies that define appropriate behaviour for employees. All employees, including WF internal security teams are made aware of these policies and the importance of adherence is reinforced during routine discussion forums between employees and the senior management. [GRI 410].

Our Disciplinary and Termination Policy covers the Company's approach to handling allegations of bribery, corruption or human rights violations.

KEY STATISTICS FOR 2020/21

[GRI 205] - Anti Corruption Practices	Operations at risk for corruption	None
[GRI 412] - Human Rights Practices	Operations at risk for Human Rights	None
[GRI 415] - Political Contributions	Direct / Indirect political contributions made	None

IMPACT ON OTHER CAPITALS

A solid intellectual capital base fundamentally adds value to all other capitals.

FINANCIAL CAPITAL - Strong brand positioning enables WF to grow market share and pursue diversification strategies to improve financial viability over time

MANUFACTURED CAPITAL-
Improved knowledge enable more efficient use of physical assets

HUMAN CAPITAL- The ability to be part of the #1 renewable energy company in the country inspires loyalty and increases motivation among employees

SOCIAL AND RELATIONSHIP CAPITAL -
The collective strength of intangible assets creates an ecosystem to build relationships with key stakeholders

NATURAL CAPITAL



Our Natural Capital Development Philosophy

Make a clear positive contribution towards managing the impacts of climate change over time.

Our Material Matters

- * Ethical Business Conduct
- * Environmental Impact

Our Management Approach

- * Regulatory Compliance
- * Best Practices

Value Creation Highlights for 2020/21

Emissions
ZERO

Incidents of non-compliance
ZERO

Contribution to the SDG's



REGULATORY COMPLIANCE

As a renewable energy producer, WF is governed by the National Environmental Act No. 47 of 1980, and its amendments No 56 of 1988 and No: 53 of 2000. As mandated by the act, we submit either an Initial Environmental Examination (IEE) or an Environmental Impact Assessment (EIA) report when seeking approval for new projects. The determination of whether an IEE or an EIA is needed is based on the nature, extent and the complexity of the project undertaken. The purpose of the IEE or the EIA is to determine the potential impacts of development activities on the natural and social environment. WF has complied with all stipulations under the act, including the directive that dictates that wind and solar plants shall be located sufficiently away from any sites designated as a biodiversity hotspots by national law.

Furthermore, WF's day to day business operations are regulated by the Environmental Protection Licence (EPL) issued by the Central Environmental Authority.

BEST PRACTICES

Going beyond the regulatory compliance requirements, we have benchmarked our internal systems and processes against the ISO 14001:2015 Environmental Management Standard. Stemming from this, we have put in place a comprehensive Environmental Management System (EMS) to create a systematic framework through which to holistically manage the environmental impact in our day-to-day operations: The EMS is cascaded down to a functional level through WF's Environmental Manual which consists of a set of policies, procedures and protocols. Target setting

and regular monitoring serve as the basis for continuous and ongoing procedural improvement for the EMS, while the annual audit programme that forms part of annual monitoring protocol too makes an important contribution towards ongoing improvements at a policy level.

WF's core business has very few environmental concerns. As a renewable energy producer, the key raw materials used in our business are obtained from renewable sources - wind power, hydro power and solar irradiance. Furthermore the clean energy we produce does not generate emissions. Being a net contributor to the national electricity grid, electricity consumption is also not a material concern. However there is one instance when the Company does draw electricity from the grid, that being in the event of a grid failure which requires

NATURAL CAPITAL

a plant to restart. While these are very infrequent occurrences, our EMS contains strict protocols to ensure the efficacy of our start up procedures in order to minimise the load drawn from the grid.

Our water usage is very limited. Water is used only for washing of solar PV modules to remove the dust etc. At our ground mounted solar PV power plants, we use groundwater drawn from onsite deep tube wells, while at our roof top solar projects, we use a mix of the groundwater and pipe borne water drawn from municipal water lines.

The production of wind and solar energy does not lead to any residual waste.

KEY STATISTICS FOR 2020/21

[GRI 307] - Environmental Compliance	Fines / non- monetary Sanctions for non-compliance of environmental laws	None
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IMPACT ON OTHER CAPITALS

Our commitment to minimise natural capital loss through the core business enhances the value created for stakeholders

FINANCIAL CAPITAL - Improves the sustainability of the business and creates a foundation to generate consistent returns over time

INTELLECTUAL CAPITAL - Reinforces WF's brand reputation as an environmental champion

HUMAN CAPITAL- Increases employee awareness and participation in global issues such as climate change

GOALS FOR THE FUTURE

Going forward, WF's eco pillar - Environmental Conservation (WindForce **හරිත භාරව**) will provide a more structured framework for the Company's environmental conservation projects. In this regard, several key initiatives have been earmarked for the forthcoming financial year, among them a long-term planting programme aimed at offsetting the impact of deforestation in Sri Lanka. With WF providing the tree saplings, the programme will be rolled out with the support of students around the country and will be combined with a series of awareness sessions to educate the students and the wider community regarding the detrimental impact of deforestation over time.

Meanwhile the first project implemented under the eco pillar - the Mangrove planting project, will also be further expanded to gradually increase the geographical coverage across the Puttalam lagoon.

SOCIAL AND RELATIONSHIP CAPITAL



Our Social and Relationship Capital Development Philosophy

Create a climate of trust by prioritising stakeholder interests, and thereby ensure they remain invested in WF's progress over the long term.

Our Material Matters

- * Ethical Business Conduct
- * Excellence in Quality

Our Management Approach

- * Product Stewardship
- * Customer Relations
- * Relations with Governing Bodies
- * Procurement Practices
- * Community Investments

Value Creation Highlights for 2020/21

Product
Safety
Violations
ZERO
incidents

Anti
Competitive
Behaviour
ZERO
incidents

Amount
Invested in
Community
Projects -
LKR 33.5 Mn

Nine CSR
projects

Contribution to the SDG's



SOCIAL AND RELATIONSHIP CAPITAL

PRODUCT STEWARDSHIP

The electricity we generate, if not handled safely, could even lead to death. Safety is therefore our number one priority. We have implemented a comprehensive Safety Manual based on the ISO 45001, Occupational Health and Safety Management Standards, which all plant teams are required to adhere to without exception. In addition, separate management systems have been developed for each site based on the respective site complexity and nature. In addition, all plant teams undergo mandatory safety training by a certified trainer.

All systems and processes are subject to ongoing review through a regular hazard identification process with mitigation action taken as required. The periodic safety audit which is a compliance requirement under the ISO 45001 standard also serves as a key tool facilitating ongoing improvement of safety systems.

For WF, product stewardship extends across the value chain as well. Premised on this, we have adopted a multi pronged approach towards product stewardship, starting with a mandatory environmental and social impact assessment prior to the commencement of a new project. **[GRI 413]** Our plants are built on sustainable design principles, with a majority of the materials being sourced through sustainable sources. A comprehensive Environmental Management System (EMS) is in place to provide the foundation for ensuring optimal use of resources in the day-to-day operations. Over and above this we undertake preventive and predictive maintenance and invest in the latest technologies to ensure all plants maintain their unique condition.

Our ongoing improvement efforts are further supported by the feedback we receive from local communities in and around our plants with whom we maintain regular and ongoing dialogue.

In this way, we ensure that our plants are geared to produce renewable energy in a safe and efficient manner with minimal negative impacts to the environment or surrounding communities.

CUSTOMER RELATIONS

As an energy producer, WF's only customers are the electricity utilities or the off takers in the countries where we operate our power plants. Since renewable energy is controlled by nature, our plants are considered "must run" units, and as such all energy generated from the plants must be accepted by the utility without any restrictions. We are nevertheless bound by the Grid Codes specified by the respective utility and are required to run and operate our plants based on the specifications of the country-specific Grid Code. The Grid Code is part of the binding contract between WF and the respective utility. WF is further bound by the terms and conditions set out under the Standard Power Purchase Agreements (SPPA) with the utility. SPPA's are typically 20 - 25 year contracts.

Further reinforcing our commitment to build strong customer relations based on trust, we support fair competition and do not attempt to gain an undue advantage or engage in any activities that may be construed as anti-competitive behaviour.

WF's Customer Profile	
Sri Lanka	Ceylon Electricity Board (CEB)
Uganda	Uganda Electricity Transmission Company Limited (UETCL)
Pakistan	K-Electric Limited, Central Power Purchasing Agency (Guarantee) Limited
Ukraine	Energotynok

We realise that customer satisfaction plays a vital role in gaining customer trust. Our approach to customer satisfaction is very simply to maintain a consistent supply of electricity with minimum disruptions. For this purpose, we operate and maintain our plants based on TPM (Total Productive Maintenance) principles through which we target anything above 95% plant availability at all times. Engineering excellence driven by the highly skilled team of experts at all WF plants contributes significantly towards achieving these objectives. Beyond this we are also continually adding value to our production processes by introducing industry best practices and investing in new technology and modern management methods to improve the efficacy of the energy generation systems at all our plants. Our goal in all this is to provide the customer with the assurance that the quality of electricity supplied by WF complies with the Grid code of the respective utility. Each of our plants are audited annually by the respective utility as part of a due diligence process to determine compliance with the Grid Code. In Uganda WF is required to submit additional technical and financial data to the

SOCIAL AND RELATIONSHIP CAPITAL

regulator, to fulfill its compliance obligations. To date we have succeeded in maintaining an unblemished track record with all contracted utilities with no violations of the respective PPA's in any of the countries where we operate.

Further we engage regularly with our customers and maintain a straightforward approach to meet directly with regional level authorities as well as key decision makers of the utilities to encourage them to provide feedback, which are then fed into our continuous improvement programme.

RELATIONS WITH GOVERNING BODIES

As a renewable energy Company, WF is governed by a number of regulators in the countries where it operates. Building trust with these governing bodies ensures the timely construction and facilitates the smooth operation of our energy plants. Accordingly, our relationship with these regulatory bodies is premised on 100% compliance. Beyond this, we maintain professional business relationships with these governing bodies based on the principles of transparency and ethics as dedicated by WF's internal ethical code of conduct.

GOVERNING BODIES RELEVANT TO WF'S OPERATIONS

SRI LANKA	UGANDA
Ceylon Electricity Board (CEB)	Electricity Regulatory Authority (ERA)
Public Utilities Commission of Sri Lanka (PUCSL)	Uganda Electricity Transmission Company Limited (UETCL)
Sri Lanka Sustainable Energy Authority (SEA)	Uganda Revenue Authority (URA)
Board of Investments of Sri Lanka (BOI)	Ministry of Energy & Mineral Development
State Ministry for Power	National Environment Management Authority (NEMA)
Forest Department	Directorate of Water Resource Management (DWRM)
Civil Aviation Authority of Sri Lanka	
Department of Archaeological	
Department of Wildlife Conservation	
Central Environment Authority (CEA)	
National Water Supply and Drainage Board	
Department of Irrigation	
Divisional Secretariats	
Pradeshiya Sabas	
Coast Conservation Department	
Urban Development Authority (UDA)	
Road Development Authority (RDA)	

SOCIAL AND RELATIONSHIP CAPITAL

PROCUREMENT PRACTICES

WF has a diverse supply chain, ranging from Original Equipment Manufacturers (OEM) supplying wind turbine and solar equipment to spare parts suppliers as well as other ancillary suppliers and service providers. There were no major changes to WF's supply chain in the year under review. [GRI 102 - 9] [GRI 102 - 10]

A Procurement Plan is prepared at the initial stage of each project detailing the products and services to be sourced. Based on the procurement plan, OEM suppliers are carefully selected with due consideration to product quality, compliance standards, certifications, warranties, price competitiveness, the ability to meet timelines, adaptability to the relevant climatic conditions and long term availability of the spares etc. A comprehensive comparison of these parameters are performed prior to the selection of OEM suppliers. The supplier's track record and previous experience are also important selection criteria. All products and services that are input to the project are subjected to the same level of controls regardless of their criticality and the source. The Procurement Plan also takes into account the interface management of various products and services to ensure division of work among the various suppliers can be agreed upon. It is a critical control aspect that supports our procurement process.

The OEM suppliers we have selected on this basis, are global companies who are industry leaders in their respective specialty. As suppliers to the

renewable energy industry they are most often sustainability champions who set standards for social and environmental performance on a global scale. Furthermore, their credentials are updated regularly, verified independently and disclosed publicly. As such WF does not seek to conduct its own environmental and social assessment of these OEM suppliers.

While a majority of OEM suppliers are based overseas, nearly 100% of the ancillary suppliers and service providers are local and based in the respective countries where we have projects. Most of the services required for the project implementation such as piling, civil construction, erection, logistics, heavy lift transport etc. are obtained locally. Civil construction accounts for a significant portion (approximately 30%) of the project cost.

Local suppliers are selected based on the list of pre-qualified vendors maintained at each plant. The list of suitable vendors is established for each category of goods and services. This vendor list is reviewed and updated annually with new vendors being included to the list based on letters of introduction and past performance. The process of selecting vendors is subject to the approval of the respective Plant Management team.

Approximately 85% of the average annual procurement spend is attributed to local suppliers. [GRI 204]

COMMUNITY INVESTMENT

Our community investment programme is based on the fundamental principle that people living in areas where we operate, should share the benefits of our success.

To ensure that we are making a meaningful contribution to address the needs of these communities, we begin by building good relations with the community right at the outset of a project.

As a policy we make certain that no members of the community are unduly affected by our construction and operational activities. This is done through our environmental and social impact assessment done at the feasibility stage of a project. However, in rare instances where the need arises for the relocation of houses and cultivation, we place special emphasis to ensure relevant families are provided housing, land for cultivation and compensation to ensure a better living standard than what they had before. [GRI 203]

Meanwhile project teams are expected to build ties with local community representatives, societies and the divisional secretariat to assess the underlying issues faced by the communities in the area. Thereafter a permanent community liaison is appointed to each of the Company's projects and plant sites to work on behalf of WF in identifying community needs on an ongoing basis and to strengthen ties with the community stakeholders. Recommendations for projects made by the plant-level community liaison are reviewed by WF's

SOCIAL AND RELATIONSHIP CAPITAL

management under the leadership of the Managing Director, thereafter an annual CSR report is prepared containing details of all approved projects. This CSR report together with annual budget for the same is presented to the Board for approval.

In the current financial year we further refined our approach and implemented a structured methodology to drive our community investment model. The new model takes a broader contextual view of environmental, social and governance issues (ESG) and guides our efforts vis-a-vis a 5-pillar strategy. Each pillar is assigned a specific annual budgetary allocation along with a set of targeted objectives that together will translate into more impactful long term benefit for the community.

WindForce believes in giving back to the society we operate in. We believe in making meaningful contributions to develop the lives of communities and show our commitment to our stakeholders and respect for the environment.

WF's CSR activity fall in line with the Company's five CSR pillars.

ESG Programme	Project Name
Education & Childhood Development	WindForce සිප්සතර
Environmental Conservation	WindForce හරිත හුරුව
Community & Livelihood Development	WindForce සහන
Pure Hands for Emergency Relief	WindForce අතහිත
Health Care	WindForce සුවදිව්

WindForce සහන Projects in Sri Lanka

Diriya Vanitha

A women's empowerment initiative that focuses on assisting widowed women in fisheries communities to earn a sustainable livelihood through cottage industries.

Clean Water Project

WF undertook to install Solar panels at a local community center in Jaffna town in the Jaffna District. The solar panels are for the purpose of generating the energy requirements of the RO plant at the community

Community Infrastructure Development

Each year WF contributes towards a range of infrastructure development projects in rural areas of the Northern Province

Education & Childhood Development (WindForce සිප්සතර)

WindForce සිප්සතර is WF's flagship community initiative in Sri Lanka, which is aimed at supporting STEM education among rural youth. Targeting students in rural schools between the ages of 11 to 16 years, WindForce සිප්සතර seeks to establish laboratories in rural schools to give students the tools and exposure to cultivate their interest in science, technology, engineering and mathematics.

The progress made so far under the WindForce සිප්සතර programme has seen WF undertake two parallel initiatives; 1) building teaching resources in rural schools by supporting university students from the area to give back to their communities by working with young students to develop their interest. 2) Extend the Smart Classroom concept to the rural school network.

Community & Livelihood Development (WindForce සහන)

This is WF's global community enrichment programme.

Pure Hands for Emergency Relief (WindForce අතහිත)

WF's emergency relief programme set up for the purpose of providing direct assistance to communities placed in a vulnerable situation due to unforeseen events. In the year under review, WF distributed dry ration packs to several communities in and around the Company's plant site in Puttalam. A total of LKR 1.55 Mn was incurred for this purpose. As part of our overall COVID-19 response, we donated automatic Disinfection Chambers worth USD 12,000 to five government institutions in Uganda.

SOCIAL AND RELATIONSHIP CAPITAL

Health Care (WindForce සුවසිරි)

This is a special initiative dedicated towards uplifting public healthcare standards in Sri Lanka.

Environmental Conservation (WindForce හරිත කුරුමා)

This is WF's eco pillar under which all environmental conservation projects are carried out. The key initiative undertaken in the current year was the Mangrove planting programme. A joint project with the Rotaract Club of Sri Jayawardenapura, the initiative saw 500+ plant species being replanted across a 600 m stretch of the Puttalam lagoon.

The annual beach clean up project, which has been an ongoing effort for the past four years, could not be carried out in 2020 due to the COVID-19 restrictions.

KEY STATISTICS FOR 2020/21

[GRI 206] - Anti Competitive Behaviour	There were no incidents of anti-competitive behaviour reported in the current financial year.
[GRI 416] - Product Safety	There were no incidents of non-compliance of product safety requirements reported in the current financial year.
[GRI 417] - Marketing and Labelling	There were no incidents of non-compliance of product marketing and labelling requirements reported in the current financial year.
[GRI 418] - Customer Privacy	No. of complaints
[GRI 419] - Socioeconomic Compliance	There were no incidents of non-compliance of socioeconomic regulations reported in the current financial year.
[GRI 411] - Rights of Indigenous people	There were no incidents regarding the violation of rights of indigenous people reported in the current financial year.

IMPACT ON OTHER CAPITALS

Strong relationships with key stakeholders paves the way to strengthen other aspects of the business.

FINANCIAL CAPITAL - A strong track record with customers creates a firm foundation to expand the project pipeline and thereby enhance earnings capability

INTELLECTUAL CAPITAL- Long standing customer relationships, and good standing in the community together enhance WF's reputation as a good corporate steward

MANUFACTURED CAPITAL- Feedback received from customers and the community serve to facilitate ongoing improvement of plant operations

HUMAN CAPITAL- Working to fulfill customer contracts greatly enhances the expertise of WF's teams

SOCIAL AND RELATIONSHIP CAPITAL

GOALS FOR THE FUTURE

Going forward, our primary focus will be to expand our ESG programme, with the following projects scheduled to be completed in the forthcoming financial year.

ESG Pillar	Identified Projects in Sri Lanka
WindForce සිප් සතර	STEM education development To develop “Teaching Hubs” in 12 state schools. This will be WF’s flagship community project and will be an ongoing initiative where all necessary resources for the day to day running of the Hubs will be provided by the Company. Resource requirements will be established through an annual progress review conducted by the Company. As part of the next phase of the project, the Company will undertake to set up Smart Labs at selected schools operating in the STEM education stream.
WindForce හරිත තුරැව්	Tree Planting Programme Continue with the Mangrove planting programme in the Puttalam lagoon WF targets to plant 1000 Trees in selected areas in the North Western and Uva Province. Plastic Waste Collection and Beach Cleaning Project Ocean strainers to be placed in selected canals around Sri Lanka. Beach Clean-up in Puttalam
WindForce සහන	Project Diriya Wanitha (Women Empowerment) Providing sewing machines to women in selected fishing communities in the Puttalam District to help create self-employment opportunities. Community Water Project Donation of a Reverse Osmosis (RO) water purification plant to a vulnerable community in Sri Lanka’s northern province in order to mitigate the risk of developing Chronic Kidney Disease.
WindForce සුවිදිරි	Undertake the renovation of a Children and Maternity wards and COVID treatment units in the Puttalam and Rathnapura Districts.



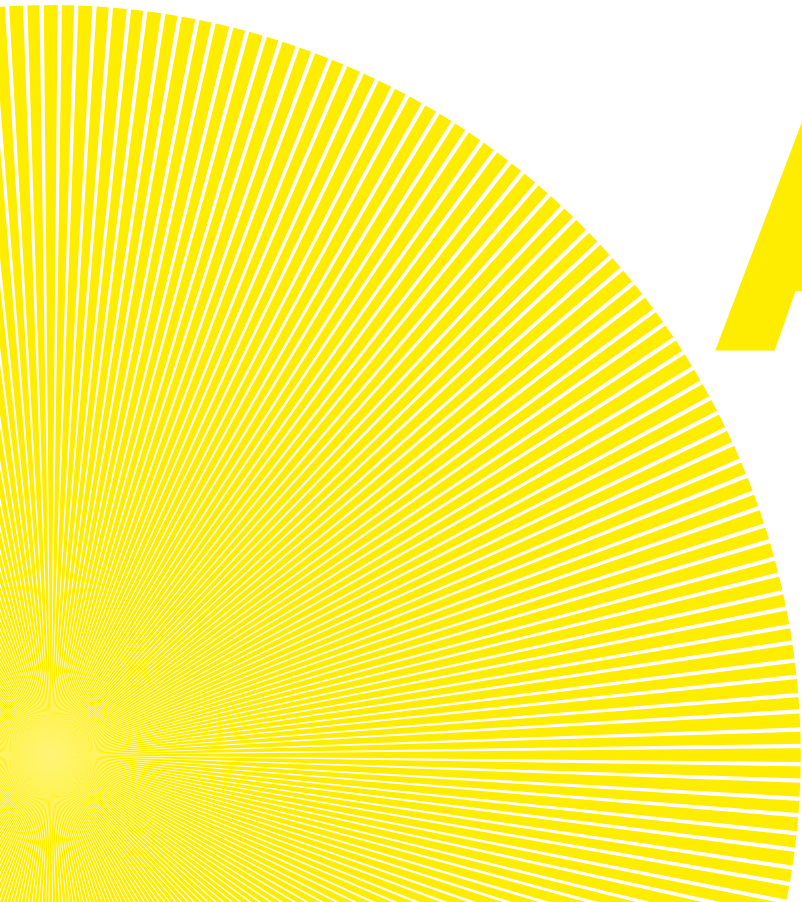


Rise up

Rise up...
so that we inspire
a clean and green
community...

CHAPTER – 3

COMPLI- ANCE



Corporate Governance Report / 109
Audit Committee Report / 134
Remuneration Committee Report / 135
Related Party Transactions Review Committee Report / 136

CORPORATE GOVERNANCE REPORT

[GRI 102-16]

CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

As Chairman, it remains my responsibility, to work with my fellow Board colleagues, to ensure that good standards of corporate governance are embraced throughout the Company. The Board collectively recognises that the correct tone needs to be set from the top to ensure that good standards of behaviour permeate throughout all levels. In this regard, the Board leads by example, by setting clear expectations concerning the culture, values and behaviours expected of employees and continue to reinforce their importance through continuous and ongoing communication

I declare that all the members of the Board of Directors and all WF employees have acted in compliance with the applicable regulatory and statutory requirements and have discharged their duties in accordance with the policies, procedures and standards set out under the Company's Corporate Governance Framework.

I would also like to place on record that, having confirmed our status as a listed entity just prior to the conclusion of the current financial year, the Board looks forward to improving the transparency of WF's financial and non-financial disclosures in line with best practices for listed entities. The Board also expects to focus on further strengthening WF's internal assurance and control frameworks in the forthcoming year.



Ranil Pathirana
Chairman

Good Corporate Governance is fundamental for the effective management of WF's business. It also serves as the key mechanism for safeguarding the Company's reputation and for building strong relationships with stakeholders.

WF'S APPROACH TO CORPORATE GOVERNANCE

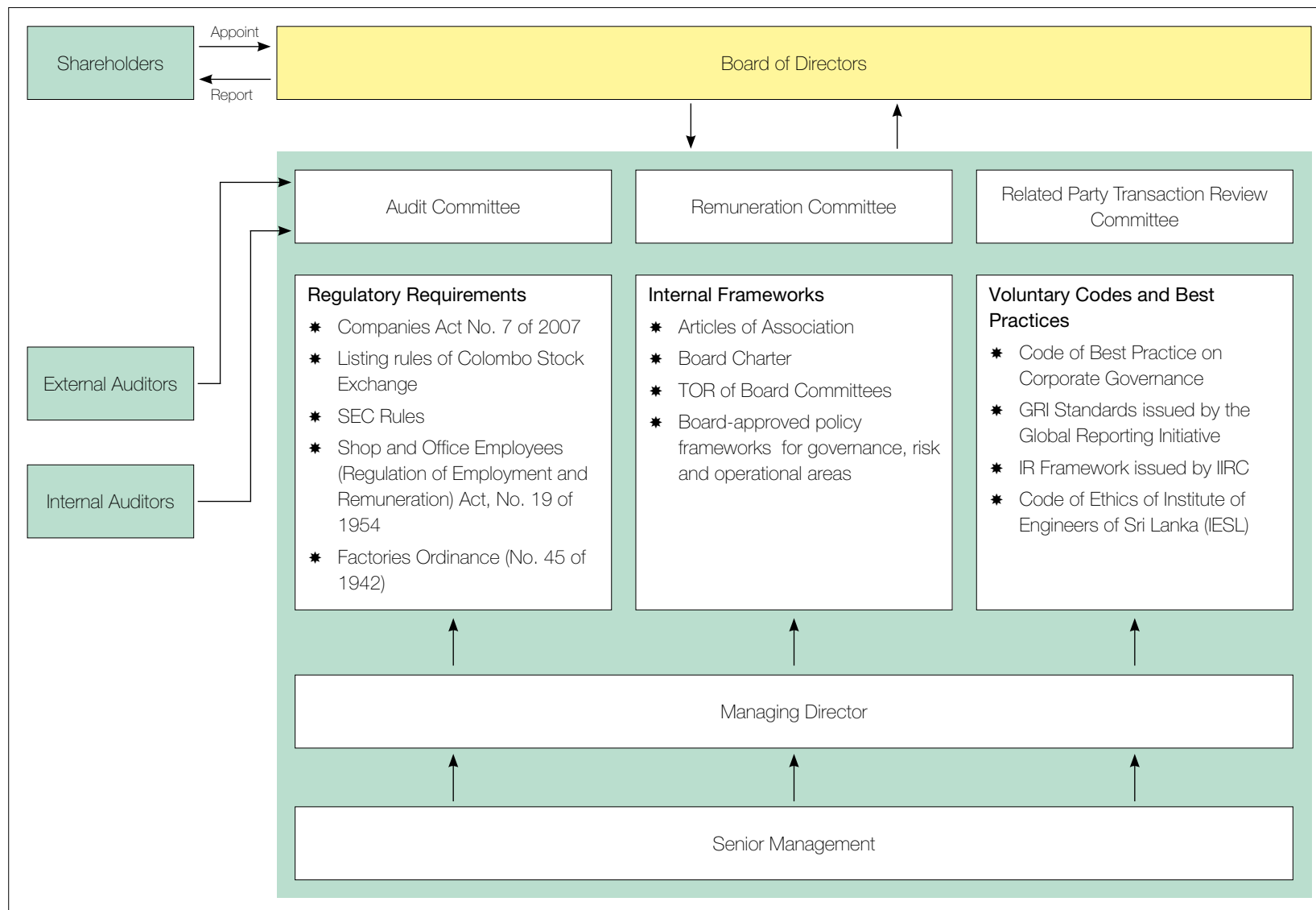
WF's approach to Corporate Governance aims to promote strategic decision making in a way that aligns corporate objectives with the interests of stakeholders and the expectations of wider society and the country as a whole. Based on the principles of fairness, accountability, responsibility and transparency, WF's Corporate Governance Framework underpins the Company's ability to be accountable to shareholders and other stakeholders and address their interests fairly, in keeping with the highest standards of business ethics and integrity.

Given its fundamental role as a key business enabler, WF corporate governance framework is subject to ongoing review, assessment and improvement.

CORPORATE GOVERNANCE REPORT

WF'S CORPORATE GOVERNANCE STRUCTURE AND FRAMEWORK

Governance Structure [GRI 102-18/22/23]



CORPORATE GOVERNANCE REPORT

BOARD COMMITMENT TO CORPORATE GOVERNANCE

WF is governed by a strong and balanced Board. The effectiveness of the decision making at a Board level is enhanced through a combination of Executive, Non-Executive and Independent Non-Executive Directors, who bring a mix of business skills, experience and diverse perspectives. Complete Board Profiles are available on pages 33 to 35.

The Board meets every quarter with additional meetings if and when required. A formal Board agenda forms the basis of each Board meeting. The Chairman and the Company Secretary are responsible for developing the Board agenda and for ensuring that the Directors receive accurate, timely and clear information on all relevant matters prior to each Board meeting. All Directors are required to attend scheduled Board meetings without exception.

The Board is collectively accountable to WF's stakeholders for the long-term success of the Company. As the highest governance body in the Company, the WF Board is responsible for ensuring appropriate management and operations in pursuit of corporate objectives. The Board is further responsible for setting strategy, values and standards and ensuring that the necessary controls and resources are in place to deliver them.



To help discharge its responsibilities, the Board has appointed several sub-committees. These are; the Audit Committee, the Remuneration Committee and the Related Party Transaction Review Committee. It is the Company's policy that the chair of each sub-committee be a Board member. Each committee operates as per the formal TOR (Terms of Reference) approved by the Board. More details are provided in the respective committee reports from page 134 to 136.

CORPORATE GOVERNANCE REPORT

Board and Sub-Committee Meeting Attendance

Name of the Director	Meetings		
	Board	Audit Committee	Remuneration Committee
Mr. Ranil Pathirana	4		1
Mr. Asgi Akbarally	4		
Mr. M. L. Hirdaramani (Resigned w.e.f 13/01/2021)	1		
Mr. Vinod Hirdaramani	4		
Mr. Manjula Perera	4		
Mr. Huzefa Akbarally	3		
Mr. Hussain Akbarally	4		
Mr. Moiz Najmudeen	4	1	
Mr. Savantha De Saram	4	1	1
Mr. Dilshan Hettiarachchi	4	1	1
Ms. Saumya Amarasekera	4		

Board Composition, Committees and Expertise

	Tenure to Date	Current Profile	Membership of Committees	Competencies and Experience
Mr. Ranil Pathirana	11 Years	Chairman, Non-Executive Non-Independent Director	Chairman 	
Mr. Asgi Akbarally	11 Years	Deputy Chairman, Executive Non-Independent Director		
Mr. Manjula Perera	11 Years	Managing Director, Executive Non-Independent Director		
Mr. Huzefa Akbarally	11 Years	Non-Executive Non-Independent Director	Member 	
Mr. Hussain Akbarally	< 1 Year	Executive, Non-Independent Director		

CORPORATE GOVERNANCE REPORT

Board Composition, Committees and Expertise

	Tenure to Date	Current Profile	Membership of Committees	Competencies and Experience
Mr. Moiz Najmudeen	11 Years	Non-Executive Non-Independent Director	Member 	   
Mr. Vinod Hirdaramani	11 Years	Non-Executive Non-Independent Director		  
Mr. Dilshan Hettiaratchi	< 1 Year	Non-Executive Independent Director	Chairman  	   
Mrs. Saumya Amarasekera	< 1 Year	Non-Executive Independent Director	Chairman 	
Mr. Savantha De Saram	< 1 Year	Non-Executive Independent Director	Member   	 



Remuneration
Committee



Audit
Committee



Related Party Transaction
Review Committee

● Finance

● IT/Technology

● Sustainability

● Engineering

● Marketing

● Hospitality

● Management

● Renewable Energy

● Healthcare

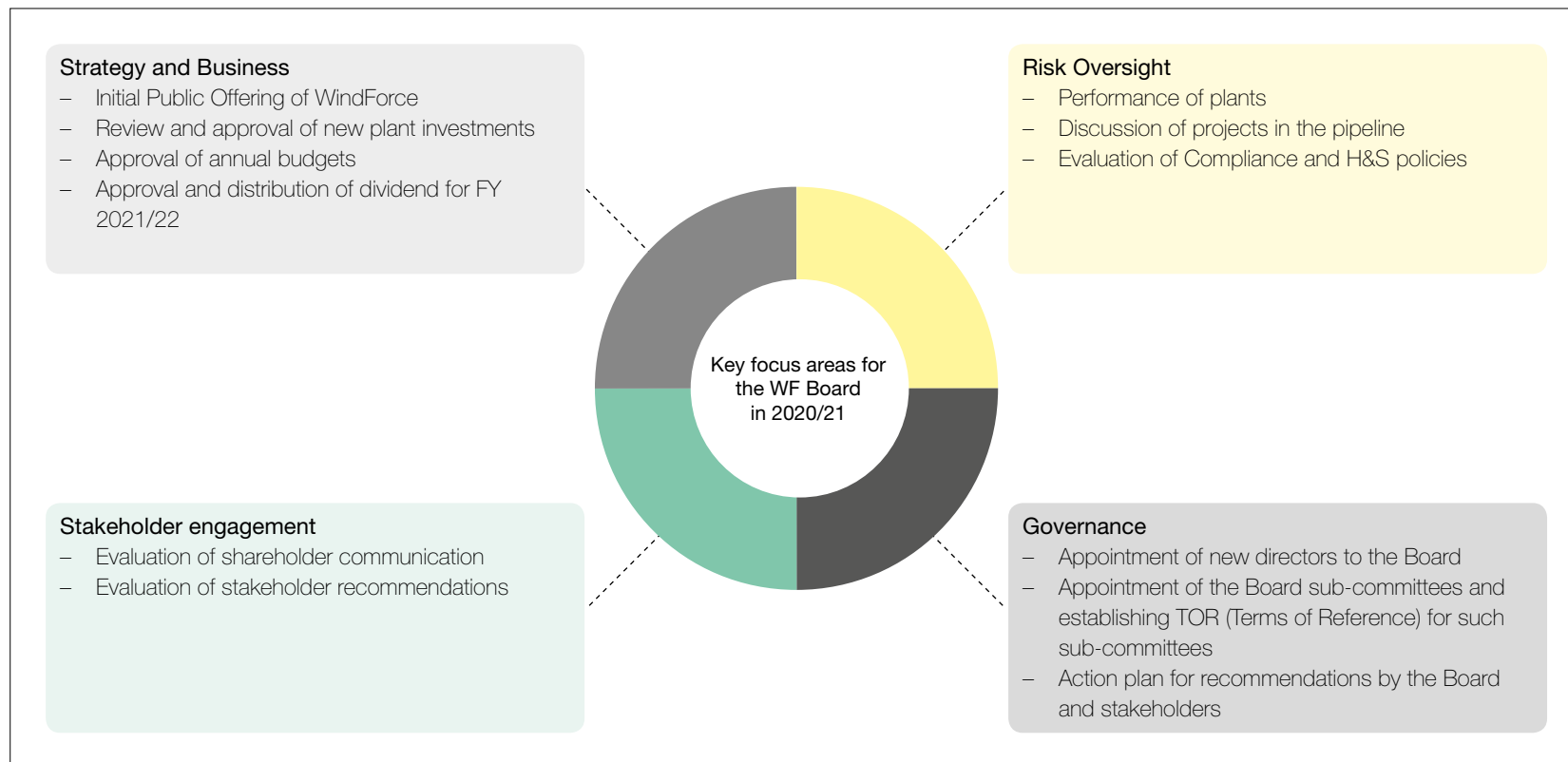
● Law

● Corporate Finance

● Investment Management

● Industry and Commerce

CORPORATE GOVERNANCE REPORT



Responsibility of the Board

As the highest governance body within the Company, the WF Board is ultimately responsible for the continuity of the business as a going concern. The duties and responsibilities of the Board include;

- Ensuring that the interest of all stakeholders are upheld
- Conceptualisation and implementation of an effective business strategy, forecasting of related risks with the Management, evaluating the internal controls system
- Compliance with laws and regulations issued by all relevant governing bodies
- Overlooking the operation of the sub-committees and Senior Management.
- Ensuring effective communication with shareholders, investors and stakeholders

CORPORATE GOVERNANCE REPORT

Responsibility of the Chairman

WF has an Independent non-executive Chairman who presides over the Company's Board. In this capacity, the Chairman is responsible for;

- Preserving order and facilitating the effective discharge of duties of the Board
- Ensuring that the affairs and proceeding of the Board are conducted in an effective manner.
- Determining the Board's composition and structure. This will entail periodic evaluations of the Board's overall size, and the quality of the Board in terms of the directors skills and competencies as well as the balance between Executive and Non-Executive Directors.
- Leading the Board and directing its attention to strategic issues, as well as overseeing the Group's operations and establishing high governance standards.
- Ensuring that Board decision-making procedures are effective, and that important initiatives are subjected to adequate scrutiny and active debate.

Responsibility of the Managing Director

WF has a Managing Director, whose role is separate and distinctly different from that of the Chairman.

The Managing Director is held accountable by the Board for the proper management of the day to day business operations of the Company. In this capacity, the Managing Director is responsible for;

- Leading the Senior Management in driving the performance of the business and setting the overall strategic agenda
- Addressing recommendations made by the Senior Management team on matters including but not limited to, strategy, risk management, governance, capital, and financial reporting.
- Ensuring that all appropriate mechanisms are effectively implemented to report the actual performance of the Company and predict performance based on its goals and the implementation of the strategy.

- Establishing and maintaining measures that attract, retain, and motivate suitable personnel, as well as promote and reward their effective development of skills and traits to contribute to the Company's success.
- Ensuring the business is conducted in such a way that safeguards the Company's reputation and credibility with regulators, governments, local communities, suppliers, customers, trade associations, the media and other stakeholders.

CORPORATE GOVERNANCE REPORT

Securities & Exchange Commission and Chartered Accountants of Sri Lanka Code of Best Practice of Corporate Governance

SEC and CA Sri Lanka Code Reference No.	Level of Compliance	Status of Compliance
A. Directors		
A.1 The Board	Every Public Company should be headed by an effective Board, which should direct, lead and control the Company.	
A.1.1 Frequency of Board Meetings	Board meetings are usually held on a quarterly basis. Special Board meetings are convened whenever necessary. Urgent matters are referred to the Board via circulation. Four Board Meetings were held during the period under review. Please refer page 112 for the attendance of the Directors at Board meetings. The Group's financial performance and key highlights of the business segments, projects which are forecasted to be completed by the Company, status of the current projects and etc are reviewed and discussed, among other matters, at Board Meetings.	Complied
A.1.2 Responsibilities of the Board	Please refer page 114 for Responsibility of the Board	Complied
A.1.3 Compliance with laws and access to independent professional advice	The Board collectively and the Directors individually act in accordance with the laws of the country of operation which are applicable to the business enterprise. A comprehensive Statutory Compliance Report prepared by the Head of Finance is presented on a quarterly basis at Board meetings	Complied
A.1.4 Company Board Secretary	The Company Secretary advises the Board and ensures that matters concerning the Companies Act, Board procedures and other applicable rules and regulations are followed. All Directors have access to the services of the Company Secretary. Appointment and removal of the Company Secretary is a matter for the Board as a whole.	Complied
A.1.5 Independent judgment	All Directors bring independent judgment, and in particular the Independent Non-Executive Directors provide an unbiased, independent, varied and experienced perspective to the Board. The Board is responsible to discharge their duties on the matters concerning the Board including strategy, performance, resource allocation, risk management, compliance and standards of business conduct	Complied
A.1.6 Adequate time and effort by the Board and Company	All Directors of the Company dedicate adequate time and effort at Board and Sub Committee meetings to fulfil their duties. Further they also spend their time before and after the meetings to ensure that the duties and responsibilities owed to the Company are discharged to higher standards of acceptability. This supplements by a time allocation for familiarization with business operations, risks and controls.	Complied

CORPORATE GOVERNANCE REPORT

SEC and CA Sri Lanka Code Reference No.	Level of Compliance	Status of Compliance
A.1.7 Calls for resolutions	One third of Directors can call for resolutions to be presented to the Board where they feel it is in the best interest of the Company	Complied
A.1.8 Appropriate Training and Board Induction	The Board provides strategic direction to the development of a sound business strategy which is aimed at the long-term sustainability and continuous growth of the Company. The Company recognizes that there is need for continuous training and expansion of the knowledge and skills required to effectively perform duties as a Director. As such the Board regularly reviews and agree on the training and development needs of Directors.	Complied
A.2 Chairman and Chief Executive Officer	There are two key roles at the top of every public company – conducting the business of the Board and facilitating executive responsibility for management of the Company's business. There should be a clear division of responsibilities at the head of the Company which will ensure a balance of power and authority between the Chairman and Managing Director, such that no one individual has unfettered power of decision making.	
A.2.1 Division of responsibilities between Chairman and Managing Director	The Chairman and MD positions are held by two separate individuals. Chairman and MD functions and key responsibilities are clearly defined and separated by the Board. The Chairman holds office in a Non-Executive capacity and is responsible for leading and the ensuring effective functioning of the Board while the MD is responsible for managing the business with the help of the CEO and the Senior Management.	Complied
A.3 Chairman's Role	The Chairman's role in preserving good Corporate Governance is crucial. As the person responsible for running the Board, the Chairman should preserve order and facilitate discharge of Board functions.	
A.3.1 Role of the Chairman	Refer page 115 for responsibilities of the Chairman	Complied
A.4 Financial Acumen	The Board ensures the availability within it, those with sufficient financial acumen and knowledge to offer guidance on matters of finance.	
A.4.1 Availability of financial acumen	The Company's Board has a range of expertise and experience in the field of finance. The expertise, skills, qualifications and potentials of each of the Board members are mentioned in their respective profiles on pages 33 to 35 and pages 112 to 113.	Complied
A.5 Board Balance	The Board should have a balance of Executive and Non-Executive Directors so that no individual or a group of individuals can dominate the Board's decision-making.	
A.5.1 Presence of Non-Executive Directors"	The Board includes Non-Executive Directors of sufficient calibre and number for their views to carry significant weight in the Board's decision.	Complied
A.5.2 to 5.5 Independent Directors	The Board includes seven Non-Executive Directors of which three are Independent Directors. Please refer pages 112 to 113 for Board Composition	Complied

CORPORATE GOVERNANCE REPORT

SEC and CA Sri Lanka Code Reference No.	Level of Compliance	Status of Compliance
A.5.6 Alternate Directors	Not Applicable	N/A
A.5.7 & 5.8 Senior Independent Director	The Company's Chairman and Managing Director are separate persons, therefore the requirement to appoint a Senior Independent Director does not arise under this code	N/A
A.5.9 Meeting of Non- Executive Directors	The Chairman discusses matters relevant to the Board with the Non-Executive Directors as and when the need arises. During the year under review there was no requirement to hold such meetings.	Complied
A.5.10 Recording of dissent in minutes	The Chairman jointly acts with the Secretaries to conduct the Board Meetings, advises the Secretaries to prepare the minutes, records of any concerns of the Board as a whole of those of individual Directors regarding matters placed for their approval.	Complied
A.6 Supply of Information	Board should be provided with timely information in a form an of quality appropriate to enable it to discharge its duties	
A.6.1 Management's obligation to provide appropriate and timely information	The Management provides information including both qualitative and quantitative, for quarterly Board Meetings. The Chairman ensures all Directors are properly briefed on issues arising at Board Meetings. The minutes were circulated and formally approved at subsequent Board Meetings. The Directors of the Company have the accessibility to the Management for further information. The Company ensures the distribution of Board Papers on time, enabling the Directors to access to information	Complied
A.6.2 Adequate time for effective Board meetings	A Board pack which comprises of meeting minutes, agenda and the discussion papers, is shared with the Directors in advance to provide them with adequate time for review to conduct effective Board Meetings.	Complied
A.7 Appointments to the Board	There should be a formal and transparent procedure for the appointment of new Directors to the Board	
A.7.1 Appointments to the Board	The Board has not established a Nominations Committee to make recommendations on Board appointments, therefore all appointments to the Board are based on collective decisions by all Directors. However, the Board has proposed to appoint a Nominations Committee for the coming financial year.	Complied
A.7.2 Assessment of Board composition	An annual assessment of will be conducted to evaluate the combined knowledge, skill and experience of the Board to match the requirements of the Company.	Complied
A.7.3 Disclosure of details of new Directors to shareholders	Upon the appointment of new Directors to the Board, the Company discloses such information to the shareholders at the time of their appointment by way of public announcements to the Colombo Stock Exchange as well as in the Annual Report, 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 "Independent".	Complied

CORPORATE GOVERNANCE REPORT

SEC and CA Sri Lanka Code Reference No.	Level of Compliance	Status of Compliance
A.8 Re-election	All Directors should be required to submit themselves for re-election at regular intervals and at least once in every three years	
A.8.1 & 8.2 Appointment of Non-Executive Directors	In accordance with the Articles of Association 1/3 of the Board must retire (other than those Directors who are over 70 years of age) retire and are subjected to re-election by the Shareholders. The Directors who retire by rotation are those who have been the longest in rotation and in office since their election/re-election. The Directors eligible for re-election at the AGM are recommended by the Board.	Complied
A.8.3 Resignation	Written communication is provided to the Board by any Director who wishes to resign prior to completion of his/her term. No Directors resigned in the year under review.	Complied
A.9 Appraisal of Board Performance	The Board should periodically appraise its own performance to ensure that the Board responsibilities are satisfactorily discharged.	
A.9.1 to A.9.4 Formal annual assessment of Board Performance	The Company ensures to adopt a formal appraisal system to evaluate the performance of the Board	Complied
A.10 Disclosure of Information in respect of Directors	Details in respect of each Director should be disclosed in the Annual Report for the benefit of the shareholders.	
A.10.1 Disclosure of information in respect of Directors	Please refer to the table on pages 112 to 113 for information on the Directors and membership in Board Sub Committees.	Complied
A.11 Appraisal of the Chief Executive Officer	The Board of Directors should at least annually assess the performance of the Chief Executive Officer.	
A.11.1 to A.11.2 Target/Goals for the Managing Director	The Company is in the process of creating performance/ KPI based evaluations to implement throughout the Company.	Complied
B. Directors' Remuneration		
B.1 Remuneration Procedure	Companies should establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his/ her own remuneration	
B.1.1 Remuneration Committee	The Board has established a Remuneration Committee to develop policies and determine remuneration for the Non-Executive and Executive Directors, CEO and all other executive employees. No Director is involved in determining his own remuneration	Complied

CORPORATE GOVERNANCE REPORT

SEC and CA Sri Lanka Code Reference No.	Level of Compliance	Status of Compliance
B.1.2, B.1.3 Composition of the Remuneration Committee	The Remuneration Committee comprised of three (03) Non-Executive Directors of whom two (02) are Independent Non-Executive Directors. The Remuneration Committee report is given on page 135	Complied
B.1.4 Remuneration of the Non-Executive Directors	The Remuneration of the NED are determined by the Remuneration Committee in line with the industry best practices. The Independent Non-Executive Directors receive a fee for being a Director of the Board and an additional fee for being a member of a Committee.	Complied
B.1.5 Consultation of the Chairman and access to professional advice	The Remuneration Committee consults the Chairman and CEO about its proposals relating to the remuneration of other Executive Directors and have access to professional advice from within and outside the Company	Complied
B.2 Level and make-up of Remuneration	The level of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to the corporate and individual performance.	
B.2.1. & B.2.2 Level and make-up of the remuneration	Remuneration of Executive Directors are designed to attract, retain and encourage enhanced performance and to ensure reward for their individual contribution to the long-term success of the Company in a fair and responsible manner. The remuneration comprises of salary, bonuses and allowances. The Remuneration Committee takes into account market practices and seeks professional advice when required.	Complied
B.2.3 & B.2.4 Comparison of remuneration relative to other companies	The remuneration levels of the Company are reviewed from time to time and compared with those of peers in the industry. This enables to attract the potentials and highly qualified expertise within the organization.	Complied
B.2.5 & B.2.7 Performance related payments	During the year, the Company did not offer performance related remuneration for Directors.	N/A
B.2.6 Executive share options	No Employee Share Option Plans were granted during the year.	Complied
B.2.8 & 2.9 Early termination of Directors	Not applicable to the Board of Directors	N/A
B.2.10 Remuneration of Non-Executive Directors	The Remuneration Committee determines the levels of remuneration for NED taking into account the time, commitments, their expertise, enhanced performances etc. The Company ensures to attract their contribution to the long term success of the Company	Complied
B.3 Disclosure of Remuneration	The Company should disclose the Remuneration Policy and the details of Remuneration of the Board as a whole	
B.3.1 Disclosure of Remuneration	Remuneration Policy statement – Please refer to page 135 for the Report of the Remuneration Committee Report Aggregate Board remuneration paid – Please refer to Note 26 to the Financial Statements on page 199 for the remuneration paid to Directors	Complied

CORPORATE GOVERNANCE REPORT

SEC and CA Sri Lanka Code Reference No.	Level of Compliance	Status of Compliance
C. Relations with Shareholders		
C.1 Constructive use of the Annual General Meeting and Conduct of General Meetings	The Board should use the Annual General Meeting to communicate with shareholders and encourage their participation.	
C.1.1 Notice of AGM	The Annual Report together with the Notice of Meeting and related documents, if any, are circulated to the shareholders at least fifteen (15) working days prior to the date of the AGM. The Board encourages the shareholders to participate at the AGM and facilitates the structured communication platform to the shareholders through conducting proper AGMs	Complied
C.1.2 Separate resolution	The Company proposes separate resolutions on each substantially separate issue giving Shareholders the opportunity to vote on each issue separately. The adoption of the Annual Report of the Board of Directors, the Financial Statements of the Company and the Report of the Auditors thereon are laid before the Shareholders as separate agenda items at the AGM.	Complied
C.1.3 Use of proxy votes	The Company ensures that all valid proxy appointments received for general meetings are properly recorded and counted. The Company will include this for the AGM for the year ending 2020/21 in its disclosure to the CSE: * Number of shares in respect of which proxy appointments have been validly made * Number of votes for and against the resolution * Number of shares in respect of which the vote was directed to be withheld	Complied
C.1.4 Availability of all Board Sub-Committee Chairpersons at the AGM	The Chairman of the Board arranges for the Chairpersons of the Audit, Remuneration and Related Party Review Committees where such appointment has been made, to be available to answer questions at the AGM if so requested by the Chairman.	Complied
C.1.5 Procedures of voting at AGM	A summary of procedures governing voting at the AGM is provided in the Proxy Form which is circulated to shareholders together with the Notice of Meeting.	Complied
C.2 Communication with shareholders	The Board should implement effective communication with shareholders.	
C.2.1 Communication channels	The Company has many channels to reach all shareholders of the Company in order to disseminate timely information of which the primary channels are the Annual Report and the AGM. Additionally, the Company makes disclosures on material and price sensitive information from time to time to the CSE for dissemination to the public. The Company decides the person to contact in relation to 'shareholders' matters. The relevant person with statutory responsibilities in relation to shareholders' matters is the Company Secretary or in his/her absence the contact person designated of the Board of Directors.	Complied

CORPORATE GOVERNANCE REPORT

SEC and CA Sri Lanka Code Reference No.	Level of Compliance	Status of Compliance
C.2.2 & 2.3 Policy and methodology for communication	The Company discloses the contact person's details for communication with Shareholders. The Company maintains a process to make all Directors aware of major issues and concerns of shareholders and further facilitates to focuses on open communication and fair disclosures with an emphasis on the integrity, timeliness and relevance of the information provided.	Complied
C.2.3 Implementation of the policy and methodology for communication with shareholders	The Company adopts a two way communication policy with shareholders. At the Annual General Meeting, the Company is open to any suggestions and inquiries from the shareholders and shareholders may elect to receive the Annual Report in printed form.	Complied
C.2.4, 2.6 & 2.7 Contact person in relation to shareholders' matters	Shareholders may contact the Company Secretary or in her/his absence the Chairman, on matters related to their shareholding and the Company at any time	Complied
C.2.5 Process to make all Directors aware of major issues and concerns of shareholders	The Company Secretaries maintain a record of all correspondence received and will deliver such correspondence to the Board or individual Director as applicable. The Board or individual Director, as applicable, will respond appropriately to all validly received shareholder correspondence and will direct the Company Secretaries to send the response to the particular shareholder	Complied
C.3 Major and Material Transactions	Directors should disclose to shareholders all proposed material transactions which would materially alter the net asset position of the Company, if entered into.	
C.3.1 & C.3.2 Major transactions	During the year the Company did not engage in or commit any "Major Transaction" which materially affected its Net Asset base. In the event the Company enters into a Major Transaction, the same would be duly disclosed, as required by the regulators and shareholder approval would be sought if necessary.	Complied
D. Accountability and Audit		
D.1 Financial Reporting	The Board should present a balanced and understandable assessment of the Company's financial position, performance, business model, governance structure, risk management, internal controls and challenges, opportunities and prospects	Complied
D.1.1 to D.1.3 Statutory and Regulatory Reporting	In preparing the annual and quarterly Financial Statements, the Company complies with the requirements of the Companies Act No. 07 of 2007, Sri Lanka Accounting Standards (LKASs and SLFRs) and Listing Rules of the Colombo Stock Exchange. The Chief Financial Officer and Managing Director review quarterly and year-end Financial Statements before submitting to the Audit Committee and Board. Please refer the "Responsibility Statement of MD and CFO" on page 144.	Complied
D.1.4 Declarations by Directors in the Directors' Report	Please refer "The Annual Report of the Board of Directors on the State of Affairs of the Company" on pages 138 to 141 which contains the declarations required by the Code.	Complied

CORPORATE GOVERNANCE REPORT

SEC and CA Sri Lanka Code Reference No.	Level of Compliance	Status of Compliance
D.1.5 Statement of Directors' and Auditors' responsibility for the Financial Statements	Please refer Statement of Directors' Responsibility on Financial Reporting on page 143.	Complied
D.1.6 Management Discussions and Analysis	A Management Discussion and Analysis is covered in the Managing Director's Review, Key Risks, Operating Environment, Stated Capitals.	Complied
D.1.7 Summoning an Extra Ordinary General Meeting (EGM) to notify serious loss of capital	Should the situation arise where the net assets of the Company fall below 50% of the value of the Company's shareholders funds, an Extraordinary General Meeting will be called for and shareholders will be notified. However, this situation did not arise for the year under review.	N/A
D.1.8 Related party transactions	All Related Party Transactions as defined in the Sri Lanka Accounting Standards – LKAS 24 Related Party Transactions are disclosed on note 31 to the Financial Statements on pages 206 to 210. Please refer the Related Party Transactions Review Committee Report on page 136.	Complied
D.2 Risk Management and Internal Control	The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board should have a process of risk management and a sound system of internal control to safeguard shareholders' investments and the Company's assets. Broadly, risk management and internal control is a process, effected by a Company's Board of Directors and management, designed to provide reasonable assurance regarding the achievement of Company's objectives	
D.2.1 Establishment of proper system to monitor, review and report risk and internal control systems	The Board is responsible for formulating and implementing appropriate internal control systems. The Audit Committee has the responsibility to the Board to ensure that the system of internal controls is sufficient and effective.	Complied
D.2.2 Confirm assessment and risks identified and mitigated	The effectiveness of the Company's internal control system and risk management is monitored and evaluated by the Audit Committee. Please refer Audit Committee Report on page 134.	Complied
D.2.3 Internal audit function	The Company's Internal Audit function is outsourced to an audit firm. The function of the internal audit is executed annually under supervision of the Audit Committee.	Complied
D.2.4 Review of the process and effectiveness of risk management and internal controls by the Audit Committee	The Audit Committee monitors, reviews and evaluates the effectiveness of the internal control system including the internal controls over financial reporting. For the year under review the Board of Directors were satisfied with the effectiveness of the system and internal controls of the Company.	Complied

CORPORATE GOVERNANCE REPORT

SEC and CA Sri Lanka Code Reference No.	Level of Compliance	Status of Compliance
D.2.5 Responsibilities of Directors in maintaining a sound system of internal control	Please refer Board of Directors' Statement on Internal Controls on page 142.	Complied
D.3 Audit Committee	The Board should establish formal and transparent arrangements for considering how they should; select and apply accounting policies for financial reporting, determine the structure and content of corporate reporting, implement internal control and risk management principles and for maintaining an appropriate relationship with the Company's Auditors.	
D.3.1 Composition of the Audit Committee	Please refer Audit Committee Report on Page 134 for the composition of the Audit Committee. During the year under review, the Committee met once since its formation in January 2021, prior to the listing of the Company. The Board Secretary functions as the Secretary to the Audit Committee. The Company Managing Director, CEO, CFO, Senior Managers, Internal and External Auditors may attend the Audit Committee meetings upon invitation.	Complied
D.3.2 Terms of Reference of the Audit Committee	The Terms of Reference of the Audit Committee is clearly defined and approved by the Board of Directors. It explains the purpose of the Committee, its duties and responsibilities and the scope and functions of the Committee.	Complied
D.3.3 Disclosures of the Audit Committee	Please refer Audit Committee Report on page 134.	Complied
D.4 Related Party Transactions Review Committee	The Board should establish a procedure to ensure that the Company does not engage in transactions with "related parties" in a manner that would grant such parties "more favourable treatment" than that accorded to third parties in the normal course of business.	
D.4.1, D.4.2 Composition of Related Party Transactions Review Committee	The Company follows LKAS 24, the Listing Rules and the Code of Best Practice on Related Party Transactions in identifying Related Parties of the Company and the Related Party Transactions. Please refer Page 136 for Related Party Transaction Review Committee Report and Committee composition.	Complied
D.4.3 Terms of Reference of the Related Party Transactions Review Committee	The Terms of Reference of the Related Party Transactions Review Committee is clearly defined and approved by the Board of Directors. It explains the purpose of the Committee, its duties and responsibilities and the scope and functions of the Committee.	Complied
D.5 Code of Business Conduct and Ethics	Companies must adopt a Code of Business Conduct and Ethics for Directors, KMPs and all other employees including but not limited to: dealing with shares of the Company, compliance with listing rules, bribery and corruption, confidentiality, encouraging that any illegal, fraudulent and unethical behaviour be promptly reported to those charged with governance. The Company must disclose waivers of the Code for Directors, if any.	

CORPORATE GOVERNANCE REPORT

SEC and CA Sri Lanka Code Reference No.	Level of Compliance	Status of Compliance
D.5.1 Code of Business Conduct and Ethics	The Company has in place a Code of Ethical Business Conduct for its KMPs. The Code of Business Conduct and Ethics for Directors of the Company addresses the following important topics: Conflict of interest, Bribery and corruption * Entertainment and gifts * Accurate accounting and record keeping * Fair and transparent procurement practice * Corporate opportunities * Confidentiality * Fair dealing	Complied
D.5.2 Reporting of price sensitive information	The Company ensures that immediate disclosures are made to the CSE on any material and price sensitive information	Complied
D.5.3 Disclosure of share information of Key Management Personnel	The Directors are aware of their responsibility to immediately disclose to the Board any share dealings carried out by them in the Company's shares. Any purchase by a Director or a close family member will be immediately notified to the CSE for dissemination to the public.	Complied
D.5.4 Affirmation by the Chairman that there is no violation of the Code of Conduct and Ethics	Please refer Chairman's Statement on Corporate Governance on page 109.	Complied
D.6 Corporate Governance Disclosures	The Company should disclose the extent of adoption of Best Practices in Corporate Governance.	Complied
D.6.1 Disclosure of Corporate Governance	The requirement is met through the presentation of this Report.	Complied
E. Institutional Investors		
E.1 Shareholders voting	Institutional shareholders are required to make considered use of their votes and encouraged to ensure their voting intentions are translated into practice.	
E.1.1 Institutional shareholders	The Company maintains a good communication channel with investors. Regular and structured AGM are held with the shareholders. The Chairman ensures that the views of the shareholders are communicated to the Board as a whole.	Complied
E.2 Evaluation of Corporate Governance initiatives	Institutional investors are encouraged to provide feedback on governance related issues. The Company encourages the parties to present the weight to all relevant factors drawn in their attention.	Complied

CORPORATE GOVERNANCE REPORT

SEC and CA Sri Lanka Code Reference No.	Level of Compliance	Status of Compliance
F. Other Investors		
F.1 Individual shareholders	Individual shareholders investing directly in shares of companies should be encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions.	Complied
F.2 Individual shareholders voting	Notice of Meeting is sent to all Shareholders on time to encourage their participation at the AGM and exercise their voting rights. In the event of appointing a proxy, the form of proxy and instructions of completing the form have been included in the Annual Report. The Company encourage the shareholders to participate at the AGM and to seek independent advice in investing.	Complied
H. Environmental, Social and Governance Reporting (ESG)		
H.1 ESG Reporting	The Company's annual report should contain sufficient information to enable investors and other stakeholders to assess how ESG risks and opportunities are recognized, measured, managed and reported.	
H.1.1 ESG Information	Please refer "Financial Capital" on page 77 to 79 and GRI reporting Index on page 215.	Complied
H.1.2 Environmental Indicators	Please refer "Natural Capital" on page 97 to 98.	Complied
H.1.3 Social Factors	Please refer "Social and Relationship Capital" on page 99 to 105.	Complied
H.1.4 Governance	Please refer "Corporate Governance" on page 109 to 133.	Complied
H.1.5 Board's role on ESG factors	Integrated reporting and Global Reporting Initiative Guidelines are followed in reporting and disclosure of ESG factors.	Complied

CORPORATE GOVERNANCE REPORT

Compliance with Section 7.6 and 7.10 - Continuing Listing Rules issued by the Colombo Stock Exchange (CSE)

CSE Rule Number and Description	Status of Compliance	Section Reference in the Annual Report
7.6 Contents of Annual Report A Listed Entity must include in its Annual Report and accounts, inter alia;		
i) Names of persons who during the financial year were Directors of the Entity	Complied	Board of Directors
ii) Principal activities of the Entity and its subsidiaries during the year and any changes therein	Complied	Annual Report of the Directors
iii) The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held	Complied	Share Information
iv) The Public Holding percentage	Complied	Share Information
v) A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year	Complied	Share Information
vi) Information pertaining to material foreseeable risk factors of the Entity	Complied	Risk Management
vii) Details of material issues pertaining to employees and industrial relations of the Entity	Complied	Human Capital
viii) Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties	Complied	Notes to Financial Statement Note 3 - Property, Plant & Equipment
ix) Number of shares representing the Entity's stated capital	Complied	
x) A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings in different categories	Complied	Share Information
xi) The following ratios and market price information:	Complied	Financial Highlights Five Year Summary Financial Capital Share Information
* Dividend per share * Dividend pay out * Net asset value per share * Market value per share - highest and lowest values recorded during the financial year - value as at the end of financial year		
xii) Significant changes in the Entity's or its subsidiaries' fixed assets and the market value of land, if the value differs substantially from the book value	Complied	Notes to the Financial Statements Note 3 - Property, Plant & Equipment

CORPORATE GOVERNANCE REPORT

CSE Rule Number and Description	Status of Compliance	Section Reference in the Annual Report
(xiii) If during the financial year the Entity has raised funds through a public issue, Right Issue and private placement	Complied	
a. a statement as to the manner in which the proceeds of such issue has been utilized.	Complied	
b. if any shares or debentures have been issued, the number, class and consideration received and the reason for the issue; and,	Complied	
c. any material change in the use of funds raised through an issue of Securities.	Complied	
xiv) a. Employee Share Option Scheme	N/A The Company has not proceeded ESOP related proceedings during the year under review.	N/A
xv) Related Party transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements, whichever is lower. Details of investments in a Related Party and/or amounts due from a Related Party to be set out separately The details shall include, as a minimum; i. The date of the transaction ii. The name of the Related Party iii. The relationship between the Entity and the Related Party iv. The amount of the transaction and terms of the transaction v. The rationale for entering into the transaction	Complied	Notes to the Financial Statements Note 31 - Related Party Transactions
Board of Directors		
7.10.1 Non-Executive Directors (NEDs) Two or at least one-third of the total number of Directors should be NEDs	Complied Seven NEDs out of total of Ten Directors	Corporate Governance
7.10.2 (a) Independent Directors (IDs) Two or one-third of NEDs (whichever is higher) should be independent	Complied Three IDs out of Seven NEDs	Corporate Governance
7.10.2(b) Declaration of Independence Each Non-Executive Director should submit a declaration of independence / non-independence in the prescribed format	Complied NEDs have submitted the declaration in the prescribed format	Corporate Governance

CORPORATE GOVERNANCE REPORT

CSE Rule Number and Description	Status of Compliance	Section Reference in the Annual Report
7.10.3(a) Disclosures relating to Directors Names of Independent Directors should be disclosed in the Annual Report	Complied	Board of Directors
7.10.3(b) Disclosures relating to Directors The basis for determining the independence of NEDs, if criteria for independence is not met	The Board has determined that the criteria for independence is met	Corporate Governance
7.10.3(c) Disclosures relating to Directors A brief resume of each Director should be included in the Annual Report, including his area of expertise	Complied	Board of Directors
7.10.3(d) Disclosures relating to Directors Upon appointment of a new Director a brief resume of the Director should be submitted to the Exchange	N/A The Company did not appoint any new Director during the year under review	Corporate Governance
Remuneration Committee		
7.10.5(a) Composition The Committee shall comprise of a minimum of two Independent Directors or of Non-Executive Directors, a majority of whom shall be independent The Chairman of the Committee shall be a Non-Executive Director	Complied The Remuneration Committee consists of three NEDs of which two are independent. The Chairman of the Committee is a Non- Executive Director	Corporate Governance Report of the Remuneration Committee
7.10.5(b) Functions The Committee shall recommend the remuneration payable to the Executive Directors and Chief Executive Officer or equivalent position thereof.	Complied The Remuneration Committee approves the remunerations to the Executive Directors, Key Management Personnel and Staff	Report of the Remuneration Committee
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	Report of the Remuneration Committee

CORPORATE GOVERNANCE REPORT

CSE Rule Number and Description	Status of Compliance	Section Reference in the Annual Report
Audit Committee		
7.10.6(a) Composition The Committee shall comprise of A minimum of two independent Directors or of Non-Executive Directors, A majority of whom shall be Independent The Chairman of the Committee shall be a Non-Executive Director Unless otherwise determined by the Committee, the CEO and the CFO shall attend meetings Chairman or one member of the Committee should be a member of a recognized professional accounting body	Complied The Audit Committee consists of three Independent NEDs The Chairman of the Committee is an Independent Non- Executive Director The Managing Director and the Head of Finance attend Audit Committee meetings by invitation Chairman of the Audit Committee is a CFA and ACMA	Corporate Governance Report of the Audit Committee
7.10.6(b) Functions - Overseeing the preparation, presentation and adequacy of disclosures in the Financial Statements in accordance with the LKASs and SLFRSs - 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 The terms of reference of the Audit Committee adopted by the Board covers the areas outlined	Corporate Governance Report of the Audit Committee
7.10.6 (c) Disclosure in the Annual Report The names of the members of the Audit Committee The basis of determination of the independence of Auditors A report of the Audit Committee setting out the manner of compliance with their functions	Complied	Corporate Governance Report of the Audit Committee

CORPORATE GOVERNANCE REPORT

Compliance with Section 9 of CSE Listing Rules and the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka w.e.f 1st January 2016

Applicable Rule	Status of Compliance	Section Reference in the Annual Report
9.3.2 Disclosures in the Annual Report 9.3.2 (a) In the case of non-recurrent Related Party Transactions, if aggregate value of the non-recurrent Related Party Transactions exceeds 10% of the Equity or 5% of the Total Assets, whichever is lower, of the Listed Entity as per the latest Audited Financial Statements, the following information must be presented in the Annual Report: - Name of the Related Party - Relationship - Value of the Related Party Transactions entered into during the financial year - Value of Related Party Transactions as a % of Equity and as a % of Total Assets - Terms and Conditions of the Related Party Transactions - The rationale for entering into the transactions	Complied WIND did not have non-recurrent related party transactions within this criterion	Notes to the Financial Statements Note 31 - Related Party Transactions
9.3.2 (b) In the case of recurrent Related Party Transactions, if the aggregate value of the recurrent Related Party Transactions exceeds 10% of the gross revenue/ income (or equivalent term in the Income Statement and in the case of group entity, the consolidated revenue) as per the latest Audited Financial Statements, the Listed Entity must disclose the aggregate value of recurrent Related Party Transactions entered into during the financial year in its Annual Report with the following information; - Name of the Related Party - Relationship - Nature of the transaction - Aggregate value of Related Party Transactions entered into during the financial year - Aggregate value of Related Party Transactions as a % of Net Revenue/ Income - Terms and Conditions of the Related Party Transactions	Complied WIND did not have recurrent related party transactions within this criterion"	Notes to the Financial Statements Note 31 - Related Party Transactions

CORPORATE GOVERNANCE REPORT

Applicable Rule	Status of Compliance	Section Reference in the Annual Report
9.3.2 (c) Annual Report shall contain a report by the Related Party Transactions Review Committee, setting out the following: - Names of the Directors comprising the Committee - A statement to the effect that the Committee has reviewed the Related Party Transactions during the financial year and has communicated the comments/observations to the Board of Directors - The policies and procedures adopted by the Committee for reviewing the Related Party Transactions - The number of times the Committee has met during the Financial Year	Complied	Report of the Related Party Transactions Review Committee
9.3.2 (d) A declaration by the Board of Directors in the Annual Report as an affirmative statement of the compliance with these rules pertaining to Related Party Transactions or a negative statement in the event the Entity has not entered into any Related Party Transaction/s.	Complied Negative statement from BOD to the effect.	Annual Report of the Board of Directors

CORPORATE GOVERNANCE REPORT

Disclosures required by the Companies Act No. 7 of 2007

Section reference in the Companies Act No. 1 of 2007	Disclosure Requirement	Reference in the Annual Report
168 (1) (a)	The nature of the business of the Group and the Company together with any change thereof during the accounting period	Notes to the Financial Statements Note 1.2 - Page 156
168 (1) (b)	Signed Financial Statements of the Group and the Company for the accounting period completed	Financial Statements and Notes to the Financial Statements Page 156 to 211
168 (1) (c)	Auditors' Report on Financial Statements of the Group and the Company	Independent Auditors' Report Page 145 to 147
168 (1) (d)	Accounting policies and any changes therein	Notes to the Financial Statements Note 2 - Page 157
168 (1) (e)	Particulars of the entries made in the Interests Register during the accounting period	Annual Report of the Board of Directors on the State of Affairs of the Company Page 138 to 141
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Notes to the Financial Statements Note 26 - Page 199
168 (1) (g)	Corporate donations made by the Company and its subsidiaries during the accounting period	Notes to the Financial Statements N/A
168 (1) (h)	Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period	Group Structure Page 6
168 (1) (i)	Amounts paid/payable to the External Auditors as audit fees and fees for other services rendered during the accounting period	Notes to the Financial Statements Note 26 - Page 199
168 (1) (j)	Auditors' relationship or any interest with the Company and its subsidiaries	Annual Report of the Board of Directors on the State of Affairs of the Company Page 138 to 141 Audit Committee Report Page 134
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board	Annual Report of the Board of Directors on the State of Affairs of the Company Page 138 to 141

AUDIT COMMITTEE REPORT

COMPOSITION OF THE COMMITTEE

The Audit Committee was established on the 13th of January 2021 as a sub-committee to assist and be accountable to the Board of Directors of WindForce PLC.

The Committee comprises of the following members.

- * Mr. Dilshan Hettiaratchi
- * Mr. Savantha De Saram
- * Mr. Moiz Najmudeen

MEETINGS

Name	Membership Position	Attendance
Mr. Dilshan Hettiaratchi	Chairperson	1/1
Mr. Savantha De Saram	Member	1/1
Mr. Moiz Najmudeen	Member	1/1

ROLE OF THE COMMITTEE

The Audit Committee was established to assist the Board of Directors to oversee the Company's Financial Reporting Function, Legal and Regulatory Compliance, Internal Control System, Risk Management System, Internal Audit Function and to review the functions of External Auditors with the intention of safeguarding the interests of shareholders and other stakeholders.

FINANCIAL REPORTING

The Audit Committee has reviewed the quarterly and annual financial statements prior to its publication, with special focus on the following key areas.

- * Compliance with relevant Accounting Standards (LKASs & SLFRSs) and all applicable regulatory requirements in the Financial Statements
- * Appropriateness and changes in the Accounting Policies
- * Significant estimates and judgements made by the management
- * Issues relating to the Internal Audit and the External Audit
- * Adequacy of the Internal Controls and Risk Management System
- * The Company's ability to continue as a going concern

Internal Audit, Internal Controls & Risk Management
The Company's Internal Audit was conducted by an independent internal auditor until the Company was listed on the 24th of March 2021. Following the listing, the Audit Committee has commissioned an independent firm to study the existing systems and control frameworks and the Internal Audit programme with a view to recommending improvements, if required.

EXTERNAL AUDIT

The Audit Committee has reviewed the independence and objectivity of the Independent External Auditors, BR de Silva & Co. Chartered Accountants.

The Committee is satisfied with the independence of the External Auditors. The Committee has further reviewed the Audit and Non-Audit fees received by the external auditors from WindForce PLC. to evaluate their independence and objectivity.

The Committee has recommended together with the Company's Senior Management that BR de Silva & Co. Chartered Accountants be re-appointed as Company's external auditors for the financial year ending 31st of March 2022, and that the re-appointment be included in the agenda of the Annual General Meeting.

CONCLUSION

The Audit Committee confirms that the financial reports for the year ending 31st March 2021 are complete and provide a fair and accurate representation of the Company's performance for the reporting period. The Audit Committee also expresses its satisfaction regarding the current Internal Control Framework, and the effectiveness of the Organisational Structure, implementation of Accounting Policies, Operational Controls and the Risk Management System which provide reasonable assurance that the Company's assets are properly accounted for and adequately safeguarded. The Committee is in the process of obtaining external advice to further enhance these frameworks in order to align with the requirements of a listed company.

The Committee is satisfied that WindForce PLC is able to continue as a going concern.



Dilshan Hettiaratchi
Chairperson – Audit Committee
Colombo
8th September 2021

REMUNERATION COMMITTEE REPORT

COMPOSITION OF THE COMMITTEE

The Remuneration Committee ('Committee') was established as a sub-committee upon the CSE Listing of the Company in March 2021, to assist and be accountable to the Board of Directors of the WindForce PLC.

The Committee comprises of the following members;

- * Mr. R. P. Pathirana
- * Mr. Dilshan Hettiaratchi
- * Mr. Savantha De Saram

MEETINGS

Name	Membership Position	Attendance
Mr. R. P. Pathirana	Chairperson	1/1
Mr. Dilshan Hettiaratchi	Member	1/1
Mr. Savantha De Saram	Member	1/1

KEY RESPONSIBILITIES OF THE COMMITTEE

- * To make recommendations to the Board on the Company's remuneration policy and its implementation with relevance to the Board of Directors, Senior Management and Staff in general
- * To evaluate the performance of the Managing Director, Chief Executive Officer, Chief Financial Officer and Senior Management Personnel to ensure that management development and succession is well planned

- * Make recommendations to the Board regarding the content to be disclosed in the Board's Annual Report to shareholders on Directors' emoluments
- * To communicate with the shareholders on the Company's remuneration policy by submitting the Remuneration Committee Report
- * To monitor the remuneration policy and ensure that no Board member is deciding his own remuneration
- * To consider the remuneration recommendations for senior management and staff of the Company.

DIRECTORS' EMOLUMENTS

The Directors' emoluments are disclosed in page 199.

CONCLUSION

The Remuneration Committee is satisfied with the effective implementation of the Company's remuneration policy and performance evaluation with regard to the Board of Directors, Senior Management Personnel and Staff.

The Committee continues to operate effectively in the financial year 2021/22.



Ranil P. Pathirana

Chairperson – Remuneration Committee
Colombo
8th September 2021

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

[GRI 102-25]

COMPOSITION OF THE COMMITTEE

The Related Party Transactions Review Committee ('Committee') was established on the 13th of January, 2021 to assist the Board in meeting its oversight responsibilities, specifically to ensure that the interest of shareholders are taken in to consideration when entering into Related Party Transactions. This Committee warrants that the Board complies with the Code of Best Practices and the Listing Rules issued by the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka. The Committee has also adopted best practices as recommended by the Institute of Chartered Accountants of Sri Lanka.

The Committee comprises of the following members:

- * Mrs. Saumya Amarasekera
- * Mr. Huzefa Akbarally
- * Mr. Savantha De Saram

MEETINGS

Name	Membership Position
Mrs. Saumya Amarasekera	Chairperson
Mr. Huzefa Akbarally	Member
Mr. Savantha De Saram	Member

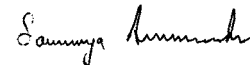
KEY RESPONSIBILITIES OF THE COMMITTEE

- * Introduce policies and guidelines to be adopted when entering into related party transactions in compliance with the Code of Best Practices in CSE listing rules.
- * Review all recurring and non-recurring related party transactions as set out in Section 9 of the CSE listing rules.
- * Recommend, when necessary, shareholder approval for related party transactions.
- * Review the Company's internal controls and obtain advice from independent professionals to confirm the adequacy of the Company's related party transactions framework.
- * Ensuring the Company declares necessary information on related party transactions in accordance with the CSE listing Rules, by way of market disclosure or in the Annual Report.

CONCLUSION

The Committee meets at least once a quarter, or when necessary, to review all applicable and proposed related party transactions identified through discussions with the Senior Management. Further, the Committee confirms that all applicable rules set out under the Code of Best Practice on Related Party Transactions and Section 9 of CSE Listing Rules have been complied with by the Company in the year under review.

The Committee continues to operate effectively in the financial year 2021/22.



Saumya Amarasekera

Chairperson – Related Party Transactions Review Committee
Colombo
8th September 2021

FINANCIAL INFORMA- TION

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Affairs of the Company / 138

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Responsibility Statement by the Managing Director and
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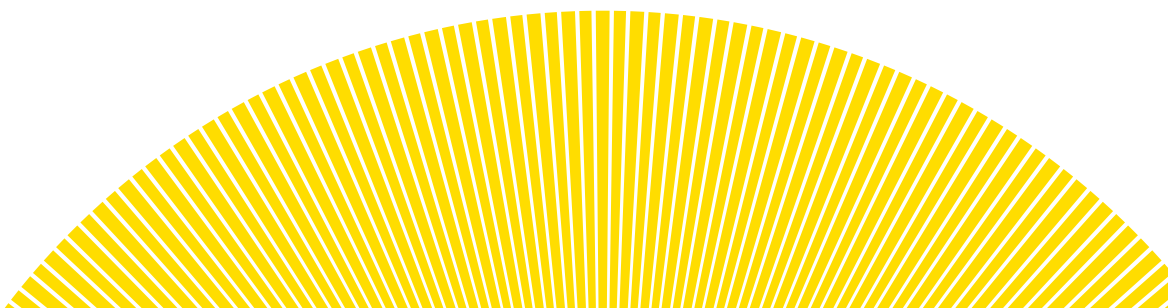
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ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE STATE OF AFFAIRS OF THE COMPANY

The Board of Directors of WindForce PLC takes pleasure in presenting their Report on the Affairs of the Company together with the Financial Statements for the year ended 31st March 2021, conforming to the requirements of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards. The report also includes certain disclosures required to be made under Listing Rules of the Colombo Stock Exchange and the guideline recommended best practices on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Colombo Stock Exchange.

COMPANY OVERVIEW

Incorporated in Sri Lanka on 06th July 2010 as a Private Limited Liability Company under the provisions of Companies Act No. 7 of 2007. The legal form of the Company was changed to a Public Limited Liability Company after it was listed on the Colombo Stock Exchange on 22nd April 2021.

The registered office of the Company and the principal place of business is situated at 334, T.B. Jayah Mawatha, Colombo 10, Sri Lanka.

ICRA Lanka Limited has assigned AA- (Stable) Issuer Rating to the Company.

GROUP STRUCTURE AND PRINCIPAL BUSINESS ACTIVITIES

The Group structure can be found on page 06.

The principle activities of the Company include investing in renewable power generation projects and the operation of WindForce PLC and its subsidiaries in the year under review.

REVIEW OF PERFORMANCE

A review of the Company's performance and that of its subsidiaries for the Financial Year 2020/21 together with the future outlook is available in the Chairman's Statement and Managing Director's Review on pages 62 to 70.

FINANCIAL STATEMENTS

The Financial Statements of the Company for the year ended 31st March 2021 are duly certified by the Chief Financial Officer and approved by the Board of Directors. The approved Financial Statements have been signed on behalf of the Board by two Directors in compliance with the Companies Act No. 07 of 2007 and are given on page 143 of this Annual Report.

Summarised Financial Statements

	Group		Company	
	2020/21 LKR. '000	2019/20 LKR. '000	2020/21 LKR. '000	2019/20 LKR. '000
Revenue	4,310,110	3,484,204	127,869	53,118
Profit/(Loss) Before Tax	2,547,754	2,359,159	1,014,650	1,275,167
Income Tax Reversal/(Expenses)	(401,505)	(462,361)	(121,781)	(113,444)
Profit/(Loss) After Tax	2,146,249	1,896,798	892,869	1,161,723

ACCOUNTING POLICIES AND CHANGES

In compliance with Section 168 (1) (d) of the Companies Act No. 7 of 2007, the Accounting Policies adopted in the preparation of the Financial Statements are given on pages 156 to 211.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company and the Group to reflect a true and fair view of the financial position and the performance of the Company and the Group.

Please refer page 143 for the Statement of Directors' Responsibility on Financial Reporting.

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

BOARD OF DIRECTORS

As at 31st March 2021, the Directorate of WindForce PLC consisted of 10 Directors with wide financial commercial knowledge and experience. The details, qualifications and experience of the Board of Directors is provided in the Directors profiles on page 33 to 35 and under Corporate Governance from page 113 to 112 of this Annual Report.

BOARD SUB COMMITTEES

The Board, while assuming overall responsibility and accountability for the management of the Company, has appointed three Board Sub-Committees; Audit Committee, Related Party Transactions Review Committee and the Remuneration Committee, to ensure oversight and control over certain affairs of the Company.

The Board approved Terms of References for these Sub Committees conform to the recommendations made by various regulatory bodies such as the Institute of Chartered Accountants of Sri Lanka, the Securities and Exchange Commission of Sri Lanka and the Colombo Stock Exchange.

INTERESTS REGISTER

Directors' Interest in Transactions

The Directors have made general disclosures as provided for in Section 192 (2) of the Companies Act No. 07 of 2007. Arising from this, details of contracts in which they have an interest are disclosed in Note 31.2 to the Financial Statements on page 210.

Directors' Remuneration

The Directors' Remuneration is disclosed in Note 26 to the Financial Statements on pages 199.

Directors' Interest in Shares

The Directors' individual shareholdings in the Company is not disclosed as the Company was not a listed entity as at 31st March 2021.

Information of the Company's shareholding as at 31st March 2021 is given on page 212 of this annual report.

CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of governance in the process by which the Company is directed and managed. The Board of Directors is of the view that it has put in place the resources and processes to ensure that the Company is substantially compliant with the code of best practices on corporate governance issued by the Institute of Chartered Accountants of Sri Lanka and the Colombo Stock Exchange. The Corporate Governance Report is given on pages 109 to 133 of the Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board of Directors, through the involvement of the internal audit, have taken steps to ensure risks are identified and efficiently controlled. The Board has obtained reasonable assurance that an effective and comprehensive system of internal controls are in place including the financial, operational and compliance controls required to carry on the business in an orderly manner, safeguard the Company's and Group's assets and secure, as

far as possible, the accuracy and reliability of the financial records.

The Board is satisfied with the effectiveness of the system of internal controls that were in place during the year under review. The Audit Committee has further commissioned an independent firm to conduct a systems and controls study to improve the Systems and Controls Framework and amend the Internal Audit Framework if required in the coming financial year. The Audit Committee Report is contained on page 134 and forms an integral part of this report.

The Directors periodically review and evaluate the risks that are faced by the Company. The various exposures to risks by the Company and specific steps taken to manage these risks are detailed under the Key Risks on page 55 of this Annual Report.

DONATIONS

The Group and the Company have not made any donations during the year under review.

TAXATION

The Company's liability to taxation has been computed according to the provisions of the Inland Revenue Act. No. 10 of 2006 and subsequent amendments thereto and details are given in Note 22 to the Financial Statements on page 196.

PROPERTY, PLANT AND EQUIPMENT

Capital expenditure during the year under review on Property, Plant and Equipment by the Group and Company amounted to LKR 1,012 and LKR 35 Mn respectively.

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

EMPLOYMENT

The collective manpower strength of the Company and Group as at 31st March 2021 was 135. Further information of the Company's workforce can be found in the Human Capital Report on pages 80 to 86 of this Annual Report. There were no material issues pertaining to employees and industrial relations during the year under review.

EMPLOYEE SHARE OWNERSHIP PLANS

The Company did not have any employee share ownership/option plans during the year.

STATED CAPITAL

The stated capital of the Company as at 31st March 2021 was LKR 14.9 Bn represented by 1,148,153,601 fully paid Ordinary Shares.

SHARE INFORMATION

Information relating to shareholding, market value of shares, public shareholding and top twenty shareholders are not available in this Annual Report as the Company was not a listed entity as at 31st March 2021.

The shareholding as at 31st March 2021 can be found under "Investor Information" on page 212.

RELATED PARTY TRANSACTIONS

Non-Recurrent Related Party Transactions

There were no non-recurrent Related Party Transactions of which the aggregate value exceeded 10% of the Equity and 5% of the Total Assets of the Company during the year ended 31st March 2021, which require specific disclosure in the Annual Report in terms of Section 9.3.2 of the Listing Rules and the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.

Recurrent Related Party Transactions

There were no recurrent Related Party Transactions which in aggregate exceeded 10% of the consolidated revenue of the Group as per latest Audited Financial Statements which require specific disclosures in the Annual Report in terms of Section 9.3.2 of the Listing Rules of the CSE and the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.

The identified Related Parties as well as the Related Party Transactions undertaken during the year are set out in Note 31 to the Financial Statements on page 206.

The members of the Board, Chief Executive Officer and Chief Financial Officer have been identified as "Key Management Personnel" of the Company. There were no Related Party Transactions by the Key Management Personnel with the Company.

As required by the Listing Rules, the Board confirms that the Company has complied with all requirements as per Section 9 of the Listing Rules.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments due in relation to employees and the Government have been made promptly up to date.

ENVIRONMENTAL PROTECTION

To the best of the knowledge of the Board, the Company has complied with the relevant environmental laws and regulations. The Company has not engaged in any activity that is harmful or hazardous to the environment or in any activity that caused detriment to the environment.

GOING CONCERN

The Board is satisfied that the Company will have adequate resources to continue its operations into the foreseeable future. Therefore, the Company has continued to adopt the going concern basis in preparing the Financial Statements.

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

INDEPENDENT AUDITORS' REPORT, REMUNERATION AND APPOINTMENT

The Financial Statements of the Company for the twelve months ended 31st March 2021 have been audited by M/s. BR de Silva & Co., Chartered Accountants and the Independent Auditors' Report thereon is given on page 145 of the Annual Report as required by the Section 168 (1) (c) of the Companies Act No. 07 of 2007.

A sum of LKR 3.7 Mn was paid to them as audit fee during the period under review. Based on the Independent Auditor's Report from M/s. BR de Silva & Co., Chartered Accountants and as far as the Directors are aware, the Auditors do not have any relationship or interest in the Company other than that disclosed herein.

In accordance with the Companies Act No. 07 of 2007 a resolution proposing the re-appointment of M/s. BR de Silva & Co, Chartered Accountants as Auditors to the Company will be tabled at the forthcoming Annual General Meeting of the Company.

ANNUAL GENERAL MEETING

The Annual General Meeting of the company will be held on 28th October 2021. The notice of the Annual General Meeting appears on page 219.

ACKNOWLEDGEMENT OF THE CONTENTS OF THE ANNUAL REPORT

As required by the Companies Act No. 07 of 2007, the Board of Directors hereby acknowledge the contents of this Annual Report.

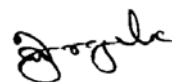
This Annual Report is signed for and on behalf of the Board of Directors.



R. P. Pathirana
Chairman



K. B. M. I. Perera
Managing Director/Executive Director



Nexia Corporate Consultants (Private) Limited
Secretaries

Colombo
8th September 2021

BOARD OF DIRECTORS' STATEMENT ON INTERNAL CONTROLS

REQUIREMENT

The 'Code of Best Practice on Corporate Governance 2017' (The Code) issued by the Institute of Chartered Accountants and the Securities and Exchange Commission of Sri Lanka recommends that the Board of Directors present a Statement on Internal Controls.

RESPONSIBILITY

The Board of Directors is responsible for establishing the Company's system of internal controls to safeguard shareholders' investment and the Company's assets. The Board is also responsible for regularly reviewing the design and effectiveness of this system of internal controls. In this regard, the Board has delegated the responsibility for reviewing and reporting on any concerns to the Audit Committee.

The Management assists the Audit Committee in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced by the Company, and in designing, operating and monitoring of suitable internal controls to mitigate such risks.

INTERNAL CONTROL PROCESSES

The Audit Committee of WindForce PLC conducts timely reviews to ensure that the systems of internal controls, are adequate and effective at both Company and Subsidiary levels.

Board Sub-Committees have been established to assist the Board in ensuring the effectiveness of the Company's operations and to ensure that the Company's operations are directed towards its corporate strategy aligned to the Annual Budget.

The Company's Internal Audit was conducted by an internal auditor until the Company was listed on the 24th of March, 2021. Post-listing, the Audit Committee has commissioned an independent firm to study the existing Systems and Controls Framework and make recommendations for improvement as needed.

The Audit Committee endorses additional controls and risk mitigation strategies where necessary in order to strengthen the existing internal control system.

Refer Audit Committee Report in page 134.

CONFIRMATION

The Board of Directors of WindForce PLC confirm that the financial reporting system has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with Sri Lanka Accounting Standards (SLFRSs/LKASs), requirements of the Companies Act No. 7 of 2007, the Listing Rules of the Colombo Stock Exchange and any other regulatory requirements.

By order of the Board,



R. P. Pathirana
Chairman



Dilshan Hettiaratchi
Audit Committee Chairman/Director



Rizmin Razik
Chief Financial Officer

Colombo, Sri Lanka
8th September 2021

STATEMENT OF DIRECTORS' RESPONSIBILITY ON FINANCIAL REPORTING

The 'Code of Best Practice on Corporate Governance 2017' (The Code) issued by the Institute of Chartered Accountants of Sri Lanka recommends that the Board of Directors present a Responsibility Statement on preparation and presentation of Financial Statements in the Annual Report together with a statement by the Auditors about their reporting responsibilities. Hence, the following statement is to be read in conjunction with the Independent Auditor's Report on page 145 to 147.

As per the Companies Act No. 7 of 2007, the Directors are responsible for the preparation and presentation of the Financial Statements for each financial year, to reflect a true and fair view of the state of affairs of the Group and the Company in accordance with applicable laws and regulations and in line with the SLFRSs and LKASs.

The Financial Statements comprise of:

- * Statement of Profit or Loss and Other Comprehensive Income of the Group and the Company
- * Statement of Financial Position of the Group and the Company
- * Statement of Changes in Equity of the Group and the Company
- * Statement of Cash Flows of the Group and the Company
- * Notes to the Financial Statements

The Directors are also responsible, under section 148 of the Companies Act, for ensuring that proper accounting records are kept to enable the determination of the financial position of the Group and the Company with reasonable accuracy and

to facilitate the preparation and auditing of Financial Statements in a timely manner.

The Directors are further required to present these Audited Financial Statements before the general meeting of shareholders. The Board of Directors accepts responsibility for the integrity and objectivity of the Audited Financial Statements presented.

The Directors also are responsible for taking reasonable measures to safeguard the assets of the Group and the Company and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities. The Audit Committee, the Remuneration Committee and the Related Party Transaction Review Committee have been established by the Board to strengthen the process of identifying and reviewing the adequacy and integrity of the system of internal controls and risk management.

The Directors are required to provide the Auditors with every opportunity to take whatever steps necessary to enable them to form their audit opinion. The Directors, having reviewed the financial budget and cash flows for the year upto 31st March 2021 and the bank facilities at that date, consider that the Group / Company has adequate resources to continue in operation. As such the going concern principle has been used as the basis for the preparation of the Financial Statements for both the Group and the Company for the year ending 31st March 2021.

The Directors Confirm That;

- * Appropriate Accounting Policies have been selected and used in a consistent manner, and

material departures, if any, have been disclosed and explained;

- * The Financial Statements of the Group and the Company are prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRSs/ LKASs); and that reasonable and prudent judgments and estimates have been made so that the form and substance of transactions are properly reflected;
- * Listing Rules of the Colombo Stock Exchange are complied with; and
- * To the best of their knowledge, they are satisfied that all taxes, duties and levies and statutory payments in relation to all relevant regulatory and authorities which were due and payable by the Company and its subsidiaries as at the reporting date have been paid or where relevant provided for.

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

By Order of the Board,



Ranil P. Pathirana
Chairman



Manjula Perera
Managing Director

Colombo, Sri Lanka
8th September 2021

RESPONSIBILITY STATEMENT BY THE MANAGING DIRECTOR AND THE CHIEF FINANCIAL OFFICER

The Financial Statements of WindForce PLC and Consolidated Financial Statements of the Group as at 31st March 2021 are prepared and presented in accordance with the requirements of the following:

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

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

The Board of Directors and the Management of the Company accept responsibility for the integrity and objectivity of these Financial Statements. The estimates and judgments relating to the Financial Statements were made on a prudent

and reasonable basis, in order that the Financial Statements reflect in a true and fair manner, the form and substance of transactions, and reasonably present the Company's state of affairs. In ensuring this, the Company has taken reasonable and sufficient care in implementing a system of internal controls and accounting records, for safeguarding assets, and for preventing and detecting frauds as well as other irregularities. This system of internal controls is reviewed, evaluated and updated on an on-going basis.

Internal Audits conducted periodically provide reasonable assurance that the established policies and procedures of the Company are being consistently followed. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The Financial Statements were audited by BR de Silva & Co. Chartered Accountants, Independent External Auditors. Their report is given on pages from 145 to 147 of the Annual Report. The Audit Committee of the Company meets periodically with the Internal Auditors and the Independent External Auditors to review the manner in which these Auditors are performing their responsibilities, and to discuss auditing, internal control and financial reporting issues. To ensure complete independence, the Independent External Auditors and the Internal Auditors have full and free access to the members of the Audit Committee to discuss any matter of substance.

CONCLUSION

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



Manjula Perera
Managing Director



Rizmin Razik
Chief Financial Officer

Colombo, Sri Lanka
8th September 2021

INDEPENDENT AUDITOR'S REPORT



Private & Confidential

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of WindForce Limited ("the company") and the consolidated financial statements of the company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31st March 2021, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31st March, 2021, and their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Partners - N.S.C.De Silva FCA, FCMA (UK), CGMA, L.C.Piyasena FCA, L.L.S.Wickremasinghe FCA,
F.S.N.Marikkar FCA, S.M.S.S.Bandara MBA, FCA, D.S.De Silva LLB, Attorney - at -Law
ACA, ACMA(UK), CGMA

Partner (Kandy) W.L.L. Perera FCA.

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INDEPENDENT AUDITOR'S REPORT

Key Audit Matter	How our audit addressed the key audit matter
Estimation of useful life period of items of asset categories in Property, Plant & Equipment Property, plant and equipment of the Group are depreciated on the straight-line method by systematically allocating the depreciable amount of the individual asset categories over their useful life, as estimated by the management. These estimations are based on changes in the expected level and period/s of usage, technological developments and obsolescence, level of wear and tear, which involves a high degree of judgement and could affect the depreciation expense and carrying value of the property, plant and equipment in the financial statements. We considered the estimation of the useful life period of asset categories as a Key Audit Matter, since the carrying value of property, plant and equipment of Rs. 15,239 Mn (approx.), is substantial as at the statement of financial position date, which is 45% of the total assets of the Group and also due to the level of judgement required to estimate the useful life.	The following audit procedures were performed on the management's estimation of useful life periods of asset categories under Property, Plant & Equipment: Compared with the depreciation policies, including estimated useful lives of asset categories, adopted by other comparable power plant operators. Checked the reasonability of the assumptions and critical judgements used by the management in estimating the useful life of asset categories taking into account recent development in the power and energy industry and market conditions. Based on the work performed by us, we have not identified any circumstances that would have impacted the reasonability of the judgement made by management in estimating the useful life of items of asset categories making up the property, plant and equipment balance at the statement of financial position date.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

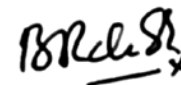
We also provide those charged with governance with a statement that we have complied with ethical

requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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



B. R. DE SILVA & CO.

Chartered Accountants

CA Sri Lanka membership number 2786
Colombo 05.

8th September 2021

STATEMENT OF INCOME

For the year ended 31st March	Notes	GROUP		COMPANY	
		2021 LKR	2020 LKR	2021 LKR	2020 LKR
Revenue	(23)	4,310,110,387	3,484,204,412	127,869,414	53,117,663
Direct Cost	(24)	(1,555,479,553)	(1,131,447,396)	-	-
Gross Profit		2,754,630,834	2,352,757,016	127,869,414	53,117,663
Other Operating Income	(25)	397,920,359	233,151,141	1,141,245,651	1,542,750,651
Administration Expenses		(593,338,434)	(540,227,097)	(210,617,034)	(271,113,076)
Profit from Operating Activities	(26)	2,559,212,759	2,045,681,060	1,058,498,031	1,324,755,238
Finance Costs	(27)	(420,558,810)	(477,740,500)	(43,847,636)	(49,588,191)
Profit from Ordinary Activities before Taxation		2,138,653,949	1,567,940,560	1,014,650,395	1,275,167,047
Gain on Bargain Purchase		-	491,179,999	-	-
Share of results of equity accounted investee		409,099,565	300,038,441	-	-
Profit before Taxation		2,547,753,514	2,359,159,000	1,014,650,395	1,275,167,047
Income Tax Expenses	(28)	(401,504,991)	(462,360,588)	(121,781,077)	(113,443,958)
Profit after Taxation		2,146,248,524	1,896,798,412	892,869,319	1,161,723,089
Attributable to:					
Non-controlling interests		396,430,002	355,883,444	-	-
Equity holders of WindForce Limited		1,749,818,522	1,540,914,968	-	-
		2,146,248,524	1,896,798,412	-	-
Earnings Per Share	(29)	1.52	1.87	0.78	1.41
Dividend Per Share	(30)	0.35	1.24	0.35	1.24

The Accounting Policies and Notes as set out in pages 156 to 211 form an integral part of these Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Profit after Taxation	2,146,248,524	1,896,798,412	892,869,319	1,161,723,089
Items that will not be reclassified to profit or loss				
Other comprehensive income for the period	19,211,535	4,420,552	19,211,535	4,420,552
Currency translation of foreign operations	1,123,288	-	-	-
Total comprehensive income for the period	2,166,583,347	1,901,218,964	912,080,854	1,166,143,641
Attributable to:				
Non-controlling interests	396,430,002	355,883,444	-	-
Equity holders of WindForce Limited	1,770,153,345	1,545,335,520	-	-
	2,166,583,347	1,901,218,964	-	-

The Accounting Policies and Notes as set out in pages 156 to 211 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31st March	Notes	GROUP		COMPANY	
		2021 LKR	2020 LKR	2021 LKR	2020 LKR
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	(3)	15,239,783,617	15,275,256,667	61,057,648	57,750,598
Investments in Subsidiaries	(4)	-	-	12,632,082,209	12,575,699,569
Investments in Equity Accounted Investees	(5)	2,205,809,099	1,900,859,535	1,037,830,831	1,037,830,831
Other Non Current Financial Assets	(6)	1,503,348,708	1,449,137,397	1,135,921,169	1,076,583,571
Intangible Assets	(7)	2,674,824,008	2,842,626,739	-	-
Total Non-Current Assets		21,623,765,432	21,467,880,338	14,866,891,857	14,747,864,569
Current Assets					
Inventory	(8)	459,721,533	418,848,471	-	-
Other Non Financial Assets	(6)	14,605,777	14,605,777	-	-
Trade and Other Receivables	(9)	1,656,829,248	2,728,962,560	286,210,379	960,822,512
Amounts Due from Related Parties	(10)	53,093,964	63,113,266	38,845,918	110,995,722
Short Term Financial Assets	(11)	1,765,887,466	1,525,502,063	1,665,831,506	1,524,608,984
Cash and Cash Equivalents	(12)	8,459,543,027	962,264,733	6,915,908,162	191,110,916
Total Current Assets		12,409,681,015	5,713,296,870	8,906,795,965	2,787,538,134
Total Assets		34,033,446,447	27,181,177,208	23,773,687,822	17,535,402,703
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	(13)	14,984,610,448	14,984,610,448	14,984,610,448	14,984,610,448
Retained Earnings	(14)	2,731,034,146	1,362,004,089	563,345,094	51,264,240
Share pending for Allotment		3,241,845,456	-	3,241,845,456	-
Foreign Exchange Reserve	(15)	1,123,288	-	-	-
Total Equity		20,958,613,338	16,346,614,537	18,789,800,998	15,035,874,688
Non Controlling Interest	(16)	1,880,602,359	1,634,602,355	-	-
		22,839,215,697	17,981,216,892	18,789,800,998	15,035,874,688
Non Current Liabilities					
Interest Bearing Loans & Borrowings	(17)	4,562,383,822	4,827,745,802	1,034,334,634	1,219,995,463
Employee Benefit Liabilities	(18)	51,142,973	38,608,402	51,142,973	27,976,652
Deferred Tax Liabilities	(19)	1,364,607,998	1,204,599,735	-	-
Total Non-Current Liabilities		5,978,134,793	6,070,953,939	1,085,477,607	1,247,972,115

STATEMENT OF FINANCIAL POSITION

As at 31st March	Notes	GROUP		COMPANY	
		2021 LKR	2020 LKR	2021 LKR	2020 LKR
Current Liabilities					
Interest Bearing Loans & Borrowings	(17)	1,297,698,221	1,306,184,842	248,241,260	151,480,593
Trade and Other Payables	(20)	3,407,962,842	1,578,517,657	3,238,854,954	720,919,456
Income Tax Liability	(22)	17,628,307	122,994,633	68,442,982	101,384,430
Amounts Due to Related Parties	(21)	39,994,202	30,612,490	342,870,022	204,102,153
Bank Overdraft	(13)	452,812,386	90,696,755	-	73,669,268
Total Current Liabilities		5,216,095,957	3,129,006,377	3,898,409,217	1,251,555,900
Total Equity and Liabilities		34,033,446,447	27,181,177,208	23,773,687,822	17,535,402,703
Net Asset Value per Share (NAV)		18.25	19.83	16.37	18.24

I certify that these Financial Statements have been prepared and are presented in compliance with the requirements of the Companies Act No.7 of 2007.



M. Rizmin Razik
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Board by:



Ranil Pathirana
Chairman
8th September 2021



Manjula Perera
Managing Director

Colombo

The Accounting Policies and Notes as set out in pages 156 to 211 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March	Stated Capital LKR	Retained Earnings LKR	Share pending Allotment LKR	Total Equity LKR
COMPANY				
Balance as at 01st April, 2019	7,163,772,000	(93,495,771)	-	7,070,276,229
Issue of Share Capital	7,820,838,448	-	-	7,820,838,448
Profit for the Year	-	1,161,723,089	-	1,161,723,089
Other Comprehensive Income	-	4,420,552	-	4,420,552
Dividends- Ordinary Shares	-	(1,021,383,630)	-	(1,021,383,630)
Balance as at 31st March, 2020	14,984,610,448	51,264,240	-	15,035,874,688
Balance as at 01st April, 2020	14,984,610,448	51,264,240	-	15,035,874,688
Profit for the Year	-	892,869,319	-	892,869,319
Other Comprehensive Income	-	19,211,535	-	19,211,535
Shares to be allotted for funds received from IPO	-	-	3,241,845,456	3,241,845,456
Dividends- Ordinary Shares	-	(400,000,000)	-	(400,000,000)
Balance as at 31st March, 2021	14,984,610,448	563,345,094	3,241,845,456	18,789,800,998

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March	Stated Capital	Foreign Exchange Reserve	Share pending Allotment	Retained Earnings	Total Equity
GROUP	LKR	LKR	LKR	LKR	LKR
Balance as at 01st April, 2019	7,163,772,000	-	-	726,493,459	7,890,265,459
Issue of Share Capital	7,820,838,448	-	-	-	7,820,838,448
Net Profit for the Year	-	-	-	1,540,914,968	1,540,914,968
Other Comprehensive Income	-	-	-	4,420,552	4,420,552
Dividends- Ordinary Shares	-	-	-	(1,021,383,630)	(1,021,383,630)
Adjustments under MI Shareholders	-	-	-	111,558,741	111,558,741
Balance as at 31st March, 2020	14,984,610,448	-	-	1,362,004,090	16,346,614,538
Balance as at 01st April, 2020	14,984,610,448	-	-	1,362,004,090	16,346,614,538
Net Profit for the Year	-	-	-	1,749,818,522	1,749,818,522
Other Comprehensive Income	-	1,123,288	-	19,211,535	20,334,823
Shares to be allotted for funds received from IPO	-	-	3,241,845,456	-	3,241,845,456
Dividends- Ordinary Shares	-	-	-	(400,000,000)	(400,000,000)
Balance as at 31st March, 2021	14,984,610,448	1,123,288	3,241,845,456	2,731,034,147	20,958,613,339

The Accounting Policies and Notes as set out in pages 156 to 211 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

As at 31st March	Notes	GROUP		COMPANY	
		2021 LKR	2020 LKR	2021 LKR	2020 LKR
Cash Flow from/(used) in Operating Activities					
Net Profit before Taxation		2,547,753,514	2,359,159,000	1,014,650,395	1,275,167,047
Adjustments for					
Profit accruing to the Group net of Dividend	(5)	(304,949,564)	(300,038,441)	-	-
Depreciation & Amortisation	(3) & (7)	1,050,344,906	3,928,935,093	27,137,474	25,761,081
Loss/ (Gain) on Fixed Asset Disposal	(25)	(18,031,859)	(8,709,792)	(2,650,779)	(3,559,792)
Impairment loss on Project Advances	(6)	5,126,287	-	-	-
Interest Cost	(27)	420,558,810	477,740,500	43,847,636	49,588,190
Gratuity Provision	(18)	12,629,996	19,572,816	23,166,321	8,782,832
Dividend Income	(25)	(37,211,546)	(24,878,494)	(827,531,455)	(1,402,032,434)
Interest Income	(25)	(148,627,427)	(139,554,696)	(121,011,584)	(121,035,174)
Operating Profit before Working Capital Changes		3,527,593,117	6,312,225,986	157,608,008	(167,328,250)
(Increase)/Decrease in Trade & Other Receivables		1,072,133,314	(1,942,902,246)	674,702,554	(14,124,054)
(Increase)/Decrease in Inventories		(40,873,062)	(365,368,340)	-	-
(Increase)/Decrease in Amounts due from Related Parties		10,019,302	(6,566,663)	72,149,806	13,672,777
Increase/(Decrease) in Amounts due to Related Parties		9,381,712	(2,535,828)	110,509,480	170,953,834
Increase/(Decrease) in Trade & Other Payables		(1,357,935,161)	1,482,318,017	(669,467,446)	20,224,159
		(307,273,895)	(835,055,060)	187,894,394	190,726,716
Cash Generated from/(used in) Operations		3,220,319,222	5,477,170,926	345,502,402	23,398,466
Interest Paid	(27)	(420,558,810)	(477,740,500)	(43,847,636)	(49,588,190)
Income Tax Paid	(22)	(357,255,696)	(65,624,948)	(154,722,525)	-
Dividend Tax paid		-	(75,511,897)	-	-
Gratuity Paid	(18)	(95,425)	(701,520)	(95,425)	(543,285)
ESC Paid		-	(19,529,551)	-	(77,217)
ESC Write off	(22)	(10,392,642)	-	-	-
WHT Paid		-	(1,306,946)	-	(365,599)
		(788,302,573)	(640,415,362)	(198,665,586)	(50,574,291)
Net Cash from/(used in) Operating Activities		2,432,016,649	4,836,755,564	146,836,816	(27,175,825)

STATEMENT OF CASH FLOWS

As at 31st March	Notes	GROUP		COMPANY	
		2021 LKR	2020 LKR	2021 LKR	2020 LKR
Cash Flows from/(used in) Investing Activities					
Interest Income	(25)	148,627,427	139,554,696	121,011,584	121,035,174
Dividend Income	(25)	37,211,546	24,878,494	827,531,455	533,751,479
Acquisition of Property, Plant & Equipment	(3)	(1,011,547,709)	(10,646,095,384)	(34,548,745)	(18,202,592)
Advances Paid to Acquire Shares		-	(473,324,725)	-	-
Investment in Associates- Local		-	(441,462,513)	-	(404,590,991)
Investment in Equity- Foreign		-	(414,330,716)	-	(586,237,382)
Short Term Investments - Unquoted		-	-	(141,222,522)	(589,833,106)
Short Term Investments - Fixed Deposit	(11)	(240,385,403)	(590,726,185)	-	-
Net Cash Flow from/(Used in) Investing Activities		(1,066,094,139)	(12,401,506,333)	772,771,772	(944,077,418)
Cash Flows from/(used in) Financing Activities					
Proceeds from issue of shares-Parent		-	7,820,838,449	-	1,099,590,991
Proceeds from IPO		6,429,248,400	-	6,429,248,400	-
Dividend Paid	(14)	(400,000,000)	(1,208,848,695)	(400,000,000)	(360,383,630)
Proceeds from Sale of Fixed Assets		13,840,354	15,527,393	6,760,000	3,500,000
Proceeds from Interest Bearing Borrowings	(17)	43,800,000	-	43,800,000	-
Repayments of Interest Bearing Borrowings	(17)	(317,648,601)	1,690,050,181	(200,950,474)	384,132,965
Net Cash Flow from/ (Used in) Financing Activities		5,769,240,153	8,317,567,328	5,878,857,926	1,126,840,326
Net Increase/(Decrease) in Cash and Cash Equivalents		7,135,162,663	752,816,559	6,798,466,514	155,587,083
Cash and Cash Equivalents at the Beginning of the Year		871,567,978	118,751,419	117,441,648	(38,145,435)
Cash and Cash Equivalents at the End of the Year		8,006,730,641	871,567,978	6,915,908,162	117,441,648
Analysis of Cash and Cash Equivalents					
Cash at Bank - Favourable	(13)	8,459,543,027	962,264,733	6,915,908,162	191,110,916
Bank Overdrafts	(13)	(452,812,386)	(90,696,755)	-	(73,669,268)
		8,006,730,641	871,567,978	6,915,908,162	117,441,648

The Accounting Policies and Notes as set out in pages 156 to 211 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 Reporting Entity

WindForce Limited (Formally known as WindForce (Pvt) Ltd) ("The Company") is a public limited company incorporated and domiciled in Sri Lanka. The registered office of the company and the principal place of business are located at No.334, T.B Jayah Mawata, Colombo 10.

The Consolidated Financial Statements of WindForce Limited as at and for the year ended 31st March 2021 encompass the Group and its subsidiaries (together referred as the "Group" and individually as "Group Entities") and the interest in associates and joint ventures.

1.2 Principal Activities and Nature of Operations

During the year the principal activities of the Group are as follows.

Name of the Group	Nature of the Business
WindForce Limited	Managing and owning of renewable energy (Solar, Wind & Hydro) generation plants.
Renewgen Private Limited	Managing and owning of renewable energy (Hydro Power) generation plants.
Daily Life Renewable Energy (Pvt) Limited	Generates Electricity using Wind Power and selling electricity to the Ceylon Electricity Board.
Powergen Lanka (Pvt) Ltd	
Beta Power (Pvt) Limited	
Joule Power (Pvt) Limited	
Seguwanthuv Wind Power Private Limited	
Vidatamunai Wind Power Private Limited	
Vydexa (Lanka) Power Corporation (Pvt) Ltd	Generates Electricity using Solar Power and selling electricity to the Ceylon Electricity Board.
Suryadhanavi (Pvt) Ltd	
Hirujanani (Pvt) Ltd	
Sunny Clime Lanka (Pvt) Ltd	
Seruwawila Photovoltaic (Pvt) Ltd	
Tororo Pv Power Private Limited	Generates Electricity using Solar Power and selling electricity to the relevant government authority in Uganda.
Terraqua International (Pvt) Ltd	Generates Electricity using Hydro Power and selling electricity to the Ceylon Electricity Board.
Terraqua Kokawita (Pvt) Ltd	
Peak Power Delta (Pvt) Ltd	
HPD Power (Pvt) Ltd	
Melanka Power Moraketiya (Pvt) Ltd	
Energy Reclamation (Private) Limited	

NOTES TO THE FINANCIAL STATEMENTS

1.3 Approval of Financial Statements

The financial statements were authorised for issue by the directors on 12th August 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

2.1.1 Statement of Compliance

The Financial Statements of the Group has been prepared in accordance with Sri Lanka Accounting Standards which comprise of SLFRSs and LKASs as issued by the Institute of Chartered Accountants of Sri Lanka. The preparation and presentation of these financial statements are in compliance with the Companies Act No. 7 of 2007.

2.1.2 Basis of Measurements

The Financial Statements have been prepared on an accrual basis and under the historical cost convention.

2.1.3 Functional and Presentation Currency

The financial statements are presented in Sri Lanka Rupees, which is the company's functional and Group's presentation currency.

Functional currency of all the Group companies is Sri Lankan Rupees, other than the following companies whose functional currency is given below.

Company	Country of Incorporation	Functional Currency
Tororo Pv Power Private Limited	Uganda	Ugandan shilling (UGX)
Mahoma Uganda Limited	Uganda	Ugandan shilling (UGX)
Gharo Solar (Private) Ltd	Pakistan	Pakistan Rupees (PKR)

2.1.4 Financial Year

All companies in the Group have a common financial year which ends on the 31st March, other than the following companies whose financial years are given below.

Company	Financial Year
Tororo Pv Power Private Limited	31st December
Mahoma Uganda Limited	31st December
Gharo Solar (Private) Ltd	30th June

2.1.5 Going Concern

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

Standard Power Purchase Agreement ('SPPA') between the Ceylon Electricity Board ('CEB') with regards to the Energy Reclamation (Pvt) Ltd extended the period of electricity supply until year 2040.

In March 2020, the World Health Organisation declared the novel coronavirus (COVID-19) outbreak as a pandemic. There have been mandates from Government authorities requiring forced closures of various schools, businesses and other facilities and organisations. As a result, during the latter part of March 2020, there was a restriction on operations of the Group. However, After Government has declared the power sector as an essential service, normal operations were continued. Since the Government policies on power industry as an essential service, power plants are allowed to operate normally while implementing strict health care & safety measures. However, the operations at Head office level got disrupted due to the strict enforcement of curfew in Colombo but operational work continued under the concept of work from home. The company considers its human resource as the greatest asset and therefore stringent measures have been adopted among employees to control the outbreak of Corona Virus. In this context, ensuring health and safety of our employees is of paramount important and the group have facilitated work from home for head office employees, sanitisation and other safety measures have been implemented at locations.

NOTES TO THE FINANCIAL STATEMENTS

2.2 Basis of Consolidation

The Group Financial Statements comprise a consolidation of the financial statements of the Group and its subsidiary in terms of LKAS 27 on Consolidated and Separate Financial Statements and Section 151 (2) and 153 (2) to 153 (7) of the Companies Act No. 07 of 2007.

Subsidiaries/ Associate Companies	Holding's Effective Percentages %
Daily Life Renewable Energy (Pvt) Limited	95.83
Beta Power (Pvt) Limited	66.40
Joule Power (Pvt) Limited	66.40
Vydexa (Lanka) Power Corporation (Pvt) Ltd	76.13
Hirujanai (Pvt) Ltd	66.00
Suryadhanavi (Pvt) Ltd	88.00
Sunny Clime Lanka (Pvt) Ltd	90.00
Seruwawila Photovoltaic (Pvt) Ltd	90.00
Seguwanthuv Wind Power (Pvt) Limited	100.00
Vidatamunai Wind Power (Pvt) Limited	100.00
Renewgen (Pvt) Ltd	100.00
Powergen (Pvt) Limited	100.00
Energy Reclamation (Pvt) Limited	100.00
Tororo Pv Power Private Limited	80.00

Subsidiary included is that Group in which the Group directly or indirectly has an interest of more than one half of the voting rights and/ or has the power to exercise control over the financial and operating policies.

2.2.1 Principles of Consolidation

a) Subsidiaries

The Financial Statements of the Group represent the consolidation of the Financial Statements of the Group, and its controlled subsidiaries after elimination of all material intra group transactions.

Subsidiary is consolidated from the date, the Parent obtains control until such time as control ceases.

The total profits and losses for the period of the Group and its subsidiaries included in consolidation are shown in the consolidated Income Statement with the proportion of profit or loss after taxation pertaining to outside shareholders of subsidiaries being deducted as "Non Controlling Interest".

All assets and liabilities of the Group and of its subsidiaries included in consolidation are shown in the Consolidated Statement of Financial Position. The interest of outside shareholders of subsidiary in the fair value of net assets of the Group are indicated separately in the Consolidated Statement of Financial Position under the heading "Non-Controlling Interest".

b) Associate Companies

Associate is the entity in which the group has a significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the group holds between 20% to 50% of the voting power of another entity. Associates are accounted for using the equity method (equity accounted investees) and are recognised at initial cost.

NOTES TO THE FINANCIAL STATEMENTS

The consolidated financial statements include the Group's share of profit net of tax after non controlling interest in subsidiaries and equity movements of equity accounted investees, from the date on which significant influence commences until the date on which significant influence ceases.

When the Group's share of losses exceeds its investments in an equity accounted investee, the carrying amount of that interest is reduced to "Nil" and recognition of further losses is discontinued except to the extent that the Group has incurred obligations or has made payments on behalf of the investee.

c) Interest in Joint ventures

A joint venture is a jointly controlled entity, whereby the Group and other parties have a contractual arrangement that establishes joint control over the economic activities of the entity. The arrangement requires unanimous agreement for financial and operating decisions among the ventures.

Joint ventures are accounted for using the equity method (equity accounted investees) and are recognised at initial cost.

The consolidated financial statements include the Group's share of income and expenses and equity movements of equity accounted investees, from the date on which significant influence commences until the date on which significant influence ceases.

When the Group's share of losses exceeds its investments in an equity accounted investee, the carrying amount of that investment is reduced to "Nil" and recognition of further losses is discontinued except to the extent that the Group has incurred obligations or has made payments on behalf of the investee.

2.2.1 Foreign Currency Conversion

All foreign exchange transactions are converted in to Sri Lanka Rupees, which is the reporting currency at the rates of exchange prevailing at the time the transactions were effected. Monetary assets and liabilities denominated in foreign currencies are converted in to Sri Lanka Rupee equivalents using year-end spot foreign exchange rates. Non-monetary assets and liabilities are converted using exchange rates that existed when the values were determined. The resulting gains and losses are accounted for in the Statement of Comprehensive Income.

2.3 Assets and Bases of their Valuation

Assets classified as current assets in the Statement of financial position are cash and bank balances and those which are expected to be realised in cash during the normal operation cycle or within one year from the reporting date or, whichever is lower.

2.3.1 Property, Plant & Equipment

a) Cost

Property, Plant & Equipment are recorded at cost less accumulated depreciation and impairment losses.

The carrying value of property, plant and equipment is reviewed for impairment either annually or when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. Impairment losses are recognised in the Statement of Income unless it reverses a previous revaluation surplus for the same asset.

b) Restoration Costs

Expenditure incurred on repairs or maintenance of Property, Plant and Equipment in order to restore or maintain the future economic benefits expected from originally assessed standard of performance is recognised as an expense when incurred.

c) Depreciation

The provision for depreciation is calculated by using a straight line method on the cost of all Property, Plant and Equipment other than freehold land, in order to write off such amounts over the following estimated useful lives. The principle annual periods used are;

Plant & Machinery (Wind & Solar)	-	Over 20 Years
Plant & Machinery (Hydro	-	Over 40 Years
CGRP Line (Hydro sector)	-	Over 40 Years
Transmission Line (Hydro)	-	Over 40 Years
SCADA Building	-	Over 20 Years
Development Cost	-	Over 05 Years
Office Equipment	-	Over 08 Years
Computer Equipment	-	Over 04 Years
Motor Vehicles	-	Over 05 Years
Furniture & Fittings	-	Over 04 Years
Software	-	Over 04 Years
Site Equipment	-	Over 04 Years

NOTES TO THE FINANCIAL STATEMENTS

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

d) Capital Work-in-Progress

Capital work – in – Progress is stated at cost. These are expenses of a capital nature directly attributable to the construction of the wind power plant. Expenses that are in the capital nature are accounted for as capital work – in – progress during the period of construction.

2.3.2 Financial instruments

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

i) Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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

Subsequent Measurement

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

- a) Financial assets at amortised cost (debt instruments)
- b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de recognition (equity instruments)
- d) Financial assets at fair value through profit or loss

a) Financial assets at amortised cost (debt instruments)

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

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Financial Assets at amortised cost comprise of trade receivables, amounts due from related parties, deposits, advances and other receivables.

b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- ✱ The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling. and;
- ✱ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon de recognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group does not have any debt instruments at fair value through OCI.

NOTES TO THE FINANCIAL STATEMENTS

c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de recognition (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument- by instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

However, the Group does not have any financial assets at fair value through OCI.

d) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

However, the Group does not have any financial assets at fair value through profit or loss

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is de-recognised when:

- ✱ The rights to receive cash flows from the asset have expired
- ✱ The Group 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 (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets

From 1 April 2018, the Group assesses on a forward-looking basis of the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

NOTES TO THE FINANCIAL STATEMENTS

ii) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, interest bearing loans and borrowings and amounts due to related parties.

Subsequent measurement

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

a) 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 as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

b) Financial liabilities at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Profit or Loss Statement when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process. Financial liabilities comprise interest bearing loans and borrowings, trade payables, other payables, income tax payables and amounts due to related parties.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

iii) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Financial risk management objectives and policies have been disclosed under Note 2.3.

iv) Fair value

The Group measures financial instruments at fair value at each statement of financial position date. Fair value related disclosures for financial instruments that are measured at fair value are disclosed, in respective notes: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ✱ In the principal market for the asset or liability Or;
- ✱ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised

NOTES TO THE FINANCIAL STATEMENTS

within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- * Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- * Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- * Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.3.3 Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill

arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

2.3.4 Trade Receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

2.3.5 Cash & Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in current liabilities in the Statement of financial position.

2.4 Liabilities and provisions

2.4.1 Liabilities

Liabilities classified as current liabilities on the Statement of Financial Position are those fall due for payment on demand or within one year from the reporting date.

Non current liabilities are balances that fall due for payment for remaining more than one year from the reporting date.

All known liabilities have been accounted for in preparing the financial statements.

2.4.2 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.4.3 Capital Commitments and Contingencies

Capital Commitments and Contingent liabilities of the group are disclosed in the respective Notes to the financial statements.

2.5 Revenue recognition

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

a) Rendering of Services

Revenue from rendering of services is recognised in the accounting period in which the services are rendered or performed.

NOTES TO THE FINANCIAL STATEMENTS

b) Energy Supply

Revenue from energy supply is recognised upon delivery of energy to Ceylon Electricity Board.

The electricity units (also known as the Energy Output) generated are measured via the metering equipment (owned by the CEB) located at each power plant. The title of the Energy Output shall transfer to the CEB at the metering point upon substantially satisfying the specifications of the SPPA.

c) Interest

Interest Income is recognised using effective interest rate (EIR).

d) Dividends

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

e) Others

Net Gains and losses of a revenue nature on the disposal of Property, Plant & Equipment and other non current assets including investments have been accounted for in the Income Statement, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

2.6 Expenditure recognition

2.6.1 Expenses are recognised in the Statement of Comprehensive Income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

2.6.2 For the purpose of presentation of the Statement of Comprehensive Income, the Directors are of the opinion that the function of expenses method, presents fairly the elements of the Group's performance, and hence, such presentation method is adopted.

2.6.3 Borrowing Costs

Borrowing Costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.6.4 Taxation

(a) Current Taxes

WindForce Limited

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No 10 of 2006 and amendments thereto.

Applicability of income tax for group companies have been disclosed in Note 28 to the financial statements.

(b) Deferred Taxation

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes according to the Deferred Tax ruling issued by the Institute of Chartered Accountants of Sri Lanka for BOI Companies.

NOTES TO THE FINANCIAL STATEMENTS

2.6.5 Financial risk Management objectives & Policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has loans and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. Accordingly the Group has exposure to namely Credit Risk, Liquidity Risk, Currency Risk and Interest Rate Risk from its use of financial instruments:

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

Credit risk

Credit Risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arise principally from the Group's receivable from customers.

Liquidity risk

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

Currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currency of the Group.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group has not engaged in any interest rate swap agreements.

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT & EQUIPMENT

3.1 Group

	Gross Carrying Amounts - At Cost						
	Balance as at 01.04.2020 LKR	Exchange Translation Difference LKR	Additions LKR	Transfer from WIP LKR	Disposals LKR	Balance as at 31.03.2021 LKR	
Freehold Assets							
Land	11,349,794	-	-	-	-	11,349,794	
Plant & Machinery	19,408,509,498	-	1,300,897,205		-	20,709,406,703	
Development Cost	64,517,014	-	341,992,577		-	406,509,591	
SCADA Building	390,223,801	-	105,278,995		-	495,502,796	
Engineering Quarters	46,344,687	-	9,131,859		-	55,476,546	
Office Equipment	6,176,990	-	460,960	-	-	6,637,950	
Furniture & Fittings	28,805,048	-	1,875,668	-	-	30,680,716	
Computer Software	10,593,355	-	-	-	-	10,593,355	
Computers & Related Equipment	10,862,228	-	3,391,450	-	-	14,253,678	
Other Civil Structures	26,505,197	-	-		-	26,505,197	
SODAR Unit	12,052,683	-	-	-	-	12,052,683	
Site Equipment	74,353,280	-	6,848,493	-	-	81,201,773	
Motor Bikes	5,081,220	-	839,500	-	(537,750)	5,382,970	
Motor Vehicles	102,320,660	-	30,498,580	-	(8,544,000)	124,275,240	
	20,197,695,455	-	1,801,215,287	-	(9,081,750)	21,989,828,992	
Leasehold Assets							
Motor Vehicles	53,150,000	-	-		(8,100,000)	45,050,000	
Land	593,582	-	17,014,332		-	17,607,914	
	53,743,582	-	17,014,332	-	(8,100,000)	62,657,914	
Capital Work in Progress							
Plant & Machinery	979,160,401	(11,259,581)	959,595,402	(1,766,277,312)	-	161,218,910	
	979,160,401	(11,259,581)	959,595,402	(1,766,277,312)	-	161,218,910	
Total W.D.V	21,230,599,438	(11,259,581)	2,777,825,021	(1,766,277,312)	(17,181,750)	22,213,705,816	

NOTES TO THE FINANCIAL STATEMENTS

	Depreciation				
	Balance as at 01.04.2020 LKR	Depreciation for the Year LKR	Depreciation on Disposals LKR	Balance as at 31.03.2021 LKR	W.D.V as at 31.03.2021 LKR
	-	-	-	-	11,349,794
	5,564,110,242	942,231,808	-	6,506,342,050	14,203,064,653
	62,223,652	10,734,608	-	72,958,260	333,551,331
	134,172,282	22,664,150	-	156,836,432	338,666,364
	8,558,572	3,088,126	-	11,646,698	43,829,848
	4,172,274	409,467	-	4,581,741	2,056,209
	21,110,683	3,662,292	-	24,772,975	5,907,741
	5,384,428	2,150,952	-	7,535,380	3,057,975
	6,528,232	2,294,609	-	8,822,841	5,430,837
	3,272,238	1,218,187	-	4,490,425	22,014,772
	8,471,804	1,205,268	-	9,677,072	2,375,611
	34,609,260	14,961,315	-	49,570,575	31,631,198
	3,189,737	611,605	(351,850)	3,449,492	1,933,478
	71,497,390	15,953,478	(8,544,000)	78,906,868	45,368,372
	5,927,300,794	1,021,185,865	(8,895,850)	6,939,590,809	15,050,238,183
	28,415,000	9,415,000	(4,050,000)	33,780,000	11,270,000
	26,976	524,414	-	551,390	17,056,524
	28,441,976	9,939,414	(4,050,000)	34,331,390	28,326,524
	-	-	-	-	161,218,910
	-	-	-	-	161,218,910
	5,955,742,770	1,031,125,279	(12,945,850)	6,973,922,199	15,239,783,617

NOTES TO THE FINANCIAL STATEMENTS

3.2 Company

	Gross Carrying Amounts - At Cost					
	Balance as at 01.04.2020 LKR	Transfer from WIP LKR	Additions LKR	Disposals LKR	Balance as at 31.03.2021 LKR	
Freehold Assets						
Office Equipment	3,030,910		327,520		3,358,430	
Furniture & Fittings	16,346,231		1,212,000		17,558,231	
Computer Software	7,592,935		-	-	7,592,935	
Computers & Related Equipment	4,059,292		2,169,645		6,228,937	
SODAR Unit	12,052,685		-	-	12,052,685	
Site Equipment	7,247,791				7,247,791	
Bicycle & Motor Cycle	185,900		341,000	(185,900)	341,000	
Motor Vehicles	38,900,000		30,498,580		69,398,580	
	89,415,744	-	34,548,745	(185,900)	123,778,589	
Leasehold Assets						
Motor Vehicles	53,150,000	-	-	(8,100,000)	45,050,000	
	53,150,000	-	-	(8,100,000)	45,050,000	
Total W.D.V	142,565,744	-	34,548,745	(8,285,900)	168,828,589	

NOTES TO THE FINANCIAL STATEMENTS

	Depreciation				
	Balance as at 01.04.2020 LKR	Depreciation for the Year LKR	Depreciation on Disposals LKR	Balance as at 31.03.2021 LKR	W.D.V as at 31.03.2021 LKR
	1,608,972	294,354		1,903,326	1,455,104
	10,430,291	3,040,860		13,471,151	4,087,080
	5,184,231	1,414,473	-	6,598,704	994,231
	2,461,388	763,183		3,224,571	3,004,366
	8,471,804	1,205,268	-	9,677,072	2,375,613
	995,557	1,811,948		2,807,505	4,440,286
	104,569	72,577	(131,679)	45,467	295,533
	27,143,334	9,119,811		36,263,145	33,135,435
	56,400,146	17,722,474	(131,679)	73,990,941	49,787,648
	28,415,000	9,415,000	(4,050,000)	33,780,000	11,270,000
	28,415,000	9,415,000	(4,050,000)	33,780,000	11,270,000
	84,815,146	27,137,474	(4,181,679)	107,770,941	61,057,648

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENTS IN SUBSIDIARIES - UNQUOTED

4.2 Company Investments in Subsidiaries

Unquoted Investments	Effective Holding		COMPANY			
			No of Shares		Value	
	2021 %	2020 %	2021	2020	2021 LKR	2020 LKR
Daily Life Renewable Energy (Pvt) Ltd	95.83	95.83	116,656,000	116,656,000	1,166,560,000	1,166,560,000
Beta Power (Pvt) Ltd	66.40	66.40	59,220,000	59,220,000	580,293,000	580,293,000
Joule Power (Pvt) Ltd	66.40	66.40	59,220,000	59,220,000	580,293,000	580,293,000
Vydexa (Lanka) Power Corporation (Pvt) Ltd	76.13	76.13	92,385,610	92,385,610	923,856,101	923,856,101
Suryadhanavi (Pvt) Ltd	88.00	88.00	36,000,000	36,000,000	360,000,200	360,000,200
Hirujanani (Pvt) Ltd	66.00	66.00	5,400,000	5,400,000	54,000,000	54,000,000
Sunny Clime Lanka (Pvt) Ltd	90.00	90.00	4,680,000	4,680,000	46,800,000	46,800,000
Seruwawila Photovoltaic (Pvt) Ltd	90.00	90.00	4,680,000	4,680,000	46,800,000	46,800,000
Seguwanthuv Wind Power (Pvt) Limited	100.00	100.00	114,285,715	114,285,715	1,232,126,194	1,232,126,194
Vidatamunai Wind Power (Pvt) Limited	100.00	100.00	114,285,715	114,285,715	1,579,125,663	1,579,125,663
Renewgen (Pvt) Limited	100.00	100.00	226,569,881	226,569,881	3,809,178,867	3,809,178,867
Powergen (Pvt) Limited	100.00	100.00	1,603,000	1,603,000	1,543,049,370	1,543,049,370
Energy Reclamation (Pvt) Limited	100.00	100.00	2,900,000	2,900,000	130,145,014	130,145,014
Tororo Pv Power Private Limited	80.00	90.00	9,000	9,000	579,854,800	523,472,160
Company investment in Subsidiaries (at Cost)					12,632,082,209	12,575,699,569

Investments in subsidiaries are carried at cost less any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

5.1 Unquoted Investments

As at 31st March	Effective Holding Percentage %	GROUP				COMPANY			
		2021		2020		2021		2020	
		Number of Shares	LKR	Number of Shares	LKR	Number of Shares	LKR	Number of Shares	LKR
Nirmalapura Wind Power (Pvt) Limited (NPWP)									
Balance at the beginning of the year	49%	49,000,000	862,096,820	49,000,000	904,506,694	49,000,000	490,000,000	49,000,000	490,000,000
Profit acquiring to the Group net of Dividend		-	(8,514,550)	-	(42,409,874)	-	-	-	-
Balance at the end of the year		49,000,000	853,582,270	49,000,000	862,096,820	49,000,000	490,000,000	49,000,000	490,000,000
Solar One Ceylon (Pvt) Ltd (SOCL)									
Balance at the beginning of the year	50%	35,085,952	549,024,573	35,085,952	526,231,887	35,085,952	490,300,000	35,085,952	490,300,000
Profit acquiring to the Group net of Dividend		-	69,783,172	-	22,792,686	-	-	-	-
Balance at the end of the year		35,085,952	618,807,745	35,085,952	549,024,573	35,085,952	490,300,000	35,085,952	490,300,000

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March	Effective Holding Percentage %	GROUP				COMPANY			
		2021		2020		2021		2020	
		Number of Shares	LKR	Number of Shares	LKR	Number of Shares	LKR	Number of Shares	LKR
Gharo Solar Limited - Pakistan (GSP)									
Balance at the beginning of the year		5,073,257	57,603,004	-	-	5,073,257	57,530,831	-	-
Investment made	30%	-	-	5,073,257	57,530,831	-	-	5,073,257	57,530,831
Profit accruing to the Group net of Dividend		-	197,450,148	-	72,173	-	-	-	-
Balance at the end of the year		5,073,257	255,053,152	5,073,257	57,603,004	5,073,257	57,530,831	5,073,257	57,530,831
Vidul Madugeta (Pvt) Ltd (VM)									
Balance at the beginning of the year		4,500,000	312,730,114	-	-	-	-	-	-
On Acquisition of subsidiary	50%	-	-	4,500,000	280,340,269	-	-	-	-
Profit acquiring to the Group net of Dividend		-	26,585,971	-	32,389,845	-	-	-	-
Balance at the end of the year		4,500,000	339,316,085	4,500,000	312,730,114	-	-	-	-
Gurugoda Hydro Pvt Ltd (GH)									
Balance at the beginning of the year		2,472,000	101,803,424	-	-	-	-	-	-
On Acquisition of subsidiary	50%	-	-	2,472,000	103,253,013	-	-	-	-
Profit acquiring to the Group net of Dividend		-	1,543,408	-	(1,449,589)	-	-	-	-
Balance at the end of the year		2,472,000	103,346,832	2,472,000	101,803,424	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March	Effective Holding Percentage %	GROUP				COMPANY			
		2021		2020		2021		2020	
		Number of Shares	LKR	Number of Shares	LKR	Number of Shares	LKR	Number of Shares	LKR
Mahoma Uganda Ltd (MU)									
Balance at the beginning of the year		1,800	17,601,600	-	-	-	-	-	-
On Acquisition of subsidiary	36%	-	-	1,800	338,400	-	-	-	-
Profit acquiring to the Group net of Dividend		-	18,101,415	-	17,263,200	-	-	-	-
Balance at the end of the year		1,800	35,703,015	1,800	17,601,600	-	-	-	-
Carrying Value of equity accounted investee			2,205,809,099		1,900,859,535		1,037,830,831		1,037,830,831

The Group recognises its interests in joint ventures using the equity method as per paragraph 38 of LKAS 31 - Interests in Joint Ventures.

5.3 Summarised financial information of Equity Accounted Investees

For the year ended 31st March 2021	NPWP LKR	SOCL LKR	Vidul Madugeta LKR	Gurugoda LKR	Gharo LKR	Mahoma LKR
Revenue	327,641,323	465,809,282	149,251,765	24,326,388	1,230,979,668	223,059,301
Cost of Sales	(204,167,048)	(117,202,630)	(43,020,683)	(16,269,373)	(393,741,542)	(107,076,375)
Other Income/ Net Finance Cost	153,971	(71,962,131)	20,526,673	(2,414,322)	(108,791,929)	(35,340,692)
Administrative Expense	(31,104,838)	(37,078,179)	(841,234)	(844,850)	(66,688,854)	(30,182,796)
Profit/(Loss) before taxation	92,523,408	239,566,342	125,916,521	4,797,843	661,757,343	50,459,438
Taxation	(49,900,041)	-	(23,244,580)	(1,711,026)	(3,590,183)	(177,729)
Profit/(Loss) after taxation	42,623,367	239,566,342	102,671,941	3,086,817	658,167,160	50,281,709

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2021	NPWP LKR	SOCL LKR	Vidul Madugeta LKR	Gurugoda LKR	Gharo LKR	Mahoma LKR
Non Current Assets	1,183,883,770	1,545,070,513	468,913,628	116,952,466	6,547,426,727	984,887,805
Current Assets	354,719,889	296,845,371	108,201,872	13,955,677	1,714,375,502	58,049,894
Total Assets	1,538,603,659	1,841,915,884	577,115,500	130,908,143	8,261,802,229	1,042,937,699
Non Current Liabilities	3,092,027	661,680,113	22,356,353	13,975,849	5,183,725,849	632,805,274
Current Liabilities	91,180,416	297,086,506	49,431,689	22,322,552	611,792,039	396,758,292
Net Assets	1,444,331,216	883,149,265	505,327,458	94,609,742	2,466,284,341	13,374,133

6. OTHER NON CURRENT FINANCIAL ASSETS

As at 31st March	Notes	GROUP		COMPANY	
		2021 LKR	2020 LKR	2021 LKR	2020 LKR
Other unquoted equity investments - Foreign	(6.1)	123,000,843	122,640,000	123,000,843	122,640,000
Advances Paid to Acquire Shares	(6.2)	1,380,347,865	1,326,497,397	1,012,920,326	953,943,571
		1,503,348,708	1,449,137,397	1,135,921,169	1,076,583,571

6.1 Other unquoted equity investments - Foreign

As at 31st March	Effective Holding %	GROUP		COMPANY	
		2021 LKR	2020 LKR	2021 LKR	2020 LKR
East Africa Concrete Products Ltd - Uganda	7	13,290,000	13,290,000	13,290,000	13,290,000
Harappa Solar (Private) Ltd - Pakistan	13	109,350,000	109,350,000	109,350,000	109,350,000
Semipolky Solar Limited - Ukraine	12.5	360,843	-	360,843	-
		123,000,843	122,640,000	123,000,843	122,640,000

NOTES TO THE FINANCIAL STATEMENTS

6.2 Advances Paid to Acquire Shares

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Gharo Solar (Private) Ltd - Pakistan	912,261,169	857,717,071	912,261,169	857,717,071
Semipolky Solar Limited	100,659,157	96,226,500	100,659,157	96,226,500
Ma Oya Project	-	137,000	-	-
Mahoma Project	98,988,413	98,988,413	-	-
Kathai Project	-	15,000	-	-
Floating Solar Project	-	37,635	-	-
Kyambura Project	268,439,126	268,439,126	-	-
Lower Kokawita Project	-	4,795,401	-	-
Diyaviduli Pethiyakanda	-	141,251	-	-
	1,380,347,865	1,326,497,397	1,012,920,326	953,943,571

During the year, group has recognised LKR 5,126,287/- as impairment loss on advances paid for projects - MaOya, Kathai, Floating Solar, Lower Kokawita & Diyaviduli Pethiyakanda.

7. INTANGIBLE ASSETS

As at 31st March	Notes	GROUP		COMPANY	
		2021 LKR	2020 LKR	2021 LKR	2020 LKR
Advance for Grid Substation - Non Current	(7.1)	130,081,869	145,254,263	-	-
Right to generate Electricity from Hydro Resources	(7.2)	157,909,894	162,523,744	-	-
Goodwill on Business Combinations	(7.3)	2,386,832,245	2,534,848,732	-	-
		2,674,824,008	2,842,626,739	-	-

NOTES TO THE FINANCIAL STATEMENTS

7.1 Advance for Grid Substation

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Cost				
As at 01st April	269,522,893	98,879,996	-	-
On Acquisition of subsidiary	-	170,642,897	-	-
Other Adjustments	(593,582)	-	-	-
As at 31st March	268,929,311	269,522,893	-	-
Amortization				
As at 01st April	109,662,863	30,819,738	-	-
On Acquisition of subsidiary	-	72,101,334	-	-
Other Adjustments	(26,976)	-	-	-
Amortisation for the Year	14,605,777	6,741,791	-	-
As at 31st March	124,241,664	109,662,863	-	-
Net Book Value - Current	14,605,777	14,605,777	-	-
-Non-Current	130,081,869	145,254,263	-	-
	144,687,646	159,860,040	-	-

NOTES TO THE FINANCIAL STATEMENTS

7.2 Right to generate Electricity from Hydro Resources

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Cost				
Balance as at 01st April	184,553,989	-	-	-
On Acquisition of subsidiary	-	184,553,989	-	-
Balance as at 31 March	184,553,989	184,553,989		
Amortization				
Balance as at 01 April	22,030,245	-	-	-
On Acquisition of subsidiary	-	21,261,270	-	-
Charge for the year	4,613,850	768,975	-	-
Total at the year end	26,644,095	22,030,245	-	-
Net Book Value Balance as at 31st March	157,909,894	162,523,744	-	-

7.3 Goodwill on Business Combinations

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
As at 01st April	2,534,848,732	285,000,000	-	-
Add: Acquisition through business combinations	-	2,249,848,732	-	-
Impairment of Goodwill	(148,016,487)	-	-	-
As at 31st March	2,386,832,245	2,534,848,732	-	-

NOTES TO THE FINANCIAL STATEMENTS

Summary of Goodwill

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Seguwanthiuv Wind Power (Pvt) Limited	149,014,461	149,014,461	-	-
Vidatamunai Wind Power (Pvt) Limited	525,639,149	525,639,149	-	-
Renewgen (Pvt) Limited	1,262,040,966	1,262,040,966	-	-
Energy Reclamation (Pvt) Limited	87,457,056	87,457,056	-	-
Tororo Pv Power Private Limited	57,719,120	205,735,607	-	-
Vydexa (Lanka) Power Corporation (Pvt) Ltd	304,961,493	304,961,493	-	-
	2,386,832,245	2,534,848,732	-	-

Goodwill as at the reporting date has been tested for impairment and impairment adjustments have been made accordingly.

The recoverable amount of goodwill is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management. The key assumptions used are given below;

Business growth rate – Based on the long term average growth rate for each business unit.

Inflation rate – Based on current inflation rate.

Discount rate – Risk free rate adjusted for the specific risk relating to the industry.

The Group has not determined impairment of goodwill as at the reporting date impact from COVID-19 pandemic

NOTES TO THE FINANCIAL STATEMENTS

8. INVENTORIES

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Spare parts	459,721,533	418,848,471	-	-
	459,721,533	418,848,471	-	-

9. TRADE & OTHER RECEIVABLES

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Trade Debtors	1,266,322,746	1,660,779,672	212,319,651	2,451,852
Refundable Deposits & Prepayments	122,595,302	55,026,694	5,312,606	29,304,670
Staff Loans	12,570,573	12,099,073	12,570,573	7,877,000
Advances	50,904,358	75,117,858	2,765,410	6,238,510
Interest Receivable	23,743,976	37,516,921	22,862,123	37,516,921
Advance on Project Preliminaries	20,611,200	7,273,684	20,611,200	7,273,684
Insurance Receivable	30,581	1,859,251	30,581	397,518
Other Receivables	120,050,512	11,008,451	9,738,235	1,481,400
Dividend Receivables	40,000,000	868,280,956	-	868,280,957
	1,656,829,248	2,728,962,560	286,210,379	960,822,512

NOTES TO THE FINANCIAL STATEMENTS

10. AMOUNTS DUE FROM RELATED PARTIES

As at 31st March	Relationship	GROUP		COMPANY	
		2021 LKR	2020 LKR	2021 LKR	2020 LKR
Beta Power (Pvt) Ltd	Subsidiary	-	-	1,789,001	10,660,315
Joule Power (Pvt) Ltd	Subsidiary	-	-	1,766,151	10,523,582
Vydexa (Lanka) Power Corporation (Pvt) Ltd	Subsidiary	-	-	1,768,654	-
Sunny Clime Lanka (Pvt) Ltd	Subsidiary	-	-	15,800	4,984,408
Melanka Power (Pvt) Ltd	Subsidiary	-	-	13,098,145	-
Seruwawila Photovoltaic (Pvt) Ltd	Subsidiary	-	-	15,800	5,958,389
Tororo PV Power Company Limited	Subsidiary	-	1,345,620	-	26,881,351
Terraqua Kokawita (Pvt) Ltd	Subsidiary	-	-	164,708	-
Powergen Lanka (Pvt) Ltd	Subsidiary	-	-	-	8,093,165
Seguwantivu Wind Power (Pvt) Ltd	Subsidiary	-	-	-	53,695
HPD Power (Pvt) Ltd	Subsidiary	-	-	15,121,043	15,003,414
Peak Power Delta (Pvt) Ltd	Subsidiary	-	-	20,725	-
Energy Reclamation (Pvt) Ltd	Subsidiary	-	-	4,064,733	-
Nirmalapura Wind Power (Pvt) Ltd	Associate	4,862,727	24,419,322	-	24,419,323
Solar One Ceylon (Pvt) Ltd	Associate	1,028,077	4,962,580	1,021,158	4,418,080
Ziba (Pvt) Ltd	Affiliate	2,592,283	2,757,680	-	-
Mahoma Uganda Ltd	Affiliate	44,610,877	29,628,064	-	-
		53,093,964	63,113,266	38,845,918	110,995,722

11. SHORT TERM FINANCIAL ASSETS

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Investments in Fixed Deposits	1,765,887,466	1,525,502,063	1,665,831,506	1,524,608,984
	1,765,887,466	1,525,502,063	1,665,831,506	1,524,608,984

NOTES TO THE FINANCIAL STATEMENTS

12. COMPONENTS OF CASH AND CASH EQUIVALENTS

12.1 Favourable Cash and Cash Equivalent Balances

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Cash and bank Balances	8,434,756,447	959,888,749	6,915,111,062	190,329,213
Petty cash	24,786,580	2,375,984	797,100	781,703
	8,459,543,027	962,264,733	6,915,908,162	191,110,916

12.2 Un Favourable Cash and Cash Equivalent Balances

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Bank overdrafts	(452,812,386)	(90,696,755)	-	(73,669,268)
Net Cash and Cash Equivalents for the purpose of Cash Flow Statement	8,006,730,641	871,567,978	6,915,908,162	117,441,648

NOTES TO THE FINANCIAL STATEMENTS

13. STATED CAPITAL

As at 31st March	GROUP		COMPANY	
	2021	2020	2021	2020
Number of Issued and Fully Paid Ordinary Shares				
At the beginning of the year	1,148,153,601	716,377,200	1,148,153,601	716,377,200
Shares issued during the year	-	431,776,401	-	431,776,401
At the end of the year	1,148,153,601	1,148,153,601	1,148,153,601	1,148,153,601
Value of Issued and Fully Paid Ordinary Shares				
At the beginning of the year (LKR)	14,984,610,448	7,163,772,000	14,984,610,448	7,163,772,000
Value of shares issued during the year (LKR)	-	7,820,838,448	-	7,820,838,448
At the end of the year (LKR)	14,984,610,448	14,984,610,448	14,984,610,448	14,984,610,448

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

14. RETAINED EARNINGS

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Balance at the beginning of the Year	1,362,004,089	726,493,459	51,264,240	(93,495,771)
Adjustments due to change in group holdings & other adjustments	-	111,558,740	-	-
Dividends - Ordinary Shares	(400,000,000)	(1,021,383,630)	(400,000,000)	(1,021,383,630)
Profit for the Year	1,749,818,522	1,540,914,968	892,869,319	1,161,723,089
Other comprehensive income for the period	19,211,535	4,420,552	19,211,535	4,420,552
Balance at the end of the Year	2,731,034,146	1,362,004,089	563,345,094	51,264,240

NOTES TO THE FINANCIAL STATEMENTS

15. FOREIGN EXCHANGE RESERVE

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Balance at the beginning of the Year	-	-	-	-
Exchange difference on Transaction of foreign operation	1,123,288	-	-	-
Balance at the end of the Year	1,123,288	-	-	-

Foreign exchange reserve comprises of foreign exchange differences arising from the translation of foreign subsidiaries in the Group.

16. NON CONTROLLING INTERESTS

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Balance as at the beginning of the Year	1,634,602,355	1,831,552,019	-	-
On Acquisition of Subsidiary with Non-Controlling Interest	-	35,304,061	-	-
Exchange difference on Transaction of foreign operation	280,822	-	-	-
Adjustments due to change in group holdings & other adjustments	94,019,302	(400,672,105)	-	-
Profit Attributable to Non- Controlling Interest	396,430,002	355,883,444	-	-
Dividends Paid to Minority Shareholders	(244,730,122)	(187,465,064)	-	-
Balance as at the end of the Year	1,880,602,359	1,634,602,355	-	-

NOTES TO THE FINANCIAL STATEMENTS

17. INTEREST BEARING LOANS AND BORROWINGS

17.1 Non-current interest-bearing loans and borrowings

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Analysis by lending institutions				
National Development Bank	86,033,923	516,202,831	-	-
Sampath Bank	335,771,052	385,468,591	-	-
Hatton National Bank	1,960,035,972	1,268,420,128	-	-
DFCC Bank PLC	910,353,594	485,399,762	-	-
DFCC Vardhana Bank- Lease	-	3,010,685	-	-
HSBC Loan	559,346,356	657,503,811	559,346,356	657,503,811
Seylan Bank	259,948,000	165,038,000	25,000,000	-
Standard Chartered Bank	434,891,140	1,334,888,266	434,891,140	552,340,110
Pan Asia Bank - Vehicle lease	11,774,138	-	11,774,138	-
Commercial Bank of Ceylon - Vehicle Loan	4,229,647	11,813,728	3,323,000	10,151,542
	4,562,383,822	4,827,745,802	1,034,334,634	1,219,995,463

NOTES TO THE FINANCIAL STATEMENTS

17.2 Current interest bearing loans and borrowings

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Analysis by lending institutions				
National Development Bank	516,202,702	59,237,475	-	-
Sampath Bank	103,280,193	603,442,702	-	-
Hatton National Bank	101,474,624	193,969,205	-	-
DFCC Bank PLC	278,226,294	100,673,087	-	-
DFCC Vardhana Bank- Lease	-	147,371,270	-	648,989
HSBC Loan	142,811,836	79,673,500	142,811,836	147,371,270
Seylan Bank	35,968,000	101,474,624	-	-
Standard Chartered Bank	96,642,440	15,976,000	96,642,440	-
Commercial Bank of Ceylon	13,398,500	-	-	-
Pan Asia Bank - Vehicle lease	4,211,867	-	4,211,867	-
Commercial Bank of Ceylon - Vehicle Loan	5,481,765	4,366,979	4,575,117	3,460,334
	1,297,698,221	1,306,184,842	248,241,260	151,480,593
17.3 Total Outstanding	5,860,082,043	6,133,930,644	1,282,575,894	1,371,476,056

NOTES TO THE FINANCIAL STATEMENTS

17.4 Security and Repayment Terms - Group

Loan obtained by	Bank/ Lenders	Facility	Purpose	Re-payment	Security
Daily Life Renewable Energy (Pvt) Ltd	Sampath Bank	LKR 782,298,000/-	Import Line To settle the outstanding Term Loan of HSBC which was granted to partly finance the Wind Power Project at Madurankuliya, Kalpitiya.	Repaid in 53 equal instalments such as LKR 14,567,000.00 each & a final instalment of LKR 10,247,000.00 as given in special condition below commencing in one month from the date of disbursement.	Primary Mortgage Bond for LKR 692.30 Mn over Land & Project Assets. Mortgage Bond for LKR 89,998 Mn over 51% of Share Capital owned by WindForce Ltd Original share certificates for 51% of the share capital of Daily Life Renewable Energy (Pvt) Ltd owned by WindForce (Pvt) Ltd
Daily Life Renewable Energy (Pvt) Ltd	Sampath Bank	LKR 94,551,670/-	To Finance the replacement cost of the generators	Each Loan to be repaid in equal 96 monthly instalments commencing on 03 months after first disbursement together with interest	Original share certificates for 51% of the share capital of Daily Life Renewable Energy (Pvt) Ltd owned by WindForce Ltd
Daily Life Renewable Energy (Pvt) Ltd	DFFC Bank	110,716,430	To replace the cost of Wind turbine Generators	Repayable in 36 instalments from the date of first disbursement	LKR 200 Mn Over Movable Machinery
	Seylan Bank PLC	25,000,000	To grant additional financial assistance under the relief scheme to assist COVID 19 affected business	Repayable in 24 instalments including 6 months of grace period. 17 consecutive monthly instalments of LKR 1,388,000 and final payments of 1,404,000 including interest	

NOTES TO THE FINANCIAL STATEMENTS

Loan obtained by	Bank/ Lenders	Facility	Purpose	Re-payment	Security
Beta Power (Pvt) Ltd	National Development Bank	Term Loan LKR 1,561 Mn of which LKR 1,519 Mn for Letter of Credit facility.	Partly finance the construction and commission of 10 Mw Windpower project at Vallimunai in Kilinochchi District.	71 Equal instalments of LKR 21,612,158/- each	Primary mortgage over immovable assets for LKR 140 Mn. Primary mortgage over movable assets of the Projects for LKR 1,421 Mn. Additional primary mortgage over all ordinary shares. Additional primary mortgage over book debts, insurance proceeds and receivables.
		Facility 02 Bank Guarantee LKR 100 Mn	Utilised in respect of Ports Authority Levy exemption		Additional primary mortgage of project documents.
Beta Power (Pvt) Ltd	Seylan Bank PLC	Term Loan Rs 50 Mn (Approx)	To reimburse the cash margin with NDB PLC in establishing the letter of credit/ To settle the letter of credit with regard to importing of Generator	In 60 Monthly Installments. 59 monthly installments of LKR 833,000 together with monthly interest commencing from month of disbursements and final installment of LKR 853,000 together with final interest	Secondary Mortgage bond to be executed for LKR 50Mn Over Brand New Generator Letter of comfort from WindForce Ltd for LKR 50 Mn Loan Agreement form for LKR 50 Mn Accepted facility commitment Letter
Joule Power (Pvt) Ltd	National Development Bank	LKR 1,561 Mn of which LKR 1,519 Mn for Letter of Credit facility	Partly finance the construction and commission of 10Mw Wind Power project at Vallimunai in Kilinochchi District	71 Equal instalments of LKR 21,404,733/- each after grace period of 24 months	Primary mortgage over immovable assets for LKR 140 Mn Primary mortgage over movable assets of the Projects for LKR 1,421 Mn

NOTES TO THE FINANCIAL STATEMENTS

Loan obtained by	Bank/ Lenders	Facility	Purpose	Re-payment	Security
		Bank Guarantee LKR 100 Mn			Additional primary mortgage over all ordinary shares Additional primary mortgage over book debts, insurance proceeds and receivables Additional primary mortgage of project documents
Joule Power (Pvt) Ltd	Seylan Bank PLC	LKR 50 Mn	To reimburse the cash margin with NDB PLC in establishing the letter of credit/ To settle the letter of credits with regard to importing of Generator	60 Monthly Installments. 59 monthly installments of LKR 833,000 together with monthly interest commencing from month of disbursements and final installments of LKR 853,000 together with final interest	Secondary Mortgage bond to be executed for LKR 50Mn Over Brand New Generator Letter of comfort from WindForce (Ltd) for LKR 50 Mn Loan Agreement form for LKR 50Mn (approx.) Accepted facility commitment Letter
Powergen Lanka (Pvt) Ltd	Commercial Bank Loan	LKR 225 Mn Interest - At one month AWPLR + 0.5% p.a. payable monthly. (Revised w.e.f. 01/10/2014 from AWPLR+1.0% p.a.)	To partly finance the settlement of the loan at ICICI Bank	Repayment - 83 monthly equal installments of LKR 2,678,500/- each and final installment of LKR 2,684,500/-	01.Primary Concurrent Mortgage Bond to be executed over the movable project assets for LKR 752 Mn. 02.Primary Mortgage Bond No.951 executed for LKR 150 Mn dated 04/09/2013 over the lease hold rights of the land at Thethapola of Kalpitiya in puttalam District. 03.Letters of Comfort to be obtained from Akbar Brothers (Pvt) Ltd, Ceylon Knit Trends (Pvt) Ltd and Star Pack Investment (Pvt) Ltd.

NOTES TO THE FINANCIAL STATEMENTS

Loan obtained by	Bank/ Lenders	Facility	Purpose	Re-payment	Security
Powergen Lanka (Pvt) Ltd	Sampath Bank - Loan	LKR 225 Mn At one month AWPLR + 0.5% p.a. payable monthly. (Revised w.e.f. 27/09/2014 from AWPLR+1%)	To settle part of the term loan outstanding of ICICI, which was granted to partly finance the Wind Power project at Uppudaluwa in Kalpitiya	83 monthly equal installments of LKR 2,678,000/- each and final installment of LKR 2,726,000/-	Primary concurrent Mortgagee Bond for LKR 1,410 Mn over the Project assets 10.5 Mn Wind Power Project. Primary Mortgagee Bond for LKR 150 Mn over the leased hold right.
Seguwanthivu Wind Power (Pvt) Ltd	DFCC Bank PLC	LKR 100,000,000	Replacement of wind turbine generator gear boxes	In 57 equal quarterly installments after agreed period of 03 months	A corporate guarantee from WindForce (Private) Limited
Seguwanthivu Wind Power (Pvt) Ltd	DFCC Bank PLC Term Loan 01	LKR 100,000,000	Replacement of wind turbine generator gear boxes	In 57 Equal quarterly Installments after a Grace paid of 03 months	A Corporate guarantee from WindForce (Pvt) Ltd
Vydexa (Lanka)Power Corporation (Pvt) Ltd	Hatton National Bank	Term Loan LKR 1.0 Bn at AWPLR 1.75% up to plant commissioning Thereafter at AWPLR+1.25%	To Partly finance the construction and commission of 10MW solar power project at Nedunkulama, Vavuniya	101 Equal Monthly instalments after grace period of 19 months	Primary mortgage over all ordinary shares. Primary mortgage of project documents. (Approvals, Agreements, Contracts, Bonds, etc.) Letter of conformation for LKR 1.05 Bn from WindForce Ltd
		LC Facility LKR 1.6 Bn	To import solar panels and related equipment		Title of the documents of solar panels and equipment to be imported
		Permanent Over Draft Facility LKR 50.0 Mn at AWPLR+1%	To meet working capital requirements		Primary mortgage over all ordinary shares. Primary mortgage of project documents. (Approvals, Agreements, Contracts, Bonds, etc.)
WindForce Limited	Commercial Bank	Vehicle Lease LKR 6,000,000	Purchase of Brand New KIA Motor Vehicle.	60 Equal monthly instalments of LKR 149,403.40	Vehicle
		LKR 4,000,000	Purchase of Brand New Honda Vessel DAA Motor Vehicle	60 Equal monthly instalments of LKR 92,989.50	Vehicle

NOTES TO THE FINANCIAL STATEMENTS

Loan obtained by	Bank/ Lenders	Facility	Purpose	Re-payment	Security
		LKR 4,000,000	Purchase of Brand New Crew Cab Motor Vehicle	60 Equal monthly instalments of LKR 92,989.50	Vehicle
		LKR 4,000,000	Purchase of Brand New Toyota Premio Motor Vehicle	60 Equal monthly instalments of LKR 92,989.50	Vehicle
WindForce Limited		LKR 3,400,000	Purchase of Brand New Honda Civic Motor Vehicle	60 Equal monthly instalments of LKR 79,041.08	Vehicle
		LKR 5,000,000	Purchase of Brand new Motor CRV Vehicle	60 Equal Monthly Instalments of 116,238	Vehicle
		USD 4.3Mn	Loan obtained for the investment in Ghara Solar Projects	Loan Capital payments commence from February 2020	Lien over Sri Lanka Rupee cash deposit equivalent to 110% at the loan outstanding held with Standard Chartered Bank
	Standard Chartered Bank PLC.	USD 3.5Mn	Investment in 10Mw Solar Power Project in Uganda Under Tororo Pv Power Projects	1.75% per annum over 1 month LIBOR and 72 equal monthly instalment.	
	Pan Asia Bank PLC	Lease - LKR 4.25 Mn	Audi Q2 TFSI	48 Monthly instalments of LKR 114,544.91	Vehicle
		Lease LKR 14.550 Mn	Mercedes Benz GLE 300 D Car	48 Monthly instalments of LKR 392,147.87	Vehicle
	Seylan Bank PLC	LKR 25,000,000	To grant additional Financial assistance under the relief scheme to assist COVID 19 affected business	17 consecutive monthly instalments of LKR 1,388, together with monthly interest commencing with from 7th month of disbursements and final instalments of LKR 1,404,000 together with interest.	1. Mortgage over 3,000,000 number of shares of DLRE Ltd owned by WindFroce Ltd 2. Overdraft Agreement from LKR 1,000,000,000 3. Loan Agreement form for LKR 25,000,000 4. Accepted Letter of offer

NOTES TO THE FINANCIAL STATEMENTS

Loan obtained by	Bank/ Lenders	Facility	Purpose	Re-payment	Security
Suryadhanavi (Pvt) Ltd	DFCC Bank	LKR 840 Mn	To finance the establishment of 10MW of rooftop mounted solar power systems on buildings belonging to Akbar Brothers & Hidramani Group of Companies	108 Equal monthly instalments after grace period of 12 months	Primary mortgage over movable machinery Corporate Guarantee from WindForce Limited
Hirujanani Private Limited	Hatton National Bank	LKR 175 Mn	To finance the establishment of 2.13MW of rooftop mounted solar power systems	108 Equal monthly instalments after grace period of 12 months	Primary mortgage over movable machinery Corporate Guarantee from WindForce Limited
Sunny Clime Private Limited	Seylan Bank (Asian Development Bank Loan)	LKR 50,000,000 at a rate of 12% per annual (Fixed Rate)	To Part finance construction of 1Mw Solar Power Plant in Dikwewa in Mamaduwa Division of Vauniya District	107 Consecutive capital repayment of LKR 463,000/- together with monthly interest. Grace period for the loan is 12 months from the first disbursement of the loan.	Primary mortgage for LKR 135 Mn over Machinery Corporate guarantee from WindForce Ltd for LKR 135 Mn
		LKR 50,000,000 at a rate of 6.75% per annual (Fixed Rate)	To part finance construction of 1Mw Solar Power Plant in Dikwewa in Mamaduwa Division of Vauniya District	47 Consecutive capital repayment of LKR 1,042,000/- together with monthly interest. Grace period for the loan is 12 months from the first disbursement of the loan.	Primary mortgage for LKR 135 Mn over Machinery Corporate guarantee from WindForce Ltd for LKR 135 Mn.
Seruwawila Private Limited	Seylan Bank (Asian Development Bank Loan)	LKR 50,000,000 at a rate of 12% per annual (Fixed Rate)	To finance construction of 1 Mw Solar Power Plant in Dikwewa in Mamaduwa Division of Vauniya District	107 Consecutive capital repayment of LKR 463,000/- together with monthly interest. Grace period for the loan is 12 months from the first disbursement of the loan.	Primary mortgage for LKR 135 Mn over machinery and assignment over project documents to be executed.
		LKR 50,000,000 at a rate of 6.75% per annual (Fixed Rate)	To finance construction of 1Mw Solar Power Plant in Dikwewa in Mamaduwa Division of Vauniya District	47 Consecutive capital repayment of LKR 1,042,000/- together with monthly interest. Grace period for the loan is 12 months from the first disbursement of the loan.	Primary mortgage for LKR 135 Mn over machinery and assignment over project documents to be executed.

NOTES TO THE FINANCIAL STATEMENTS

Loan obtained by	Bank/ Lenders	Facility	Purpose	Re-payment	Security
HPD Power (Pvt) Ltd	Sampath Bank	Facility 01 - LKR 448 Mn	Plant and Machinery, including other equipment of the hydro power project	96 Monthly instalments commenced from 30.03.2017	AWPLR + 1.5% p.a. Primary Mortgage Bond for LKR 250 Mn over shares issued by the company.
HPD Power (Pvt) Ltd	Sampath Bank	Facility 02 - LKR 250 Mn	Plant and Machinery, including other equipment of the hydro power project	96 Monthly instalments commenced from 20.10.2016	AWPLR + 1.5% p.a. Primary Mortgage Bond for LKR 250 Mn over shares issued by the company.
Melanka Power Morketiya (Pvt) Ltd	DFCC Bank	LKR 500Mn	Plant and Machinery, including other equipment of the hydro power project	The loan is repayable in 56 instalments from 01st July 2017.	The rate of interest applicable for cleared funds will be 5.625% per annum above AWPR rounded upwards to the nearest 0.5% per annum subject to a concessionary interest rate 4% less than the applicable rate as long as no default is occurred.
Peak Power Delta (Pvt) Ltd	DFCC Bank	LKR 375 Mn	Plant and Machinery, including other equipment of the hydro power project	In 72 Monthly instalments commenced from January 2017	AWPLR + 3.875% P.A. - Primary mortgage over Ordinary shares of LKR 125Mn of Peak Power (Pvt) Limited held by Promoters

NOTES TO THE FINANCIAL STATEMENTS

18. EMPLOYEE BENEFIT LIABILITIES

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Gratuity				
Balance at the beginning of the Year	38,608,402	19,737,106	27,976,652	19,737,105
On Acquisition of subsidiary	-	8,286,500	-	-
Gratuity Transfer from Renewgen	-		10,631,750	
Charge for the year	5,927,861	4,947,076	5,927,861	3,796,661
Deficit/(Surplus) charge for the year	2,884,664	2,454,593	2,884,664	1,915,630
Payments made during the year	(95,425)	(701,520)	(95,425)	(543,285)
Interest cost	3,817,471	3,884,647	3,817,471	3,070,541
Balance at the end of the Year	51,142,973	38,608,402	51,142,973	27,976,652
Key Assumptions				
Expected Salary Increment Rate	10%	10%	10%	10%
Discounting Rate	11%	11%	10%	10%
Staff Turnover factor	5%	5%	5%	5%

19. DEFERRED TAX LIABILITIES

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Balance at the beginning of the Year	1,204,599,735	560,092,865	-	-
On Acquisition of subsidiary	-	508,570,205	-	-
Provision/(Reversal) for the year	160,008,263	135,936,665	-	-
Balance at the end of the Year	1,364,607,998	1,204,599,735	-	-

NOTES TO THE FINANCIAL STATEMENTS

Deferred tax liabilities are attributable to the origination of following temporary differences:

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Property, plant and equipment	9,055,924,813	8,464,475,581	-	-
Unutilised Tax Losses	(848,854,471)	-	-	-
	8,207,070,342	8,464,475,581	-	-
Total recognised deferred tax liabilities	1,364,607,998	1,204,599,735		

20. TRADE AND OTHER PAYABLES

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Trade Payables	145,398,117	659,169,367	32,478,718	35,863,954
Accrued Expenses	10,354,967	15,484,853	660,764	1,120,764
Excess fund received from Renewgen	3,670,542	3,670,551	3,670,551	3,670,551
Payable to Renewgen in relation to bank guarantees	-	17,718,058	-	17,718,058
EPF/ETF/PAYE Payable	3,139,023	1,391,966	2,481,807	961,863
VAT Payable	18,138,022	202,670	11,319,144	204,340
NBT Payable	25,590	56,625	-	-
ESC Payable	-	(125)	-	-
Excess funds received from IPO	3,187,402,944	-	3,187,402,944	-
Other Payables	32,760,849	35,866,111	183,786	348,300
Festival Advance	-	(301,612)	-	(301,612)
Loan Interest Payable	2,702,103	6,367,350	-	-
Stamp Duty Payable	10,176	13,025	10,176	7,875
WHT Payable	261,509	280,568	47,064	47,063
Dividend Payable	-	836,000,000	-	661,000,000
Audit Fee Payable	4,099,000	2,598,250	600,000	278,300
	3,407,962,842	1,578,517,657	3,238,854,954	720,919,456

NOTES TO THE FINANCIAL STATEMENTS

Proceeds from IPO

The Company offered a 15% stake (202.6Mn shares) of par value of LKR 10 at LKR 16/- each by way of Initial Public Offering (IPO) on 24th March 2021. 1,536 applications requesting 402.18Mn shares worth LKR 6.43 Bn via payment made by cheques and Real-Time Gross Settlement (RTGS) were received by the company in which share to be allotted for LKR 3.24 Bn as of the reporting date.

21. AMOUNTS DUE TO RELATED PARTIES

As at 31st March	Relationship	GROUP		COMPANY	
		2021 LKR	2020 LKR	2021 LKR	2020 LKR
Akbar Brothers (Pvt) Ltd	Shareholder	29,148,306	30,587,490	26,023,360	25,390,927
Powergen Lanka (Pvt) Ltd	Subsidiary	-	-	99,802,294	-
Energy Reclamation (Pvt) Ltd	Subsidiary	-	25,000	-	-
Renewgen (Pvt) Ltd	Subsidiary	-	-	51,175,968	61,067,445
Vydexa Lanka Power Corporation Pvt Ltd	Subsidiary	-	-	-	57,389,101
Hirujanani (Pvt) Ltd	Subsidiary	-	-	-	1,889,500
Terraqua International (Pvt) Ltd	Subsidiary	-	-	4,959,400	-
Suryadhanavi (Pvt) Ltd	Subsidiary	-	-	-	24,085,827
Vidatamunai Wind Power (Pvt) Ltd	Subsidiary	-	-	2,150,823	4,966,297
Tororo PV Power Company Limited	Subsidiary	-	-	3,681,452	-
Seguwanthivu Wind Power (Pvt) Ltd	Subsidiary	-	-	87,111,854	-
Peak Power Delta (Pvt) Ltd	Subsidiary	-	-	-	10,000,000
Daily Life Renewable Energy Private Limited	Subsidiary	-	-	57,118,975	19,313,056
Nirmalapura Wind Power (Pvt) Ltd	Associates	10,845,896	-	10,845,896	-
		39,994,202	30,612,490	342,870,022	204,102,153

NOTES TO THE FINANCIAL STATEMENTS

22. INCOME TAX LIABILITY

As at 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Balance at the beginning of the Year	122,994,633	(45,535,822)	101,384,430	(11,616,712)
On Acquisition of subsidiary	-	109,831,027	-	113,443,958
Provision for Taxation	241,496,728	145,160,873	121,781,077	-
WHT	-	(1,306,946)	-	(365,599)
ESC Paid	-	(19,529,551)	-	(77,217)
ESC Written off	10,392,642	-	-	-
Income tax Payments	(357,255,696)	(65,624,948)	(154,722,525)	-
Balance at the end of the Year	17,628,307	122,994,633	68,442,982	101,384,430

23. REVENUE

For the year ended 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Supply of Electricity	4,269,820,973	3,453,057,933	-	-
Management Fees	39,303,010	36,391,679	88,003,010	58,362,863
Operation & Maintenance Fees	12,105,484	-	50,985,484	-
Less: Value Added Tax	(11,119,080)	(5,245,200)	(11,119,080)	(5,245,200)
	4,310,110,387	3,484,204,412	127,869,414	53,117,663

NOTES TO THE FINANCIAL STATEMENTS

23.1 Revenue - Segment Analysis

For the year ended 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Industry Segment				
Power & Energy	4,269,820,973	3,453,057,933	-	-
Investment	40,289,414	31,146,479	127,869,414	53,117,663
	4,310,110,387	3,484,204,412	127,869,414	53,117,663

24. DIRECT COSTS

For the year ended 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Depreciation - Plant	949,945,323	596,872,056	-	-
Plant O & M Cost	212,047,023	243,067,366	-	-
Plant O & M Spares	42,263,724	95,191,542	-	-
Crane Hiring Expenses	111,670,987	62,276,090	-	-
Deductions on Transmission Loss	333,450	82,631	-	-
Site - Insurance	63,780,708	32,261,898	-	-
Plant Repairs & Maintenance	125,274,151	79,458,636	-	-
Annual Regulatory Levy	149,000	149,000	-	-
Amortization of lease payment	11,090,009	26,976	-	-
Realised Exchange Difference	328,419	976,833	-	-
Electricity	38,596,759	21,084,368	-	-
	1,555,479,553	1,131,447,396	-	-

NOTES TO THE FINANCIAL STATEMENTS

24.1 Cost of Sales - Segment Analysis

For the year ended 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Industry Segment				
Power & Energy	1,555,479,553	1,131,447,396	-	-
Investment	-	-	-	-
	1,555,479,553	1,131,447,396	-	-

24.2 Gross Profit - Segment Analysis

For the year ended 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Industry Segment				
Power & Energy	2,714,341,420	2,321,610,537	-	-
Investment	40,289,414	31,146,479	127,869,414	53,117,663
	2,754,630,834	2,352,757,016	127,869,414	53,117,663

NOTES TO THE FINANCIAL STATEMENTS

25. OTHER OPERATING INCOME

For the year ended 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Interest on Deposits	148,627,427	139,554,696	121,011,584	121,035,174
Erection, Procurement, Construction & Management fee	187,656,760	-	187,656,760	-
Amounts Written back	-	12,940,653	-	-
Profit on Other Project	2,407,415	18,985,680	2,395,073	16,073,301
Gain on sales of Assets	18,031,859	8,709,792	2,650,779	3,559,792
Exchange Gain	191,577	6,324,957	-	-
Insurance Claim Received-General	3,793,775	21,756,869	-	49,950
Dividends Received	37,211,546	24,878,494	827,531,455	1,402,032,434
	397,920,359	233,151,141	1,141,245,651	1,542,750,651

26. OPERATING PROFIT/(LOSS) BEFORE TAXATION

For the year ended 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Operating Profit stated after charging all expenses including the following;				
Directors' Remuneration	1,100,000	1,000,000	-	-
Audit Fees	3,721,409	3,353,096	600,000	278,300
Staff Costs	108,355,929	68,606,567	36,118,642	26,427,030
EPF	15,091,954	8,319,161	5,030,651	3,171,244
ETF	3,772,989	2,079,790	1,257,663	792,811
Depreciation & Amortization	1,050,344,906	3,928,935,093	27,137,474	25,761,083

NOTES TO THE FINANCIAL STATEMENTS

27. FINANCE COSTS

For the year ended 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Bank Over Draft Interest	7,357,550	4,334,667	4,843,283	2,206,906
Lease Interest	4,109,540	3,053,181	3,441,490	2,458,729
Interest on Bank Loans	390,876,682	441,958,403	27,172,860	39,281,072
Bank Charges	7,327,555	6,234,029	3,045,858	4,036,103
Bank Charges On Guarantee	927,713	1,680,049	927,713	1,550,425
Exchange Loss	7,827,708	19,110,310	3,567,702	-
LC Commission & Amendment Charge	2,132,062	1,369,861	848,730	54,956
	420,558,810	477,740,500	43,847,636	49,588,191

28. INCOME TAX EXPENSES

For the year ended 31st March	Notes	GROUP		COMPANY	
		2021 LKR	2020 LKR	2021 LKR	2020 LKR
Current Tax Expenses	28.1	241,496,728	250,912,026	121,781,077	113,443,958
Dividend Tax		-	75,511,897	-	-
Deferred Income Tax		160,008,263	135,936,665	-	-
		401,504,991	462,360,588	121,781,077	113,443,958

NOTES TO THE FINANCIAL STATEMENTS

28.1 Reconciliation of Accounting Profit to Taxable Income

For the year ended 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Accounting Profit before Tax	2,547,753,514	2,359,159,000	1,014,650,395	1,275,167,047
Income which does not form part of the Business	(972,117,046)	(1,569,990,608)	(948,543,039)	(1,523,067,608)
Exempted Income	(187,656,760)	-	(187,656,760)	-
Adjustment Relating to Disallowed Items	853,600,188	799,852,462	56,778,511	140,602,302
Adjustment Relating to Allowed Items	(194,987,640)	(1,249,275,641)	(9,839,481)	(10,636,891)
Profit/(Loss) from Business	2,046,592,256	339,745,213	(74,610,374)	(117,935,150)
Business Income	459,052,251	625,596,675	-	-
Investment Income	958,758,815	1,026,506,480	911,331,493	989,316,129
Loss Claimed	(146,214,691)	(198,755,672)	(74,610,374)	(179,002,142)
Assessable Income	1,271,596,375	1,453,347,483	836,721,119	810,313,987
Statutory Rate	28%,24% & 14%	28%	24% & 14%	28%

28.2 Deferred Tax Expenses

For the year ended 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Deferred Tax Assets				
Originations/Reversals during the period	(50,040,725)	-	-	-
Deferred Tax Liabilities				
Originations/Reversals during the period	210,048,988	135,936,665	-	-
	160,008,263	135,936,665	-	-

28.3 Current Taxation

Group tax expense is based on the taxable profit of each Company in the Group.

NOTES TO THE FINANCIAL STATEMENTS

28.4 Following Companies exempt from income tax/liable to tax at concessionary rates

(a) Companies exempt from income tax

Company	Statute	Exemption Period
Beta Power (Pvt) Ltd	Section 17 of BOI Law no. 04 of 1978.	12 Years
Joule Power (Pvt) Ltd	Section 17 of BOI Law no. 04 of 1978.	12 Years
Vydexa (Lanka) Power Corporation (Pvt) Ltd	Section 17 of BOI Law no. 04 of 1978.	06 Years
Melanka Power Moraketiya (Pvt) Ltd	Section 17 of BOI Law no. 04 of 1978.	08 Years
Peak Power Delta (Pvt) Ltd	Section 17 of BOI Law no. 04 of 1978.	05 Years
HPD Power (Pvt) Ltd	Section 17 of BOI Law no. 04 of 1978.	09 Years

(b) Companies liable to tax at concessionary rates

Company	Statute	Concessionary Rate
Powergen Lanka (Pvt) Ltd	Section 02 sub section 03 (a) of Inland Revenue Act No.24 of 2017.	14% p.a
Seguwanthivu Wind Power (Pvt) Ltd	Section 02 sub section 03 (a) of Inland Revenue Act No.24 of 2017.	14% p.a
Vidatamunai Wind Power (Pvt) Ltd	Section 02 sub section 03 (a) of Inland Revenue Act No.24 of 2017.	14% p.a
Daily Life Renewable Energy (Pvt) Ltd	Section 02 sub section 03 (a) of Inland Revenue Act No.24 of 2017.	14% p.a
Energy Reclamation (Pvt) Ltd	Section 02 sub section 03 (a) of Inland Revenue Act No.24 of 2017.	14% p.a
Terraqua International (Pvt) Ltd	Section 17 of BOI Law no. 04 of 1978.	20% p.a
Terraqua Kokavita (Pvt) Ltd	Section 17 of BOI Law no. 04 of 1978.	20% p.a

NOTES TO THE FINANCIAL STATEMENTS

29. EARNINGS PER SHARE

29.1 Basic Earnings Per Share

Basic earnings per share is calculated by dividing the net Profit/(Loss) for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year as required by LKAS - 33, Earning per share.

For the year ended 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Net Profit attributable to Ordinary Shareholders (LKR)	1,749,818,522	1,540,914,968	892,869,319	1,161,723,089
Weighted Average Number of Shares Outstanding during the year (Nos)	1,148,153,601	824,321,300	1,148,153,601	824,321,300
Earnings per Share (LKR)	1.52	1.87	0.78	1.41

29.2 Diluted Earnings Per Share

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

30. DIVIDEND PER SHARE

For the year ended 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Dividend Paid during the Year (LKR)	400,000,000	1,021,383,630	400,000,000	1,021,383,630
Weighted Average Number of Shares Outstanding during the year (LKR)	1,148,153,601	824,321,300	1,148,153,601	824,321,300
Dividend per Share (LKR)	0.35	1.24	0.35	1.24

NOTES TO THE FINANCIAL STATEMENTS

30.1 Financial Assets by Categories (Company)

As at 31st March	Amortized Cost		Financial Assets at FVTPL	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Financial Instruments in Current Assets				
Trade & Other Receivables	212,319,651	2,451,852	-	-
Amounts Due from Related Parties	38,845,918	110,995,722	-	-
Short Term Financial Assets	1,665,831,506	1,524,608,984	-	-
Cash & Cash Equivalents	6,915,908,162	191,110,916	-	-
	8,832,905,237	1,829,167,474	-	-

Fair value of loans and receivables does not significantly vary from the value based on the amortized cost methodology for the Company.

30.2 Financial Liabilities by Categories (Company)

As at 31st March	Other Financial Liabilities	
	2021 LKR	2020 LKR
Financial Instruments in Non-Current Liabilities		
Interest Bearing Loans & Borrowings	1,034,334,634	1,219,995,463
	1,034,334,634	1,219,995,463
Financial Instruments in Current Liabilities		
Interest Bearing Loans & Borrowings	248,241,260	151,480,593
Amounts due to Related Parties	342,870,022	204,102,153
Bank Overdraft	-	73,669,268
Trade & Other Payables	32,478,718	35,863,954
	623,590,000	465,115,968
Total	1,657,924,634	1,685,111,431

Fair value of financial liabilities does not significantly vary from the value based on the amortized cost methodology for the company.

Accrued expenses, taxes payable and advance received that are not financial liabilities are not included.

NOTES TO THE FINANCIAL STATEMENTS

30.3 Financial Assets by Categories (Group)

As at 31st March	Amortised Cost		Financial Assets at FVTPL	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Financial Instruments in Current Assets				
Trade & Other Receivables	1,266,322,746	1,660,779,672	-	-
Amounts Due from Related Parties	53,093,964	63,113,266	-	-
Short Term Financial Assets	1,765,887,466	1,525,502,063	-	-
Cash & Cash Equivalents	8,459,543,027	962,264,733	-	-
	11,544,847,203	4,211,659,734	-	-

Fair value of loans and receivables does not significantly vary from the value based on the amortized cost methodology for the Group.

30.4 Financial Liabilities by Categories (Group)

As at 31st March	Other Financial Liabilities	
	2021 LKR	2020 LKR
Financial Instruments in Non-Current Liabilities		
Interest Bearing Loans & Borrowings	4,562,383,822	4,827,745,802
	4,562,383,822	4,827,745,802
Financial Instruments in Current Liabilities		
Interest Bearing Loans & Borrowings	1,297,698,221	1,306,184,842
Amounts due to Related Parties	39,994,202	30,612,490
Bank Overdraft	452,812,386	90,696,755
Trade & Other Payables	145,398,117	659,169,367
	1,935,902,926	2,086,663,454
Total	6,498,286,748	6,914,409,256

Fair value of financial liabilities does not significantly vary from the value based on the amortised cost methodology for the Group.

Accrued expenses, taxes payable and advance received that are not financial liabilities are not included.

NOTES TO THE FINANCIAL STATEMENTS

31. RELATED PARTY TRANSACTIONS

31.1 Transactions maintained with Related Entities

The details of the significant Related Party Disclosure are as follows;

Name of the Related Party	Relationship	Nature of Transaction	Value of Transaction LKR	GROUP	COMPANY
				Outstanding as at 31.03.2021 LKR	Outstanding as at 31.03.2021 LKR
		Opening Balance	(25,390,927)		
Akbar Brothers (Pvt) Ltd	Shareholder	Apportionment of Cost	(4,495,307)		
		Rent & Management fee	(15,879,954)		
		Payments Made	19,891,277	(25,874,911)	(25,874,911)
Daily Life Renewable Energy (Pvt) Ltd	Subsidiary Company	Opening Balance	(19,313,056)		
		Share of Cost	44,574,283		
		Payments Made	134,793,545		
		Funds Received	(217,173,766)	-	(57,118,994)
Beta Power (Pvt) Ltd	Subsidiary Company	Opening Balance	10,660,315		
		Share of Cost	41,403,592		
		Management Fees	19,440,000		
		Funds Received	(66,474,898)	-	5,029,009
Joule Power (Pvt) Ltd	Subsidiary Company	Opening Balance	10,523,608		
		Share of Cost	41,225,687		
		Management Fees	19,440,000		
		Funds Received	(66,183,144)	-	5,006,151
Nirmalapura Wind Power (Pvt) Ltd	Associate Company	Opening Balance	25,993,976		
		Management Fee	20,407,320		
		Share of Cost	30,313,195		
		Payments Received	(65,113,740)	11,600,751	11,600,751

NOTES TO THE FINANCIAL STATEMENTS

Name of the Related Party	Relationship	Nature of Transaction	Value of Transaction LKR	GROUP	COMPANY
				Outstanding as at 31.03.2021 LKR	Outstanding as at 31.03.2021 LKR
Suryadhanavi (Pvt) Limited	Subsidiary Company	Opening Balance	(24,085,826)		
		Share of Cost	323,660		
		Funds Received	(324,834)		
		Payments Made	24,087,000	-	-
Hirujanani (Pvt) Limited	Subsidiary Company	Opening Balance	(1,889,500)		
		Funds Received	5,000,000		
		Share of Cost	12,500		
		Payments Made	(3,123,000)	-	-
Sunny Clime (Pvt) Limited	Subsidiary Company	Opening Balance	(4,984,409)		
		Share of Cost	15,800		
		Funds Received	4,984,409		15,800
Seruwawila (Pvt) Limited	Subsidiary Company	Opening Balance	5,958,389		
		Share of Cost	15,800		
		Funds Received	(5,958,390)		15,800
Solar One Ceylon (Pvt) Ltd	Associate Company	Opening Balance	4,418,085		
		Management Fee	18,895,680		
		Share of Cost	2,409,679		
		Payments Received	(20,966,914)	4,756,530	4,756,530
Powergen Lanka (Pvt) Ltd	Subsidiary Company	Opening Balance	8,093,160		
		Share of Cost	19,676,079		
		Funds Transfers	(210,000,000)		
		Payments Made	74,428,467		
		Management Fee	12,000,000		(95,802,294)

NOTES TO THE FINANCIAL STATEMENTS

Name of the Related Party	Relationship	Nature of Transaction	Value of Transaction LKR	GROUP	COMPANY
				Outstanding as at 31.03.2021 LKR	Outstanding as at 31.03.2021 LKR
Vidatamunai Wind Power (Pvt) Ltd	Subsidiary Company	Opening Balance	(4,966,297)		
		Share of Cost	43,148,756		
		Funds Received	(40,333,283)		(2,150,824)
Seguwanthivu Wind Power (Pvt) Ltd	Subsidiary Company	Opening Balance	53,695		
		Share of Cost	43,275,538		
		Funds Received	5,000,000		
		Payments Made	(135,441,090)		(87,111,857)
Vydexa Lanka Power Corporation Pvt Ltd	Subsidiary	Opening Balance	(57,389,616)		
		Share of Cost	22,214,790		
		Fund Received	213,088,420		
		Payments Made	(176,144,939)		1,768,655
Renewgen (Pvt) Ltd	Subsidiary Company	Opening Balance	(61,067,445)		
		Share of Cost	7,387,993		
					(53,679,452)
HPD Power (Pvt) Limited	Subsidiary Company	Opening Balance	-		
		Share of Cost	15,003,414		
		Payments Made	-		
					15,003,414
PPD Power (Pvt) Ltd	Subsidiary Company	Opening Balance	(10,000,000)		
		Management fees	6,450,000		
		Share of Cost	20,725		
		Funds Received	10,000,000		6,470,725

NOTES TO THE FINANCIAL STATEMENTS

Name of the Related Party	Relationship	Nature of Transaction	Value of Transaction LKR	GROUP	COMPANY
				Outstanding as at 31.03.2021 LKR	Outstanding as at 31.03.2021 LKR
Terraqua International (Pvt) Ltd	Subsidiary Company	Opening Balance	-		
		Management fees	8,186,360		
		Share of Cost	40,660		
		Funds Received	(6,736,360)		1,490,660
Terraqua Kokawita (Pvt) Ltd	Subsidiary Company	Opening Balance	-		
		Management fees	6,450,000		
		Share of Cost	164,708		
		Funds Received	(3,870,000)		2,744,708
Melanka Power (Pvt) Ltd	Subsidiary	Opening Balance	-		
		Management fees	6,450,000		
		Share of Cost	98,145		
		Funds Transfers	13,000,000		19,548,145
Tororo PV Power Limited	Subsidiary	Opening Balance	26,881,350		
		Equity payable	(28,258,389)		
		Project Written off	(2,407,319)		
		Share of Cost	102,905		(3,681,453)
Energy Reclamation (Pvt) Ltd	Subsidiary	Opening Balance	-		
		Management fees	5,095,000		
		Share of Cost	4,064,733		
		Funds Received	(645,000)		9,159,733

NOTES TO THE FINANCIAL STATEMENTS

31.2 Transactions maintained with Related Entities

Key management personnel comprise of the Directors of the WindForce Ltd and details of transactions held with them are as follows.

(i) Loans to Key Management Personnel

No Loans have been granted to the Directors of the Company.

(ii) Loans received from Key Management Personnel

No Loans have been obtained from the Directors of the Company.

(iii) Key Management Personnel Compensation

For the year ended 31st March	GROUP		COMPANY	
	2021 LKR	2020 LKR	2021 LKR	2020 LKR
Short-term Employee Benefits - Cash	12,525,684	7,294,304	3,405,411	3,126,131
Short-term Employee Benefits - Non Cash	-	-	-	-

32. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

32.1 Capital Commitments

Company

There have been no capital commitments contracted but provided for, or authorised by the board but not contracted for, outstanding as at the reporting date.

Group Companies

There have been no capital commitments contracted but provided for, or authorised by the board but not contracted for, outstanding as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

32.2 Contingent Liabilities

Company

There were no contingent liabilities as at 31st March, 2021 other than describe below,

Bank name	Proposal amount	Purpose	Period
Sampath Bank	LKR 20 Mn	Tender bond for investment	10th Dec 2020 to 09th May 2021
Sampath Bank	LKR 10 Mn	Tender bond for investment	10th Dec 2020 to 09th May 2021
Commercial Bank	LKR 9.9 Mn	Security bond for a re exportable crane	1st Jan to 30th June 2021

Group Companies

There were no contingent liabilities as at 31st March, 2021 that require adjustment to or disclosure in the Financial Statements, other than those disclosed below,

Vydexa (Lanka) Power Corporation (Pvt) Ltd

The Project is constructed on a leasehold land. Approval has been granted to BOI by the Cabinet of Ministers on 17th May 2016 to transfer the said land (extent of 22.0718 HA) in Nedun Kulam, Vavuniya to the project on lease hold terms. Lease agreement with BOI is still not signed and is in the process of approval. The entire lease rental is to be paid in a single instalment based on the valuation by the government Chief valour. This valuation has not been finalised and as such the Liability is unknown.

Seguwanthivu Wind Power (Pvt) Ltd

Case No: DC Puttalam 1904/L

The above case was filed by Mr. M M Waliyubdeen against the Company, claiming that the Company had illegally occupied his land. However, as per Surveyor's report on identification of the said land, Plaintiff has instituted action mistakenly against the company.

33. EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustment to or disclosure in the Financial Statements, other than those disclosed below.

Listing under the main Board of Colombo Stock Exchange

The Company has listed under the Main Board of Colombo Stock Exchange (CSE) with effect from 21st April 2021. The Company offered a 15% stake (202.6Mn shares) of par value of LKR 10 at LKR 16/- each by way of Initial Public Offering (IPO) on 24th March 2021. 1,536 applications requesting 402.18 Mn shares worth LKR 6.43 Bn via payment made by cheques and Real-Time Gross Settlement (RTGS) were received by the company as of the reporting date. The Company has allotted 202,615,341 shares on 05th April 2021. Accordingly company's name was changed as "WindForce Public Limited Company (WindForce PLC).

INVESTOR INFORMATION

SHAREHOLDERS AS AT 31ST MARCH 2021

Name of Shareholder	Number of Shares	%
Akbar Brothers (Private) Limited	446,050,732	38.85%
Hirdaramani (Private) Limited	279,211,864	24.32%
Debug Investments (Private) Limited	164,015,357	14.29%
Star Pack Investments (Private) Limited	107,432,865	9.36%
Amaliya (Private) Limited	44,676,826	3.89%
Mr. K.B.M.I. Perera	36,150,518	3.15%
Hirdaramani Power (Private) Limited	31,827,927	2.77%
Mr. Maher Khalid Taleb Darwazah	7,413,761	0.65%
Mr. Saad Khalad Taleb Darwazah	7,413,761	0.65%
Marina Blue (Private) Limited	6,969,184	0.61%
Saboor Chatoor (Private) Limited	5,334,339	0.46%
Mr. Mohamed Taleb Darwazah	3,705,844	0.32%
Mr. Mazen Samih Taleb Darwazah	2,372,457	0.21%
Mr. R.P. Pathirana	1,963,323	0.17%
Mr. Ahmad Khaled Taleb Darwazah	2,008,123	0.17%
Mr. Faisal Mohommad Darwazah	1,606,720	0.14%
Total	1,148,153,601	100.00%

FIVE YEAR SUMMARY

Summary of Income Statement	2020/2021		2019/2020		2018/2019		2017/2018		2016/2017	
	Group LKR '000	Company LKR '000	Group LKR '000	Company LKR '000	Group LKR '000	Company LKR '000	Group LKR '000	Company LKR '000	Group LKR '000	Company LKR '000
Revenue	4,310,110	127,869	3,484,204	53,118	2,825,546	39,736	2,635,657	37,565	2,288,995	33,294
Gross Profit	2,754,631	127,869	2,352,757	53,118	2,011,266	39,736	1,902,380	37,565	1,785,017	33,294
Net Profit/(Loss) Before finance cost	2,559,213	1,058,498	2,045,681	1,324,755	1,741,420	874,906	1,709,137	893,226	1,605,044	934,523
Profit/(Loss) before Taxation	2,547,754	1,014,650	2,359,159	1,275,167	1,715,153	860,412	1,802,300	882,735	1,540,590	932,136
Taxation	(401,505)	(121,781)	(462,361)	(113,444)	(231,811)	-	(128,738)	(1,805)	(113,396)	(2,002)
Profit/(Loss) After Tax	2,146,249	892,869	1,896,798	1,161,723	1,106,949	860,412	1,277,745	880,930	1,100,092	930,135
Profit/(Loss) Attributable to Non Controlling Share Holders	396,430	-	355,883	-	376,393	-	395,817	-	327,102	-

FIVE YEAR SUMMARY

Summary of Financial Position	As at 31.03.2021		As at 31.03.2020		As at 31.03.2019		As at 31.03.2018		As at 31.03.2017	
	Group LKR '000	Company LKR '000	Group LKR '000	Company LKR '000	Group LKR '000	Company LKR '000	Group LKR '000	Company LKR '000	Group LKR '000	Company LKR '000
Capital and Reserves										
Stated Capital	14,984,610	14,984,610	14,984,610	14,984,610	7,163,772	7,163,772	6,097,172	6,097,172	5,193,172	5,193,172
Pending Share Allotment	3,241,845	3,241,845	-	-	-	-	-	-	160,200	160,200
Retained Earnings	2,731,034	563,345	1,362,004	51,264	726,493	(93,496)	655,342	81,889	208,036	31,399
Foreign Exchange Reserve	1,123	-	-	-	-	-	-	-	-	-
Total Equity Attributable to Equity Holders of the Company	20,958,613	18,789,801	16,346,615	15,035,875	7,890,265	7,070,276	6,752,514	6,179,061	5,561,408	5,384,771
Non Controlling Interest	1,880,602	-	1,634,602	-	1,831,552	-	1,672,128	-	1,294,561	-
Total Equity	22,839,216	18,789,801	17,981,217	15,035,875	9,721,817	7,070,276	8,424,642	6,179,061	6,855,969	5,384,771
Asset and Liabilities										
Current Assets	12,409,681	8,906,796	5,713,297	2,787,538	2,069,844	1,166,514	1,283,952	466,090	730,418	318,173
Current Liabilities	5,216,096	3,898,409	3,129,006	1,251,556	1,107,172	244,208	858,913	68,716	808,104	54,135
Net Current Assets	7,193,585	5,008,387	2,584,290	1,535,982	962,673	922,306	425,039	397,374	(77,686)	264,038
Property Plant and Equipment	15,239,784	61,058	15,275,257	57,750	8,885,884	65,249	8,494,807	66,524	7,243,250	53,734
Other Non Current Assets	6,383,982	14,805,834	6,192,624	14,690,115	3,988,705	6,882,502	3,103,438	5,746,730	2,974,206	5,087,873
Non Current Liabilities	5,978,135	1,085,478	6,070,954	1,247,972	4,115,444	799,781	3,598,642	31,567	3,283,801	20,874
Net Assets	22,839,216	18,789,801	17,981,217	15,035,875	9,721,817	7,070,276	8,424,642	6,179,061	6,855,969	5,384,771

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GRI 401: Employment			
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GRI 413: Local Communities			
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NOTICE OF ANNUAL GENERAL MEETING

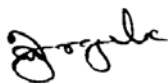
NOTICE IS HEREBY GIVEN that the 11th Annual General Meeting of the shareholders of WINDFORCE PLC will be held on 28th of October 2021 at 3.30 p.m. at WindForce PLC , No: 334, T.B. Jayah Mawatha, Colombo 10, on a virtual platform.

The business to be brought before the meeting will be:

1. To receive and consider Reports of the Directors, the Statements of Accounts of the Company and the Group for the year ended 31st March 2021, together with the report of the Auditors thereon.
2. To elect Mr. Dilshan Hettiaratchi, Director who was appointed since the last Annual General Meeting, in terms of Article 85 of the Articles of Association.
3. To elect Mr. Savantha De Saram, Director who was appointed since the last Annual General Meeting, in terms of Article 85 of the Articles of Association.
4. To elect Ms. Saumya Amarasekara, Director who was appointed since the last Annual General Meeting, in terms of Article 85 of the Articles of Association.
5. To elect Mr. Hussain Akbarally, Director who was appointed since the last Annual General Meeting, in terms of Article 85 of the Articles of Association.

6. To re-elect Mr. Vinod Hirdaramani Director, retiring by rotation in terms of Article 78 of the Articles of Association of the Company.
7. To re-appoint Messrs B.R. De Silva & Company, Chartered Accountants as Auditors of the Company for the ensuing year and to authorize the Directors to determine their remuneration.
8. To authorize the Directors to determine and make donations to Charity.

By order of the Board,



Nexia Corporate Consultants (Pvt) Ltd
Secretaries
Colombo, Sri Lanka
29th September 2021

Notes -

1. A shareholder who is entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him/her.
2. A proxy need not be a shareholder of the Company.
3. A Form of Proxy accompanies this notice.

NOTES

[illegible]

NOTES

[illegible]

NOTES

[illegible]

FORM OF PROXY

I/We of
..... being a Member/s of
WINDFORCE PLC do hereby appoint of
.....
or failing him/her

Mr. R.P. Pathirana	or failing him
Mr. A.A. Akbarally	or failing him
Mr. K.B.M.I. Perera	or failing him
Mr. Hussain Akbarally	or failing him
Mr. Huzefa Akbarally	or failing him
Mr. V.K. Hirdaramani	or failing him
Mr. M. Najmudeen	or failing him
Mr. D. Hettiaratchi	or failing him
Mr. S. De Saram	or failing him
Ms. S. Amarasekara	

as my/our Proxy to vote and speak for *me/us on *my/our behalf at the 11th Annual General Meeting of WINDFORCE PLC to be held at 3:30 PM, 28th October 2021 by virtual means and at any adjournment thereof.

Please indicate your preference by placing a "X" against the resolution Number

	For	Against
(1) To receive and consider Reports of the Directors, the Statements of Accounts of the Company and the Group for the year ended 31st March 2021, together with the Reports of the Auditors thereon.	☐	☐
(2) To elect Mr. Dilshan Hettiaratchi, Director, who was appointed since the last Annual General Meeting in terms of Article 85 of the Articles of Association of the Company.	☐	☐
(3) To elect Mr. Savantha De Saram, Director, who was appointed since the last Annual General Meeting in terms of Article 85 of the Articles of Association of the Company.	☐	☐
(4) To elect Ms. Saumya Amarasekara, Director, who was appointed since the last Annual General Meeting in terms of Article 85 of the Articles of Association of the Company.	☐	☐
(5) To elect Mr. Hussain Akbarally, Director, who was appointed since the last Annual General Meeting in terms of Article 85 of the Articles of Association of the Company.	☐	☐

	For	Against
(6) To re-elect Mr. Vinod Hirdaramani, Director, retiring by rotation in terms of Article 78 of the Articles of Association of the Company.	☐	☐
(7) To re-appoint Messrs B.R. De Silva &Company, Chartered Accountants, as Auditors of the Company and to authorize the Directors to determine their remuneration.	☐	☐
(8) To authorize the Directors to determine and make donations to Charity.	☐	☐

Signed on this day of 2021.

.....
Signature of shareholder/s

.....
NIC/Passport No.

Instructions as to completion

1. Kindly complete the Form of proxy with the information requested including the full name and address of the shareholder legibly and signing in the space provided and dating the same.
2. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of him/her.
3. If the Proxy Form is signed by an Attorney, the relative Power of Attorney should also accompany the completed form of proxy, if it has not already been registered with the Company.
4. The Shareholder shall indicate with an "X" in the space provided as to how the proxy is to vote on the resolution. If no indication is given, proxy shall exercise his/ her discretion and vote as he/she thinks fit.
5. Shareholders who opt to appoint a proxy shall complete the Form of Proxy and the duly completed Form of Proxy should either be posted/deposited at the registered office at No. 334, T.B. Jayah Mawatha, Colombo 10 or scanned and emailed to the email address info@windforce.lk with the subject title "WINDFORCE PLC AGM PROXY" to reach us not later than 48 hours prior to the time scheduled for the AGM.

CORPORATE INFORMATION

NAME OF THE COMPANY

WindForce PLC

LEGAL FORM

Incorporated in Sri Lanka on 06 July 2010 as a Private Limited Liability Company under the provisions of Companies Act No. 7 of 2007. The legal form of the company was changed from Private Limited to a Public Limited Liability Company under provisions of the Companies Act No. 07 of 2007 on 22 April 2021.

DATE OF INCORPORATION

06 July 2010

COMPANY REGISTRATION NUMBER

PB00234079

NATURE OF THE BUSINESS

Generate and Supply Electric Power to the National Grid

REGISTERED OFFICE AND CURRENT PLACE OF BUSINESS

WindForce PLC
No. 334, T.B. Jayah Mawatha,
Colombo 10.
Tel: +94 11 269 7151
Fax: +94 11 465 424
E-mail: info@windforce.lk
Web: www.windforce.lk

BOARD OF DIRECTORS

Mr. R. P. Pathirana – Chairman
Mr. A. A. Akbarally – Deputy Chairman
Mr. K. B. M. I. Perera – Managing Director
Mr. Huzefa Akbarally
Mr. Hussain Akbarally
Mr. M. Najmudeen
Mr. V. K. Hirdaramani
Mrs. Saumya Amarasekera
Mr. Dilshan Hettiaratchi
Mr. Savantha De Saram

COMPANY SECRETARY

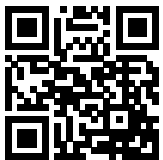
Nexia Corporate Consultants (Private) Limited
No. 181, Nawala Road,
Colombo 05.
Tel: +94 11 451 5236
Fax: +94 11 258 7490

AUDITORS TO THE COMPANY

B.R. De Silva & Co. (Chartered Accountants)
No. 22/4, Vijaya Kumaranatunga Mawatha,
Colombo 5.
Tel: +94 11 251 3421
Fax: +94 11 451 2404

BANKERS TO THE COMPANY

Commercial Bank of Ceylon PLC
DFCC Bank PLC,
Hatton National Bank PLC
Sampath Bank PLC
National Development Bank PLC
Seylan Bank PLC
Standard Chartered Bank (Sri Lanka) Limited
Hongkong and Shanghai Banking Corporation Limited
Pan Asia Banking Corporation PLC
Bank of Ceylon
Diamond Trust Bank
Standard Chartered Bank Uganda Ltd
HSBC Bank (Mauritius) Limited
Standard Chartered Bank (Mauritius)



WINDFORCE PLC

ANNUAL REPORT 2020/21