

**ENERGY...
THAT DOESN'T
COST THE
EARTH**



WINDFORCE PLC | ANNUAL REPORT 2022/23

ENERGY... THAT DOESN'T COST THE EARTH

The pioneers of wind and diverse forms of sustainable power, we have carved out a path in a rapidly expanding territory. As a nation that requires more energy to keep up with growing consumer needs, we are filling in the gaps by tapping into a resource that is renewable, long-term and state of the art. With international expertise and a year of diversification that saw us venture further into the electric vehicle segment, we consistently delivered on the promise of uninterrupted energy that fulfills client needs while being cognizant of the part we play in the environment; supporting Sri Lanka while delivering energy that doesn't cost the earth.

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WindForce Website



WindForce Instagram



WindForce Facebook



WindForce LinkedIn

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REPORT PROFILE



{GRI 102-1,2,3,5,7,11,12,13}

WindForce has seized the opportunity to help create a clean, sustainable future as leaders and innovators in the field of renewable energy. To prepare for that future, we see the need to maximize the industry's potential. WindForce therefore committed to competitively assisting in the decarbonization of the country while also safely delivering sustainable growth to our stakeholders, investors, and communities.

Renewable energy growth is accelerating faster than ever before, facilitating the emergence of a new global energy economy. Global renewable electricity capacity is expected to more than double from 2020 levels by 2026, reaching over 4,800 GWh

- equivalent to the current total global power capacity of fossil fuels and nuclear combined. Renewables are expected to account for nearly 95% of the increase in global power capacity through 2026, with solar PV accounting for more than half of that. The renewable capacity added between 2021 and 2026 is expected to be 50% higher than between 2015 and 2020.

Hence, the world is undoubtedly moving rapidly towards renewable energy and WindForce is in the right business moving forward on the path of global change. The Group in FY 2022/23 generated 518.7 GWh of renewable energy. It has an installed capacity of 132.8 MW locally and a further 15 MW under construction. Its overseas installed capacity is 97.3 MW.

Unequivocally, WindForce has been driving the energy transition since its beginning. We offer the eco-friendly and sustainable energy options that can potentially change the world for our children and the future generations to come.

The move to green energy is currently being driven forward, thanks to our collaboration with stakeholders and partners. Yet, further advancements must be made in order to hasten the transition to a carbon-free future. Collaboration is key for the advancement of the global green energy revolution. Collectively, we must make a change today for a better and sustainable tomorrow.

Scope and Boundary

This is WindForce PLC's third Integrated Annual Report. The current report is set up to offer a comprehensive analysis of WindForce's financial and non-financial performance for the financial year 2022/23. The study covers the company's operations in Sri Lanka, Pakistan, Uganda, and Ukraine, thereby highlighting its diversification and describes WindForce's primary business as a producer of renewable energy.

The most current integrated report of the company is available for viewing under the investor relations section of our corporate website: www.windforce.lk.

Reporting Principles



Integrated Reporting

International Integrated Reporting Council's (IIRC) Reporting Framework



Financial Reporting

The Companies Act No. 7 of 2007
Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka

Reporting Principles

With careful consideration of our stakeholders' outlook, which has been recognized through ongoing engagement, the information in this report has been judged valuable and relevant. The information provided seeks to give the Group's stakeholders a thorough understanding of the environmental stewardship, social responsibility and corporate governance aspects of the Group's operations and business activities to make it easier for them to assess the Group's capacity to generate long-term value.

According to the Group's disclosure rules, all information, which was gathered from a variety of sources, has been checked for completeness, balance, comparability, correctness, reliability, timeliness, and clarity.

Materiality

The report's content was prepared based on the idea of materiality in an effort to inform shareholders and other stakeholders about WindForce's economic, social, and environmental performance for the review period. As a result, the data in this report reflects the subjects that are most important to the organization and its stakeholders. The study goes into more detail about how these material themes were determined.

Assurance {GRI 102-56}

To guarantee the accuracy of reporting, the organization combines internal controls, management assurance, compliance, and internal audit reviews. In addition to the aforementioned, the company's financial statements and associated notes are also audited by external auditors.

Director's Statement of Responsibility for this Report

The Board asserts that this integrated Annual Report, which insightfully portrays the company's overall performance, was created in accordance with industry best practices, adequately tackles important parts of WindForce's operations, and resolves relevant issues.

Forward-Looking Statements

The forward-looking statements in our report, concern WindForce's potential future financial situation and outcomes.

However, due to changes in economic and market conditions, as well as the regulatory and competitive environment, future results may differ from those expressed in forward-looking statements. As a result, WindForce makes no commitment to review or revise any forward-looking statements at a later date.

Contact Point {GRI 102-53}

WindForce welcomes any questions, clarifications and feedback on this report.

Please contact:



lasith@windforce.lk
(Chief Executive Officer)

View Annual Report: CSE Website



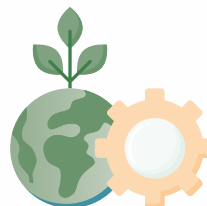
View Annual Report: Company Website:



Risk and Governance Reporting

Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka (ICASL) and Securities and Exchange Commission of Sri Lanka (SEC)

Listing Rules of the Colombo Stock Exchange (CSE)



Sustainability Reporting

Global Reporting Initiative (GRI) Standards "In Accordance Comprehensive"

United Nations Sustainable Development Goals (SDG's)

GENERAL OVERVIEW

Dominating Sri Lanka's wind power industry since 2010, WindForce PLC is the country's foremost renewable energy development company. Having begun its journey with the aim of handling all aspects of renewable energy development in Sri Lanka, today the company has reached great heights, developing and operating top-of-the-line power plants that are fully equipped to meet the growing demand for clean, green energy.

Among its ground-breaking successes, WindForce, has further diversified into large-scale, ground and rooftop solar power generation systems and mini hydro plants not just in Sri Lanka, but in countries beyond our border such as Pakistan, Uganda and Ukraine. By these means, the company continues to succeed in expanding Sri Lanka's global footprint and bringing prestige to the country.

The driving force behind WindForce is a team of highly experienced professionals with the goal of taking forward the growth of renewable energy in Sri Lanka while working with new innovations and advanced technologies and adapting to a range of diverse geographical conditions. Being well-versed in all areas of the field, from feasibility studies to engineering management, procurement, construction and maintenance of power plants, the team has continuously proven their ability to design, develop and maintain viable, sustainable and eco-friendly power plants that are top tier and world-renowned.



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.

FOCUS AREAS

In order to combat climate change and create an emission-free society, renewable energy is crucial. As a national provider of sustainable energy solutions, WindForce is committed to supporting this goal and assuming responsibility for our actions along the way.

Our objective is to exert an upright, long-lasting influence rather than only concentrating on quick fixes. This is at the heart of everything we do.

The company is to include a new, ambitious action plan for inclusion and diversity: it pledges to enhance the representation of women in the workforce and in senior management in order to set gender equality

targets and unleash the power of diversity. WindForce aims to pave the way to a cleaner future by bolstering renewable energy in the country and ushering in a new chapter of Sri Lanka's energy revolution.

Our sustainability pledge is a roadmap for responsible growth, not just an aspirational framework. We want to make sure that our contribution has the greatest possible impact on the future. Above all, this means being a company that not only responds to, but also aligns with and helps to lead social progress.

As a company, we are committed to driving the UN 2030 Agenda and contributing to the achievement of the UN Sustainable

Development Goals (SDG). By doing so, we remain committed to the principles of the United Nations Global Compact, which means that we are constantly working on human rights issues and maintaining responsible labor, environmental, and anti-corruption practices.

Given the countries and industries in which we operate, we identified and prioritized the SDGs that are most important to us. We identified SDGs with high, medium, and low impact. For the most part, the SDGs that we believe will have the greatest impact are strongly linked to our products and services, which are frequently combined with thought leadership initiatives in collaboration with partners around the world.

CORPORATE PROFILE



WindForce was founded with the goal of promoting and managing all aspects of renewable energy development. Through its investments in renewable energy, the company has grown to become the largest Independent Power Producer (IPP) in the renewable energy generation sector in Sri Lanka, with global operations.

WindForce specializes in Feasibility Studies, Design and Engineering Management, Procurement, Commissioning, Construction, Erection, Operation, and Maintenance of Power Plants. This has allowed it to be present throughout the life cycle of a power project. The organization began operations in 2010 with the commissioning of Sri Lanka's first private sector wind power plants in Seguwantivu and Vidatamunai.

The company then expanded into solar (ground and roof top) and small hydro power generation. WindForce currently owns and operates 29 power plants with a total installed capacity of 230.1 MW, with Sri Lanka accounting for 58% of the capacity (132.8 MW) and Uganda, Pakistan, and Ukraine accounting for the remainder. We were at the forefront of introducing new technology in power generation in Sri Lanka, and the company's engineering team is constantly involved in innovative projects that broaden their engineering horizons and allow them to adapt to new technology.

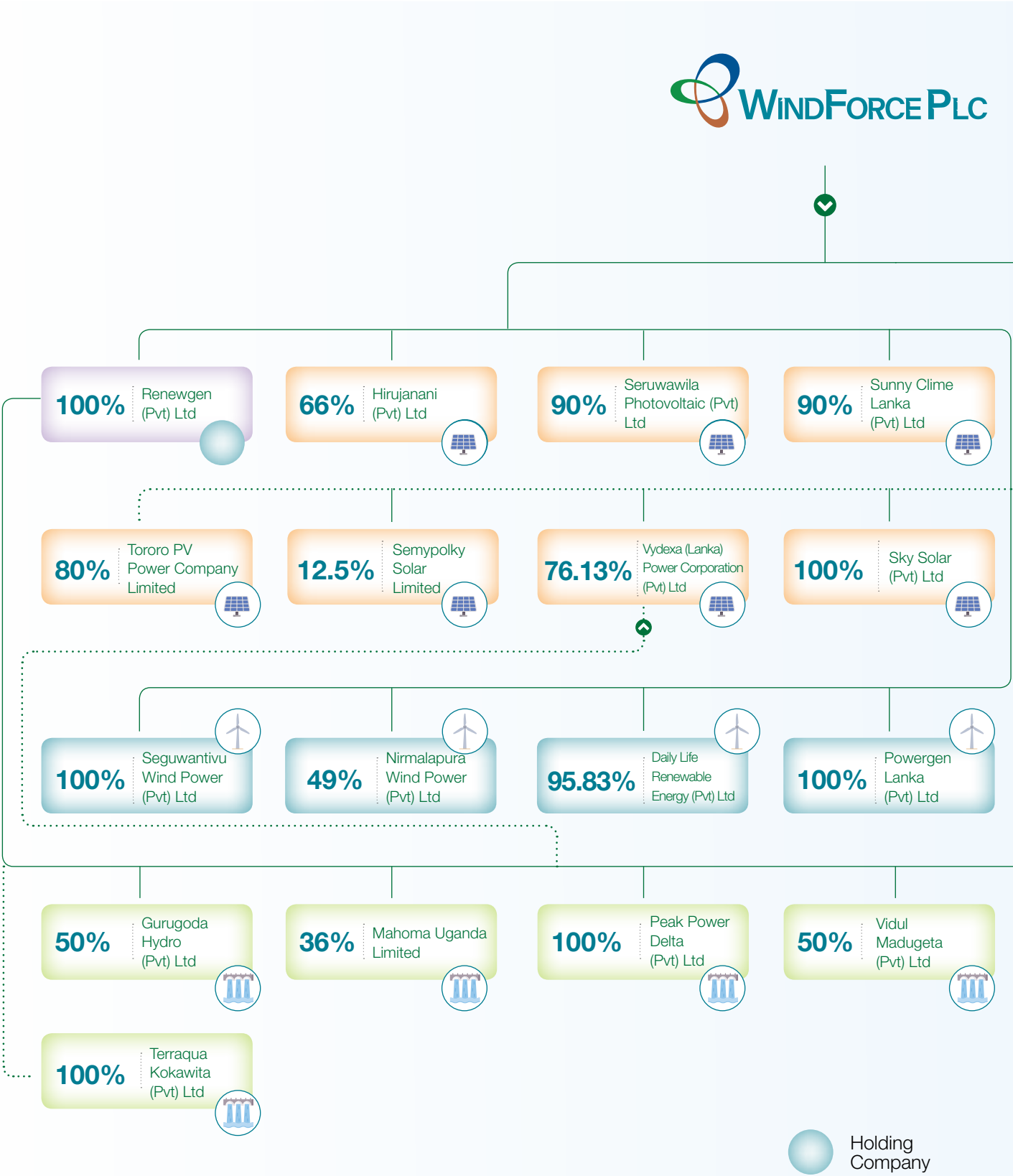
The development and start-up of the island's first two flagship wind power plants within eight months, with an initial management team of five capable individuals, was a significant milestone for the engineering team in 2009. WindForce is a pioneer in wind power generation in Sri Lanka, as well as a pioneer in solar power generation.

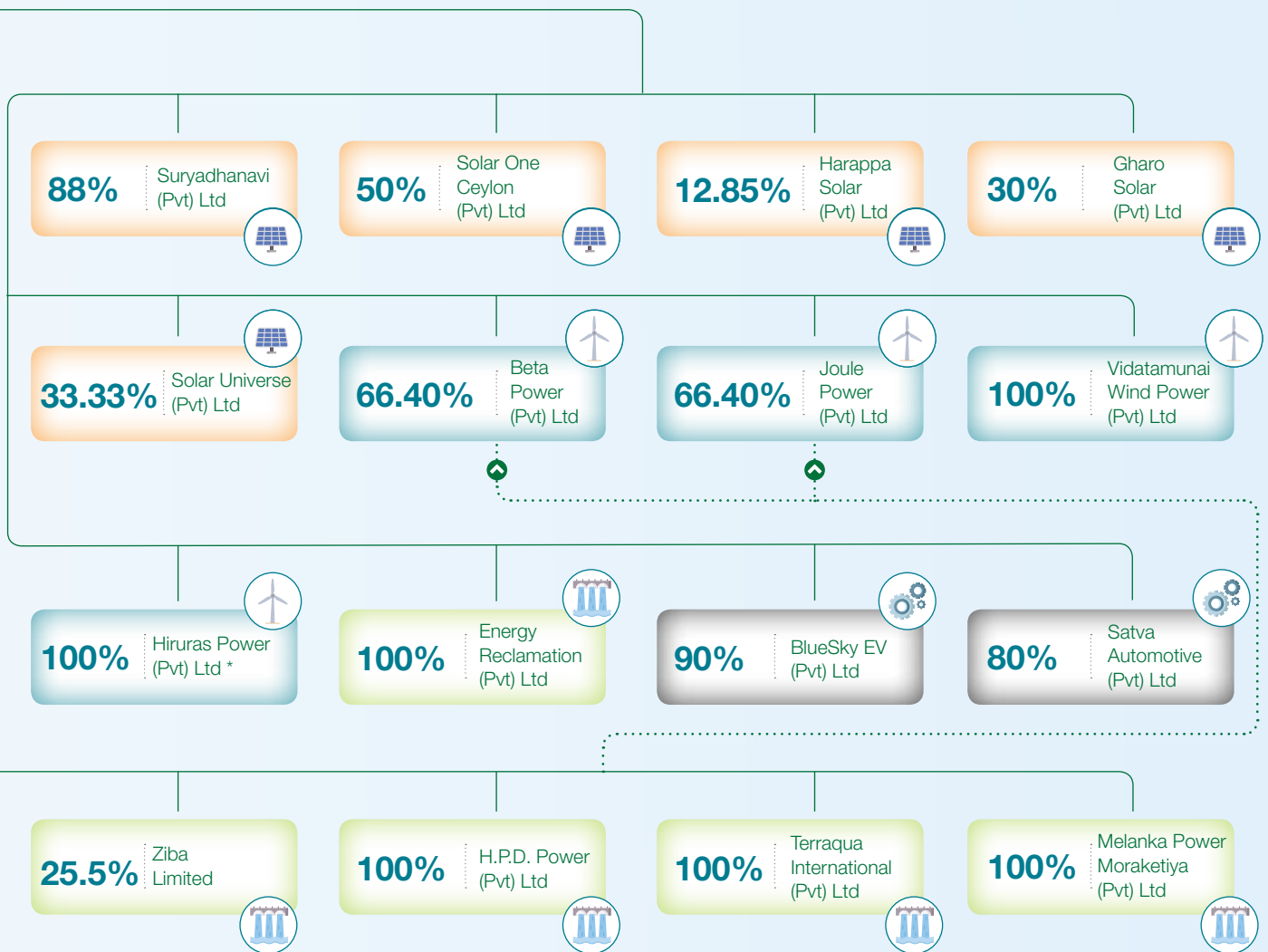
Our company has expanded into new markets by forming alliances with well-known names in the global renewable energy generation space. The Group has 155 employees spread across its subsidiaries and project companies. A professional, experienced, and versatile engineering team is one of the company's core strengths, and with an entrepreneurial and unique management culture that promotes innovation, agility, technical competence, and challenge orientation, the company has distinguished itself as an all-rounder in the industry.

WindForce is fortunate to have 05 engineers who have received accreditation from the RISO Campus of the Technological University of Denmark (DTU) for Wind Resource Assessment and Modeling using cutting-edge software applications such as WASP 11. Our engineering team has in-house expertise and experience designing self-contained Wind and solar power plants, as well as mini-hydro power plants with limited third-party support. In contrast to other renewable energy providers in the country, our technical team performs comprehensive Operations and Maintenance (O&M) of their own wind, solar, and small hydro power plants. WindForce, Sri Lanka's largest IPP in the renewable energy generation sector, has received numerous awards in a variety of categories, including industry excellence, management systems, engineering excellence, quality standards, and financial performance.



GROUP STRUCTURE





Solar Power
Plants



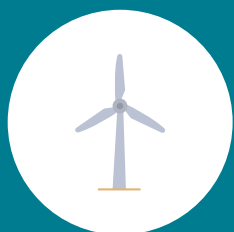
Wind Power
Plants



Hydro Power
Plants



Automotive
Companies



Wind Power

69.2 MW

7 Plants
138,200MT CO₂ Saved
(Estimated)
194.7 GWh Annually



Seguwantivu

Name of Plant
Seguwantivu

Location
Puttalam, Sri Lanka

Capacity (MW)
9.6

Date of Commission
May 2010

Estimated Annual Average Generation (GWh)
25

Annual Average CO₂ Savings (MT)
17,700

WindForce's Investment (LKR)
1.2 Bn

WindForce's Stake
100%





Vidatamunai

Name of Plant
Vidatamunai

Location
Puttalam, Sri Lanka

Capacity (MW)
9.6

Date of Commission
July 2010

Estimated Annual Average Generation (GWh)
25

Annual Average CO₂ Savings (MT)
17,700

WindForce's Investment (LKR)
1.5 Bn

WindForce's Stake
100%



Nirmalapura

Name of Plant
Nirmalapura

Location
Puttalam, Sri Lanka

Capacity (MW)
10

Date of Commission
July 2012

Estimated Annual Average Generation (GWh)
29.4

Annual Average CO₂ Savings (MT)
20,900

WindForce's Investment (LKR)
490 Mn

WindForce's Stake
49%

PLANTS/PROJECTS CONTD.



Daily Life Renewable Energy

Name of Plant
Daily Life Renewable Energy

Location
Puttalam, Sri Lanka

Capacity (MW)
10

Date of Commission
July 2012

Estimated Annual Average Generation (GWh)
27.2

Annual Average CO₂ Savings (MT)
19,300

WindForce's Investment (LKR)
1.1 Bn

WindForce's Stake
95.83%



Beta Power

Name of Plant
Beta Power

Location
Kilinochchi, Sri Lanka

Capacity (MW)
10

Date of Commission
December 2014

Estimated Annual Average Generation (GWh)
32.8

Annual Average CO₂ Savings (MT)
23,300

WindForce's Investment (LKR)
580 Mn

WindForce's Stake
66.40%

Powergen

Name of Plant

Powergen

Location

Puttalam, Sri Lanka

Capacity (MW)

10

Date of Commission

July 2012

Estimated Annual Average Generation (GWh)

22.5

Annual Average CO₂ Savings (MT)

16,000

WindForce's Investment (LKR)

1.5 Bn

WindForce's Stake

100%



Joule Power

Name of Plant

Joule Power

Location

Kilinochchi, Sri Lanka

Capacity (MW)

10

Date of Commission

December 2014

Estimated Annual Average Generation (GWh)

32.8

Annual Average CO₂ Savings (MT)

23,300

WindForce's Investment (LKR)

580 Mn

WindForce's Stake

66.40%



Solar Power

134.6 MW

12 Plants
172,800 CO₂ Saved
(Estimated)
244.9 GWh Annually



Solar One

Name of Plant	Solar One
Location	Welikanda, Sri Lanka
Capacity (MW)	10
Date of Commission	December 2016
Estimated Annual Average Generation (GWh)	21
Annual Average CO ₂ Savings (MT)	15,000
WindForce's Investment (LKR)	490 Mn
WindForce's Stake	50%





Vydexa

Name of Plant

Vydexa

Location

Vavuniya, Sri Lanka

Capacity (MW)

10

Date of Commission

July 2017

Estimated Annual Average Generation (GWh)

21.7

Annual Average CO₂ Savings (MT)

15,000

WindForce's Investment (LKR)

923 Mn

WindForce's Stake

76.13%



Suryadhanavi

Name of Plant

Suryadhanavi

Location

Akbar Brothers & Hirdaramani
Factory Rooftops, Sri Lanka

Capacity (MW)

11.4

Date of Commission

November 2018

Estimated Annual Average Generation (GWh)

15.03

Annual Average CO₂ Savings (MT)

10,600

WindForce's Investment (LKR)

360 Mn

WindForce's Stake

88%

PLANTS/PROJECTS CONTD.



Sunny Clime	
Name of Plant	Sunny Clime
Location	Vavuniya, Sri Lanka
Capacity (MW)	1
Date of Commission	February 2019
Estimated Annual Average Generation (GWh)	1.68
Annual Average CO ₂ Savings (MT)	1,000
WindForce's Investment (LKR)	48 Mn
WindForce's Stake	90%



Hirujanani	
Name of Plant	Hirujanani
Location	Mona Plastics Factory Rooftops - Sri Lanka
Capacity (MW)	2.1
Date of Commission	April 2019
Estimated Annual Average Generation (GWh)	2.8
Annual Average CO ₂ Savings (MT)	2,000
WindForce's Investment (LKR)	54 Mn
WindForce's Stake	66%



Seruwawila

Name of Plant

Seruwawila

Location

Vavuniya, Sri Lanka

Capacity (MW)

1

Date of Commission

February 2019

Estimated Annual Average Generation (GWh)

1.68

Annual Average CO₂ Savings (MT)

1,000

WindForce's Investment (LKR)

48 Mn

WindForce's Stake

90%



Harappa Solar

Name of Plant

Harappa Solar

Location

Pakistan

Capacity (MW)

18

Date of Commission

October 2017

Estimated Annual Average Generation (GWh)

27

Annual Average CO₂ Savings (MT)

19,000

WindForce's Investment (LKR)

109 Mn

WindForce's Stake

12.85%

Gharo Solar

Name of Plant

Gharo Solar

Location

Pakistan

Capacity (MW)

50

Date of Commission

December 2019

Estimated Annual Average Generation (GWh)

100

Annual Average CO₂ Savings (MT)

71,000

WindForce's Investment (LKR)

969 Mn

WindForce's Stake

30%



Tororo PV Power

Name of Plant

Tororo PV Power

Location

Uganda

Capacity (MW)

10

Date of Commission

August 2020

Estimated Annual Average Generation (GWh)

22.74

Annual Average CO₂ Savings (MT)

16,000

WindForce's Investment (LKR)

579 Mn

WindForce's Stake

80%

PLANTS/PROJECTS CONTD.



Semypolky Solar

Name of Plant
Semypolky Solar

Location
Ukraine

Capacity (MW)
9

Date of Commission
July 2020

Estimated Annual Average Generation (GWh)
10.6

Annual Average CO₂ Savings (MT)
7,500

WindForce's Investment (LKR)
101 Mn

WindForce's Stake
12.5%



Sky Solar

Name of Plant

Sky Solar

Location

Sunshine Group Factory
Rooftops - Sri Lanka

Capacity (MW)

2.1

Date of Commission

February 2022

**Estimated Annual Average Generation
(GWh)**

2.8

Annual Average CO₂ Savings (MT)

2,000

WindForce's Investment (LKR)

265 Mn

WindForce's Stake

100%



Solar Universe

Name of plant

Solar Universe

Location

Vavunativu, Sri Lanka

Capacity (MW)

10

Date of Commission

September 2022

**Estimated Annual Average Generation
(GWh)**

17.9

Annual Average CO₂ Savings (MT)

12,700

WindForce's Investment (LKR)

260 Mn

WindForce's Stake

33.33%



Hydro Power

26.3 MW

10 Plants
78,300MT CO₂ Saved
(Estimated)
110.4 GWh Annually



Energy Reclamation

Name of Plant	Energy Reclamation
Location	Sitagala, Sri Lanka
Capacity (MW)	0.8
Date of Commission	April 2019
Estimated Annual Average Generation (GWh)	3.5
Annual Average CO ₂ Savings (MT)	2,500
WindForce's Investment (LKR)	130 Mn
WindForce's Stake	100%





Terraqua International

Name of Plant

Terraqua International

Location

Halathura Ganga, Sri Lanka

Capacity (MW)

1.3

Date of Commission

February 2009

Estimated Annual Average Generation (GWh)

4.9

Annual Average CO₂ Savings (MT)

3,500

WindForce's Investment (LKR)

300 Mn

WindForce's Stake

100%



Gurugoda Hydro

Name of plant

Gurugoda Hydro

Location

Kegalle, Sri Lanka

Capacity (MW)

1.2

Date of Commission

March 2010

Estimated Annual Average Generation (GWh)

3.3

Annual Average CO₂ Savings (MT)

2,300

WindForce's Investment (LKR)

80 Mn

WindForce's Stake

50%

PLANTS/PROJECTS CONTD.



Terraqua Kokawita	
Name of Plant	Terraqua Kokawita
Location	Kalawana, Sri Lanka
Capacity (MW)	1.2
Date of Commission	June 2012
Estimated Annual Average Generation (GWh)	4.4
Annual Average CO ₂ Savings (MT)	3,000
WindForce's Investment (LKR)	327 Mn
WindForce's Stake	100%



Peak Power	
Name of Plant	Peak Power
Location	Ginigathhena, Sri Lanka
Capacity (MW)	2
Date of Commission	May 2016
Estimated Annual Average Generation (GWh)	7.5
Annual Average CO ₂ Savings (MT)	5,300
WindForce's Investment (LKR)	230 Mn
WindForce's Stake	100%



Vidul Madugeta

Name of Plant

Vidul Madugeta

Location

Neluwa, Sri Lanka

Capacity (MW)

2.5

Date of Commission

November 2013

Estimated Annual Average Generation (GWh)

11.2

Annual Average CO₂ Savings (MT)

8,000

WindForce's Investment (LKR)

110 Mn

WindForce's Stake

50%



Melanka Power

Name of Plant

Melanka Power

Location

Haldummulla, Sri Lanka

Capacity (MW)

3.8

Date of Commission

February 2014

Estimated Annual Average Generation (GWh)

12.3

Annual Average CO₂ Savings (MT)

8,700

WindForce's Investment (LKR)

466 Mn

WindForce's Stake

100%

H.P.D. Power

Name of Plant

H.P.D. Power

Location

Dambulla, Sri Lanka

Capacity (MW)

3.2

Date of Commission

December 2016

Estimated Annual Average Generation (GWh)

16.7

Annual Average CO₂ Savings (MT)

12,000

WindForce's Investment (LKR)

382 Mn

WindForce's Stake

100%



Mahoma Uganda

Name of Plant

Mahoma Uganda

Location

Uganda

Capacity (MW)

2.7

Date of Commission

October 2018

Estimated Annual Average Generation (GWh)

9.9

Annual Average CO₂ Savings (MT)

7,000

WindForce's Investment (LKR)

98 Mn

WindForce's Stake

36%

PLANTS/PROJECTS CONTD.



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

NEW PROJECTS



Hiruras Power

Name of Plant
Hiruras Power

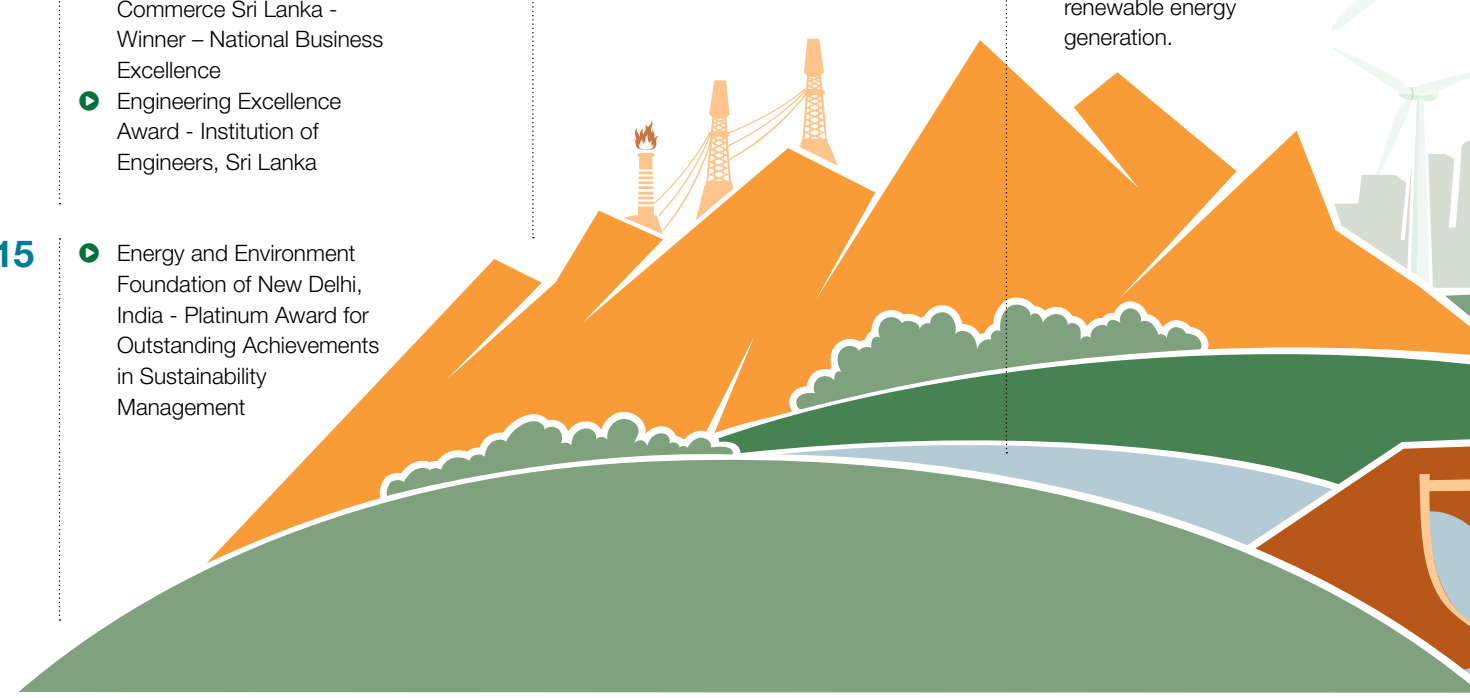
Location
Mannar, Sri Lanka

Capacity (MW)
15 (10+5)

Date of Commission
May 2023

WindForce's Stake
100%

MILESTONES

- 
- 2010**
- WindForce Limited (WF) is incorporated.
 - WF pioneers wind power generation in Sri Lanka by commissioning the Seguwantivu and Vidatamunai power plants in Puttalam.
 - National Science and Technology Award Winner - Outstanding Leadership in Introducing Technologies
- 2012**
- National Chamber of Commerce Sri Lanka - Winner - National Business Excellence
 - Engineering Excellence Award - Institution of Engineers, Sri Lanka
- 2015**
- Energy and Environment Foundation of New Delhi, India - Platinum Award for Outstanding Achievements in Sustainability Management
- 2016**
- WF commissions its first solar power plant, Solar One
 - The Ceylon Chamber of Commerce - Best Corporate Citizen Sustainability Award Winner
 - Presidential Environmental Award - Silver Renewable Energy Generating Projects
 - Renewgen (currently a fully owned subsidiary of WF) commences operation and acquires five small hydro projects.
- 2017**
- Presidential Environmental Award - Silver Renewable Energy Generating Projects
 - WF marks its entry into foreign markets by commissioning Harappa Solar in Pakistan.
- 2018**
- Renewgen commissions its first small hydro plant in Uganda
- 2019**
- First solar power plant in Ukraine by a Sri Lankan renewable energy company.
 - WF commissions its largest solar power plant with an installed capacity of 50 MW in Gharo, Pakistan
- 2020**
- First solar power plant in Uganda by a Sri Lankan renewable energy company.
 - WF acquires Renewgen, Seguwantivu, Energy Reclamation, Vidatamunai and Powergen, becoming the leading independent power producer in renewable energy generation.

2021

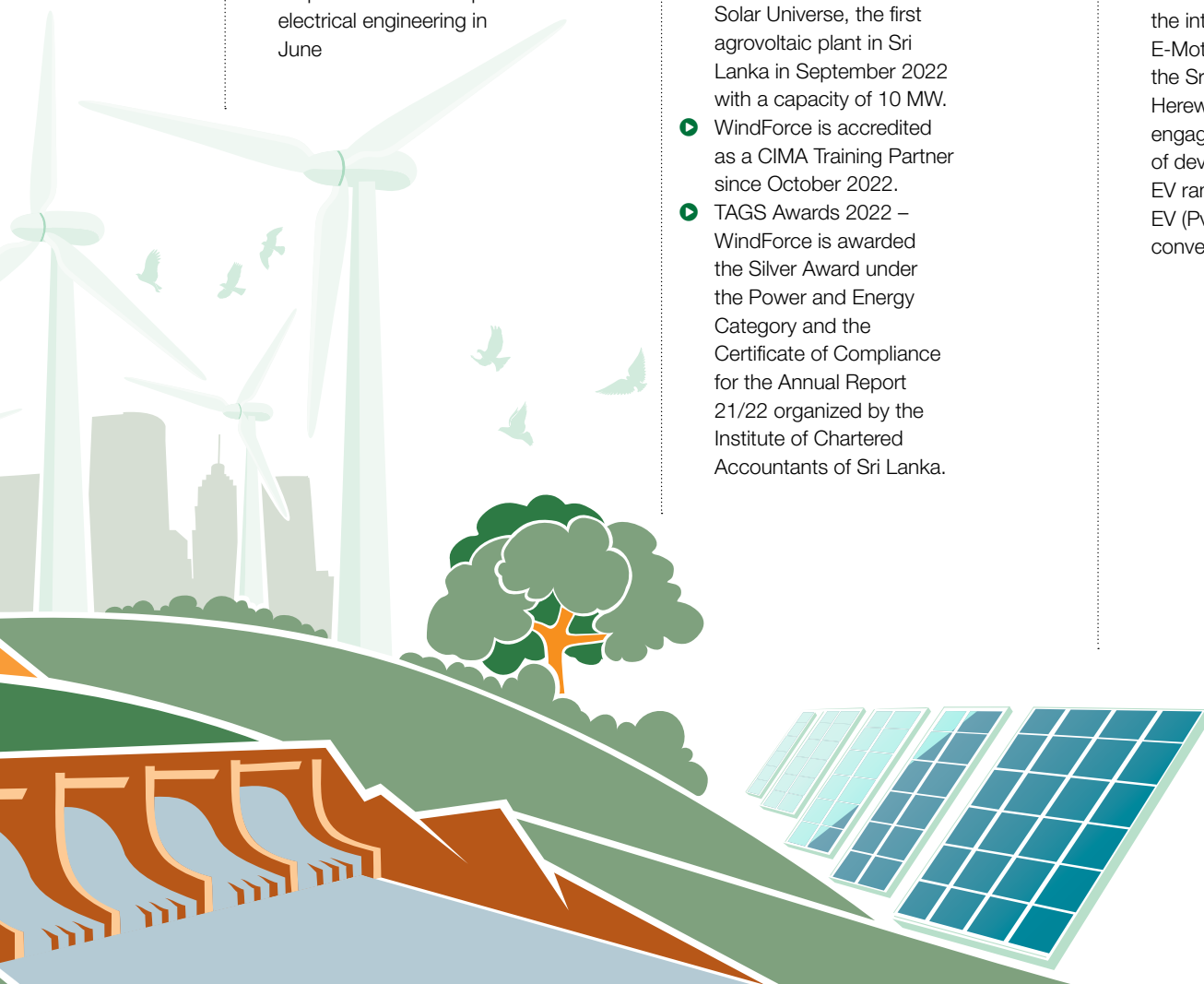
- ▶ ICRA assigns issuer rating of [SL] AA- (stable) to WindForce
- ▶ Issue of Initial Public Offering (IPO) with 08 times over subscription
- ▶ WindForce is approved as an IESL (Institute of Engineers Sri Lanka) Training Partner for graduate engineers for corporate membership in electrical engineering in June

2022

- ▶ Certified as an issuer of Carbon Emission Reduction (CER) Credits.
- ▶ National Business Excellence Awards - Gold Winner under Utilities and Infrastructure Sector.
- ▶ Our very first Annual Report for FY 2020/21 received the Certificate of Compliance at the 56th Annual Report Awards conducted by the Chartered Accountants of Sri Lanka.
- ▶ ICRA Lanka reaffirms WindForce's Issuer Rating as [SL]AA- Stable in May 2022.
- ▶ Commissioning of Solar Universe, the first agrovoltaic plant in Sri Lanka in September 2022 with a capacity of 10 MW.
- ▶ WindForce is accredited as a CIMA Training Partner since October 2022.
- ▶ TAGS Awards 2022 – WindForce is awarded the Silver Award under the Power and Energy Category and the Certificate of Compliance for the Annual Report 21/22 organized by the Institute of Chartered Accountants of Sri Lanka.

2023

- ▶ WindForce is awarded the APAC Employer Recognition Certificate for recruiting CIMA members and students and helping in developing world-class Chartered Management Accountants.
- ▶ Diversification into sustainable mobility with the opening of Satva Automotive (Pvt) Ltd and the introduction of VMOTO, E-Motor Bike range into the Sri Lankan market. Herewith, WindForce now engages in the business of development of the EV range and "BlueSky EV (Pvt) Ltd" for EV conversions.



BOARD OF DIRECTORS



Standing Left to Right

Savantha De Saram

Non-Executive Independent Director

Huzefa Akbarally

Non-Executive Non-Independent Director

Vinod Hirdaramani

Non-Executive Non-Independent Director

Seated Left to Right

Manjula Perera

Managing Director, Executive Non-Independent Director

Ranil Pathirana

Chairman, Non-Executive Non-Independent Director



Moiz Najmudeen

Non-Executive Non-Independent Director

Dilshan Hettiaratchi

Non-Executive Independent Director

Hussain Akbarally

Executive, Non-Independent Director

Asgi Akbarally

Deputy Chairman, Executive Non-Independent Director

Saumya Amarasekera

Non-Executive Independent Director

BOARD OF DIRECTORS CONTD.

Ranil Pathirana

Mr. Ranil Pathirana, known for his impeccable work ethic, is the Chairman of WindForce PLC, where he serves in a non-executive capacity. He 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.

He is on the Boards of several listed entities and is a Non-Executive Director of Ambeon Holdings PLC, BPPL Holdings PLC and Alumex PLC. He also serves as a Director of the Hirdaramani Group which includes apparel, leisure and 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. Mr. Pathirana is involved in giving strategic direction and bringing his expertise to the Group.

Asgi Akbarally

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 and is also a fellow member of the Institute of Certified Professional Managers.

Decisive and passionate about everything he does, Mr. Akbarally is also the Chairman of Amana Bank PLC, the Chairman of Hermitage Resorts (Pvt) Ltd, Uthurumaafaru Holding (Pvt) Ltd, Lhaviyani Holding (Pvt) Ltd, and Cocoon Investments (Pvt) Ltd Maldives, as well as a Director of Alumex PLC. He is an Executive Director of Akbar Brothers (Pvt) Ltd, one of Sri Lanka's largest diversified corporations and a global leader in tea exports. He is also a Director of several Akbar Group subsidiaries and affiliates.

Mr. Asgi Akbarally is also the Honorary Consulate of the Hashemite Kingdom of Jordan. He is a classic car enthusiast, has

written a coffee table book titled "Classic and Vintage Automobiles of Ceylon" and serves as the Patron of the Classic Car Club of Ceylon.

Manjula Perera

Mr. Manjula Perera serves as an Executive Non-Independent Director on the WindForce PLC Board and holds the position of Managing Director of the company. With years of experience in a wide range of métiers within the industry, Mr. Perera is known for his integrity and accountability in carrying the company's vision forward.

Having begun his engineering journey at the University of Moratuwa, he obtained first-class honors in Electrical Engineering and pursued a MEng at the university as well. He is also a Fellow of the Institute of Engineering and Technology, UK.

From there onwards, he stepped foot into the industry, beginning his career at Lanka Transformers Limited, which is Sri Lanka's largest private sector power generation company. From Design Engineer to Group Business Development Manager at the company, he was able to further his expertise and knowledge.

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 which eventually led to the setting up of the country's first and largest wind power plant that contributes directly to the national grid. He is a visionary with unimpeachable drive who keeps the company moving forward.

Huzefa Akbarally

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

With an eye for innovation, Mr. Akbarally graduated from Monash University Australia with 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.

He is the Chief Executive Officer of CleanCo Lanka Limited and serves on the board of Akbar Brothers. Akbar Brothers, one of Sri Lanka's leading exporters of Ceylon Tea, also has interests in mini hydro, wind power generation, and pharmaceuticals. He is ethical and assertive and plays a significant role in driving the company forward.

Hussain Akbarally

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

He holds a Science Degree from the University of Melbourne as well as an MBA from Harvard Business School.

Mr. Akbarally is an Executive Director of Akbar Brothers (Pvt) Ltd and its subsidiaries. Akbar Brothers is Sri Lanka's largest exporter of Ceylon Tea to the international market, and it also has interests in pharmaceuticals, import trading, renewable energy, property management, manufacturing, hospitality, agriculture, and environmental management.

Mr. Hussain Akbarally is credited with spearheading the Group's diversification into, among other things, renewable energy, hospitality, and agriculture. He was honored as one of the New Energy Leaders by the Asian Development Bank in 2018 for his work in the renewable energy space. He is an engaging leader and expends a keen focus on everything he does.

Moiz Najmudeen

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

Mr. Moiz Najmudeen is a well-known entrepreneur who founded, chairs, and runs the Debug Group of Companies and its subsidiaries. In 1989, he launched his first major venture, Debug Computer Services, which later changed its name to Debug Computer Peripherals (Pvt) Ltd.

Reliable and well-motivated, Mr. Najmudeen later founded Debug Investments in order to enter the energy sector by investing in mini hydro, solar, and wind power.

He founded the Marina Leisure Club and Amber Collection, both of which are part of the Debug Hospitality and Leisure sector. He also co-owns the Kithulgala luxury hotel the Palmstone Retreat.

Vinod Hirdaramani

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

Mr. Vinod Hirdaramani attended Harrow School in the United Kingdom and earned a BA from Northwestern University in the United States. He graduated from Harvard Business School.

He joined the Board of Directors of the Hirdaramani Group in 1993. He is in charge of the Hirdaramani Group's Knit facilities in both Sri Lanka and Vietnam, and he is heavily involved in the Group's renewable energy investments.

Mr. Hirdaramani also serves on the boards of many of the Group's subsidiaries. The Hirdaramani Group owns and operates 38 facilities in Sri Lanka, Bangladesh, Vietnam, and Ethiopia. He is a member of the Young Presidents' Organization, where he previously served as the Sri Lanka Chapter Chair. There is no doubt that his knowledgeable expertise brings a great deal to the table.

Dilshan Hettiaratchi

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

Resilient and hardworking, Mr. Hettiaratchi had dedicated much of his career to the finance industry. He holds a CFA Charter, an ACMA, and an MBA from the University of Colombo. He also completed Leading Across Boundaries, a High-Performance Leadership Programme offered by the University of Oxford's Saïd Business School.

He is the Managing Director of Faber Capital Limited, an investment banking firm based in Dubai, and has over 30 years of experience in the finance and banking sectors. Capital markets, renewable energy, and advisory opportunities are among the firm's specialties.

Prior to joining Faber Capital, he worked for Standard Chartered Bank as the Managing Director and Head of Debt Capital Markets - MENA and Pakistan. He currently serves as a Director of Amana Bank PLC and Asset Trust Management Limited, an SEC-regulated asset management firm.

Mr. Hettiaratchi was a key figure in the development of Sri Lanka's first Utility Scale Solar PV project.

Saumya Amarasekera

Mrs. Saumya Amarasekera is an Attorney at Law and has over 34 years of active legal practice, primarily in civil law, in the Original, Appellate, and Supreme Courts. For her drive to succeed and constant optimism, Mrs. Amarasekera was appointed a President's Counsel by the President of the Democratic Socialist Republic of Sri Lanka.

Her extensive knowledge and practice centers around the areas of Property Law, Family Law, Testamentary, Trusts, and Condominium Disputes. She has handled litigation on behalf of large finance companies and banks, etc. in respect of money recovery cases. She has also appeared before International Arbitration Tribunals in connection with construction disputes, among other things. She has a Masters of Laws (LLM) Degree from the University of Pennsylvania, with a focus on Insurance Law, Privacy Law, and Defamation Law.

Mrs. Amarasekera currently serves on two Ministry of Justice-appointed Advisory Committees for the Review of the Condominium Law and the Review of the Registration of Title Act.

Savantha De Saram

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

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

Mr. De Saram is well-respected and 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



Rusiri Cooray
Chief Financial Officer



Chamika Perera
Chief Development Officer



Prasanna Dissanayake
General Manager - Hydro



Chamira Gunaratne
General Manager - Wind



Sanjaya Navarathne
General Manager - Solar



Sanjeewa Dharamapriya
Deputy General Manager - Solar



Ahadha Hassen
Executive Secretary



Mervyn Francis
Manager - Accounting



Lalith Hewagama
Manager - Operational Finance



Neena Silva
*Manager - Reporting and
Investor Relations*



Aravinda Karunarathne
*Manager - Operation and
Maintenance*



Rajkumar Kanagaratnam
Manager - Operation and Maintenance



Roshan Akaravitage
Manager - Operation and Maintenance



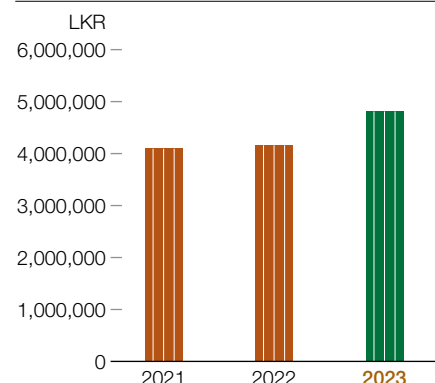
Nimanthi Mihirani
Manager - Operational Services

FINANCIAL HIGHLIGHTS

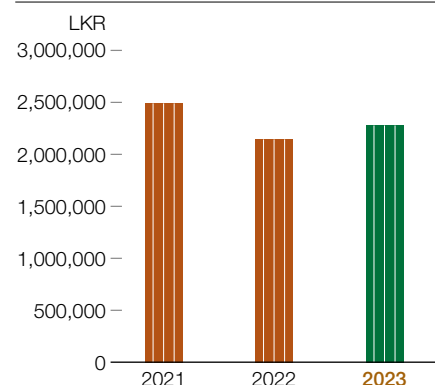
Year ended 31st March	LKR'000	2023	2022	%
Operating Results				
Group Revenue		4,953,490	4,367,373	13%
Operating Profit		3,017,671	2,538,446	19%
Profit Before Taxation		2,358,936	2,237,825	5%
Profit After Taxation		1,782,857	1,951,827	-9%
Profit Attributable to Parent		1,479,944	1,574,934	-6%
Gross Dividend Paid		-	1,756,000	-100%
Financial Position				
Total Assets		39,802,238	30,519,137	30%
Stated Capital		18,226,456	18,226,456	0%
Retained Earnings		3,947,847	2,494,597	58%
Equity Attributable to the Equity Holders of the Parent		22,820,713	20,880,477	9%
Total Liabilities		14,602,917	7,698,203	90%
No. of Ordinary Shares	No. '000	1,350,769	1,350,769	0%
Current Assets		10,722,441	9,062,317	18%
Current Liabilities		4,911,517	2,450,764	100%
Gearing Ratio	%	30.20%	19.21%	57%
Return on Capital Employed	%	10.00%	9.28%	8%
Shareholder Information				
Return on Assets	%	4.47%	6.41%	-30%
Earnings Per Share	LKR	1.10	1.17	-6%
Dividend Per Share	LKR	-	1.30	-100%
Dividend Payout	%	-	89.97%	-100%
Net Asset Value Per Share	LKR	16.89	15.46	9%
Market Capitalisation	LKR	22,287,688	21,477,226	4%
Float Adjusted Market Capitalisation	LKR	5,429,504	5,197,274	4%
Price Earning Ratio	Times	15.00	13.64	10%
Interest Cover	Times	4.07	7.96	-49%
Highest Price for the year	LKR	18.70	23	-19%
Lowest Price for the year	LKR	13.10	15.8	-17%

Operating Results

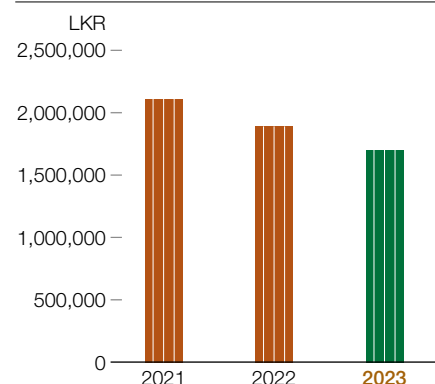
Group Revenue (LKR 000)



Profit Before Taxation (LKR 000)



Profit After Taxation (LKR 000)



Group Revenue

LKR 4.9 Bn

GP Margin

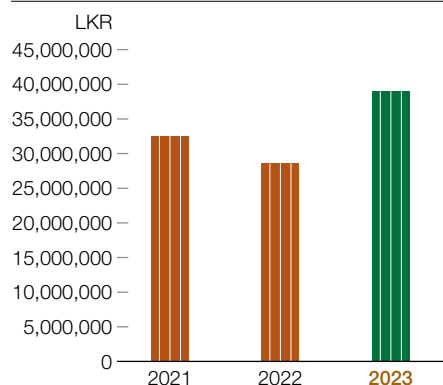
61%

Net Profit Margin

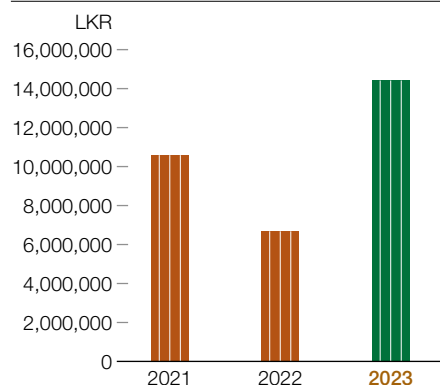
36%

Financial Position

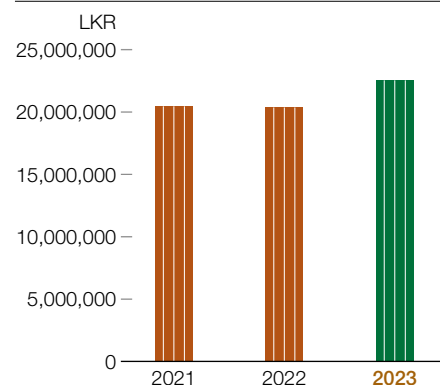
Total Assets (LKR 000)



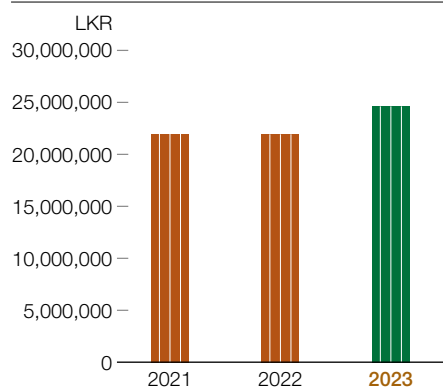
Total Liabilities (LKR 000)



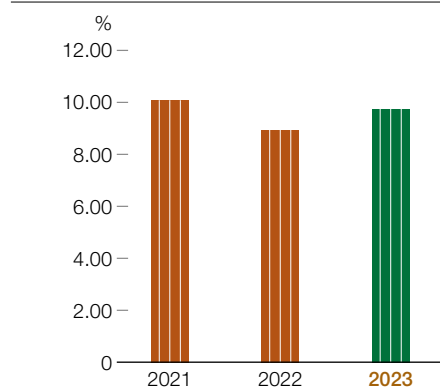
Total Equity without NCI (LKR 000)



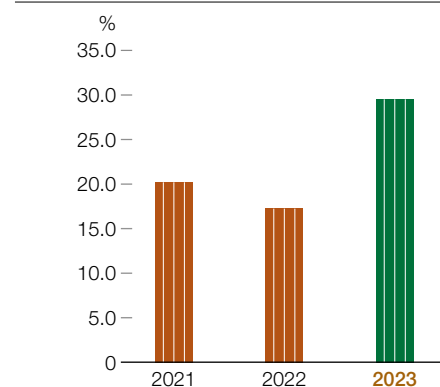
Total Equity with NCI (LKR 000)



Return on Capital Employed %

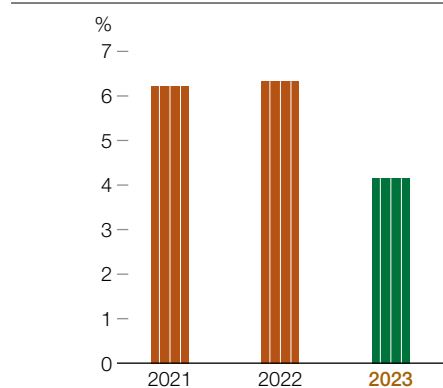


Gearing Ratio %

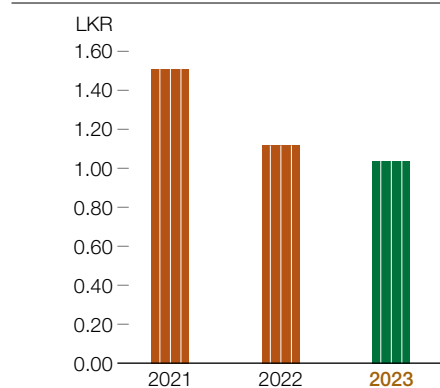


Shareholder Information

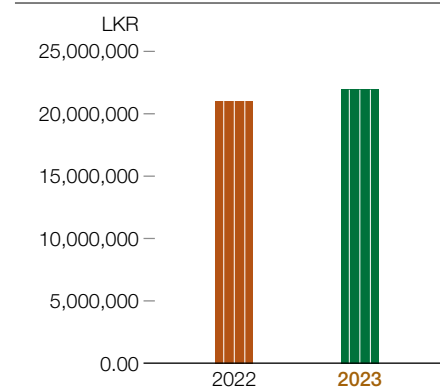
Return on Assets %



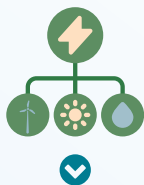
Earnings Per Share (LKR)



Market Capitalisation (LKR 000)



NON-FINANCIAL HIGHLIGHTS



Total Energy Generation
518.7 GWh



Estimate CO₂ Saved
389,300 MT



Total Workforce
155



Number of Injuries
0



Investment in CSR
LKR 30 Mn



CSR Beneficiaries
10,600+



Training Hours Per Employee
10.9 Hrs



MW Added for the Year
10 MW



Overseas Installed Capacity
97.3 MW



Local Installed Capacity
132.8 MW



Installed Capacity Under Construction
15 MW

NON-FINANCIAL HIGHLIGHTS CONTD.

ESG Framework

WindForce took a significant step this year under its corporate strategy with the introduction of an Environmental, Social, and Governance (ESG) framework the company policy. To become a sustainability leader in our profession, we recognized the importance of having a complete understanding of how we impact the environment in which we operate and measuring this impact along our value chain.

ESG has progressed from a concept associated with corporate social responsibility to a major driver for our company, particularly for corporate board and shareholder behavior.

Our ESG strategy incorporates sustainability considerations, such as WF's attempts to reduce its carbon impact, encourage diversity, and maintain good governance. As a result, we believe that our ESG strategy will help the company win investor trust, build customer loyalty, cut operating expenses, and improve asset management and financial performance.

Furthermore, we believe that a comprehensive ESG framework reflects a company's dedication to risk management, cost reduction, and environmental stewardship. It also shows that a company has a strong stance on socio-economic concerns, such as stakeholder gratification, labor standards, social injustice, long-term investments, and is willing to adapt to changing market conditions, which are all driving factors of WF.

Solar Universe Agrovoltaic Project

WindForce achieved yet another notable milestone with the Solar Universe 10 MW agrovoltaic project. The facility was commissioned on September 28th and officially opened on October 11th. This 10 MW ground-mounted solar power station commenced construction in September 2021 and was completed 10 months later. Solar Universe, as an agrovoltaic plant, is the first of its kind for both the company and Sri Lanka.

The Solar Universe facility, located in Vavunathivu, will consist of plots of land allocated to local farmers who will be able to tend to the crops they cultivate and then sell their harvests, providing them with an additional source of income. Crops such as peanuts, green chilies, beans, turnips, and watermelons are already being cultivated in the area due to the climate and soil profile. This agrovoltaic plant contributes to the company's efforts to normalize the use of renewable energy and build a sustainable environment, while also increasing food production and providing a living for the local populations.



Opening of Solar Universe by Minister of Power and Energy Mr. Kanchana Wijesekera



Aerial view of Solar Universe

Satva

This year, WindForce, took on a forward step of diversification into sustainable mobility with the establishment of Satva Automotive (Private) Limited and the introduction of VMOTO SOCO, a brand represented by Satva, into the Sri Lankan market.

With a vision to be the largest Sri Lankan company that contributes to a carbon-free, green, organic country by providing sustainable transportation to every Sri Lankan citizen, Satva represents several automotive brands on the sustainable transportation platform. The company is dedicated to providing island wide sales, aftersales and parts to all customers.

Automotive Brands Represented by Satva

- ▶ **PIAGGIO** – MoU signed as the distributor and assembler to set up an assembly plant for EV 3-wheeler range
- ▶ **VMOTO** – Exclusive distributor for Super Soco brand EV 2-wheelers for Sri Lanka
- ▶ **OLA** – NDA signed, ongoing discussion for exclusive distributorship for Sri Lanka
- ▶ **OLECTRA** – Under discussion for EV buses

VMOTO SOCO was launched in January 2023 and is currently in the process of setting up the 3S dealer network. While

initial focus is on the Western Province, VMOTO is looking into both the North and East due to the high potential for growth they see in the regions. It is believed that once the dealer network reaches over 35 dealers, volumes will start to grow more than the initial forecast. The company is optimistic that they will be one of the leading EV motorcycle brands in Sri Lanka within the next 5 years.

Piaggio EV range is still at research status due to the Sri Lankan government motor vehicle policy to ensure direct imports of EV 3-wheelers. The existing SL government motor vehicle policies, currently restricts the direct importation of EV three wheelers. Hence, the business plan is being prepared for the assembly project, including local component value addition.

OLA is the largest EV scooter manufacturer in India. The company is positive that once the brand shares its import market rollout plan, Sri Lanka will be the first to be appointed. This brand is a strategic move by Satva to secure an Indian origin product in order to compete with some of the Indian brands coming into the market. This could be a long-term strategy as OLA's future road map has an EV motor car in the product range.

OLECTRA is an Indian EV manufacturer of busses and heavy trucks. The government of Sri Lanka has taken few decisions to ensure that there will be a transition to EV buses, allowing route permits to owners of EV buses. This brand is a future strategy to capitalize on these upcoming opportunities.



Satva Showroom opening at Union Place, Colombo 02



NON-FINANCIAL HIGHLIGHTS CONTD.

BlueSky

WindForce is now involved in the development of the EV range, as well as "BlueSky EV (Private) Limited for EV conversions. With prolonged expertise in the power industry, WindForce PLC had foreseen the energy crisis two years ahead and started finding solutions for the fuel crisis in Sri Lanka. WindForce PLC came up with the idea of the e-Wheeler;- a converted three-wheeler-as the best solution for the skyrocketing prices and shortage of fossil fuel.

After two years of research and development, the e-Wheeler was created and developed by converting a three-wheeled combustion engine vehicle to a fully electric vehicle to assist the automobile industry with e-mobility.



BlueSky Workshop

The e-Wheeler is a cutting-edge technical design that aims to achieve zero-emission targets. The current converted electric three-wheeler is an environmentally beneficial, noise-free, and financially realistic option for today. It is ideally suited for urban situations because it was created and converted in Sri Lanka. The e-Wheeler, with its extremely low operating costs, has emerged as the smart environmental choice for e-mobility.

The e-Wheeler will be powered by renewable energy and will include a 5kW motor and a 6kWh LiFePO4 battery. It has a verified range of 100 kilometers on a single charge. Additionally, it has a lower operating cost than a traditional combustion engine three-wheeler. The combustion engine three-wheeler costs 15.00 LKR per km, while the e-Wheeler costs 3.70 LKR per km. Each e-Wheeler saves 1,800L of fuel per year, which reduces air pollution by 4.14 tons of CO₂ emissions.



BlueSky Team

Awards and Accolades



2022



Commissioning of Solar Universe, the first agrivoltaic plant in Sri Lanka in September 2022 with a capacity of 10 MW.

WindForce has been accredited as a CIMA Training Partner since October 2022. WindForce was awarded the APAC Employer Recognition Certificate for recruiting CIMA members and students and helping in developing world-class Chartered Management Accountants.

TAGS Awards 2022 – WindForce was awarded the Silver Award under the Power and Energy Category and the Certificate of Compliance for the Annual Report 21/22 organized by the Institute of Chartered Accountants of Sri Lanka.



TAGS Awards 2022 – Silver Award under the Power and Energy Category and Certificate of Compliance

2023



Diversification into sustainable mobility with the establishment of Satva Automotive (Private) Limited and the introduction of the Vmoto Soco, (exclusive brand represented by Satva) electric motor bike range into the Sri Lankan market. Herewith, WindForce now engages in the business of development of the EV range and BlueSky EV Limited. for EV conversions.



CIMA APAC Employer Recognition Certificate

CHAIRMAN'S MESSAGE



“WindForce continues to seek opportunities for growth. As a leader in the industry, with strong corporate governance and a dedicated team that is passionate and innovative, WindForce is looking to expand its footprint in Sri Lanka and globally.”

It is my pleasure to present the Annual Report and Financial Statements of WindForce PLC (WF) for the year 2022/23. WF achieved a consolidated revenue of LKR 4.95 billion for FY 2022/23, indicating a significant growth of 13% compared to the previous fiscal year. The company's profit before tax is recorded at LKR 2.36 billion with a 5% growth in comparison to the LKR 2.24 billion earned in FY 2021/22, although our bottom line, which amounted to LKR 1.78 billion, reflected a decline of 9%. This decline can be primarily attributed to the increased corporate tax rates introduced by the Inland Revenue (Amendment) Act No. 45 of 2022, effective from 1st of October, 2022. As a result, there was a considerable increase in the deferred tax provisions for the year under review.

Sustainability and Growth

By investing in research, innovation, and infrastructure, WF is dedicated to accelerating the transition to renewable energy and reducing the dependence on fossil fuels. Sri Lanka has pledged to achieve 70% renewable energy use for electricity generation by 2030. WF is committed to backing Sri Lanka's goal and contributing towards achieving the global green energy goal of net zero emissions by 2050.

WF integrated an Environmental Sustainability Goals (ESG) framework into the company strategy this year, known as 'Our Genetic Code'. We recognize the need to have a deep understanding of how we impact the environment and our communities. Also, this framework serves as a tool to evaluate our impact along our value chain and in our business processes.

We believe that the implementation of the ESG framework enables the company to proactively address environmental and social challenges, enhance our governance practices, comply with regulations, attract investment, and ensure long-term sustainability and growth in a rapidly evolving energy sector.

Challenges and Impact

The renewable energy sector in Sri Lanka is facing many challenges within the country's current economic situation, including the inability of the state-run Ceylon Electricity Board (CEB) to settle its dues. Within this landscape, WF has established itself as a

pioneer in the country's renewable energy business. The company was formed to manage all aspects of renewable energy growth, and today WF owns, develops, and operates cutting-edge power plants that are fully equipped to meet the growing need for green energy. We continue to embrace our challenges as opportunities for growth in Sri Lanka and beyond.

WF commenced the Solar Universe 10 MW agrovoltaic project year, the first of its kind for both the company and Sri Lanka. The project contributes to the production of clean and sustainable energy by harnessing solar power.

We recognize with gratitude the many awards bestowed upon the company during the year. The company was awarded the Silver Award under the Power and Energy Category at the 2022 TAGS Awards and the Certificate of Compliance for the Annual Report 21/22 organized by the Institute of Chartered Accountants of Sri Lanka. WF was also awarded the APAC Employer Recognition Certificate for its contributions to CIMA Training and developing world-class Chartered Management Accountants.

Integrated Solutions

WF has expanded its portfolio to include offering its expertise in integrated solutions as we continue to develop our engineering and innovation skills. In response to the multiple challenges posed by the external environment during the fiscal year under review, our teams concentrated on developing self-sustaining ecosystems to support our operations. As a result, we were able to minimize our reliance on imported materials for our construction and operational needs and modify our operational modes to boost efficiency and lower average plant costs as detailed throughout our Annual Report.

Governance and Stewardship

We recognize that good governance and responsible stewardship is fundamental to our long-term success and our ability to contribute positively to society and the environment. We remain steadfast in our commitment to upholding strong governance practices, ensuring compliance with regulations required for the sustainable development of the renewable energy sector.

The Board collaborated with the Audit Committee during the current fiscal year to assess and improve the company's internal control architecture. An independent consultant was engaged to undertake a comprehensive due diligence investigation that included compliance and process audits. The Board was eager to build a formal structure to enhance WF's advocacy for sustainable development in accordance with global best practices. It is with this aim, that the company integrated the above-mentioned ESG framework into its corporate strategy this year.

Way Forward

We are confident that the government's commitment to the renewable energy sector will continue. The goal is to boost the country's power generation capacity from 4,043 megawatts (MW) to 6,900 MW by 2025, with a major increase in renewable energy. Sri Lanka has already reached 98% grid connectivity, which is relatively high by South Asian standards.

WF will continue to support the country to achieve its target to generate 70% of the country's electricity supply through renewables by 2030, leading to a carbon neutral status by 2050. WF's diverse portfolio, strong brand image, and healthy balance sheet will provide the necessary strength as we move towards our goals.

Appreciations

I would like to take this opportunity to thank my colleagues on the Board for their active participation in all Board affairs and for their unwavering support.

On behalf of the Board, I would like to thank our MD and CEO, the entire Corporate Management Team, and all employees for their commitment, tenacity and drive to innovate year after year. The Board and I would like to thank our shareholders and other stakeholders for their sustained trust in our company.



Ranil Pathirana
*Chairman, Non-Executive,
Non-Independent Director*

17th May, 2023

MANAGING DIRECTOR'S REVIEW



“Renewable energy holds the key to combating global climate change. While Sri Lanka has set a daunting task of expanding renewable energy generation from 50% to 70% by 2030 and achieving net carbon zero by 2050, we at WindForce are geared to make this a reality.”

The foundation of our business is our Board and stakeholders, who offer the leadership, direction, and wisdom required to streamline the execution of our initiatives. To accomplish our purpose, we have assembled a team of individuals who are committed to sustainability and furthering our vision to pioneer and spearhead the growth of renewable energy in Sri Lanka whilst expanding our global presence.

Industry Overview

The world has generated 28,000 TWh of electrical energy in previous year. Yet, over 770 million people across the world have no access to electricity. It has generated 13 gigatons on CO₂, out of which 9 gigatons are from coal power plants.

Renewable energy is one of the most powerful instruments we have in combating climate change, and there are many reasons to believe it will succeed. It is predicted that 90% of capacity addition over the next 10 years would be in renewable energy and storage systems, out of which 54% will be solar power.

It is important to note that, wind and solar energy will be crucial in attaining the requisite emissions reductions, and carbon policies such as the Clean Power Plan which will be critical in ensuring that low-carbon resources are prioritized over higher-emitting power plants.

Today, a growing number of countries have pledged to achieve net-zero, including the world's largest polluters - China, the United States, and the European Union which have set a net-zero objective, accounting for around 76% of worldwide emissions.

Sri Lanka needs a proper mix of generation and grid solutions to provide a desired balance between;

- Affordability
- Reliability
- Sustainability

Sri Lanka last year, at COP27 made promises to not increase coal power; to phase out fossil fuel subsidies; to aim for

70% renewable energy use for electricity generation by 2030; and to join the Global Methane Pledge.

To achieve these goals, the Renewable Energy Development Master Action Plan (REDMAP) has been introduced for the very first time. REDMAP consists of the formulation of a streamlined planning process suitable to meet the renewable energy targets of the country while maintaining least cost principles generally followed for conventional generation sources. As per REDMAP, by 2030 it is necessary to add 5,766 MW of renewable power capacities, viz 151 MW from major hydro, 175 MW from mini hydro, 3,805 MW from solar, 1,475 MW from wind and 160 MW from biomass during the period 2023-2030. It is also estimated that approximately 2,500 MW of renewable energy capacities including roof top solar should be absorbed to the national grid between 2023 -2026. While this is a daunting task, WF is nonetheless geared to give our fullest contribution in achieving this goal.

Financial Performance

I am proud to announce that WindForce achieved a consolidated revenue of LKR 4.95 billion for the fiscal performance for FY 2022/23, demonstrating a significant growth of 13% compared to the previous fiscal year. This growth is a testament to our unwavering commitment and dedication to the renewable energy sector.

The company's profit before tax is recorded at LKR 2.36 billion with a 5% growth in comparison to the LKR 2.24 billion earned in FY 2021/22. However, the bottom line for FY 2022/23 declined by 9% to LKR 1.78 billion, attributed to increased corporate tax rates under the Inland Revenue (Amendment) Act. This led to a deferred tax expense of LKR 554 million and a reversal of temporary differences amounting to LKR 137 million. The management is actively assessing the impact and working towards long-term financial sustainability while remaining committed to renewable energy and portfolio expansion to meet rising energy demands.

Our Contribution

WindForce achieved yet another notable milestone with the Solar Universe 10 MW agrovoltaic project. Solar Universe, as an agrovoltaic plant, is the first of its kind for both the company and Sri Lanka. This agrovoltaic plant contributes to the company's efforts to normalize the use of renewable energy and build a sustainable environment, while also increasing food production and providing a living for the local populations.

Furthermore, the company, took on a forward step of diversification this year, into sustainable mobility, with the establishment of Satva Automotive (Pvt) Ltd and the introduction of Vmoto Soco EV 2-wheelers, into the Sri Lankan market.

With prolonged expertise in the power industry, WindForce PLC had foreseen the energy crisis two years ahead and started finding solutions for the fuel crisis in Sri Lanka. We came up with the idea of the e-Wheeler, a converted three-wheeler as the best solution for the skyrocketing prices and shortage of fossil fuel. After two years of research and development, the e-Wheeler was developed by converting a combustion engine 3-wheeler to a fully electric vehicle to assist the automobile industry with e-mobility.

Driving Sustainability

Sustainability is a core value of WF's corporate strategy, as we operate to deliver benefits and results to all our stakeholders, especially to the environment and to the communities that host our projects. Our renewable energy facilities' long-term viability has several environmental benefits, including combating climate change by lowering greenhouse gas emissions.

It is with this aim that we at WF integrated and ESG framework to our corporate strategy since last year. To become a sustainability leader in our profession, we recognized the importance of having a complete understanding of how we impact the environment in which we operate and measuring this impact along our value chain.

“WindForce achieved yet another notable milestone with the Solar Universe 10 MW agrovoltaic project. Solar Universe, as an agrovoltaic plant, is the first of its kind for both the company and Sri Lanka.”

Commitment to Society

Continuous participation, in the eyes of WindForce, is a crucial part of building community trust. We acknowledge our contribution to the growth of the communities in which we operate in order to maintain the business. We are painfully aware of the socio-economic difficulties that the nearby communities and the isolated rural parts of the community go through. By controlling our direct and indirect consequences, our strategy aims to manage social risks brought on by our operations.

We take pride in our community investment initiatives that take place under five branches: ‘Sahana’: Community and Livelihood Development, ‘Harithahuruwa’: Environmental Conservation, ‘Sipsathara’: Education and Childhood Development, ‘Athahitha’: Pure Hands for Emergency Relief and ‘Suvadiri’: Health Care. We recognize the significance of our operations as a catalyst for development and improvement in the quality of life in local communities. As a result, we actively contribute to environmental and natural resource protection, as well as sustainable societal development.

Awards and Accolades

At the 2022 TAGS Awards, WindForce was awarded the Silver Award under the Power and Energy Category and the Certificate of Compliance for the Annual Report 2021/ 22 organized by the Institute of Chartered Accountants of Sri Lanka. We feel honored to witness these grand milestones WF continues to achieve and we are hopeful of a stronger future as the company strives ahead in its journey.

In October 2022, WindForce was accredited as a CIMA Training Partner, an achievement in which we take great pride. Adding to our achievements, WindForce was also awarded the APAC Employer Recognition Certificate for recruiting CIMA members and students and helping in developing world-class Chartered Management Accountants.

Future for WindForce

Our target is to achieve 500 MW of installed capacity under our portfolio by 2025. Presently we are at 230 MW. A 15 MW wind plant is under construction in Mannar, which will be connected to the national grid in Q2 2023. Currently we are in the process of tariff negotiations on the 100 MW solar power plant facility in Siyambalanduwa, where the project includes a 25km, 33/132kV transmission line and a 2x63.5 MVA, 33/132 kVA grid substation as well.

Floating solar is another area that we are intensively exploring for inclusion in our portfolio, in addition to normal wind and ground-mounted solar development. Floating solar is an untapped potential in Sri Lanka where we see a great opportunity.

WF is also aggressively looking at tapping into the African market to expand our global business capacity. Africa has vast resource potential in wind, solar, and hydro energy, and lowering costs is making renewables more affordable. Many of Africa's social, economic, health, and environmental concerns can be addressed by an energy system based on renewable energy.

We were battling through a difficult year, with CEB none payments, bank interest rates skyrocketing, and inflation at an all-time high. Few renewable energy companies had the fortitude to persevere throughout this trying period. We now see a better possibility for us because we handled the difficult times well.

Appreciations

Our dedicated team of employees continues to be the foundation of WF's success. This past year was yet another example of how our team came together to make WindForce's vision a reality. I would like to take this time to thank each one of you for your commitment and dedication. I would also like to thank WindForce's Chairman and Board of Directors for their personal support and direction to the team. Furthermore, many thanks goes out to the Ceylon Electricity Board and the Sri Lanka Sustainable Energy Authority for their assistance and the regulatory bodies and utilities in each country that we conduct business with.

Finally, I would like to thank our shareholders for their sustained investment in the company. I invite you to join us this year as we propel the company's future to new heights.



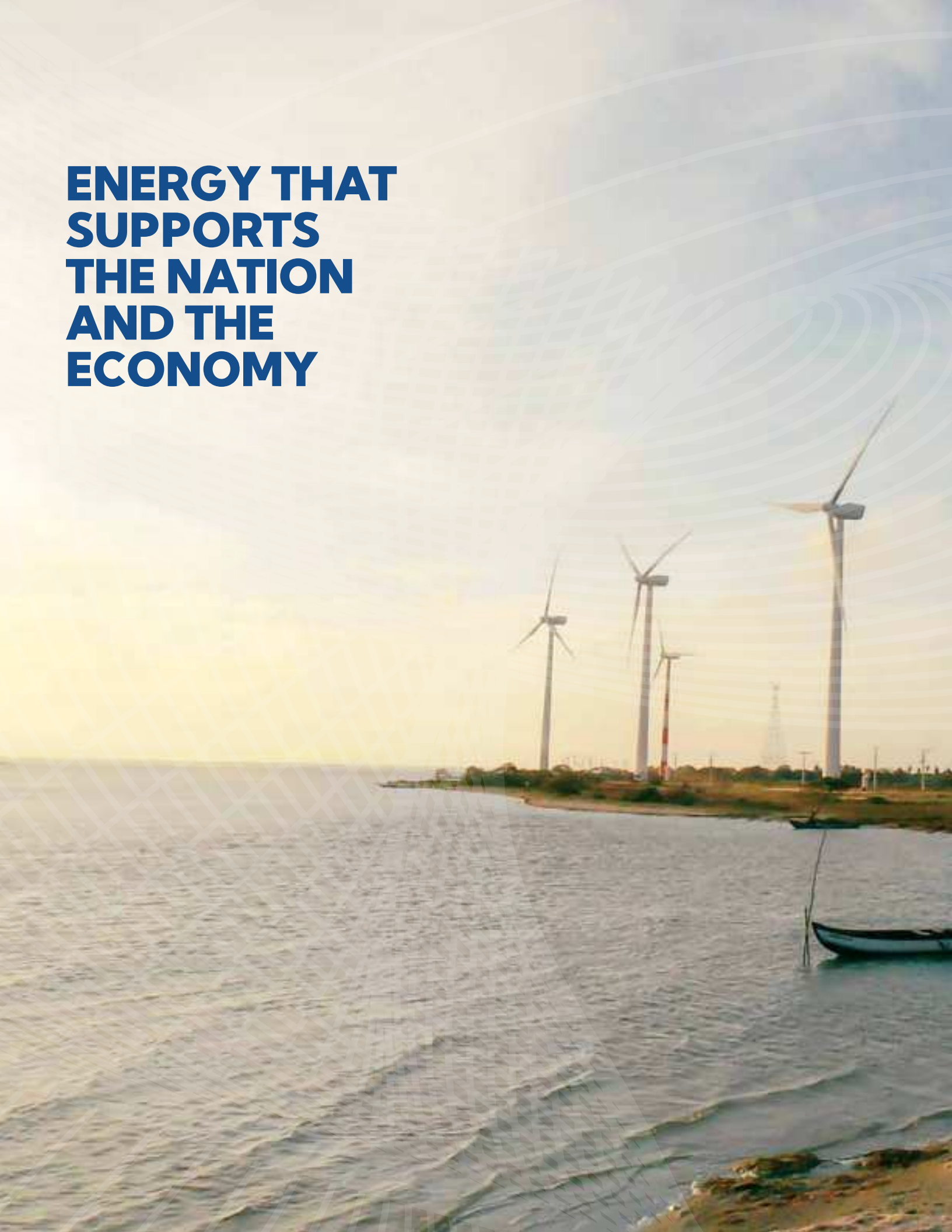
Manjula Perera

Managing Director,

Executive, Non-Independent Director

17th May, 2023

ENERGY THAT SUPPORTS THE NATION AND THE ECONOMY





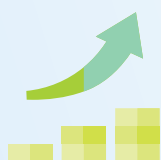
CORPORATE STRATEGY

WF's strategy has been firmly embedded in its mission since its inception. As a result, we employ a mix of short, medium, and long-term planning cycles to enable WF to realize its strategic intent while striking the appropriate balance to protect interests of shareholders. In order to achieve a competent and thorough corporate strategy, WF this year implemented the ESG framework alongside the Six Capital Framework which can be read in the following section.

WF Basis of Strategy Formulation and Execution

Material Topics

- ▶ Financial Stability
- ▶ Working Capital Management
- ▶ Asset Base
- ▶ Technology Systems
- ▶ Ethical Business Conduct
- ▶ Excellence in Quality
- ▶ Strategic Partnerships
- ▶ Motivation and Team Spirit
- ▶ Culture and Work Ethic
- ▶ Knowledge Enhancement
- ▶ Health and Safety
- ▶ Work-Life Balance
- ▶ Corporate Stewardship
- ▶ Environmental Impact



Progressive Growth



Operational Excellence



A Great Place to Work



Contribution to the National Development Agenda

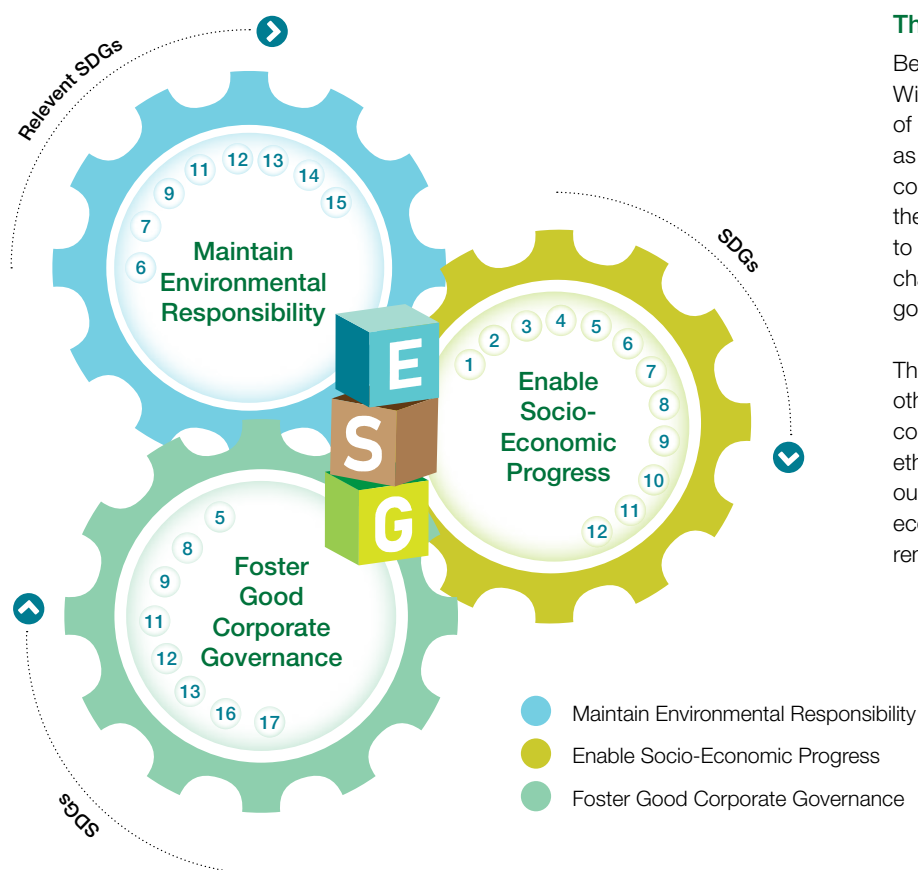
Formulation and Execution	1. Progressive Growth	2. Operational Excellence	3. A Great Place to Work	4. Contribution to the National Development Agenda
Objectives	▶ Maintain an adequate mix of renewable energy sources ▶ Sustain an optimal balance of local and international project exposure ▶ Keep the overall gearing ratio between 50% and 75%	▶ Aspire for a plant availability of 97% ▶ Guarantee that all plants are producing the most energy conceivable	▶ Ensure employee satisfaction ▶ Reduce employee turnover ▶ Warrant that there are no fatalities or accidents	▶ Set the example for Sri Lanka's energy transition ▶ Drive Sri Lanka's efforts to become carbon neutral ▶ Contribute towards reducing carbon emissions ▶ Support Sri Lanka's contribution to the UN SDGs

Formulation and Execution	1. Progressive Growth	2. Operational Excellence	3. A Great Place to Work	4. Contribution to the National Development Agenda
Strategic Drivers	▶ Maintain a diverse portfolio of renewable energy assets, including wind, solar, hydro, and alternative clean energy, by continuously expanding the project pipeline ▶ Maintain an optimal balance of equity and debt to protect the balance sheet. ▶ Seek out value-added partnerships to help with value creation.	▶ Incorporation of cutting-edge renewable energy technologies such as wind, solar and hydro and integration of globally recognized management systems in quality, EHS, and risk management projects ▶ Engineering Procurement Construction (EPC) Methodology ▶ Improve employees' tacit knowledge. ▶ Encourage teamwork and creativity	▶ Occupational Health and Safety Management Standards ISO 45001 Employee Value Proposition (EVP) Employee Relationships	▶ To be the largest private sector renewable energy contributor to the national grid ▶ Contribute to all SDGs through core business operations ▶ Community investment will propel SDGs 1, 2, 4, 6, 8, 10, 13, and 15
Implementation	▶ Commissioning of a 10 MW Solar Universe solar plant in Vavunativu, Sri Lanka in September 2022 ▶ Construction of a 15 MW Hiruraras wind power plant in Mannar, Sri Lanka ▶ Diversification into sustainable mobility with the establishment of Satva and the introduction of VMOTO ▶ Involvement in the development of the EV range, as well as "BlueSky EV (Private) Ltd." for EV conversions	▶ In-house management of O&M activities at all plants ▶ A total of 1,491 training hours	▶ Total of LKR 268 Mn monetary benefits distributed to employees ▶ Granting of increments/ bonus & support to overcome the country's economic crisis	▶ Total of 27 CSR projects carried out ▶ Investment of LKR 30 Mn on CSR projects with over 10,600 beneficiaries ▶ CO₂ savings of 368,403 MT

Key Takeaways

- ▶ The strategies emphasize entering new markets and innovation
- ▶ Expansion methods include concentration, diversification, integration, cooperation, and internationalization
- ▶ It intends to increase market share, increase profit, and accelerate growth
- ▶ Enables WF to dominate the market, withstand competition, gain a competitive advantage, and, in certain market conditions, survive
- ▶ Overall value addition to the organization

ESG FRAMEWORK



The Launch

Being a sustainable and innovative leader, WindForce this year introduced the creation of an ESG framework within the company as we believe that it is crucial to have a complete understanding of how we impact the environment in which we operate and to measure this impact along our value chain, creating transparency and good governance.

The recent year has been unlike any other, demonstrating the importance of collaboration and acting proactively and ethically. Henceforth, we are confident that our ESG policies will generate goodwill, economic benefits, and shared value for the renewable energy industry.

Our Approach to Sustainability

Environmental



- Resources
- Climate Change
- Emissions
- Pollution Waste
- Innovation
- Ecological Footprint



Environmental Responsibility

Reducing the environmental impact of investments, we manage and of our own business processes.

Social



- Workforce
- Health and Safety
- Human Rights
- Diversity and Inclusion
- Community Impact
- Product Responsibility



Social Responsibility

Positive contribution to communities and individual well-being.

Governance



- Management
- Anti-Corruption
- Shareholders
- Business Ethics
- CSR Strategy
- Transparency



Governance Responsibility

Maintenance and development of first-class governance, compliance, and risk management standards.

Our strategy is sustainable – we act consistently. By integrating environmental, social and governance issues into our business, we assume responsibility for the societal and environmental challenges that are currently being faced by the world. At the same time, we ensure the future of our company and create long-term value, making a valuable contribution towards the global aims of transition to a net zero emission future.

Environment

Reduce our Environmental Impact: “Maintaining environmental responsibility—being effective in resource utilization, managing operational consequences, and regulating our carbon emissions—stands strategically significant and demands our focus and due investments.”

Policy	ESG Strategy	2030 Target	Baseline Performance	Annual KPI
Energy and Emissions Management Policy	Reliance on energy sources	100% consumption of sustainable and renewable energy	Currently 100% renewable energy	Maintain 100% renewable energy
	Reduce carbon footprint aligning with net zero by 2050 journey	Further increase of carbon savings surplus	As a renewable energy company, we are currently at net zero	
Water Management Policy	Application of sustainable water sources	10% sustainable water sourcing across the Group by 2030	Currently 0%	
Material and Waste Management Policy	Sorting garbage through color coding system	100% sorting of garbage to support responsible disposal	100%	Maintain the same
	Proper disposal of biodegradable and chemical, hazardous waste	100% sorting of garbage to support responsible disposal	95%	1%
	Ensure the responsible consumption of natural resources	10% recycled material usage by 2030	Yet to be measured	1%
Biodiversity Conservation Policy	Biodiversity conservation and preservation relating to WF business operations	Increase the biodiversity enhancing program to cover area occupied by company	Land utilized by area operations by 2022/23	Annual increment of 30% of baseline operational area
			1,000 tree plantations have been carried out annually since 2014	
Chemical Management Policy	Ensure best chemical management practices across the plants	10% alignment with safe chemical management practices across operations	Baseline to be established based on 2022/23 performance	Map all chemical related operations and chemical consumptions
				Standardize basic chemical management applications

WF Cumulative Net Energy Impact: 2022/23



As WindForce produces energy through renewables, the nature of the business is already a sustainable one. The electrical power sector is an integral part of every country's economy. Its continuous growth is expected to contribute to the development and expansion of the global economy. The commitment to decarbonize economies will propel the demand for clean energy by doing away with fossil fuels. This will have a significant positive effect on climate change and protect our environments.

WindForce is focused on expanding our current portfolio in order to meet the growing demand for electricity and the SL government's proposal of meeting 70% of electricity requirements through renewables by 2030.

The environmental management structure that we have in place will be tapped into by WF's corporate strategy on environment to launch important initiatives and campaigns to preserve, protect, and enhance our natural capital. The following are the main tenets of our environmental framework:

- Reliance on renewable and sustainable sources of energy
- Energy intensity reduction through increased operational effectiveness
- Phasing-out of our total carbon footprint
- Using sustainable water resources, lowering water use through increased efficiency
- Controlling waste production, ensuring ethical resource use and sustainable production within the organization



- Ensuring the supply chain's best practices for chemical management
- The conservation and preservation of biodiversity in relation to our operations

We at WindForce have identified the above 8 SDGs, as those which we could contribute the most to under environment conservation.

Social

Enable Socio-Economic Progress: "Improving quality of life and quality of work-life balance of all our employees in order to achieve sustained performances with higher level of productivity whilst promoting the growth of our workforce and the communities where we operate by funding local Corporate Social Responsibility (CSR) projects and energy access.

Policy	ESG Strategy	2030 Target	Baseline Performance	Annual KPI
Human Rights Policy	Building an inclusive equitable organizational culture	All employees to undergo training and awareness on discrimination	Baseline to be established based on 2022/23 performance	Training and awareness on human rights
Anti-Sexual Harassment Policy	Creating a safe and peaceful work place for all employees	To hold awareness campaigns on Anti-Sexual Harassment Policy	Baseline to be established based on 2022/23 performance	Awareness programs on anti-discrimination for all employees
Employment Policies	- Developing a diverse engaged team - Provide opportunities for continuous learning - Create a performance driven conducive work culture - Leadership development	5% attrition rate across entire Group by 2030 - Each employee to receive an average of 20 training hours per annum 100% Employees to receive performance appraisals 5,000-man hours of leadership development programs by 2030	10% attrition rate 5 hours or more of average training per employee 98% of employees receive performance appraisals - Baseline to be established based on performance	0.5% reduction in employee attrition rate - Sector specific annual KPIs 1% increase in performance appraisals - Initiate leadership development programs in all sectors by 2024
Health and Safety Policy	Ensure the health, safety and well-being of all employees	Safest workplace with zero workplace injuries or occupational diseases	Zero work-related injuries Zero fatalities	Standardize and ensure complete reporting of accident-related data covering 100% of operations by 2030
Community Relationship	Uplifting livelihoods and empowering communities	Increase CSR beneficiaries by 50% by 2030	Over 5,000 beneficiaries	Annual increase of 5% of baseline performance of Group beneficiaries of CSR initiatives

Our ESG model supports a strategy that will enable better care, quality of life, and knowledge management, serving as a crucial link between corporate effectiveness and community expectations.

We aspire for the social aspects of our ESG framework to be a significant component in enhancing employee satisfaction and retaining top talent with the necessary skill sets and draw potential workers. We strongly believe that satisfied workers put in more effort, remain with their employers longer, and strive to generate better outcomes in our company, which contributes to the long-term viability and profitability of the latter.

Important Steps for Social and Human Sustainability Followed by WF:

- Teams with high levels of engagement
- Emphasis on health, safety, and well-being
- Building relationships with suppliers and consumers
- Strengthening ties with the local community
- Creating a "Skills Inventory" to carefully place the appropriate abilities where they are most needed

We at WindForce have identified the following 11 SDGs, as those which we could contribute the most to under social upliftment.



Governance

Ensure Responsible Business Practices: “To foster good corporate governance in order to increase investor confidence, to see policies that support shareholder involvement, and to invest in both diversified and accountable nature.”

Key Regulatory Requirements

- ▶ Companies Act No.7 of 2007
- ▶ Continued Listing Rules of the Colombo Stock Exchange
- ▶ Code of Best Practice on Related Party Transactions
- ▶ Sri Lankan Accounting Standards (SLAS)
- ▶ Sri Lankan Financial Reporting Standards (SLFRS)
- ▶ Industrial Disputes Act No.43 of 1980
- ▶ Payment of Gratuity Act No. 12 of 1983
- ▶ Maternity Benefits Ordinance No.32 of 1939
- ▶ Inland Revenue Act No.24 of 2017
- ▶ Shop and Office Employees Act No. 19 of 1954

The “G” in ESG stands for the governance aspects of decision-making, which range from the formulation of policies by sovereigns to the allocation of rights and duties among various stakeholders within the organization such as the board of directors, management and other stakeholders. Investors can screen for good governance practices just as they would for environmental and social issues since governance variables reveal the laws and regulations that govern the company.

Thereby, apart from these key regulatory requirements, WF has given top priority to the following areas:

- ▶ Transparency and Accurate Reporting
- ▶ Structure and Oversight
- ▶ Ethics and Culture
- ▶ Anti-Corruption and Bribery
- ▶ Reporting Irregularities
- ▶ Incidents

The creation of transparent and accurate financial and non-financial reports and disclosures to the various groups, in accordance with compliance with international norms and legislation, is one of the essential pillars of good governance. As a CSE-listed company, WF is required to produce quarterly financial reports and annual reports for shareholders while adhering to accounting and auditing requirements.

Apart from accounting, a Related Party Transaction Review Committee monitors related party transactions to ensure they are carried out fairly, without engaging in any anomalous or biased behavior. All members of WF management, from the top down, are expected to follow these guidelines.

Being a good corporate citizen, WF should abide by a wide range of principles that we see most salient. The following are some of the policy's components and goals:

Policy Factors	Commitment
Competition	To remain as Sri Lanka's top RE company
Employees	To provide equal opportunity and work-life balance
Stakeholders	To enhance stakeholder value and commitment
Conflict of Interest	To always commit to the company's act of interest

We at WindForce have identified the following 8 SDGs, as those which we could contribute the most to under good governance.

Governance



STAKEHOLDER ENGAGEMENT

{GRI 102-40,42-44}

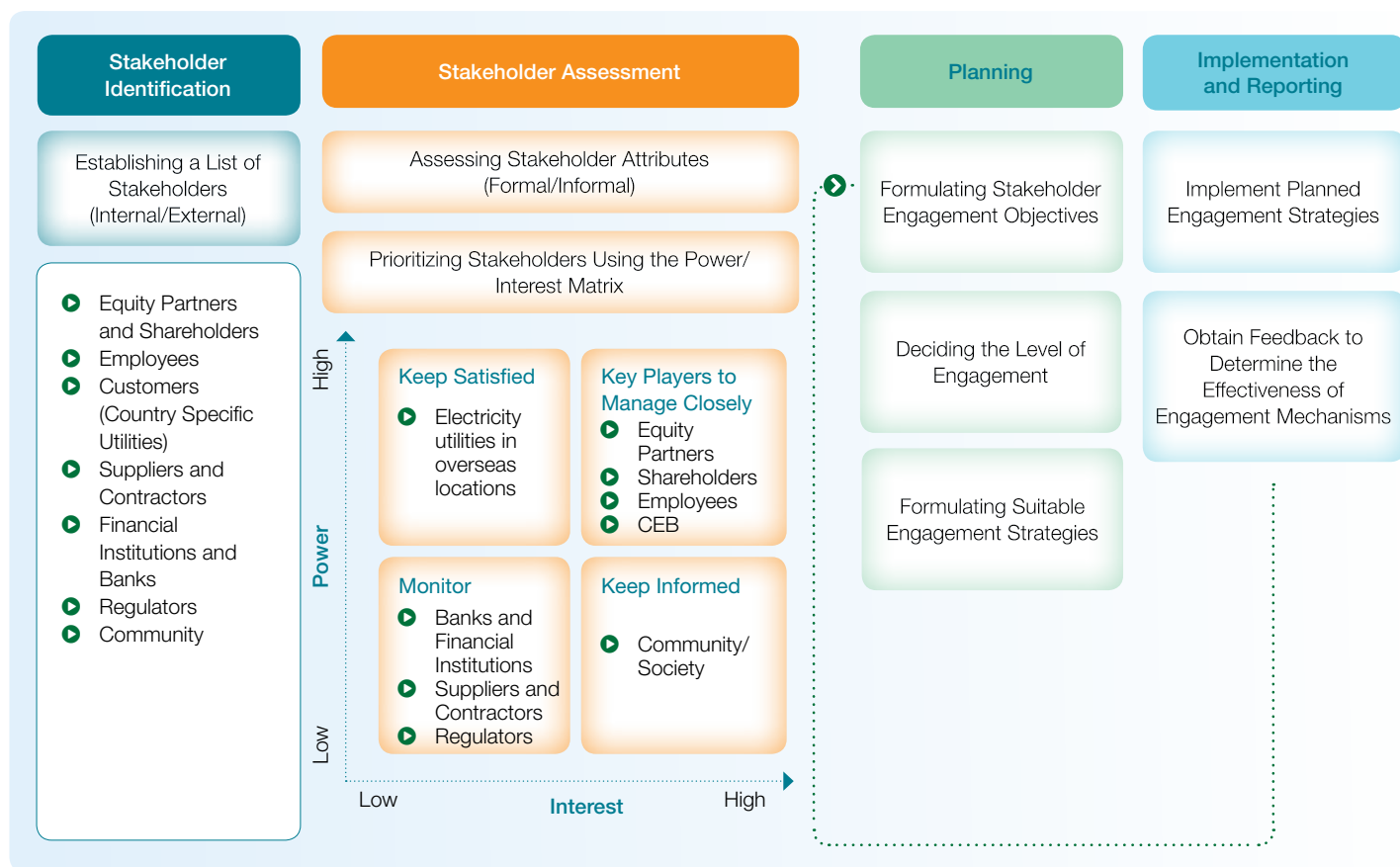
How we work with stakeholder engagement:

We believe that keeping an active dialogue with stakeholders strengthens our relationship with the society we operate in. It also benefits our company by allowing us to detect, investigate and manage potential risks arising in our surroundings. The stakeholder dialogue is both a means and an end in itself, as ongoing systematic stakeholder dialogue is a key objective in both the ESG Guidelines and the GRI Standards.

Stakeholder engagement is vital to ensure that our business remains sustainable in the long term. We believe that regular and ongoing engagement with our stakeholders helps to improve the overall performance of our business, enhance our institutional knowledge and strengthen our social and relationship capital, all of which contributes towards augmenting our reputation and status quo as a leading global renewable energy producer.

A comprehensive Stakeholder Management Process is in place to ensure we derive the best possible outcomes from stakeholder engagement.

Stakeholder Management



STAKEHOLDER ENGAGEMENT CONTD.

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

MATERIALITY ASSESSMENT

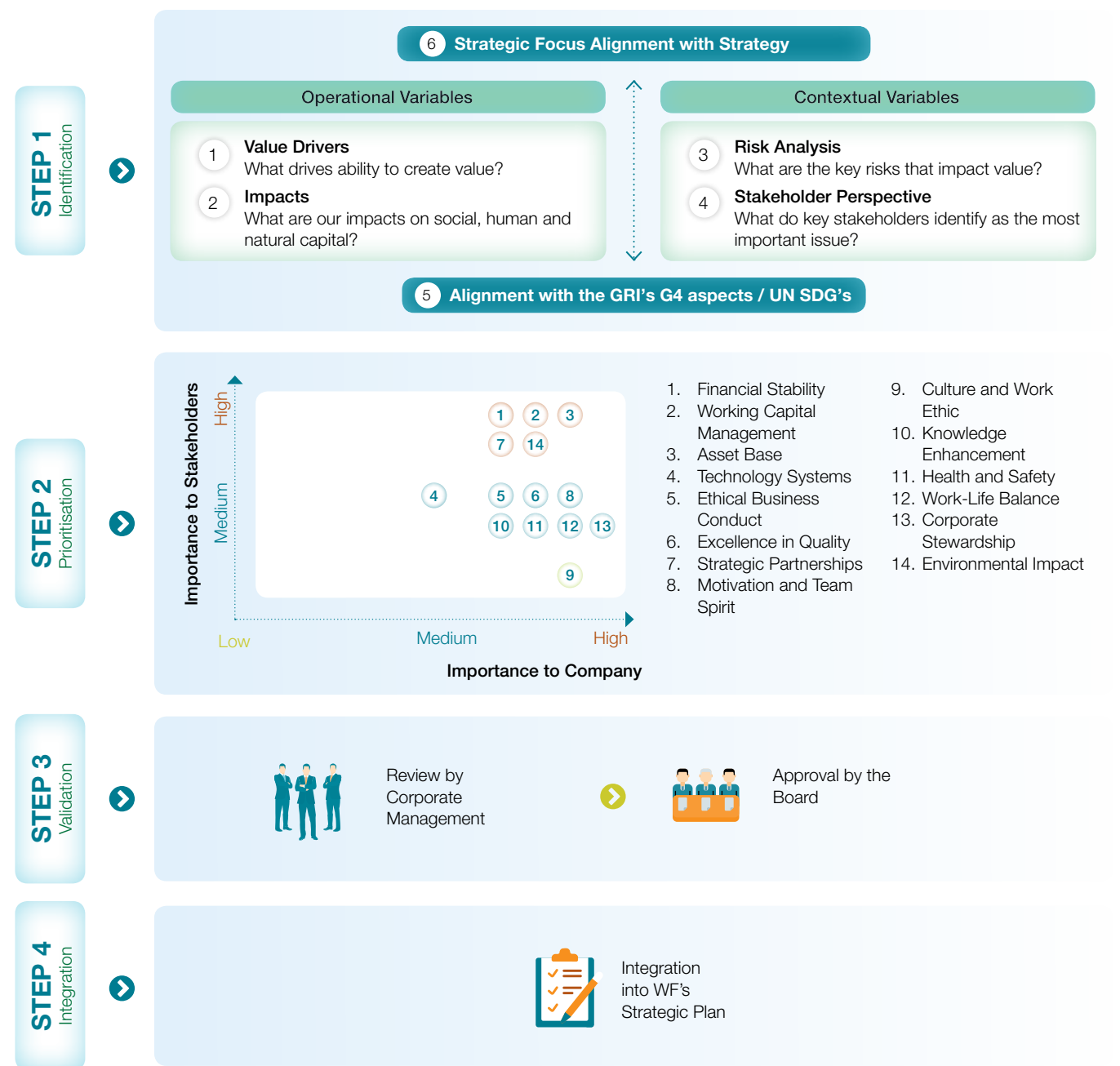
{GRI 102-29,37,47,103-1-3}

Materiality determination gives context for the most important topics that drive our industry. Material issues provide insights into future trends, business risks, and opportunities that influence our ability to create value and hence play an important role in WF's strategic planning and reporting processes.

Following our first Materiality Assessment, management has determined that a formal Materiality Assessment should be conducted every two years.

Therefore, the material topics and the topic boundaries reported in the previous financial year remain unchanged for FY 2022/23 as well.

Our 4-Step Materiality Determination Process

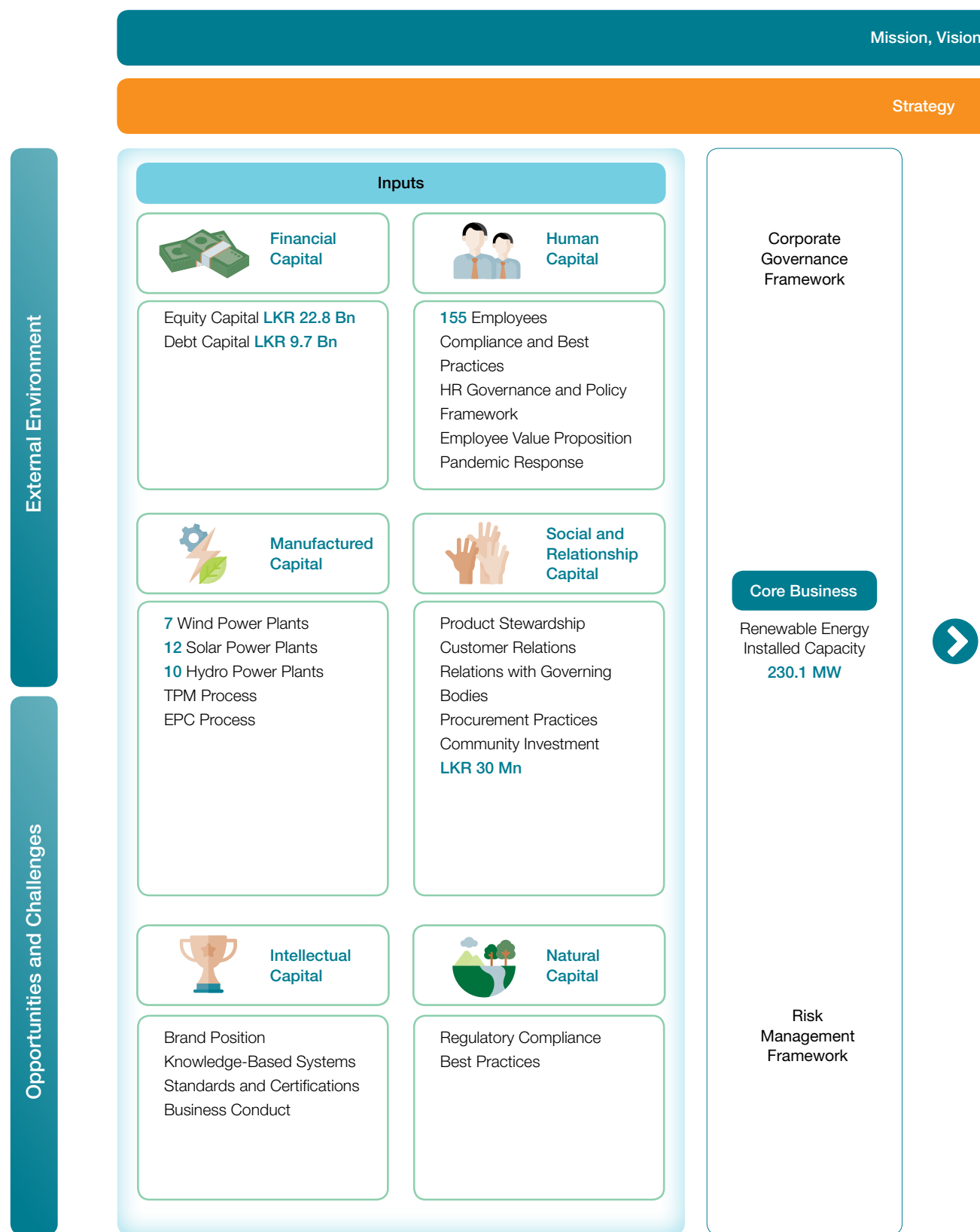


MATERIALITY ASSESSMENT CONTD.

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 73	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 73	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 97 Intellectual Capital - Page 90	No. of new projects
Ethical Business Conduct	Internal/ External	Enhances brand credibility	Business conduct Customer relations Relations with governing bodies	Intellectual Capital - Page 90 Social and Relationship Capital - Page 97	Incidents of non-compliance Brand awards Plant availability No. of new projects
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 90 Manufactured Capital - Page 87	
Strategic Partnerships	Internal/ External	Increases customer and investor confidence	Business networks Standards and certifications Procurement practices	Intellectual Capital - Page 90 Social and Relationship Capital - Page 97	

Material Topic	Topic Boundary	Why it is Considered Material	Management Approach	Further References	Evaluating the Effectiveness of Our Management Approach
Motivation and Team Spirit	Internal	Contributes towards the achievement of corporate objectives	Employee Value Proposition	Human Capital - Page 79	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
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 97	Direct contribution to communities No. of beneficiaries
Environmental Impact	Internal/ External	Supports the national environmental goals	Regulatory compliance Best practices	Natural Capital - Page 93	Incidents of non-compliance Contribution to the national renewable energy mix

VALUE CREATION MODEL



Outputs for WindForce

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



Shareholders

- ▶ ROE **9.78%**
- ▶ ROCE **10%%**



Suppliers

- ▶ Total value distributed **LKR 790 Mn**
- ▶ Percentage on local suppliers for operational projects **71%**
- ▶ Percentage on local suppliers for new projects **29%**
- ▶ New suppliers on-boarded **84**



Customers

- ▶ Energy generated **518.7 GWh**
- ▶ Product safety violations **None**
- ▶ Reported incidents of anti-competitive behaviour **0**



Regulators

- ▶ Contribution to the national renewable energy agenda
- ▶ Reported Incidents of non-compliance with environmental regulations **None**
- ▶ Reported incidents of bribery and corruption **None**
- ▶ Operations at risk for corruption **None**
- ▶ Operations at risk of human rights violations **None**
- ▶ Direct/indirect political contributions made **None**
- ▶ Health and safety violations **None**



Employees

- ▶ Total monetary benefits paid **LKR 268 Mn**
- ▶ 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 **0**
- ▶ Livelihood development opportunities
- ▶ Community infrastructure development
- ▶ Emergency relief assistance

**ENERGY THAT
IS CLEAN AND
GREEN**





OPERATING ENVIRONMENT

Global Economic Outlook

Last year, global economic activity witnessed a sharper-than-expected decline, with inflation higher than in previous decades. The cost of living crisis, tighter financial conditions in most regions, Russia's invasion of Ukraine, and the persisting COVID-19 epidemic all weighed hard on the outlook. World growth was expected to drop from 6% in 2021 to 3.2% in 2022 and 2.7% in 2023. Apart from the global financial crisis and the severe phase of the COVID-19 epidemic, 2022 saw the slowest growth profile since 2001.

Global growth is predicted by the January 2023 World Economic Outlook Update to decrease to 2.9% in 2023 but increase to 3.1% in 2024. The 2023 prognosis is 0.2% higher than the October 2022 Global Economic Outlook prediction, although it is still below the long-term average of 3.8%. The war in Ukraine and rising interest rates continue to have a negative impact on the economy. The recent reopening of China has made room for a quicker-than-anticipated rebound. Still higher than pre-pandemic levels, global inflation is predicted to decline to 6.6% in 2023 and 4.3% in 2024.

Global Impact on Energy Sector

Russia's invasion of Ukraine precipitated the current global energy crisis, which has the potential to speed the transition to a more secure and sustainable energy system. The current energy crisis is causing an upheaval of unparalleled scope and complexity. The markets for coal, electricity, and natural gas have experienced the largest disruption. Energy markets remain incredibly susceptible due to persistent geopolitical and economic worries, and the crisis serves as a warning of the brittleness and unreliability of the current global energy system.

Energy prices have increased as a result of climate policies and net zero promises. Higher percentages of renewable energy were associated with lower electricity prices in the most impacted areas. More energy-efficient dwellings and electrified heat have also helped certain consumers, though not

enough. Poorer households, where a bigger percentage of income is spent on energy, bear the brunt of the burden.

By 2030, worldwide renewable energy investment will increase by more than 50% from today's level to more than USD 2 trillion per year. The upside for coal from the current crisis is temporary in this scenario as renewables, bolstered by nuclear power, see continuous advances. A peak in global emissions is consequently to be attained in 2025.

Sri Lanka Economic Outlook

Sri Lanka is grappling with unsustainable debt and a severe balance of payments issue, both of which are weighing on growth and poverty. According to the most recent South Asia Economic Focus and the Sri Lanka Development Report, Sri Lanka's GDP was predicted to shrink 9.2% in 2022 and a further 4.2% in 2023.

The volatile political scenario, as well as increased fiscal, external, and financial sector imbalances, cast major doubt on Sri Lanka's economic prognosis. The economic prognosis is highly unpredictable and will be determined by progress in fiscal reduction, debt restructuring, and growth-improving structural changes. Notwithstanding tighter monetary policy, inflation is expected to remain high. Consolidation measures are expected to steadily reduce the fiscal deficit over the medium term. Import compression is intended to reduce the current account deficit. To close the external finance shortfall in 2023 and beyond, additional resources will be required. Poverty is expected to continue above 25% in the coming years.

Sri Lanka Impact on Energy Sector

In 2015, fossil fuels provided 52% of Sri Lanka's electricity. Because indigenous fossil fuel resources are limited, the fossil fuel utilized for power is imported, accounting for a large portion of Sri Lanka's import spending. Sri Lanka's demand for power will rise in the future as the country develops. As a result, it is critical for Sri Lanka to guarantee its energy future by focusing on the development and use of indigenous,

renewable energy sources to fulfill rising demand and minimize the economic burden of imports.

Recognizing this requirement, Sri Lanka increased the amount of Renewable Energy (RE) in the electrical mix in 2014, when the government met its aim of generating at least 10% of its electricity from renewable sources. As a result, the share of fossil fuels to the electrical mix declined in 2015, while the contribution of renewable energy and large hydro increased.

Sri Lanka's energy demand is thus currently met by a variety of energy sources, including both indigenous non-fossil fuels and imported fossil fuels. The majority of the country's energy requirements are satisfied by biomass, an indigenous fuel source, and imported fossil fuels like petroleum and coal. The rest is made up of different indigenous sources, such as large hydro and renewables like solar, small hydro, and wind.

WF Contribution to Energy Sector

Since launching its first project in 2010, Sri Lanka's WindForce PLC has established itself as a major player in the country's renewable energy industry. The business was founded to manage all facets of the growth of renewable energy, and it now owns, develops, and runs state-of-the-art power facilities that are fully geared up to satisfy the rising need for clean, green energy.

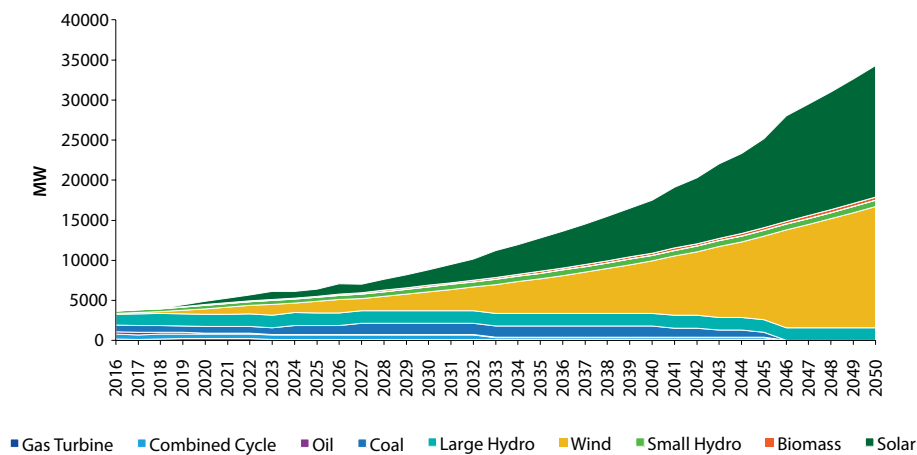
Our objective is to maintain our position as the major contributor of renewable energy in Sri Lanka by investing in viable, eco-friendly, and cutting-edge renewable energy power facilities, as well as to expand beyond our shares and become significant participants in the worldwide market.

Future Prospects for Sri Lanka's Energy Sector

- Pledge to generate 100% electricity through renewable energy.
- By 2050, Sri Lanka's electricity generation demand is likely to increase fivefold to ~70,000 GWh from ~14,000 GWh in 2016.

- ▶ Sri Lanka can transition from coal-based power plants to NCRE sources by 2030, gradually phasing out all fossil fueled power plants and transitioning to RE electricity generation.
- ▶ CEB estimated demand for Sri Lanka upto 2034 using an econometric model, with demand increasing at a rate of 4.8%.
- ▶ SL government aims to achieve 70% electricity production by renewable sources by 2030 and net carbon zero by 2050.
- ▶ Sri Lanka has already achieved a grid connectivity of 98%, which is relatively high by South Asian standards. Electricity in Sri Lanka is generated using three primary sources: thermal power (which includes coal and fuel oil), hydropower, and other non-conventional renewable energy sources (solar power and wind power).

Sri Lanka 2050 electricity generation mix: 100% RE³



REVIEW OF BUSINESS OPERATIONS

WindForce has achieved commendable financial results in the current fiscal year, with a consolidated revenue of LKR 4.95 billion, marking a significant growth of 13% compared to the audited figure of LKR 4.37 billion in the previous fiscal year that ended on 31st March 2022. However, the bottom line for the year ending on 31st March 2023 stood at LKR 1.78 billion, reflecting a decline of 9% in comparison to the audited figure of LKR 1.95 billion for the year ended 31st March 2022.

The decline during the period ending on 31st March, 2023, can be attributed to the impact of tax rate changes implemented by the Inland Revenue (Amendment) Act, No. 45 of 2022, certified on 19th December, 2022. This amendment led to an increase in corporate income tax rates, with the tax rate for business income of project companies outside of concessionary schemes rising from 14% to 30%, and the holding company tax rate increasing from 12% to 30%.

As a result of these tax rate changes, the company incurred a deferred tax expense of LKR 554 million. Additionally, the reversal of temporary differences contributed to an impact of LKR 137 million for the year ending on 31st March, 2023. These adjustments were made to account for the increased current tax rate, except for companies benefiting from concessionary rates.

It is important to note that these tax rate changes had a significant impact on the company's financial performance for the period under review. The management continues to evaluate and navigate the implications of these tax reforms to ensure the company's long-term financial sustainability and growth.

The wind sector revenue demonstrated a modest increase of 2%, compared to the previous financial year. During the previous fiscal year (FY21/22), DLRE and Powergen companies operated below capacity due

to the failure of a power transformer at the Norochcholai wind collector substation, which was later restored in September 2021. In contrast, during the current year, DLRE operated at its full capacity, showcasing a growth of 21%. However, Powergen faced another setback with a transmission line failure, resulting in a further decline of 2% compared to the previous year.

During the previous year, both Joule and Beta plants experienced blade damages caused by a lightning strike on 21st May, 2021, which resulted in a limited operational capacity. However, in the current fiscal year ending on 31st March, 2023, both plants operated at their full capacity, demonstrating a generation growth of 12% and 5% respectively. It is important to note that in November and December 2022, both plants entered the second tier of operation, leading to a significant tariff drop. As a result, although there was generation growth, it did not directly translate into revenue growth in the financial statements.

The solar sector revenue experienced a significant increase of 26%. The main driver of this growth was the Tororo plant in Uganda, which saw a remarkable revenue growth of 90% compared to the previous fiscal year, primarily attributed to the currency translation gain resulting from rupee depreciation. However, the Tororo plant did face challenges with a 6% drop in generation due to damage to PV modules caused by strong winds and stormy weather in August 2022. Furthermore, the addition of the Sky Solar plant in September 2021 also contributed to the revenue growth in the sector.

The hydro sector revenue experienced a slight decline of 1%. This was primarily due to a 4% drop in generation caused by a technical upgrade in Terraqua Kokawita and gate repair of Bowatenna reservoir, which affected HPD operations. Despite the generation decrease, the impact on revenue was limited to a 1% decline for the year ended on 31st March, 2023.

During the construction phase of the Hiruras wind power plant located in Nanattan, Mannar, an incident occurred involving the toppling of a 600T main crane at one of the wind turbines. Fortunately, there were no casualties reported, but there was property damage. The necessary insurance coverage was in place to address the damages caused by the incident.

Despite this setback, the Hiruras wind power plant is nearing completion. It is currently in its final stages of construction and is expected to be commissioned in two stages. The first stage, which will contribute 10 MW to the national grid, is scheduled to be operational by the end of May 2023. The remaining 5 MW is planned to be commissioned by July 2023. This signifies a significant step forward in our commitment to renewable energy generation and our contribution to the sustainable development of the country.

Upon completion of the 15 MW (10+5) Hiruras Power Plant in Mannar, scheduled for July 2023, WindForce's total portfolio will be further strengthened, reaching a cumulative capacity of 245.1 MW. This significant addition showcases WindForce's commitment to expanding its renewable energy footprint and contributing to the sustainable development of the energy sector. The Hiruras Power Plant will play a vital role in meeting the growing energy demands while promoting a greener and more sustainable future.

In the pursuit of diversification into sustainable mobility, WindForce achieved significant milestones this year. The formation of Satva Automotive (Private) Ltd and the introduction of VMOTO, a brand represented by Satva, into the Sri Lankan market mark an important step in this direction.

Satva Automotive represents multiple sustainable vehicle brands, aiming to become the largest Sri Lankan firm contributing to a carbon-free, green, and

organic country. The company is dedicated to providing sustainable transportation to every resident of Sri Lanka, offering island-wide sales, after-sales support, and components.

Furthermore, WindForce is actively involved in the development of Electric Vehicle (EV) technology through its new venture; BlueSky EV (Private) Limited. Recognizing the impending energy crisis, WindForce PLC proactively sought solutions for the fuel crisis in Sri Lanka. The company conceptualized the e-Wheeler, a converted three-wheeler, as the ideal solution to address the soaring fuel prices and scarcity.

Through these initiatives, WindForce continues to demonstrate its commitment to sustainable mobility, environmental stewardship, and addressing the challenges of the evolving energy landscape.

In another significant achievement, WindForce successfully completed the Solar Universe 10 MW agrovoltaic project. This ground-mounted solar power station, a first-of-its-kind for both WindForce and Sri Lanka, was commissioned on September 28th and officially opened on October 11th. Construction of this project began in September 2021 and was completed within 10 months.

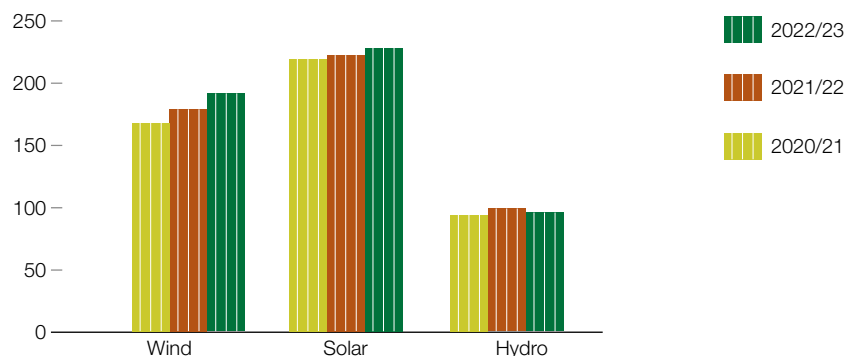
With its 33.33% ownership in the Solar Universe project, WindForce PLC's total solar portfolio now amounts to 134.6 MW. This expansion reaffirms WindForce's commitment to renewable energy and strengthens its position as a key player in the sustainable energy sector.

WindForce has ambitious plans for the future, aiming to achieve 500 MW of installed capacity by 2025, building upon its current portfolio of 230 MW.

Key Performance Highlights

GWh	Wind	Solar	Hydro
2022/23	192	229	98
2021/22	179	223	99
2020/21	168	219	94

Plant Performance



REVIEW OF BUSINESS OPERATIONS CONTD.

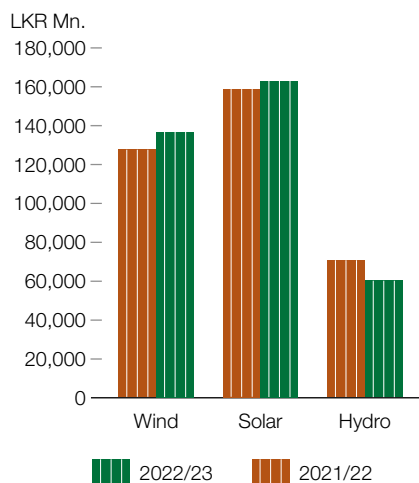
3-Year Generation Comparison

	% Increase	2022/23	2021/22	2020/21
Total Generation Volume (GWh)	4%	518.71	500.20	481.21
Wind	7%	191.71	178.80	168.09
Solar	3%	228.60	222.50	219.35
Hydro	-1%	98.40	98.90	93.77
Installed Capacity (MW)	5%	230.10	220.00	218.00

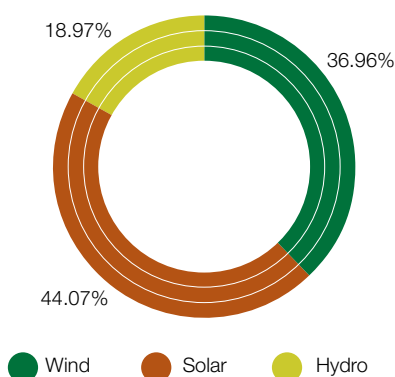
Actual CO₂ savings

	2022/23	2021/22	% Increase
Wind	136,112	126,900	7%
Solar	162,309	158,000	3%
Hydro	69,982	70,200	0%

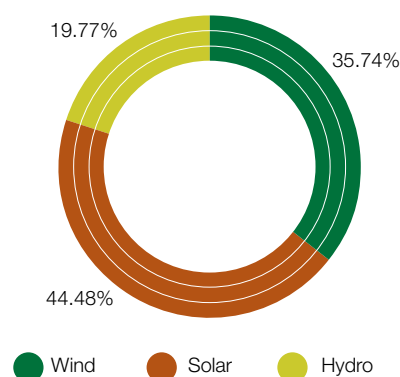
CO₂ Savings



Energy Generation Mix FY 2022/23



Energy Generation Mix FY 2021/22



Power Plant Breakdown 2022/23						
Local				Overseas		
	Wind	Solar	Hydro	Wind	Solar	Hydro
Plants	7	8	8	0	4	2
Total		23			6	



Strengths

- ▶ Professional, experienced, and versatile engineering team and skilled workforce across all functions of the company and their knowledge on the latest technological advancements in renewable energy, regulatory policies and changing market dynamics
- ▶ Strong network among the industry players, that can assist in collective efforts and negotiations with the CEB and other regulatory authorities which will support the industry's growth and stability
- ▶ Investor confidence - Our IPO was oversubscribed 8 times
- ▶ Backing of 3 of the largest private sector giants as our main shareholders
- ▶ Strong relationship with local and foreign financial institutions and banks

Weaknesses

- ▶ Reliance on a single buyer (locally) which poses a weakness and a threat due to the risk of payment delays we currently experience
- ▶ Recently commissioned projects are heavily geared (Debt to Equity 70:30)

Opportunities

- ▶ Strong demand for renewable energy due to the high cost of non-renewable energy resources and their negative impact on the environment
- ▶ Current economic condition has become favorable to large players such as WindForce with reduced competition, which has given us access to more projects
- ▶ Growing demand for energy from African region
- ▶ Positive economic outlook with the recent IMF bailout package

Threats

- ▶ Uncertainty and volatility in government policies and regulations
- ▶ Rupee devaluation and the increase in global raw material prices that increased the initial investment cost of ongoing projects
- ▶ Fixed tariff for project lifetime despite market fluctuations (interest and currency)
- ▶ Brain drain of skilled employees due to the current economic situation in the country
- ▶ Cyber security threats such as hacking and data breaches can lead to the compromising of sensitive information
- ▶ Negative outlook in global economy
 - Current restrictions in Pakistan exchange control regulations
 - Economic downturn that affected Ukraine

Future Plans

WindForce is actively engaged in tariff negotiations for a significant project in Siyambalanduwa, which includes a 100 MW solar power plant, a 25 km transmission line, and a grid substation. The company recognizes the potential of floating solar as an untapped opportunity in Sri Lanka and is exploring its inclusion in the portfolio, alongside wind and ground-mounted solar development.

Expanding its global business capacity, WindForce is focusing on the African market, which offers vast potential in wind, solar, and hydro energy resources. Lowering costs in the renewable energy sector is making it more affordable, and the company believes that transitioning to renewable energy can address various social, economic, health, and environmental concerns in Africa.

Despite the challenges faced, including non-payments from CEB, high bank interest rates, and soaring inflation, WindForce has demonstrated resilience throughout this difficult period. The company's ability to navigate through these challenging circumstances has positioned it for better opportunities ahead.

REVIEW OF BUSINESS OPERATIONS CONTD.

Entity	Location	Installed Capacity (MW)*	Date of Commissioning	Estimated Annual Average Generation (GWh)	Annual Average CO2 Savings (MT)	PPA Years Left	Plant Load Factor	Generation 2022/23
<i>Wind Power Projects</i>								
Seguwantivu	Puttalam	9.6	May-10	25	17,700	7.1	30%	23,542
Vidatamunai	Puttalam	9.6	Jul-10	25	17,700	7.3	30%	25,051
Nirmalapura	Puttalam	10	Jul-12	29.4	20,900	9.3	29%	30,888
Daily Life	Puttalam	10	Jul-12	27.2	19,300	9.3	33%	34,433
Powergen	Puttalam	10	Jul-12	22.5	16,000	9.3	16%	13,661
Joule Power	Kilinochchi	10	Dec-14	32.8	23,300	11.7	32%	31,773
Beta Power	Kilinochchi	10	Dec-14	32.8	23,300	11.7	35%	32,358
<i>Solar Power Projects</i>								
Solar One	Welikanda	10	Dec-16	21	15,000	13.7	19%	18,857
Vydexa	Vavuniya	10	Jul-17	21.7	15,000	14.3	20%	19,696
Suryadhanavi	Rooftops	11.4	Nov-18	15.03	10,600	15.6	15%	12,482
Sunny Clime	Vavuniya	1	Feb-19	1.68	1,000	15.8	19%	1,736
Seruwawila	Vavuniya	1	Feb-19	1.68	1,000	15.8	19%	1,749
Hirujanani	Rooftops	2.1	Apr-19	2.8	2,000	16.0	15%	2,500
Harappa Solar	Pakistan	18	Oct-17	27	19,000	14.5	24%	31,166
Gharo Solar	Pakistan	50	Dec-19	100	71,000	16.7	24%	103,531
Tororo PV Power	Uganda	10	Aug-20	22.74	16,000	17.3	26%	19,356
Semypolky Solar	Ukraine	9	Jul-20	10.6	7,500	17.3	13%	7,067
Sky Solar	Rooftops	2.1	Feb-22	2.8	2,000	18.9	15%	1,903
Solar Universe	Vavunativu	10	Sep-22	17.9	12,700	19.5	20%	8,563
<i>Hydro Power Projects</i>								
Energy Reclamation**	Sitagala	0.8	Apr-19	3.5	2,500	16.1	42%	2,817
Terraqua International	Halathura Ganga	1.3	Feb-09	4.9	3,500	5.8	41%	4,767
Gurugoda Hydro	Kegalle	1.2	Mar-10	3.3	2,300	6.9	31%	3,630
Terraqua Kokawita	Kalawana	1.2	Jun-12	4.4	3,000	9.2	35%	3,101
Vidul Madugeta	Neluwa	2.5	Nov-13	11.2	8,000	10.6	42%	8,745
Melanka Power	Haldumulla	3.8	Feb-14	12.3	8,700	10.8	37%	7,365
Peak Power	Ginigathhena	2	May-16	7.5	5,300	13.1	45%	6,647
H.P.D. Power	Dambulla	3.2	Dec-16	16.7	12,000	13.7	41%	13,029
Mahoma Uganda	Uganda	2.7	Oct-18	9.9	7,000	15.5	50%	11,384
Ziba	Uganda	7.6	Jul-19	36.7	26,000	16.3	55%	36,912

*Intalled capacity will be measured in MWp for solar plants

** Project PPA has been renewed

FINANCIAL CAPITAL



STRATEGIC PRIORITIES

WindForce PLC's Financial Capital comprises shareholder funds (equity) and debt capital, which are strategically utilized to support the provision of renewable energy to the national grid. Our primary goal is to optimize the management of our Financial Capital, ensuring its efficient and effective allocation to create value for our shareholders, fulfill financial obligations, and make positive contributions to society. To achieve these objectives, we have developed a comprehensive Financial Capital management program based on three pillars: Profitability, Asset Management, and Liquidity and Solvency. Through these pillars, we strive to enhance profitability, maximize asset utilization, maintain sufficient liquidity, and ensure long-term financial stability.

Importance of Financial Capital Management

Effective Financial Capital management is of utmost importance to WindForce. It plays a crucial role in sustaining our operations, driving growth, and delivering value to our shareholders. By efficiently managing our financial resources, including shareholder funds and debt capital, we can optimize our profitability, enhance asset utilization, maintain liquidity and solvency, and generate sustainable returns. Sound Financial Capital management enables us to meet our financial obligations, invest in renewable energy projects, and contribute to the country's energy needs while ensuring long-term financial stability. It also allows us to adapt to changing market dynamics, seize growth opportunities, and maintain a competitive edge in the renewable energy sector.

Through our diligent management of Financial Capital, WindForce aims to maximize shareholder value, foster stakeholder confidence, and contribute to the overall economic and social well-being of the communities we serve.

Financial Performance

For the year ended 31st March, 2023	2022/23	2021/22	LKR '000	
			Change	
			Value	%
Revenue	4,953,490	4,367,373	586,117	13%
Cost of Sales	1,952,262	1,654,170	298,093	18%
Administration Expenses	776,508	647,975	128,532	20%
Selling and Distribution Expenses	5,628	-	5,628	
Finance Costs	1,128,747	621,829	506,917	82%
Share of Results of Equity Accounted Investee	470,011	318,137	151,874	48%
Income Tax Expenses	576,078	285,998	290,080	101%
Profit after Taxation	1,782,857	1,951,827	(168,970)	-9%

MANAGEMENT APPROACH FOR FINANCIAL CAPITAL

- Striving to optimize our revenue streams, control costs, and improve operational efficiency to maximize returns for our shareholders
- Continuously evaluate and optimize the deployment of our resources, ensuring that our renewable energy projects are effectively generating value and contributing to the growth of our business
- Maintaining a healthy level of liquidity to meet financial obligations promptly
- Actively engaging with our stakeholders, including shareholders, lenders, and regulatory authorities, to maintain transparent communication and ensure alignment of interests

FINANCIAL CAPITAL CONTD.

Financial Position

	LKR '000	
As at 31st March, 2023	2022/23	2021/22
Non-Current Assets	29,079,797	21,456,820
Current Assets	10,722,441	9,062,317
Total Assets	39,802,238	30,519,137
Non-Current Liabilities	9,691,400	5,247,439
Current Liabilities	4,911,517	2,450,764
Total Liabilities	14,602,917	7,698,203
Shareholders' Funds	22,820,713	20,880,477
Non-Controlling Interest	2,378,607	1,940,457
Total Equity	25,199,321	22,820,934

Profitability

Revenue

Break-down of Revenue for Supply of Electricity

	2022/23	2021/22	Change	
Wind	2,497	2,459	39	2%
Solar	1,647	1,305	342	26%
Hydro	538	545	(7)	-1%
	4,682	4,308	374	9%

The Group achieved a consolidated revenue of LKR 4.95 billion for the fiscal year ending on 31st March, 2023, reflecting a significant growth of 13% compared to the audited revenue of LKR 4.37 billion for the previous fiscal year ending on 31st March, 2022.

It is important to highlight that the majority of the Group's revenue, 95%, is generated from the supply of electricity. The remaining 5% is derived from various sources, including WF's Operations and Maintenance fee income, management fee income, carbon credit sales income, battery pack sales income, and sales within the automotive sector. This diversified revenue stream contributes to the overall financial performance of the Group.

This achievement showcases our ability to effectively generate revenue through the supply of electricity while also leveraging additional income streams. It underscores our commitment to exploring various avenues within the renewable energy sector and maximizing opportunities for sustainable growth.

Revenue Sector-Wise Breakdown

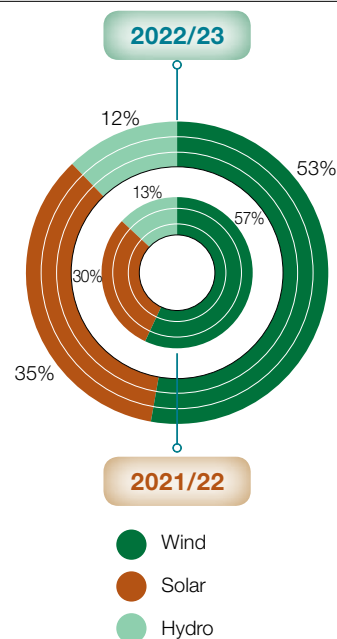
Wind Sector

The wind sector experienced a 2% increase in revenue. In the previous year, DLRE and Powergen operated below capacity due to a power transformer failure at the Norochcholai wind collector substation, which was restored in September 2021. However, in the current year, DLRE operated at full capacity, achieving a growth of 21%, while Powergen faced another transmission line failure, resulting in a 2% decline compared to the previous year.

In the previous year, both the Joule and Beta plants encountered blade damages caused by a lightning strike on 21st May, 2021, limiting their operational capacity. However, in the current year ending on 31st March, 2023, both plants operated at full capacity, achieving generation growth rates of 12% and 5% respectively. It is important to note that the plants entered their second tier of operation in November and December 2022, leading to a significant tariff reduction.

As a result, the growth in generation did not directly translate into revenue growth in the financial statements.

Revenue Breakdown for Supply of Electricity



Solar Sector

The solar sector witnessed a remarkable revenue surge of 26%. The standout contributor to this growth is the Tororo plant in Uganda, which achieved a revenue increase of 90% compared to the year ended on 31st March, 2022. This growth can primarily be attributed to the currency translation gain resulting from the depreciation of the rupee.

Despite this revenue growth, the Tororo plant faced challenges in terms of generation, experiencing a 6% decline due to damage inflicted on PV modules by severe winds and stormy weather in August 2022. Nevertheless, the sector's revenue growth was further bolstered by the addition of the Sky Solar plant, which commenced operations in September 2021. The combined effect of these factors propelled the solar sector to its notable revenue growth in the fiscal year.

Hydro Sector

The hydro sector experienced a marginal decline of 1% in revenue. This decrease can be attributed to a 4% drop in generation

resulting from a technical upgrade at Terraqua Kokawita and gate repairs at Bowatenna reservoir, which affected HPD plant operations. However, despite the decrease in generation, the impact on revenue was limited, with only a 1% decline for the fiscal year ending on 31st March, 2023.

Automotive Sector

In addition, the automotive sector generated an additional revenue of LKR 22 Mn in the current financial year from both Satva and BlueSky.

Cost of Sales and Gross Profit

The cost of sales has increased by LKR 298 Mn, representing a year-on-year growth of 18%. However, when analyzing the components of this increase, it is found that 54% of the increment is attributable to additional depreciation arising from Tororo due to currency depreciation.

Excluding the currency effect, the growth in cost of sales is only 8%, which can be attributed to the country's inflation.

Administration Expenses

In the year under review, there has been a 20% increase in administration expenses. A significant portion of this increase, accounting for 28%, can be attributed to the rise in employee benefit-related expenses. We consider our employees as our most valuable asset and believe it is our obligation to take care of them, especially given the current economic situation in our country.

Additionally, we continued to invest in research and development, recognizing that innovation is crucial for the progress of our industry. Furthermore, our business expansion into the EV segment with Satva and BlueSky has also had a considerable impact on the growth of administration expenses.

Selling and Distribution Expenses

The addition of the Satva and BlueSky EV segment has introduced a new dimension of expense to our profit and loss account. This expansion into the EV sector has resulted in

additional costs that need to be accounted for and managed effectively. As we continue to develop and grow in this segment, it is important to carefully monitor and analyze the impact of these expenses on our overall financial performance.

Finance Costs

The finance cost has experienced a significant growth of 82% despite the repayment of most project loans. A major contributing factor to this increase is the utilization of short-term working capital loan facilities, which account for approximately 60% of the finance cost growth. These loans were obtained to bridge the cashflow shortages resulting from prolonged non-settlement of dues from CEB.

The remaining 40% of the increase can be attributed to the threefold growth in commercial bank lending rates. The rise in lending rates has impacted the overall finance cost, adding to the substantial increase observed. It is crucial to closely monitor and manage these finance costs to mitigate their impact on the company's financial performance.

Share of Results of Equity Accounted Investee

The share of associate company profits has witnessed a significant increase of 48%. It is important to note that there has been a loss of LKR 138 million recorded from local associate companies. These losses primarily stem from the fact that these local associate companies have entered the second tier of operation, incurring losses due to fixed lower tariffs that are non-adjustable based on current interest and exchange rate fluctuations.

However, this negative impact from local associate companies has been offset and reversed by the inflated profit share from foreign sectors. This inflated profit share is a result of currency depreciation and the related translational gain. The positive performance of the foreign sectors has helped balance out the losses incurred by the local associate companies, resulting in an overall increase in the share of associate profits.

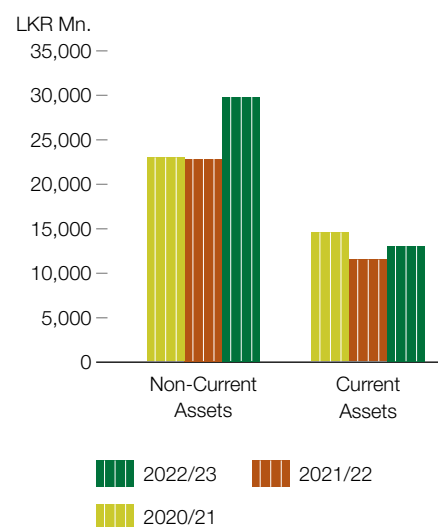
Income Tax Expenses

The income tax expense has decreased by 48% primarily because no tax was levied on dividend income during the year, as opposed to the previous fiscal year. However, it is important to note that effective from 1st October, 2022, changes were made to corporate income tax rates through the Inland Revenue (Amendment) Act, No. 45 of 2022, which was certified on 19th December, 2022.

Under the amended tax rates, business income of project companies not under concessionary schemes saw an increase in the tax rate from 14% to 30%, while the holding company tax rate increased from 12% to 30%.

During the period, deferred tax liabilities were calculated based on the increased current tax rate, except for companies with concessionary rates. As a result, there was a deferred tax expense of LKR 554 million, and an additional impact of LKR 137 million from the reversal of temporary differences for the period ending on 31st March, 2023.

Asset Growth



FINANCIAL CAPITAL CONTD.

WF has experienced a strengthening of its asset base by an additional LKR 7 billion due to the inclusion of the newly-added Solar Universe project and the ongoing construction of the Hiruras wind project. This expansion has contributed to the overall growth and diversification of WF's asset portfolio.

Notably, WF has successfully maintained its investments without any devaluations, even in a hyper-inflationary market. This can be attributed to the strategic approach of holding multi-currency investments and geographic diversifications. These measures have helped WF mitigate risks and navigate the challenges posed by fluctuations in currency and local economic conditions.

By actively managing its investments and leveraging its diversified asset base, WF has demonstrated its commitment to sustainable growth and resilience in the renewable energy sector.

Capital Structure

	LKR '000	
As at 31st March, 2023	2022/23	2021/22
Long-Term Borrowings	7,723,538	3,815,511
Short-Term Borrowings	3,743,939	2,048,551
Other Liabilities	3,135,440	1,834,141
Equity Attributable To Equity Holders of the Company	22,820,713	20,880,477
Non-Controlling Interest	2,378,607	1,940,457

The capital structure of our company forms the bedrock for its growth and stability. We have meticulously assessed various internal and external factors to establish a capital structure that is both cost-effective and secure, ensuring robust support for our business operations. In our industry, it is common to have a higher level of leverage during the initial stages of new projects.

During the previous financial year, our company maintained a conservative capital structure due to the absence of significant new large-scale projects. However, in the fiscal year 2022/23, we successfully added the 10 MW Solar Universe plant to our portfolio and commenced the construction of the 15 MW Hiruras plant. These ventures reflect our commitment to expanding our renewable energy capacity and diversifying our project portfolio.

Furthermore, despite challenging market conditions, our company has prudently managed to sustain its earnings relative to its overall capitalization, demonstrating resilience in the face of unfavorable

circumstances. We remain steadfast in our efforts to maintain a balanced and well-managed capital structure that positions us for continued success in the dynamic energy industry.

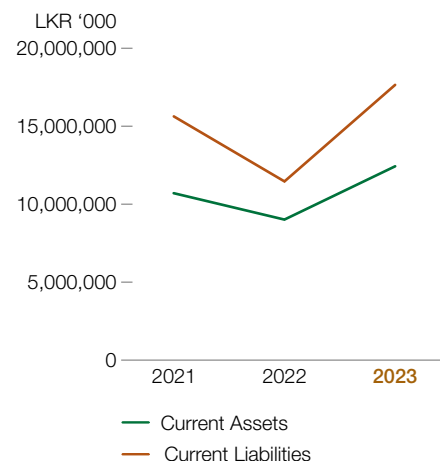
Working Capital

Trade Receivables

Trade receivables have doubled compared to the previous financial year, with 95% of the receivables attributed to outstanding dues from the Ceylon Electricity Board (CEB) for the supply of electricity. The credit period has increased to 365 days, significantly higher than the standard 45-day period, primarily due to delays in CEB payments.

This matter has been thoroughly analyzed and discussed in the Risk Management Report, which can be found on page 127 of the company's financial statements. The report provides a detailed examination of the risks associated with trade receivables and outlines the company's strategies for managing and mitigating these risks.

Working Capital Movement



WF maintains a sustainable liquidity position, as indicated by its current ratio of 2:18. This demonstrates the company's ability to meet its short-term obligations and suggests a healthy level of working capital.

To effectively manage the current excessive amount of trade receivables, WF has implemented robust working capital management procedures. These procedures likely include utilizing short-term working capital facilities, proactive monitoring of receivables, and timely follow-up on outstanding payments.

By maintaining a strong current ratio and implementing effective working capital management procedures, WF ensures its ability to manage its financial obligations, support ongoing operations, and sustain its overall financial health.

Cash and Cash Equivalents

Cash and Cash Equivalents (LKR '000)	2022/23	2021/22
Cash and cash equivalents	635,166	1,321,298
Bank overdraft	(1,740,083)	(897,597)

WF has experienced a significant reduction in cash and cash equivalents compared to the previous financial year, primarily due to the delay in payments from the Ceylon Electricity Board (CEB). This delay has impacted the company's liquidity and cash flow.

To address this industry-wide payment crisis, WF has been actively engaged with the CEB, the Ministry of Finance, and the government. These engagements aim to find solutions and mitigate the impact of delayed payments on the renewable energy industry as a whole.

To manage the current liquidity crisis, WF has utilized short-term working capital facilities that were implemented as a proactive measure. These facilities help to bridge the cash flow gap and provide necessary liquidity during this challenging period.

WF remains confident that the situation will improve through proposed tariff increases of the CEB and the implementation of a restructuring plan. These measures aim to enhance the financial stability of the industry and ensure timely payments in the future. By actively addressing the payment crisis and implementing strategic measures, WF aims to navigate the current challenges and maintain its commitment to renewable energy generation and sustainable growth.

Key Financial Indicators

Profitability Ratios			2023	2022
1	Gross Profit Margin	%	60.59%	62.12%
2	Net Profit Margin	%	35.99%	44.69%
3	Return on Assets (ROA)	%	4.48%	6.40%
4	Return on Equity (ROE)	%	9.78%	10.71%
5	Earnings Before Income Tax (EBIT)	LKR '000'	2,358,936	2,237,825

Liquidity Ratios			2023	2022
1	Current Ratio	Times	2.18	3.70
2	Quick Assets Ratio	Times	2.03	3.48

Equity Ratios			2023	2022
1	Net Assets Value Per Share (NAVPS)	LKR	16.89	15.46
2	Earnings Per Share (EPS)	LKR	1.10	1.17
3	Return on Capital Employed (ROCE)	%	10.00%	9.28%
4	Price Earnings Ratio (PE)	Times	15.06	13.64

Debt Ratios			2023	2022
1	Debt to Equity Ratio	%	57.95%	33.73%
2	Interest Cover	Times	4.07	7.96
3	Equity Assets Ratio	%	57.34%	68.42%

Return on Assets (ROA)

The Return on Assets (ROA) has witnessed a decline from 6.40% to 4.48% in the current financial year. This can be attributed to the inclusion of the Hiruras plant, which is currently under construction, in the asset base reflected on the balance sheet. The growth in property, plant, and equipment during the year under review has contributed to this drift.

However, it is important to note that once the Hiruras plant is commissioned and its revenues are added to the Group's financials, the returns are expected to normalize and align with the preceding year. As the plant becomes operational and begins generating revenue, it will positively impact the overall performance and profitability of the company.

Net Assets Value Per Share (NAVPS)

The Group's net assets per share experienced a growth from LKR 15.46 to LKR 16.89. This growth can be attributed to the retention of profit without distribution to the shareholders with the liquidity crisis faced during the year. This will have a favorable impact in the coming year's dividend payout.

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Earnings Per Share (EPS)

The decline in Earnings Per Share (EPS) can be attributed to the year-on-year decline in net profit attributable to ordinary shareholders, which decreased by 6% despite the 5% year-on-year growth in the Profit Before Taxation. This increase in total tax expenses was due to the increase in corporate tax rates that was effective from 1st October, 2022, through the Inland Revenue (Amendment) Act, No. 45 of 2022.

Return on Capital Employed (ROCE)

Return on Capital Employed (ROCE) has increased from 9.28% to 10%. This explains how the company has managed to maintain its returns eliminating the adverse effects of interest cost (AWPLR) and corporate tax rate increase. The company expects a considerable increase in ROCE in the upcoming years, with new additions to our portfolio which has a higher yield.

Interest Cover

The interest cover ratio has declined from 7.96 times to 4.07 times during the year under review. This decline is attributed

to increased borrowing cost due to the threefold growth in commercial bank lending rates (AWPLR). The rise in lending rates has impacted the overall finance cost, adding to the substantial increase observed.

Liquidity and Solvency

Debt to Equity Ratio

The gearing ratio of the company has experienced an increase, rising from 33.73% to 57.95%. This increase can be attributed to the ongoing wind power project, Hiruras, which requires substantial investment and financing. The company anticipates a decrease in the gearing ratio in the future as loan repayments begin after the grace period.

As the Hiruras project progresses and starts generating revenue, the company expects to generate sufficient cash flows to service its debt obligations. The repayment of loans will contribute to a reduction in the gearing ratio over time, reflecting a healthier financial position for the company.

Way Forward

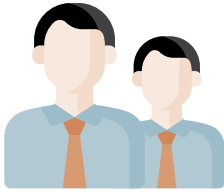
In moving forward, WindForce is committed to implementing a comprehensive approach to effectively manage our financial capital. This includes the following key strategies:

- ▶ Focus on enhancing our profitability by optimizing cost structures, improving operational efficiency, and identifying revenue growth opportunities.
- ▶ Maintain a strong focus on liquidity management to ensure the availability of sufficient funds to meet financial obligations and seize strategic opportunities.
- ▶ Continue to prioritize risk management practices to mitigate financial risks and ensure the resilience of our financial capital.

{GRI 201-1} Direct Economic Value Generated and Distributed

	LKR '000	
	2022/23	2021/22
Value Created		
Gross Revenue	4,953,490	4,367,373
(-) Cost of Goods and Services (Excluding Depreciation and Remuneration to Employees)	(789,663)	(652,632)
Value Added from Operations	4,163,827	3,714,741
Other Income	380,862	250,315
Finance Income	417,718	222,903
Total Value Created	4,962,407	4,187,959
Value Distributed		
Operating Costs	413,224	287,584
Remuneration to the Employees	264,872	254,165
Directors' Fees and Remuneration	3,100	2,863
Community Investments	30,140	35,628
Payment to Government	158,694	303,478
Interest Cost	1,128,747	366,538
Dividends	-	1,756,000
Total Value Distributed	1,998,777	3,006,256
Total Value Retained	2,963,630	1,181,703

HUMAN CAPITAL



STRATEGIC PRIORITIES

Our approach to human capital development is based on WindForce's unique culture that requires employees to fully commit to their work, but also keep in mind that their loved ones remain their top priority. Accordingly, we encourage collaboration, promote autonomy and recognize teamwork as the basis of driving personal growth. By emphasizing these underlying principles, we seek to ensure that every one of our employees remains fully engaged and motivated to work towards the success of the company.



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Employees



4

Females in Leadership Positions



MANAGEMENT APPROACH TO HUMAN CAPITAL

- Drive workforce strategy at the C-level
- Prioritize training and mentoring
- Plan for the changing demographics of the workforce
- Attract quality talent
- Connecting with all employees
- Taking a positive and transparent approach to communication

Importance of Human Capital Management

WF believes that human capital management is critical for attracting, managing, training, and retaining skilled and high-performing individuals.

Our human capital management is a set of strategies and procedures used by businesses to manage the employee life cycle. It aids in the streamlining of all tasks associated with acquiring, growing, and maintaining our staff. It entails applicant monitoring, onboarding, benefits administration, payroll, time and attendance tracking, training management, and other responsibilities. This in return helps maximize and increase our business value in order to gain a competitive advantage. Good human capital management enables the organization to successfully pursue human capital goals.

HUMAN CAPITAL CONTD.

Compliance

Shop and Office Employees Act, No. 19 of 1954
Factories Ordinance (No. 45 of 1942)

HR Policy Framework
Recruitment Protocol
Onboarding Protocol
Safety Policy
Conduct Policies
Employee Handbook



Best Practices
ISO 45000
Occupational Health and Safety Standard
Equal Opportunity and Non-Discriminatory Employment
No Child Labour
No Forced or Compulsory Labour



Corporate yoga sessions for employees

To promote healthy work-life balance within our company, WF has extended flexible working hours for all administrative employees. However, this excludes project and plant teams due to practical reasons. Plant teams are rotated and work on 12-hour shifts. Furthermore, within each year, all WF employees are to utilize a minimum of 70% of their annual leave.

HR Governance

WF has an open-door policy that focuses on a strategy-driven HR processes including onboarding, performance management, and employee relations. Our HR governance ensures that all employees are treated fairly, consistently, and in compliance with the law; to identify best practices; and also, to control expenses and risks.

WF human resources policies are documented and approved by both senior management and the Board Of Directors. These policies comply with the human rights code, employment standards, workplace and occupational health and safety and all relevant legislations applicable to the sector, and the provinces in which the organization operates. These policies, are followed by ongoing audits and revisions to reflect changes in both the internal and external environments.

WindForce Track Record {GRI 408-1, 409-1, 406-1, 403-9}

- ▶ Attrition rate: 8%
- ▶ Child labor incidents: 0%
- ▶ Forced or compulsory labor incidents: 0%
- ▶ Discrimination: 0%
- ▶ Fatalities: 0%
- ▶ Major injuries: 0%

Workforce Breakdown {GRI 404-3}

Employee Category	Male	Female	Total
Senior Management	4	1	5
Middle Management	9	3	12
Executives	12	5	17
Non-Executives	121	0	121

Creating Work-Life Balance

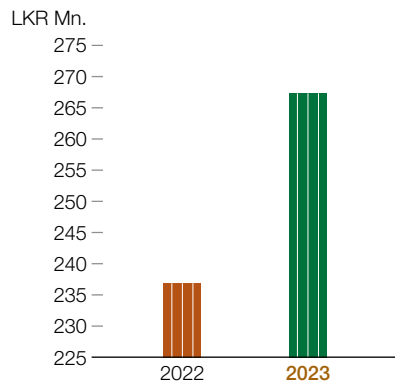
A healthy work-life balance has various advantages, including reduced stress, a lower chance of burnout, and a stronger sense of well-being. Accordingly, WF is committed to providing an environment that supports work-life balance for all our employees that will ultimately lead to a more loyal and productive workforce.

WF has a 40-hour work week which is followed by all our administrative employees, Saturday and Sunday excluded. We have also implemented a policy that ensures that no employee is contacted by the top management after 5.00 pm, unless deemed most urgent.

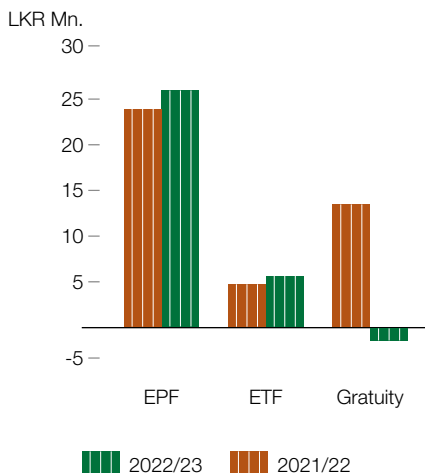
Compensation and Benefits

{GRI 202-1, 401-2, 403-6, 405-2}

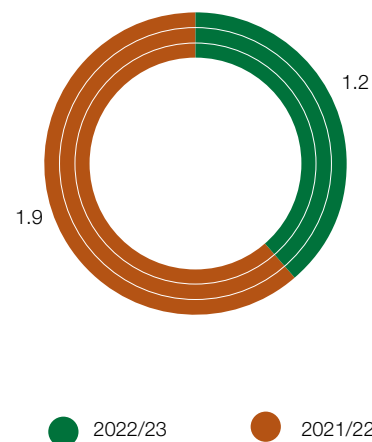
Salary & Benefits (LKR Mn.)



Other Employee Costs (LKR Mn.)



Training & Development Cost (LKR Mn.)



Monetary Benefits Distributed to Employees

	2022/23	2021/22	2020/21
Remuneration (LKR)	236,616,366	212,735,490	170,061,599
WF's Contribution to EPF & ETF (LKR)	30,918,142	28,144,495	18,864,942
Contribution to the Gratuity Fund (LKR)	(2,662,593)	13,284,694	12,534,571
Total (LKR)	264,871,915	254,164,679	201,461,112

WindForce offers the best pay and benefits in the business, and its merit-based hiring policy ensures that workers are fairly compensated for their qualifications for each position.

The compensation and benefits provided to men and women in equivalent roles are equal as we are an equal opportunity employer. The 1:1 compensation ratio between men and women applies to all employment levels, from entry-level to top management.

The CEO is entrusted with monitoring the company's compensation and benefit plans to make sure they remain market-competitive, with any proposals being subject to the approval of the Compensation

Committee. The CEO is in charge of implementing these authorized structures.

All permanent employees of WF are entitled to the following benefits:

- ▶ Life and surgical insurance cover
- ▶ Medical insurance covering OPD expenses
- ▶ Annual bonus linked to company profitability
- ▶ Compulsory annual/ blocked leave
- ▶ Death donation plans
- ▶ Education assistance

Performance Management

To compete effectively in the dynamic and rapidly changing renewable energy sector, WF requires that all of our employees remain performance-driven. To support

this goal, we have implemented a two-pronged performance management system that requires all permanent employees of the company to have their performance evaluated at least once a year.

The performance of plant employees is continuously monitored by the respective Plant Manager in order to assess how employees operate both individually and as part of a team. Plant Managers are expected to keep in touch with employees on a regular basis to discuss any performance gaps and identify training needs. Findings are formally reviewed biannually in the presence of the employee by the cluster General Manager and the Plant Manager, and again at the end of the fiscal year.

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One-on-one discussions between the employee and the MD/CEO are used to evaluate the performance of administrative and managerial level employees. Throughout the year, the management team, which includes the CEO, COO, CFO, and CDO, monitors the performance of managerial level employees in order to evaluate their performance of assigned tasks. At any time, any WF employee can meet with the MD and CEO to discuss any concerns they may have.

The results of the annual performance appraisal process are used to make decisions about raises and promotions.

Maternity Leave for FY 2022/23

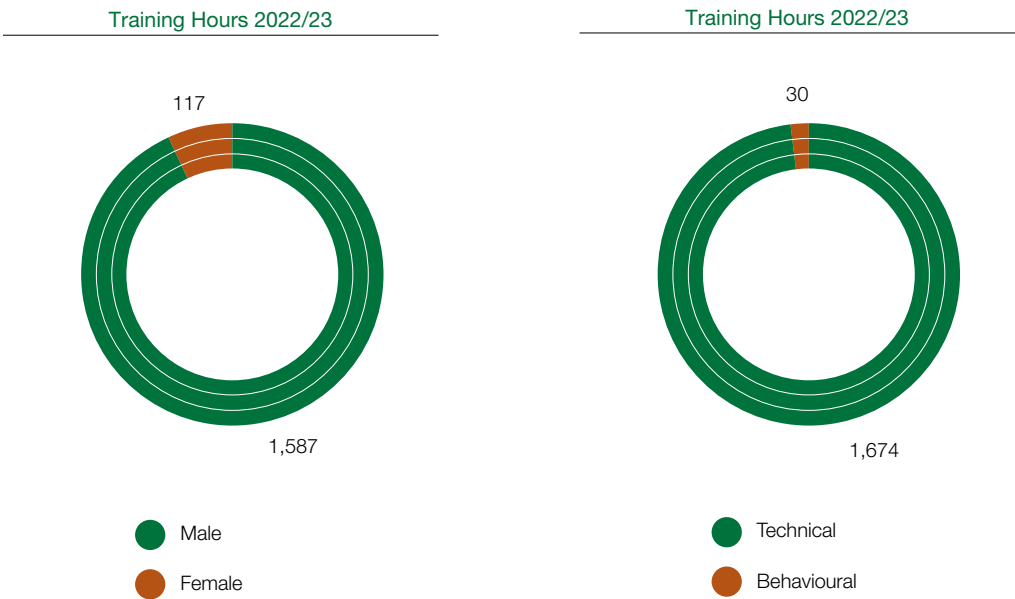
{GRI 401-3}

No. of female employees who took maternity leave: 0
No. of female employees who returned to work after completing their maternity leave: 0

Training and Development

WindForce’s training strategy focuses on providing high-quality learning opportunities for employees to sharpen their skill set in order to support the company’s objectives and advance their careers. Employee training needs are determined during the performance evaluation process or through recommendations from Plant Managers/Department Heads.

Meanwhile, our annual Total Productive Maintenance (TPM) Challenge serves as a learning platform for our plant teams. The main goal of the TPM Challenge is to encourage employees to innovate and experiment with new techniques in order to improve overall plant efficiency.



Training Focus for FY 2022/23 {GRI 404-1-2}



Participating in EMPOWHER 2023 Women's Day Program



Our Managing Director at the SABIT Clean Energy Program organized by the US Department of Commerce



WindForce is a certified training body of the Institute of Engineers of Sri Lanka

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Programme Description	Target Group	No. of Participants	Training Hours		
			Total	Male	Female
Infrastructure of Electric Power for B&R	Senior Engineers & Engineers	16	1,260	1,260	-
Clean Energy for South Asia Programme	Senior Engineer	1	114	114	-
Valuation Model Annual Tax Symposium IFRS Workshop	Finance Team	6	125	75	50
Carbon Credit	Senior Engineer	1	6	6	-
Solid skills Logic controller	Technical Team	2	21	21	-
Insurance and Economy	Executive Staff	5	138	89	40
Skill Development	Logistics & HR Team	6	41	14	27

Training Highlights

**Total
1,704 hours**
of training

**Average
10.9 hours**
of training per employee

14%
increase in training hours compared to
last year

{GRI 102-8, 401-1, 405-1}

As at 31st March 2023	Females	Males	Total
Full-Time	8	147	155
Contract	-	4	4
New Hires	4	14	18
Turnover	3	9	12

Employee Turnover

Turnover	2022/23	2021/22	2020/21
Employee Turnover	12	12	7

Age Category Breakdown

As at 31st March 2023	Females	Males	Total
<i>Total Workforce</i>			
18-30	3	50	53
31-45	4	72	76
46-55	1	19	20
56+	-	6	6
<i>Turnover</i>			
18-30	2	6	8
31-45	1	3	4
46-55	-	-	-
56+	-	-	-
<i>New Hires</i>			
18-30	3	11	14
31-45	1	3	4
46-55	-	-	-
56+	-	-	-

Health and Safety {GRI 403-5,8}

The processing of renewable energy poses no risk of illness or the development of occupational diseases. WF remains fully committed to complying with all applicable safety regulations in the interest of the safety and well-being of our employees and others at our sites. The main legislative instrument on occupational health and safety in Sri Lanka is the Factory Ordinance No. 45 of 1942, while our global operations follow the applicable safety regulations in their respective jurisdictions.

Our dedication to safety extends beyond compliance, as our Board-approved Health and Safety Policy outlines our overarching safety principles and the company's safety goals. These are put into action by WF's safety management system, which is steered by the most recent ISO 45001 Occupational Health and Safety Standard. The safety management system addresses safety issues that are commonly associated with the construction of wind/solar/hydro power plants, as well as their operation and maintenance.

A comprehensive safety risk assessment is performed at the project planning stage for all new projects to identify the potential risk associated with the project based on its nature and complexity. Appropriate procedures and protocols are identified and established, with a focus on the elimination or substitution of high-risk activities, while engineering controls, signage/warnings, administrative controls, and the use of personal protective equipment remain prominent.

To address ongoing safety concerns in day-to-day plant operations, sector-specific safety and procedure manuals have been developed and implemented under the supervision of the respective Plant Manager. These procedures are comprehensive and cover all potential employee safety hazards. These safety protocols and standards benefit subcontractors, visitors, and any other parties at our project site or power plant.

Safety Governance Structure



Employee feedback is highly valued in order to support the continuous improvement of our safety performance. At all operational plants, daily "Toolbox" meetings are held to discuss and identify the hazards and risks associated with ongoing work. Accident reports and



Safety harness for fall protection at our wind power plants

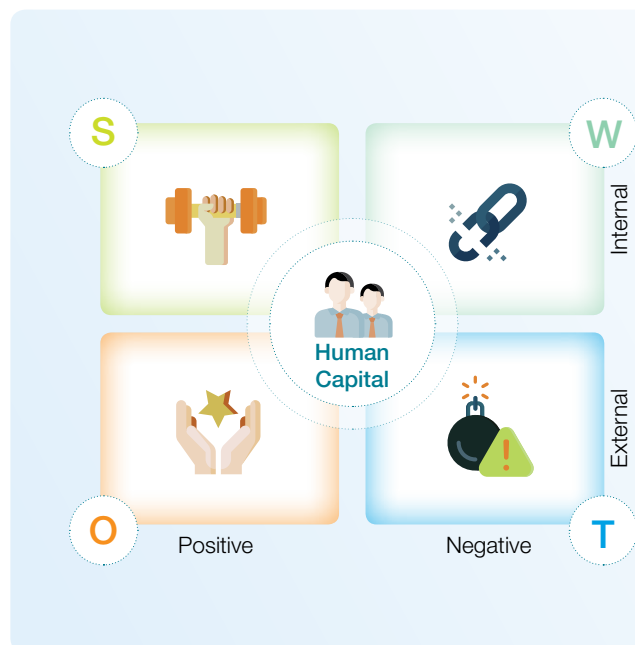
statistics are documented and presented at monthly management meetings with the Management Committee by the respective Plant Manager. The Management Meeting also determines improvements and necessary corrective actions. The Management Committee performs biannual safety audits at all operational plants, as well as random spot checks to identify hazards at ongoing construction sites. WF's COO conducts a formal annual safety audit on all sites.

Our safety management program includes extensive safety training, on a variety of topics which is also provided on occasion.

Performance-Driven Culture

WF's remuneration strategy is to recognize, reward, and retain high-performing workers, fostering a performance-driven culture. Compensation is based on qualifications, skills, and the results of biannual performance reviews, with reference to current market rates, which are examined on a regular basis. All of our permanent workers are evaluated on a yearly basis.

HUMAN CAPITAL CONTD.



Strengths

Professional, experienced, and versatile engineering team and skilled workforce across all functions of the company, with their knowledge on the latest technological advancements in renewable energy, regulatory policies and changing market dynamics.

Weaknesses

Difficulty in gender balancing in the technical team due to the geographical locations of our plants which makes the job opportunities less attractive to female candidates.

Opportunities

Relationship with leading universities in the country that assists WindForce to recruit the best skilled employees.

Threats

Employee turnover, due to the prevailing economic situation in the country, where skilled staff leave for better opportunities overseas.

Employee Relations {GRI 102-41}

In order for the business to succeed as a whole, we want all our employees to feel like they are a valuable member of a close-knit team. From day one of an employee's tenure with WindForce, we commit to earning their trust and respect. Our specialized onboarding programs work to promote an open line of communication between staff members and the company's management. Our open-door approach, which enables staff at WindForce to speak with any member of the senior management, serves to express these values to all employees.



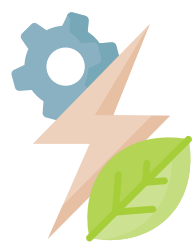
Celebrating International Women's Day 2023

Way Forward

Employees of WF will be crucial in ensuring continuing resilience in the short to medium term. Through continued investment in growing skills and capabilities, we will continue to reinforce our unique value proposition while building talent pipelines.

- ▶ Installation of a human resources help desk and a ticketing system to increase the overall efficiency of the Group HR Shared Service Operations team.
- ▶ Improve leadership capacities by implementing targeted Leadership Development Programs for the senior leadership team as well as those at the manager levels.
- ▶ Growth of shared services to play a more important role in supporting Group functions.

MANUFACTURED CAPITAL



STRATEGIC PRIORITIES

We have prioritized investing in the development of some of our most unique and cutting-edge renewable energy investments to strengthen WF's market presence, while ensuring these assets continue to operate at optimal levels.

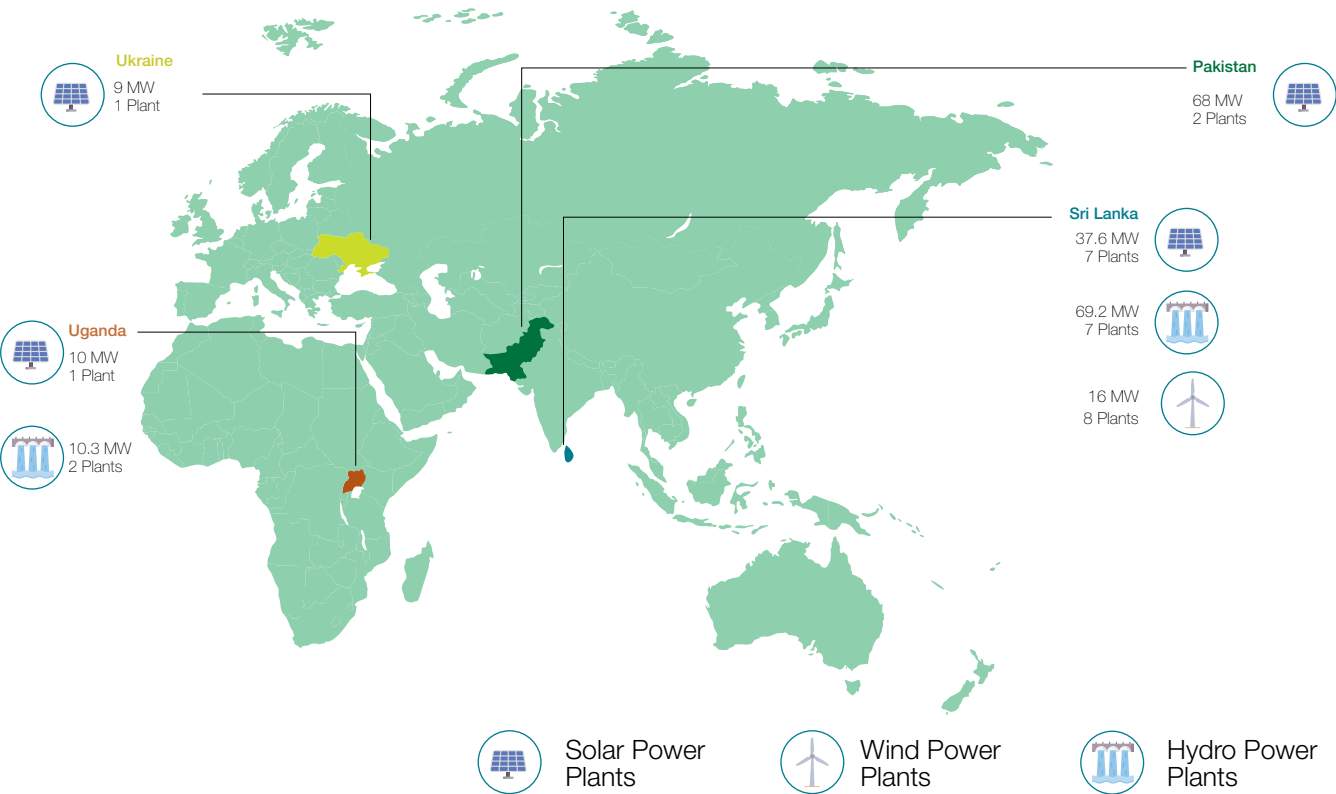
Importance of Manufactured Capital Management

WF's broad manufactured capital of the highest quality is a critical strategic advantage. We have prioritized investing in the development of some of our most unique and cutting-edge facilities over the years. The company's manufactured capital not only gives us a major competitive edge, but it also frequently decides our revenue-generating ability in critical investment industries. We continue to invest in this critical capital in order to increase income, improve productivity, and reduce our carbon footprint.

MANAGEMENT APPROACH FOR MANUFACTURED CAPITAL

- Location Strategy
- EPC Process
- Technology and Innovation
- O&M
- Protection Coverage

Plant Infrastructure (GRI 102-4,6)



MANUFACTURED CAPITAL CONTD.

In addition to strategically extending into the solar and hydropower sectors, WF has continued to engage in Sri Lanka's wind power sector since launching its first renewable energy plant, the 10 MW Seguwantivu Wind Power Station, in 2010. WF now operates 23 units with a total installed capacity of 132.8 MW locally, including 7 wind power plants, 8 solar power plants, and 8 hydropower plants. All of our plants are run under 20-year, three-tier Power Purchase Agreements with the Ceylon Electricity Board (CEB).

WF ventured overseas in 2017 as part of an ambitious global expansion strategy. Since then, we have made renewable energy investments in Pakistan, Uganda, and Ukraine, totaling 97.3 MW of installed capacity. These plants are also run by long-term Power Purchase Agreements with the respective utilities in these countries.

Location Strategy

The location of our plants greatly affects their overall effectiveness over the course of their existence. Plant locations are determined using weather data as well as geographical and topographical profiles of the area.

As a result, all of our plants are located in high density wind corridors, whilst ground solar power plants are located in high Yearly Average Global Horizontal Irradiance (GHI) locations. Hydropower plants are frequently placed in places with considerable rainfall.

Land for our projects is primarily obtained through a long-term lease from the government or from private parties, accounting for around 59% of WF's projects.

EPC (Engineering-Procurement-Construction) Process

The EPC procedure is essential for ensuring the durability and long-term quality of our infrastructure. For all brand-new projects, the EPC process is handled internally by WF's top-tier team of experts, who are in charge of the project's design, technology planning, risk management, quality and OHS

planning, budgeting, procurement planning, and execution.

Execution of projects is handled by our engineers, who are designated as Project Managers based on their area of competence (wind, solar, hydro). The Project Manager contracts out the civil construction work to a contractor who is under rigorous project management. Among the internal support services accessible to project managers are finance, logistics, and design and engineering.

Every component of the EPC process is supported by strict governance and control by the Chief Development Officer (CDO). Throughout the project, all Project Managers report to the CDO.

Technology and Innovation

Investing in cutting-edge technology provides a substantial benefit in enhancing plant efficiency. Technology also reduces the risk of human error, which improves the overall sustainability of plant operations. To ensure that our plant infrastructure is up to date with the newest worldwide technology, WF has purchased technological systems from major global suppliers with a proven track record and long-term service support since its establishment.

We have invested in Type AE59 wind turbine generators and Vensys 82 wind energy converters at our wind power facilities on this basis. At our most recent wind power project, we are currently installing Goldwind GW 121 wind turbines.

We combine bifacial solar modules with string inverter technology and a single axis tracking system in most of our solar power plants. Our latest ground solar project in Vavunathivu will be Sri Lanka's first to use agrovoltaic technology.

WF's hydro power plants use equipment from world-renowned European specialists such as Global Hydro GmbH, Repros GmbH, and Kolektor Turbointitut d.o.o.

Operations and Maintenance (O&M)

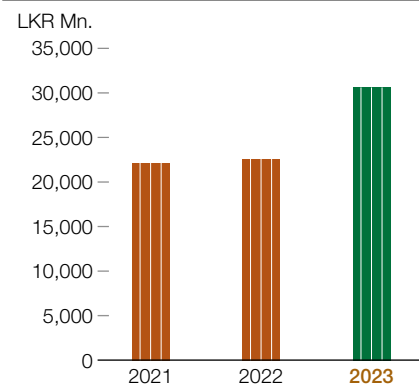
Optimal plant performance is supported by O&M operations. Our teams strive to achieve an average of 97% plant availability at all of our plants, where O&M activities are guided by the universally recognized TPM principles.

The WF O&M program is made up of a network of business, management, budgeting, and maintenance procedures that interact to run our company. It entails the routine business operations required for our company's smooth operation and the efficient completion of all employees' tasks.

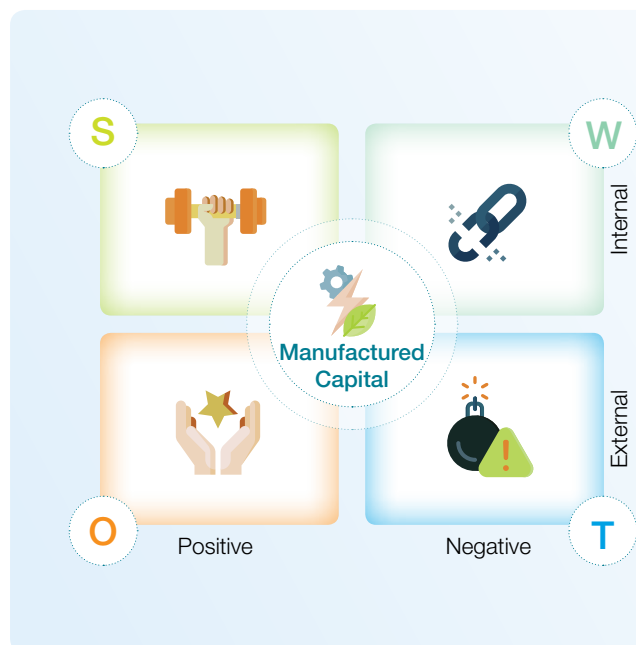
Protection Coverage

All company assets are adequately covered by insurance against natural disasters and all foreseeable eventualities. In FY 2022/23, LKR 80.5 Mn was incurred on insurance premiums for this purpose.

Cost of the Assets (LKR Mn)



	LKR '000		
	FY 2020/21	FY 2021/22	FY 2022/23
Cost of the Assets (LKR)	22,213,706	22,655,269	30,673,879
Additions (LKR)	1,011,548	480,397	6,592,796
Value of Asset Base as at the End of the Year (LKR)	15,239,784	14,629,777	21,491,328



Strengths

Strong manufactured capital base and the technical know-how to manufacture and maintain world-class renewable energy power plants which leads to lower production cost and higher profitability.

Weaknesses

High initial investment in constructing power plants, leading to high capital requirements and related financial costs.

Opportunities

Diversifying into other renewable energy solutions such as e-Wheeler conversions (BlueSky) and e-bikes (Satva).

Threats

High cost of keeping up with the latest technological advances and risks due to currency depreciations when constructing new power plants.



Routine maintenance tasks at our wind power plants

Way Forward

WF is concentrating its efforts on increasing capacity in key growth areas, investing in technology to accelerate digital transformation, and investing in environmentally friendly technology to improve operational sustainability. Furthermore, long-term growth strategy will necessitate ongoing investment in manufactured capital.

- ▶ Increasing the capability of renewable energy generation.
- ▶ Invest in technology to propel the company's digitization.
- ▶ Invest in strategic development projects that promote long-term growth and resilience.

INTELLECTUAL CAPITAL



STRATEGIC PRIORITIES

WindForce focuses on strengthening aspects of the business in a way that will provide a distinct advantage over our peers. We believe that a combination of organizational procedures, personnel expertise, and other intangibles is what determines our company's drive.

Importance of Intellectual Capital Management

Intellectual capital is typically a valuable asset and a significant driver of our company's financial performance and value creation. Future gains are produced by WF's intangible value driver known as intellectual capital. Intellectual capital is one of the most important components in today's corporate climate for fostering organizational growth and competitiveness.

Brand Reputation

"WindForce" has made its mark as the most reputable renewable energy company in Sri Lanka. Our journey began in 2010 when we invested in two 10 MW wind power plants in Puttalam, Sri Lanka, placing the country on a fast track to decarbonization.

WindForce has steadily increased its bandwidth across the local renewable energy domain over the years. We have since emerged as the country's leading private sector renewable energy producer, with a footprint spanning the three major energy verticals - wind, solar, and hydro power.

We have always sought to differentiate ourselves through our responsible end-to-end business approach, in which we finance, design, build, commission, and maintain all of our energy plants. In fact, SL utilities have identified WindForce as the most preferred renewable energy developer due to our reputation for timely project delivery and consistent performance.

Our proven track record in Sri Lanka was a critical factor in WindForce's entry into the international market. WF has expanded its global presence and now has a large overseas footprint since completing its first 10 MW solar energy project in Welikanda, Sri Lanka, in 2016.

The ability to deliver consistent profits and a strong balance sheet adds to WindForce's brand reputation. ICRA Lanka Limited's AA- (Stable) issuer rating for FY 2022/23 reaffirms the company's stability and the credibility of the WindForce brand.

In the current fiscal year, the WindForce achieved yet another significant milestone

MANAGEMENT APPROACH FOR INTELLECTUAL CAPITAL

- ▶ Building brand reputation
- ▶ Expanding business networks
- ▶ Focusing on knowledge-based assets
- ▶ Prioritizing business ethics
- ▶ Standards and certifications

by becoming one of Sri Lanka's first independent renewable energy producers authorized to issue "Carbon Emission Reduction (CER)" credits. The UNFCCC-governed CER credits can be purchased by organizations looking to reduce their carbon footprint locally or globally.

Brand Performance - FY 2022/23

Name of the Award/Ranking	Awarding Body
TAGS Awards 2022 – WindForce was awarded the Silver Award under the Power and Energy Category and the Certificate of Compliance for the Annual Report 2021/22	Institute of Chartered Accountants of Sri Lanka
Our very first Annual Report for FY 2020/21 received the Certificate of Compliance at the 56th Annual Report Awards	Institute of Chartered Accountants of Sri Lanka.
WindForce was awarded the APAC Employer Recognition Certificate for recruiting CIMA members and students and helping in developing world-class Chartered Management Accountants.	Chartered Institute of Management Accountants (UK)

Knowledge-Based Assets

Knowledge-based assets at WindForce are critical to our day-to-day operations. Our knowledge base is comprised of special competencies obtained through licenses and accreditations, as well as innate knowledge and expertise gained by our teams through on-the-job training.

The RISO Campus of the Technical University of Denmark (DTU) has accredited WindForce engineers for wind resource assessment and modeling. Every year, we invest significant resources in building the capacity of our internal teams. We hire fully qualified and credentialed engineers who have graduated from top engineering universities and institutes and have a track record of designing and operating renewable energy projects. All of our engineers are encouraged to pursue ongoing professional development in order to stay current on the latest design and operational developments in the global renewable energy sphere. In addition, we ensure that our technical officers have the necessary

skills and expertise to support our business operations.

Developmental investments in WindForce's knowledge base continues to provide real-world benefits in our daily operations. For example, our teams have been responsible for some ground-breaking innovations, such as the Solar Tracker, and are currently developing vehicles for e-mobility, which could give WF a first-mover advantage when commercialized.

Key Initiatives for FY 2022/23

Standards and Certifications

Standards and certifications contribute towards enhancing our knowledge base and thereby adding further credibility to our operations. Careful to subscribe to the right standards and certifications that add value to our business, we have adopted the following global best practices;

- ISO 10006:2017 - Guidelines for Quality Management in Projects

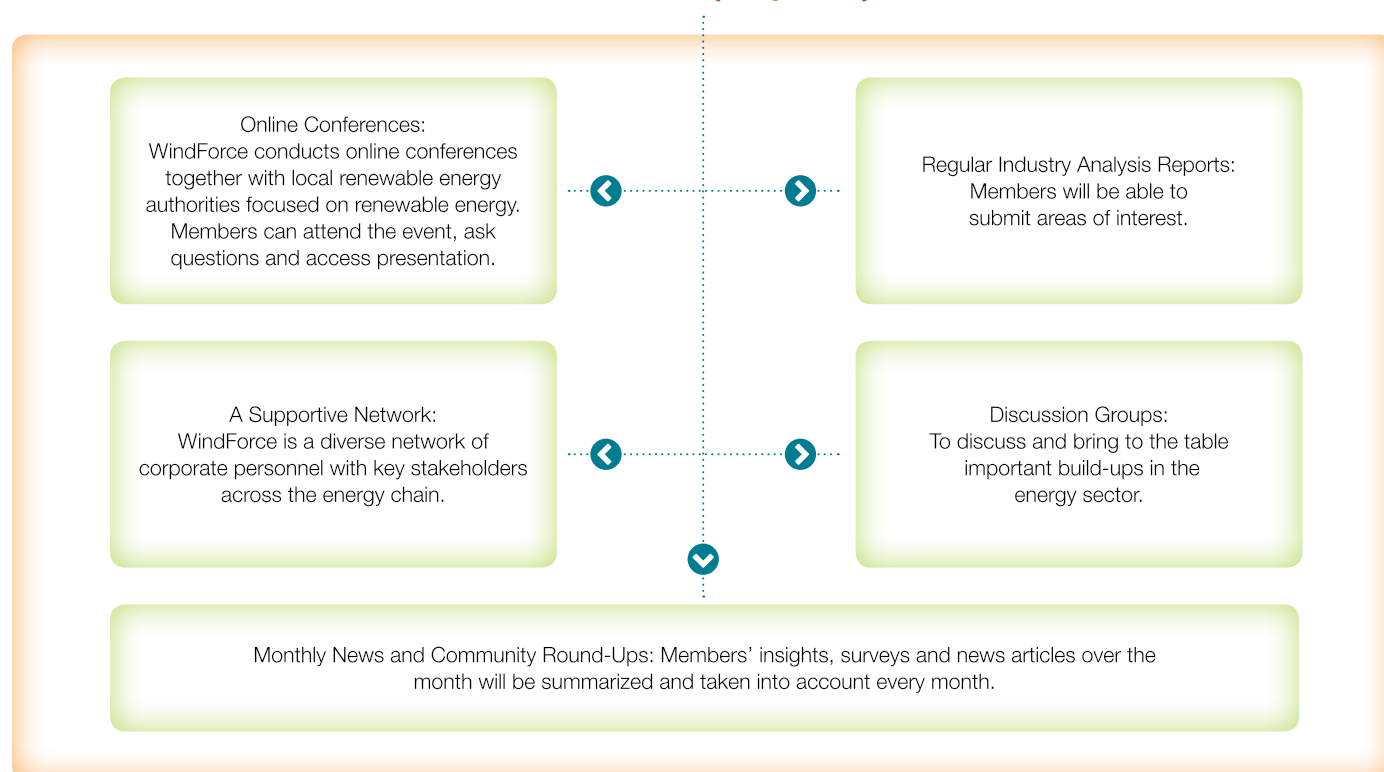
- ISO 14001:2015 - Environmental Management Standards
- ISO 45001:2018 Occupational Health and Safety Management Standards

IT Systems

WF's IT systems work collectively to form a strong ecosystem that provides critical support and ensures smooth operations at all times. To meet our business requirements, we only purchase licensed software from reputable global vendors. Our financial system is supported by our ERP systems, Dynamics NAV by Microsoft and FCCS Oracle with its cloud-based architecture, while our human resource management activities are managed by the MiHCM HR software platform. The latest firewalls and multiple layers of network protection ensure the security and integrity of our information.

The majority of our solar power plants' Supervisory Control and Data Acquisition (SCADA) systems were developed by our own engineers, ensuring more adaptable systems.

Business Networks {GRI 102-13}



INTELLECTUAL CAPITAL CONTD.

To reap the rewards of a network, WindForce recognizes the importance of understanding the benefits and how they can help our company increase efficiency and morale, while at the same time, building brand awareness.

As a renewable energy producer, business networks help us in a variety of ways. WindForce has discovered that the right business partnerships foster opportunities for knowledge enhancement as well as the facilitation of business expansion and diversification.

We have long-term partnerships with Norsk Solar, a globally-renowned integrated renewable energy solutions provider, based on this strategic approach. We have also partnered with Frontier Energy, a major investor in African renewable energy.

Aside from that, as an IESL (Institute of Engineers - Sri Lanka) approved training partner, WindForce has access to top engineering talent.

Business Ethics

{GRI 102-16, 17, 205-1-3, 419-1}

Responsible business ethics are critical to our business approach of providing integrated renewable energy solutions. The first point of reference in our ethics framework is regulatory compliance. WF has a zero-tolerance policy for non-compliance with regulatory requirements that apply to all socio-economic and environmental regulations.

This commitment is reflected in our Conduct Policies, which outline the appropriate behaviors expected of WF employees, and our Disciplinary and Termination Policy,

which outlines how allegations of bribery, corruption, and other ethics violations will be handled. These policies are communicated to all Directors and employees, including WF internal security teams. Employees can contact either the Managing Director or the CEO for advice on ethical issues, clarification on policies, or to discuss any concerns/grievances that arise from either party.

In order to further strengthen the company's commitment to ethics, a set of core values were established. Dedication, Team Spirit, Mutual Respect, Achievement, Dynamism, Integrity, Responsibility, and Innovation are the core values that define what WindForce stands for.

WF's operations are not vulnerable to corruption. In the current fiscal year, no instances of corruption were reported.



Strengths

Professional, experienced, and versatile engineering team and skilled workforce with their knowledge on the latest technological advancements in renewable energy, regulatory policies and changing market dynamics.

Weaknesses

Ever-changing nature of the technology makes the intellectual capital obsolete, if not supported by continuous research and development efforts.

Opportunities

Collaborations with top universities and research institutions can create opportunities for continuous innovative solutions to stay ahead of the competition.

Threats

Cyber security threats such as hacking and data breaches that can lead to the compromising of sensitive information.

Way Forward

WF's Intellectual capital strategy is centered on establishing strategic alliances, creating operational excellence through digital transformation, and cultivating an innovative culture.

- ▶ Cross-functional teams that have received technological certification and are innovation-focused.
- ▶ Rethinking brand strategies and enhancing WF communications that will increase stakeholder engagement and raise visibility.
- ▶ Increase leadership pipeline quality and the ecosystem's neutrality in talent management.

NATURAL CAPITAL



STRATEGIC PRIORITIES

Preserving natural capital ensures a sustainable foundation for a circular economy. At the same time, a circular economy contributes to maintaining natural capital by reducing the environmental burden resulting from the use of material resources. Hence, WindForce is dedicated to promoting the conservation of natural capital in multiple ways, promoting sustainability and clean energy.

Importance of Natural Capital Management

Maintaining natural capital is a must for any organization because we are all intrinsically dependent on the environment for survival. Controlling our operations to maximize our positive environmental benefits while minimizing and mitigating any negative impacts is integrated into our organization's functional strategies. We work toward this goal by focusing on operational savings that improve product quality, optimize resource allocation, and lower our environmental imprint.

WindForce's corporate strategy on environment has set in place an environmental management framework with

targets to achieve by 2030 with the following focus areas for action:

- Reliance on sustainable and renewable energy sources
- Safeguarding the environment by working to prevent or mitigate negative environmental impacts
- Working to assist the organization in the attainment of compliance obligations; strengthening environmental performance
- Regulating the process by which WindForce services are designed, manufactured, distributed, consumed and also disposed of, using a system that helps prevent environmental impacts from being shifted elsewhere within the process
- Communicating environmental information to relevant interested parties

MANAGEMENT APPROACH FOR NATURAL CAPITAL

- Improving sustainability of the business and creating a foundation to generate consistent returns over time
- Increasing employee awareness and participation in global issues such as climate change
- Strengthening WindForce's brand reputation as a champion of renewable energy
- Increasing access to affordable clean energy

Green Vision

"As companies face increasing risks related to climate change and resource scarcity, it's critical that we fully account for the natural capital upon which our businesses rely."

- Peter Grauer, Chairman, Bloomberg

SOCIETAL RETURNS

Alleviating poverty, creating jobs and enhancing health

ECONOMIC RETURNS

Driving cost savings, greener, more circular growth and markets, and better managing competing economic demands

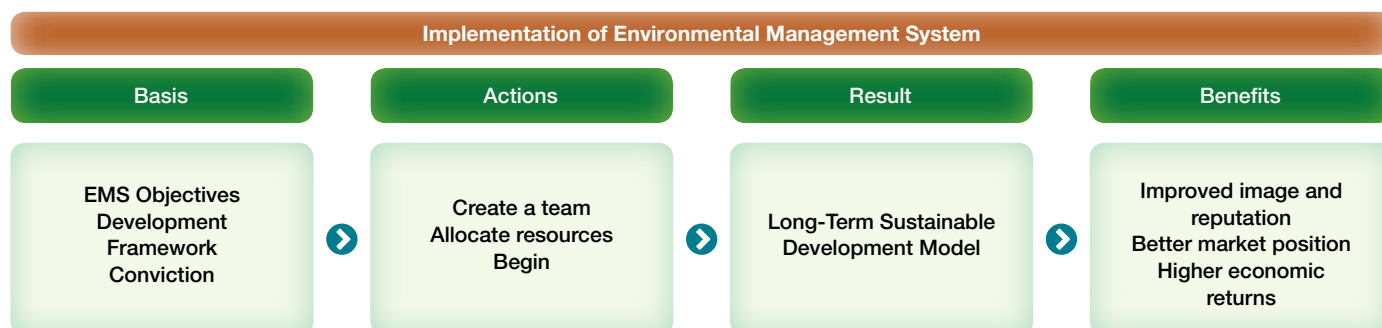
POLICY RETURNS

Contributing to more efficient and innovative policy-making

ENVIRONMENTAL RETURNS

Enhancing the stock of natural capital that we draw upon and increasing ecological resilience

NATURAL CAPITAL



Net Zero by 2050

Our net zero framework focuses on four key areas:

1. **Avoid:** Avoid future carbon emissions through evaluating the data, designing and making decisions differently
2. **Reduce:** Reduce current greenhouse gases through greater efficiency in energy and materials, using renewables
3. **Invest:** Invest in removing carbon within the value chain
4. **Innovate:** Innovate through collaboration in green finance, clean technology, big data and social movements

WindForce Environmental Policy

It is our policy to strive for continuous improvement in all aspects of our business operations in order to reduce our impact on the local and global environment by conserving energy, water, and other natural resources, reducing waste generation, recycling, and reducing our use of toxic materials.

Reduce Carbon through Renewables, Efficiency and Waste Reduction

{GRI 301}

Cleaner, more efficient operations and supply chains result in a better performance across all aspects of a triple bottom-line account. Investing in renewable energy production, reduced energy consumption, materials and other resources all help bring down costs and carbon equivalents, leading to a return.

Our companies analyze the resources we utilize for our services and then plan our consumption to reduce the environmental impact. Solid trash is separated and

managed separately to guarantee that garbage created by our operations is either recycled or disposed of responsibly. The usage of resources is monitored to guarantee environmental impact management and compliance with current laws and regulations.

Environmental Compliance

{GRI 307-1}

The first point of reference for WF's approach to managing its natural capital is environmental compliance. As a producer of renewable energy, we are subject to specific environmental regulations. The National Environmental Act No. 47 of 1980 and its amendments No. 56:1988 and 53:2000, as well as the project-specific environmental conditions outlined as part of the approval process, are examples of these.

WF strictly adheres to all relevant environmental regulations. There were no incidents of non-compliance with environmental regulations reported in the current year or any previous year since the company's inception.

Environmental Stewardship

Environmental Management System (EMS)

WF aims to set a good example by implementing global best practices for environmental management at its operational plants. To that end, we obtain all necessary approvals from the appropriate environmental authorities, depending on the plant type and location. Obtaining such approvals may necessitate WF making procedural changes in accordance with the guidelines issued by the respective governing authorities. Furthermore, in

order to drive continuous improvement of WF's environmental performance, we set environmental performance objectives and targets internally and pair them with ongoing monitoring of these objectives.

Risks and Opportunities to WF due to Climate Change {GRI 102-201}

WindForce's core business activities rely on renewable natural resources such as wind, solar irradiance, and rain. Any variation in these resources as a result of climate change will have a direct impact on the company's performance, either positively or negatively. Heavy rainfall, for example, will benefit hydropower generation in catchment areas.

However, rainwater retention in Sri Lanka's main catchment areas has decreased significantly as a result of recent accelerated deforestation. As a result, maximizing the power of hydropower plants has become more difficult.

Meanwhile, natural disasters caused by climate change, such as lightning storms, floods, and hurricanes, may have an impact on our installations if the threshold levels exceed the design parameters. This may have a long-term negative impact on the company's performance. All of our wind, solar, and hydropower plants, on the other hand, are designed to meet global resilience parameters for extreme climatic conditions.

To mitigate the effects of climate change, WF employs the precautionary principle, ensuring that all company assets are insured against natural disasters and all foreseeable eventualities, and that our operations are covered under business interruption risk to protect WF's financial position in the event of such incidents.

WF, on the other hand, has the opportunity to help reverse the effects of climate change as a producer of renewable energy.

Energy Management {GRI 302}

On a daily basis, electricity is the principal source of energy needed to power electromechanical equipment at our power plants.

The various Plant Managers are in charge of managing energy usage in accordance with the EMS targets. They are also urged to look for novel ways to improve the energy efficiency of electromechanical equipment. The energy efficiency of equipment is assessed on an ongoing basis by the company's technical staff, and any necessary modifications are recommended to the Corporate Management Team.

Likewise, during the project's building phase, the company's engineering teams, which manage design, procurement, and operations, guarantee that all electromechanical equipment purchased is energy efficient. To support these initiatives, certain technical guidelines are in place.

Water Management {GRI 303}

Water is mostly used to clean and maintain the infrastructure of our solar power plants.

To fulfill the needs of each plant, deep tube wells have been erected at the majority of our ground-mounted solar PV power plants. The runoff from the water used for washing and clearing dust from solar PV panels has no chemicals and is thus used for on-site irrigation.

The water used for washing at our rooftop solar projects comes from the same source as the factory. The water supply in this situation could be either groundwater or pipe-borne water collected from municipal lines.

Carbon Emission Reduction (CER) Issuer Status {GRI 305-1,2,3,5}

WF is Sri Lanka's first local renewable energy producer authorized to issue "Carbon Emission Reduction (CER)" certificates to organizations interested in purchasing carbon credits. WF's CER certificate will recognize the purchasing organizations' efforts to reduce carbon dioxide emissions through renewable energy investments.

Management Approach to Biodiversity Conservation

We take a cautious approach to environmental impact reduction. As a result, we intend to identify environmental hazards associated with our operations and to take

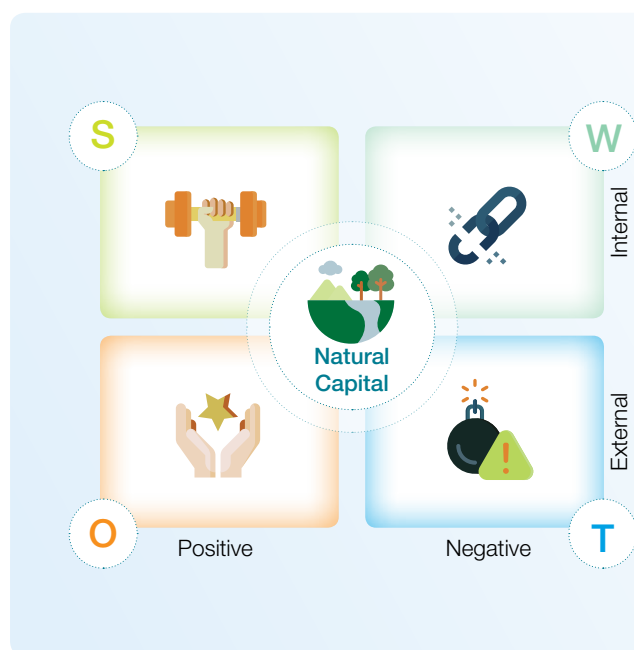
proactive steps to decrease the risk while boosting the benefits of our operations. Our sustainability goal extends beyond our own operations, and we continue to aim to have a good impact on the larger community by assisting national initiatives to transition to a greener, more sustainable economy. We strictly adhere to all laws and regulations and can confidently claim that there were no incidents of non-compliance throughout the fiscal year.

Environmental Protection and Conservation Initiatives

Beyond business, WF has a dedicated environmental protection and conservation initiative called Harithahuruwa. The program is a key component of WF's CSR umbrella and is applicable to all company locations in Sri Lanka and abroad.

Key programs conducted under the Harithahuruwa initiative:

- ▶ Tree Planting Programme at the Outer Circular Highway.
- ▶ Tree plant donation program.
- ▶ To support "Green Pakistan Initiative" 2,500 no trees were planted in coordination with EPA Punjab Sahiwal division and Arts Council Sahiwal at Arts Council Sahiwal.



Strengths

Our established EMS system that ensures environmental feasibility studies are conducted to minimize the negative effects on the environment during project construction phase. Furthermore, in our ESG framework we ensure we reverse any negative effect on the environment by conducting CSR projects such as "Harithahuruwa".

Weaknesses

Heavy dependence on weather patterns that may affect the energy generation and supply, leading to uncertainty and variability of revenue streams.

Opportunities

Unlimited availability of sustainable resources such as wind, solar & hydro that help generate renewable energy.

Threats

Opposition faced from local communities due to use of natural resources in product construction stage.

NATURAL CAPITAL CONTD.

Way Forward

WF's natural capital strategy focuses on sustainable use and management of natural resources, as well as protecting, restoring, and promoting sustainable use of natural ecosystems while managing solid waste, emissions, and effluents.

- 🟢 Zero single-use plastics at WF operations by 2030.
- 🟢 Ensure that all WF activities have frameworks in place to monitor, manage, and ensure the sustainable and efficient use of natural resources.
- 🟢 Through all operations, raise awareness and education about sustainable development, consumption, and production.
- 🟢 Preserve and increase Sri Lanka's green cover, as well as restore forests, wetlands, mangroves, and coastal habitats.



Management Approach to Biodiversity Conservation - Cultivation at the Solar Universe Agrovoltaic Plant



Management Approach to Biodiversity Conservation - Vegetable Cultivation at the HPD Hydro Power Plant



Reduce carbon through renewables, efficiency and waste reduction - Solid trash separation to dispose responsibly

SOCIAL AND RELATIONSHIP CAPITAL



STRATEGIC PRIORITIES

Social and relationship capital is an important component of our company's value. It includes the business itself, as well as the formal and informal entities and institutions that are associated with it, as well as relationships with and between employees, communities, and other stakeholders. Our priority is to establish an environment of trust by prioritizing stakeholder interests, ensuring that they remain invested in WF's long-term growth.

Importance of Social and Relationship Capital

In order to sustain the business, we recognize our role in the development of the communities in which we operate. We are acutely aware of the socio-economic challenges that the communities surrounding our operations and the community's remote rural areas face.

Our strategy is also intent on addressing societal risks posed by our operating activities by managing our direct and indirect impacts. This is accomplished through the implementation of a robust stakeholder engagement strategy that responds to community needs by creating opportunities for employment, local vendors, procurement of goods and services, and directing tangible development benefits to communities.

Integrated Approach to Community Development

Our integrated approach to community development projects and corporate social investment guarantees ongoing community engagement, monitoring, and measurement of progress and success, starting at the operational level with community engagement (such as social and labor plan forums) and moving up the governance structure, through specialized committees, to the Board level.

Responsible Products

As an electricity producer, our consumers are the utility corporations in the nations where we operate. The quality criteria

stated in the various grid codes included in the long-term Power Purchase Agreement between WindForce and each utility govern the provision of electricity. As a result, our major responsibility for our product is to constantly meet these grid code standards for the term of the Power Purchase Agreement and assure an uninterrupted supply of electricity. To that end, we run and maintain our plants in accordance with TPM (Total Productive Maintenance) procedures in order to boost team productivity and creativity by focusing on proactive and preventative strategies for boosting plant and equipment efficiency and reliability. On this basis, we have been able to ensure plant availability of over 97%.

- ▶ Sri Lanka – Ceylon Electricity Board (CEB)
- ▶ Uganda – Uganda Electricity Transmission Company Limited (UETCL)
- ▶ Pakistan - K-Electric Limited (KE), Central Power Purchasing Agency (Guarantee) Limited
- ▶ Ukraine – Energorynok

Customer Relationship Management

{GRI 102 - 6, 103 - 2, 3, 416 - 2-2}

Our business objective is to provide power for the national grid, which is owned and operated by the Ceylon Electricity Board, under the government of Sri Lanka. The CEB is therefore our only local customer. We have developed amicable ties with CEB officials throughout the years, ensuring successful customer relationship management.

MANAGEMENT APPROACH FOR SOCIAL AND RELATIONSHIP CAPITAL

- ▶ Our approach to community development focuses on allocating resources to meet community needs.
- ▶ Encourage innovation to improve product and service offerings across all categories.
- ▶ Continuous communication and interaction with business partners will help to strengthen connections.
- ▶ Develop and improve long-term supply chain resilience.
- ▶ Boost local economies by expanding chances for entrepreneurship and employment.

Apart from CEB being our local customer, we also have several foreign customers and their respective authorities with whom we maintain continuous communication and hence a strong relationship.

There were no complaints reported in FY 2022/23 regarding non-compliance with grid codes, product safety, or any other regulatory compliance requirements.

SOCIAL AND RELATIONSHIP CAPITAL CONTD.

Regulatory Compliance

Sri Lanka

At the construction stage
Board of Investments of Sri Lanka (BOI)
Forest Department
Department of Archaeology

Running of operational plants
Civil Aviation Authority of Sri Lanka
Sri Lanka Sustainable Energy Authority (SEA)
Public Utilities Commission of Sri Lanka (PUCSL)
Ceylon Electricity Board (CEB)

Ukraine and Uganda

Energomarket: Electricity Regulatory Authority (ERA)
The National Commission for State Regulation of Energy and Public Utilities, Ukraine: Uganda Electricity Transmission Company Limited (UETCL)
National Energy and Utilities Regulatory Commission (NEURC): Uganda Revenue Authority (URA)
State Fiscal Service (Ukraine): Ministry of Energy and Mineral Development, State Ministry for Energy
National Environment Management Authority (NEMA)
Directorate of Water Resource Management (DWRM)

The first step toward regulatory compliance is a thorough audit to establish a compliance baseline and identify any problem areas. This allows us to assess the strengths and weaknesses of various security policies and risk management procedures.

Risk assessment enables us to not only identify risks and their likelihood of occurrence, but also their potential impact on our business.

Given the nature of our business, WindForce's operations are subject to various regulatory bodies on both an international and local level. We aim to maintain good relationships with all of these regulatory bodies, first and foremost by adhering to all applicable regulations during the construction stage and when operating

our operational plants. WindForce is required to submit annual techno-financial reports to the Ugandan regulator.

Furthermore, in addition to having targeted policies and procedures tied to compliance, a key component of policy management followed by WindForce, is the tracking process, once employees have read and signed the policies. This is critical for demonstrating compliance in the future, when deemed necessary. This helps to significantly reduce the company's liability.

Supplier Relationships

Supplier Relationship Management (SRM) is a methodical approach that WindForce follows to evaluate vendors who supply an organization with goods, materials, and services, determining each supplier's contribution to success, and developing strategies to improve performance.

The SRM discipline aids in determining the value that each supplier provides and which ones are most important to business continuity and performance. It also enables the company to cultivate better relationships with suppliers based on the importance of each supplier.

WindForce regards all of our suppliers both local and foreign as equal contributors to our value chain and, as such, seeks to establish long-term relationships for mutual benefit. Our supplier relationship management strategy is built on open and transparent two-way communication, trust, and mutual respect to support amicable problem resolution, as well as the flexibility and willingness to adapt and realign when necessary.

WindForce Supply Chain Profile

{GRI 102-9-10, 204-1}

Project Related Suppliers	Operational and Maintenance (O&M) Related Suppliers
Local contractors/service providers to facilitate new project construction	O&M suppliers provide necessary requirements for the day to day running of plant operations
Requirements such as piling, civil construction, erection, logistics, heavy-lifting, transport	Services and consumables for O&M requirements are obtained or procured locally. However, spare parts are sourced from overseas from Original Equipment Manufacturers (OEM) or recommended suppliers

Procurement Best Practices {GRI 308}

We have adopted global best practices for the selection and onboarding of local suppliers to ensure that we only work with suppliers who are the best fit for WindForce.

We choose local suppliers for project needs based on the project plan, which details the products and services needed at each stage of the project. Suppliers are rigorously vetted on multiple levels, including product quality, track record of performance, compliance with the identified standards, certifications, competitiveness, the ability to meet the stated timelines /warranties and guarantees, adaptability to the relevant climatic conditions, long-term availability of spares, and any other relevant matters. We also investigate suppliers' labor and environmental compliance.

Prior to shortlisting candidates, a comparative assessment among peers is performed as the final stage of the evaluation process. Shortlisted suppliers are reviewed and finalized by WindForce's top management. Contracts for a set period of time are used to secure approved suppliers. Once all project suppliers have been mobilized, a procurement plan is developed, considering the interface management of various products and services, as well as establishing and agreeing on the division of work among the various suppliers.

Using our vendor database, we select local O&M vendors. The database contains vendors for all goods and services, allowing for the quick and efficient selection of suppliers to meet our plants' day-to-day operational requirements. WindForce's top management team reviews and updates the vendor database on an annual basis.

WindForce works with manufacturer-recommended suppliers for our overseas OEM suppliers. We use international sources, such as the Bloomberg recommended Tier-1 supplier database, to find new OEM suppliers.

Community Impact Assessment

{GRI 203-1-2, 413-1,208}

Our plants' day-to-day operations have no negative impact on the community or the environment. While the project construction stage may present some challenges to the community in terms of disruptions to their daily routines, our projects also provide significant benefits to surrounding communities in terms of road and drainage infrastructure development, as well as various indirect job opportunities.

Meanwhile, prior to the start of each project, we conduct an environmental and social impact assessment to determine the potential impact on surrounding communities and ecosystems caused by our project construction activities. This is a mandatory requirement carried out under the supervision of the Central Environmental Authority. We take appropriate action based on the findings to minimize the impact on

the community and prevent any deterioration in their quality of life. We provide compensation where necessary and have even relocated communities in the past by providing housing and farmland.

Community Engagement

WindForce sees ongoing engagement as an essential component of its efforts to foster community trust. Every project has a liaison officer who handles community relations, and we have also designated an informal community leader as a spokesperson to work with the liaison officer to address any issues. If necessary, the relevant sector chief engineers provide oversight and guidance to liaison officers in order to resolve any issues, with pressing issues escalated to the respective sector General Managers for appropriate action.

Liaison officers are also expected to identify and propose suitable projects that align with WindForce's five-point CSR strategy through their ongoing interactions with the community spokesperson. Projects identified in this manner are presented to top management for review and approval prior to inclusion in the annual CSR plan and budget.

Our community participation offers a variety of engagement outlets and development opportunities. Because of the partnerships we've built with our communities, we've earned a reputation as a responsible corporate citizen who prioritizes social and environmental sustainability. During the year, there were no cases of non-compliance with rules and regulations in the social, economic, and ethical domains.

Community Investment

The UN Sustainable Development Goals (SDGs) guide WindForce's five-point community investment strategy, which represents our efforts to make a meaningful difference for underserved communities. All WindForce locations follow our five-point strategy. The number of CSR beneficiaries this year is 10,685 while the community investment in CSR by WF accounted to a total of LKR 30 Mn.



SOCIAL AND RELATIONSHIP CAPITAL CONTD.

Community Projects

‘Sahana’: Community and Livelihood Development

Project	Location
Financial aid was granted through the Northern Provincial Council for the acquisition of a water bowser, the construction of an Ayurvedic hospital, and other road projects.	Pallai, Jaffna
Drug Awareness Program conducted to help adults and youth in Mannar develop healthy coping skills and lifestyles	Mannar
Roof construction of St. Anthony's Church Naruvilikulam in Mannar	Mannar
Mahoma Rusoona road rehabilitation	Mahoma, Uganda
Company/sponsors distributed food ration packets during recent floods in 2023	Gharo, Pakistan
Construction of an operating free medical clinic in the vicinity of the project area	Harappa, Pakistan
The company/sponsors constructed two water filtration plants in Jinnah Town, Harappa, which are also being maintained by HSPL management.	Harappa, Pakistan



Distribution of food and dry rations for flood relief in Pakistan



Drug Awareness Program in Mannar



Road development in Rusoona, Uganda



St. Anthony's Church, roof construction in Mannar

‘Harithahuruwa’: Environmental Conservation

Project	Location
Tree Planting Program at Outer Circular Highway. The project saw to the planting of 1,000 Halmilla and kumbuk trees	Outer Circular Highway
Ongoing Tree Plant Donation Program	Tororo, Uganda
In support of the "Green Pakistan Program," 2,500 trees were planted in collaboration with the EPA Punjab Sahiwal division and the Arts Council Sahiwal	Harappa, Pakistan



Tree distribution- 150 trees distributed



Tree planting, OCH

‘Sipsathara’: Education and Childhood Development

Project	Location
Distribution of school supplies to Uva Kudaoya Secondary School	Uva Kudaoya
Distribution of school supplies to Gothami Child Development Center	
Donation of Sports Equipment to Naruvilikulam Narumalar Sports Club	Mannar
Contribution for the renovation of the Naruvilikulam playground	Mannar
Donation to Thomaspuri Pre School	Mannar
Donation to Uyilankulam Roman Catholic Tamil School	Mannar
Contribution of athletic sportswear for Naruvilikulam Government Tamil School	Mannar
Donation of sports items to Kasipodo B Primary School	Tororo, Uganda
Continuous support to education in the area of influence of the project by distributing free books, geometry boxes and school bags.	Gharo, Pakistan
The company/sponsors constructed and opened the Govt. Girls F.M Primary School in Jinnah Town Harappa. Since its founding, the school has been turned over to the relevant government department for future operations.	Harappa, Pakistan

SOCIAL AND RELATIONSHIP CAPITAL CONTD.



Distribution of school supplies to Uva Kudaoya Secondary School



Donation to Uyilankulam Roman Catholic Tamil School



Contribution for the renovation of the Naruvilikulam playground

'Athahitha': Pure Hands for Emergency Relief

Project	Location
Donation of rooftop solar panels to Bishop's House in Mannar	Mannar
Gift of a generator to Wellness Nanattan Holy Mother Church	Mannar
Hand pumps were installed by the company/sponsors in various local villages. Where required, the company/sponsors built water storage tanks and linked them to solar-powered water pumps	Gharo, Pakistan
During the operation and maintenance phase, the company/sponsors employed 28 local residents. In principle, the company/sponsors aim to hire at least 30% of their workforce from local villages	Gharo, Pakistan



Employment in Gharo



Generator donation



Hand pumps, Gharo



Solar panel, Bishop's House

‘Suvadiri’: Health Care

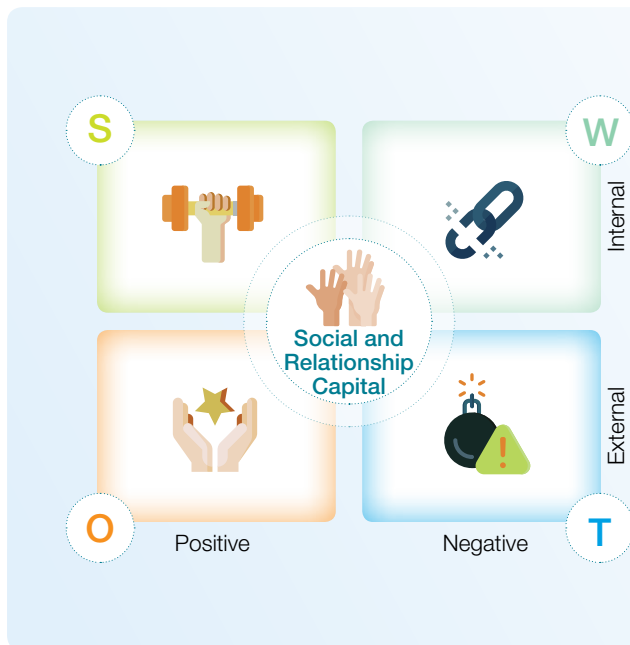
Project	Location
A free health camp was held in Osukuru Sub County, with medical advice and medicine provided	Tororo, Uganda
Donation of medical equipment to a health center in the vicinity of the plant in operation	Tororo, Uganda



Community Health Camp- Medical staff from Kayoro Health Center II attending to patients



Medical equipment donation



Strengths

Strong network among the industry players that can assist in collective efforts and negotiations with the CEB and other regulatory authorities, which will support the industry's growth and stability.

Weaknesses

Reliance on a single buyer (locally) which poses a weakness and a threat due to the risk of payment delays we currently experience.

Opportunities

Investor confidence as the largest renewable energy supplier in Sri Lanka with presence in Pakistan, Uganda and Ukraine.

Threats

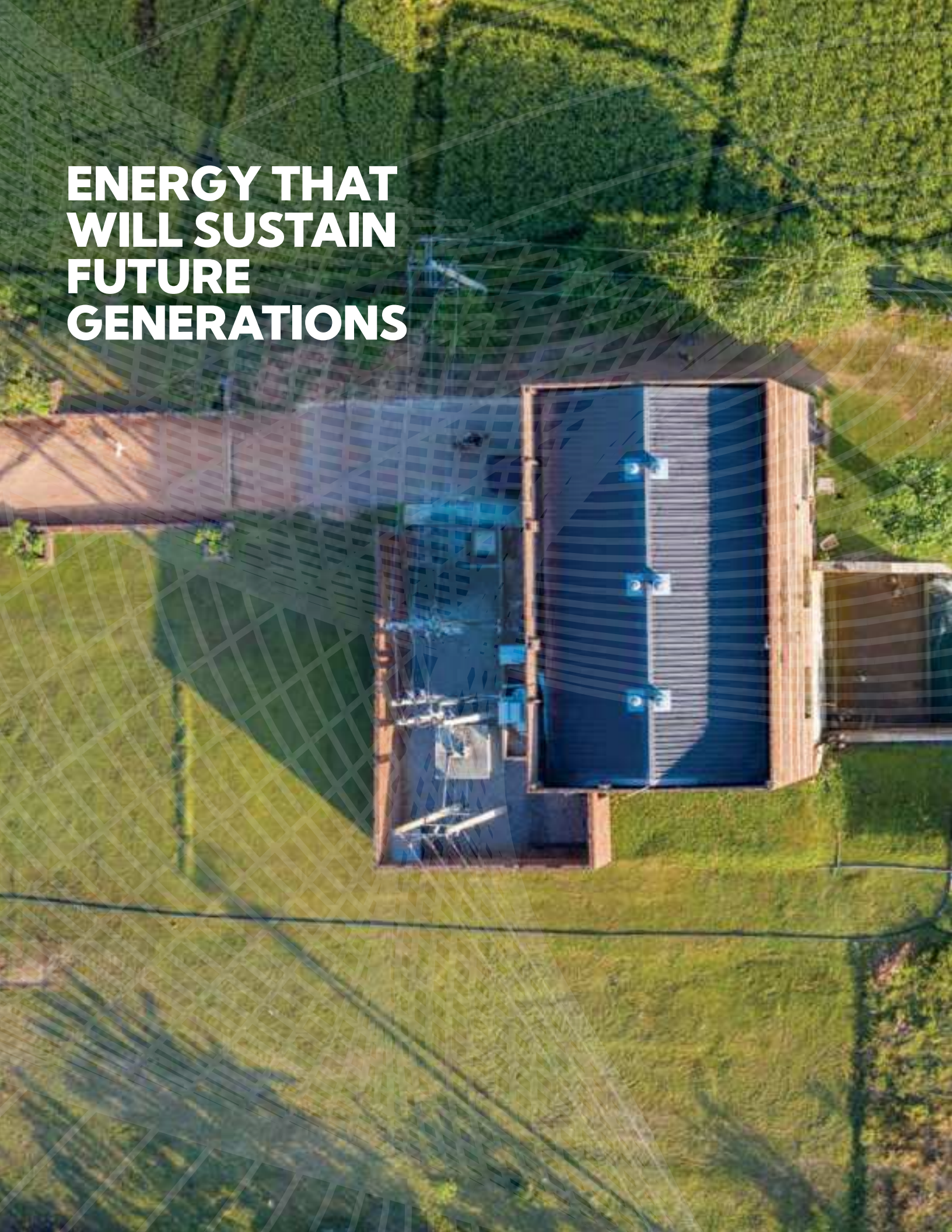
Highly competitive nature among renewable energy players both local and foreign, which requires continuous technical innovations to stay ahead of the competition.

Way Forward

Our social and relationship capital demonstrates the continued faith that our consumers, business partners, and communities have in us. These bonds have only grown stronger as we managed the pandemic and developed new methods to provide mutual benefit.

- Consistent capital and dividend growth over time.
- Provide local communities direct and indirect job and entrepreneurship opportunities.
- Provide job opportunities for SMEs in the communities where we operate.
- Create a 'Green Workforce'
- Continuous communication and involvement with stakeholders will help to strengthen connections.

**ENERGY THAT
WILL SUSTAIN
FUTURE
GENERATIONS**





CORPORATE GOVERNANCE

Approach to Corporate Governance {GRI 102 - 6, 103 - 2, 3, 416 - 2-2}

We at WindForce, strive to improve its corporate governance on a continuous basis, always aiming to ensure stable and continuous business. On this basis, WF has adopted the best practices code for corporate governance and has been recommended to follow listed companies by the CSE.

The company believes that the focus of corporate governance should be on ensuring management fairness and transparency through clear separation of functions between management oversight and business execution, while also enhancing corporate vitality. The company also fully utilizes the functions of directors, including management oversight.

WF's overall approach to good governance is framed by the regulatory frameworks applicable to the business, the internal mandates governing our operations and the best practices voluntarily adopted by the Board. These frameworks, together with the company's governance structure and assurance processes, provide a foundation to deliver sustainable growth, earn the trust of all stakeholders of the company and make an effective contribution towards the development of the nation.

Chairman's Statement on Corporate Governance

Effective corporate governance is an essential component that contributes to WF's long-term growth and sustainability. In all of our day-to-day actions, we seek to mimic strong governance practices in terms of methods and procedures to support ethical behavior and a solid ethical culture. Our corporate governance architecture is built on sound business concepts, rules, and processes, and is supported by an effective monitoring mechanism, with the Board of Directors serving as the apex governing body.

As Chairman, I guarantee that WF adheres to a strong corporate governance framework and that the Board-approved and endorsed clear principles are ingrained at all levels of the organization. The Board's effectiveness in formulating strategies and making decisions depends greatly on the breadth and depth of its skill set, the diversity of its members to enable insight and perspective on issues under consideration, and the inclusive environment that fosters productive debate.

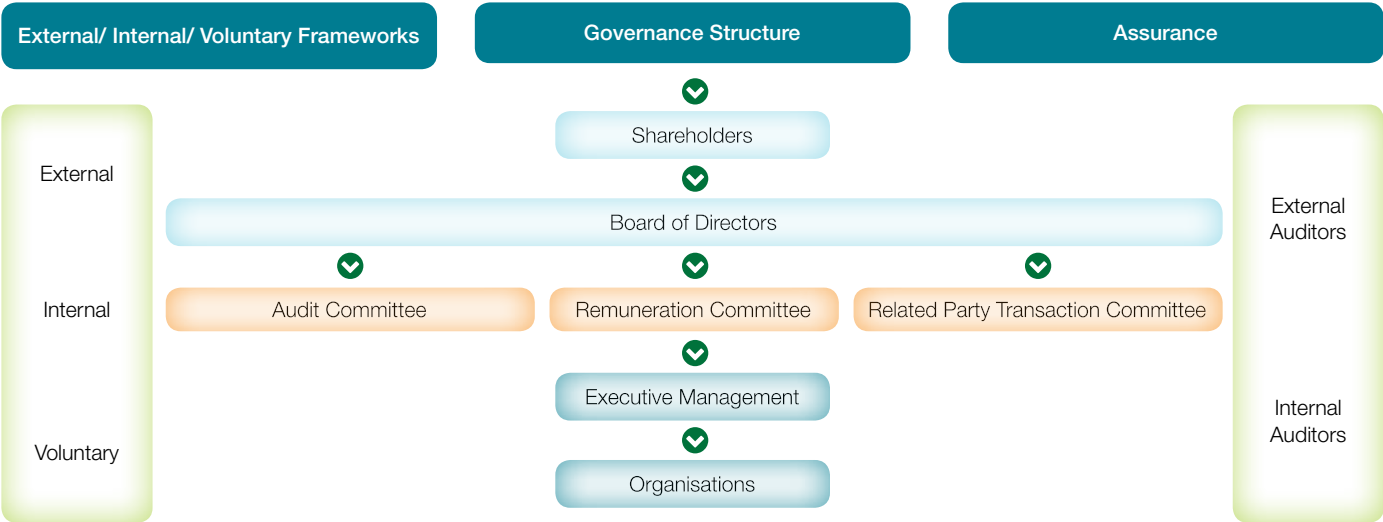
The reports of these committees, shown on pages 134, 135 and 136 respectively, describe in detail the work done in this past year.

We hope that this statement is useful to you in reviewing how regulatory requirements and best practices are implemented across WF.

Finally, I solemnly reassure that we at WF constantly seek to improve our corporate governance procedures while adhering to the necessary legal, regulatory, and governance frameworks in order to fulfill our ethical and stewardship commitments and foster the development of long-term sustainable stakeholder value.


Ranil Pathirana
Chairman

Corporate Governance Structure



The company strives to improve corporate governance by establishing the following fundamental points of view and code of conduct in its “Corporate Governance Principles”:

- (a) Value Co-creation with Stakeholders
 - i. The company respects stakeholders’ rights.
 - ii. The company strives to expand and create value together with stakeholders.
 - iii. Through dialogues with stakeholders, the company maintains positive and smooth relations and builds trust.
 - iv. The company ensures transparency by disclosing company information in a timely and accurate manner.
 - v. The company actively works toward achieving a sustainable society.
- (b) Corporate Governance System
 - i. To the extent permitted by laws and regulations, the Board of Directors (“the Board”) shall delegate to corporate officers broad decision-making authority for business execution, and it shall exercise management oversight.
 - ii. Outside independent and neutral directors shall constitute the majority of the Board.

External

- ▶ Companies Act No. 7 of 2007
- ▶ Listing Rules of the Colombo Stock Exchange
- ▶ Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987
- ▶ Shop and Office Employees (Regulation of Employment and Remuneration) Act, No. 19 of 1954
- ▶ Sri Lanka Accounting Standards
- ▶ International Financial Reporting Standards
- ▶ Business-specific regulations
- ▶ Inland Revenue Act No.24 of 2017

Internal

- ▶ Vision, Mission, Values
- ▶ Articles of Association
- ▶ Board Charter
- ▶ TOR of Board Committees

- ▶ Board-approved policy frameworks for governance, risk, and operational areas
- ▶ Code of Conduct for Employees
- ▶ Related Party Transaction Review Committee
- ▶ Audit Committee
- ▶ Remuneration Committee

Voluntary

- ▶ Code of Best Practice, on Corporate Governance
- ▶ GRI Standards issued by the Global Reporting Initiative
- ▶ IR Framework issued by IIRC
- ▶ Code of Ethics of Institute of Engineers of Sri Lanka (IESL)
- ▶ UN Sustainable Development Goals

Board of Directors {GRI 102-19}

The Board of Directors’ mission is to promote the company’s interests, representing the company and its shareholders in the management of its assets, in the management of the businesses and in the direction of the business’ administration. Apart from the matters reserved for the powers of the General Meeting of Shareholders, the Board of Directors is the highest representative and decision-making body.

The Board functions independently of the management in seeking to provide strategic direction to support long-term value creation for all stakeholders. In doing so, the Board is guided by the WF’s vision, mission, corporate values, as well as the articles of association. The Board remains the ultimate authority in charge of ensuring all internal directives, policies and procedures are developed and properly implemented across the business in order to safeguard the interests of stakeholders. In discharging these responsibilities, Directors individually and the Board collectively are expected to act honestly and in good faith in the exercise of due care and to act in the best interest of the company and its stakeholders.

Moreover, the following functions are reserved specifically for consideration and approval by the WF Board;

- ▶ Approving the company’s strategy and business plan

- ▶ Approving major acquisitions, investments and capital expenditure
- ▶ Dividend policy
- ▶ Changes to the capital structure
- ▶ Amending the TOR of Board committees
- ▶ Appointments to the Board and Board committees
- ▶ Senior executive appointments
- ▶ Amendments to key policies and procedures

Board Commitments

▶ Leadership

To guarantee that all stakeholder interests are maintained, the Board offers leadership and strategic control of the company’s affairs.

▶ Accountability

The Board is accountable for ensuring that WF complies with all legal and regulatory standards that are relevant to the company’s operations in all countries where WF is located.

▶ Transparency

The Board guarantees that the company’s financial and non-financial performance is disclosed transparently and in accordance with all statutory reporting obligations and industry best practices.

▶ Ethics

The Board sets the standard from the top for creating a culture that not only helps to realize commercial plans but also encourages decisions that are righteous, moral, and responsible and produce superior long-term results.

▶ Continuous Improvement

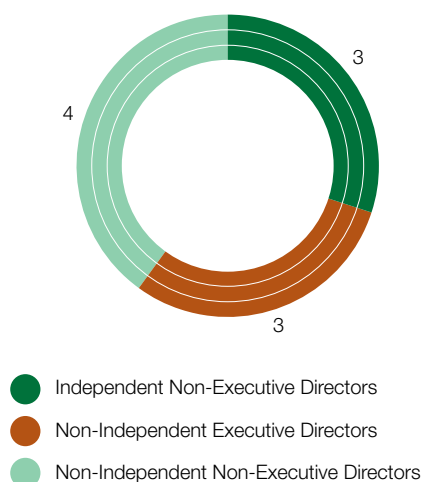
In accordance with best practices for good governance, the Board proactively encourages the early implementation of rules and pushes for ongoing improvement of its corporate governance system.

▶ Stakeholder Engagement

The Board encourages ongoing dialogue with stakeholders and has put in place a comprehensive framework to foster effective two-way communication.

CORPORATE GOVERNANCE CONTD.

Board Composition



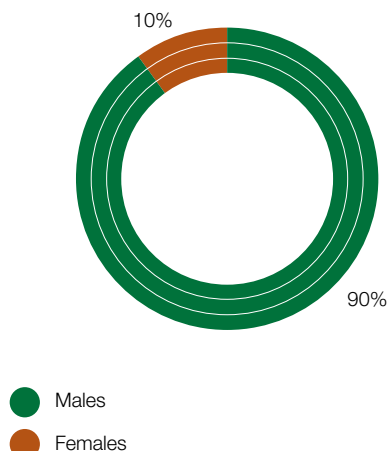
In accordance with the company's share capital structure, as well as the geographical distribution and complexity of the business, WF's Board of Directors has the size and structure required to promote efficient functioning and maximize participation. As of 31st March 2023, the WF Board consisted of three Executives, four Non-Executive Directors, and three Independent Non-Executive Directors. The current Board is well balanced, with a wide range of age, educational qualifications, areas of expertise, and special skills.

Independent Directors

The WF Board is made up of three Independent Non-Executive Directors who contribute significantly to the Board's balance. Their diverse expertise and experience promotes active debate of Board decisions and helps to avoid potential conflicts of interest that may arise from such decision-making.

The appointment of Independent Directors is made in accordance with the provisions of the CSE's listing rules, taking into account WF's Board diversity indicators.

Board Gender Diversity



Conflict of Interest

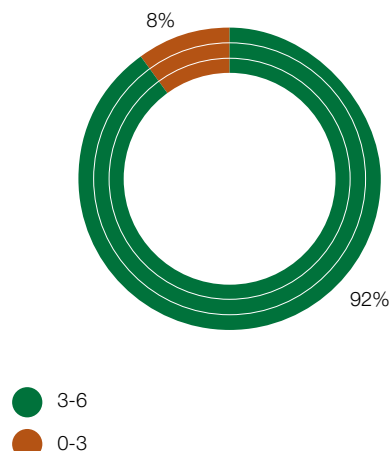
Directors are required to disclose any direct or indirect conflict of interest in relation to a transaction or proposed transaction with the company. Where a Director has a conflict or potential conflict of interest in relation to any matter, he or she is expected to declare his or her interest immediately and refrain from participating in discussions about the transaction, as well as from voting on the conflict-related matters.

Division of Responsibilities

The Chairman and the Managing Director (MD) have clearly defined roles and responsibilities, ensuring a balance of power and authority.

The Chairman is in charge of ensuring the Board's effectiveness and conduct. The Chairman is in charge of chairing the Board, ensuring that the information Directors receive is sufficient to make informed decisions, and facilitating effective debate at Board meetings.

Tenure



The MD operates under the Board's delegated authority and is accountable for the company's performance. The MD is responsible for implementing Board-approved policy frameworks and leading the Corporate Management Team on issues such as strategy, risk management, governance, compliance, liquidity management, and financial reporting.

Board Meetings

The Board meets quarterly, with additional meetings held as needed. All Directors must attend scheduled Board meetings. Directors are expected to be well-prepared in order to contribute effectively at meetings. To help with this, Directors can request information or clarification from the Company Secretary or any member of WF's senior management. Directors can also seek advice from outside experts.

Apart from the quarterly meetings, special meetings are held as and when required. Company Secretaries keep track of all Board minutes and other documentation.

Meeting Attendance

Meeting Attendance FY 2022/23	Board Meetings	Committee Meetings		
		Remuneration Committee	Audit Committee	Related Party Transaction Review Committee
Mr. Ranil Pathirana	6	3	Not a Member	Not a Member
Mr. Asgi Akbarally	6	Not a Member	Not a Member	Not a Member
Mr. Manjula Perera	6	Not a Member	Not a Member	Not a Member
Mr. Huzefa Akbarally	6	Not a Member	Not a Member	4
Mr. Hussain Akbarally	6	Not a Member	Not a Member	Not a Member
Mr. Moiz Najmudeen	6	Not a Member	4	Not a Member
Mr. Vinod Hirdaramani	5	Not a Member	Not a Member	Not a Member
Ms. Saumya Amarasekera	5	Not a Member	Not a Member	4
Mr. Dilshan Hettiaratchi	6	3	4	Not a Member
Mr. Savantha De Saram	6	3	3	4

Directors' Training {GRI 102-27}

All Directors are encouraged to pursue ongoing professional development, and appropriate external training is arranged at the company's expense where necessary. These are typically intended to assist Directors in keeping up to date on regulatory, legal, and accounting frameworks relevant to the company.

Board Committees

The WF Board has appointed three committees to assist in the discharge of Board functions, specifically in providing oversight for key aspects of the business.

1. Audit Committee
2. Related Party Transaction Review Committee
3. Remuneration Committee

Each committee operates in accordance with the Board-approved Terms of Reference, which outline duties and delegate authority. Each year, the Board allocates the resources required for the Board committees to carry out their specific roles.

Board Responsibility: FY 2022/23

Area	Key Activities
Strategy and Purpose	▶ Review and approval of new plant investments ▶ Approval of annual budgets ▶ Approval and distribution of dividend for FY 2022/23
Risk Management and Assurance	▶ Evaluation of compliance and H&S policies
Financial Performance and Reporting	▶ Review financial performance of the company based on management reports ▶ Approved quarterly financial reports for publication ▶ Approved the Annual report for publication ▶ Setting of the AGM date for the FY 2022/23
People Development	▶ Employee safety ▶ Guidance for the recruitment of senior management employees ▶ Approving the 3-year succession plan for middle management
Sustainability	▶ ESG Framework ▶ CSR practices
Operational Performance Against Strategy	▶ Performance of plants ▶ Discussion of projects in the pipeline
Governance and Control	▶ Reviewal of Board policies and TOR (Terms of Reference) for such Sub-Committees ▶ Action plan for recommendations by the Board and stakeholders
Culture and Conduct	▶ Reviewed and updated the Code of Conduct with special emphasis on strengthening the company-wide ethics framework
Stakeholder Engagement	▶ Evaluation of shareholder communication ▶ Evaluation of stakeholder recommendations

CORPORATE GOVERNANCE CONTD.

Corporate Management Team

The Managing Director (MD) leads the Corporate Management Team. WF's Chief Executive Officer, Chief Operating Officer, Chief Development Officer, and Chief Financial Officer are also members of the Corporate Management Team, each of whom is in charge of a specific area.

The Board holds the Corporate Management Team accountable for ensuring that the company's regular functions are carried out in accordance with the Board-approved strategy, risk management objectives, policy frameworks, and ethical expectations.

Monthly Review Committees {GRI 102-31, 34}

A monthly meeting, chaired by the MD and the Management Team, serves as a forum for the Group to review sector performance, formulate policy, communicate sector-relevant matters, areas of special interest and concern, and share best practices.

Executive Management meetings are held with the CEO, MD, and all other department heads to discuss performance, new initiatives, problems, and strategies. This is a brainstorming session where WindForce's performance, growth, governance, and administration are discussed.

Board Composition, Committees and Expertise

	Tenure to Date	Current Profile	Membership of Committees	Competencies and Experience
Mr. Ranil Pathirana	13 Years	Chairman, Non-Executive, Non-Independent Director	◆	■ ■ ■ ■
Mr. Asgi Akbarally	13 Years	Deputy Chairman, Executive Non-Independent Director		■ ■ ■ ■ ■
Mr. Manjula Perera	13 Years	Managing Director, Executive Non-Independent Director		■ ■ ■ ■
Mr. Huzefa Akbarally	13 Years	Non-Executive, Non-Independent Director	△	■ ■ ■
Mr. Hussain Akbarally	2 Years	Executive, Non-Independent Director		■ ■ ■ ■ ■ ■
Mr. Moiz Najmudeen	13 Years	Non-Executive Non-Independent Director	☆	■ ■ ■ ■
Mr. Vinod Hirdaramani	13 Years	Non-Executive Non-Independent Director		■ ■ ■
Mr. Dilshan Hettiaratchi	2 Years	Non-Executive Independent Director	◆ ◆	■ ■ ■ ■
Mrs. Saumya Amarasekera	2 Years	Non-Executive Independent Director	△	■
Mr. Savantha De Saram	2 Years	Non-Executive Independent Director	◆ ☆ △	■ ■

◆ Remuneration Committee ☆ Audit Committee △ Related Party Transaction Review Committee ◆ ◆ △ Chairperson

■ Finance	■ Engineering	■ Management	■ Law	■ Investment Management
■ IT/Technology	■ Marketing	■ Renewable Energy	■ Corporate Finance	■ Industry and Commerce
■ Sustainability	■ Hospitality	■ Healthcare		

SEC and CA Sri Lanka Code Reference No	Level of Compliance	Status of Compliance
<i>A. Directors</i>		
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. Six Board meetings were held during the period under review. Please refer page 109 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 "Board Responsibility" on page 109.	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 to 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
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 best interest to 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 agrees on the training and development needs of Directors.	Complied

CORPORATE GOVERNANCE CONTD.

SEC and CA Sri Lanka Code Reference No	Level of Compliance	Status of Compliance
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 Non-Executive capacity and is responsible for leading and 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 108 for responsibilities of the Chairman.	Complied
A.4 Financial acumen	The Board ensures the availability within it, of 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 page 30.	Complied
A.5 Board balance	The Board should have a balance of Executive and Non-Executive Directors such 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 page 110 for Board composition	Complied
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 and those of individual Directors regarding matters placed for their approval.	Complied
A.6 Supply of information	The Board should be provided with timely information in a form and quality appropriate to enable it to discharge its duties.	

SEC and CA Sri Lanka Code Reference No	Level of Compliance	Status of Compliance
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 the 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 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 their expertise in relevant functional area ► Other Directorships or memberships in Board Sub-Committees ► Whether the Director is considered "Independent".	Complied
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 Directors (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.	

CORPORATE GOVERNANCE CONTD.

SEC and CA Sri Lanka Code Reference No	Level of Compliance	Status of Compliance
A.10.1 Disclosure of information in respect of Directors	Please refer to the Board Composition, Committees and Expertise table on page 110 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 their own remuneration.	Complied
B.1.2, B.1.3 Composition of the Remuneration Committee	The Remuneration Committee comprises of three (3) Non-Executive Directors of whom two (2) 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 has 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 NEDs taking into account the time, commitments, their expertise, enhanced performances etc. The company ensures to attract their contribution to its long- term success.	Complied

SEC and CA Sri Lanka Code Reference No	Level of Compliance	Status of Compliance
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 the "Report of the Remuneration Committee" on page 135 for the Remuneration Policy and the Committee composition. ▶ Aggregate Board remuneration paid ▶ Please refer to note 31 to the Financial Statements on page 184 for the remuneration paid to Directors	Complied
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 for the AGM for the year ending 2022/23 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 by the Board of Directors.	Complied

CORPORATE GOVERNANCE CONTD.

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. 7 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 "Managing Director's and Chief Executive Officer's Statement on Financial Responsibility" on page 137.	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 129 to 131 which contains the declarations required by the code.	Complied
D.1.5 Statement of directors' and auditors' responsibility for the Financial Statements	Please refer "The Statement of Directors' Responsibility on Financial Reporting" on page 133.	Complied
D.1.6 Management discussions and analysis	A management discussion and analysis is covered in the Managing Director's Review, Risk Management Report, Operating Environment and the Six Capital Analysis.	Complied

SEC and CA Sri Lanka Code Reference No	Level of Compliance	Status of Compliance
D.1.7 Summoning an Extraordinary 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 37 to the Financial Statements on pages 189 to 193. 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 was satisfied with the effectiveness of the system and internal controls of the company.	Complied
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 132.	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

CORPORATE GOVERNANCE CONTD.

SEC and CA Sri Lanka Code Reference No	Level of Compliance	Status of Compliance
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 on Related Party Transactions Review Committee Report for the 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.	
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 with 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 106.	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 by this report on Corporate Governance.	Complied

SEC and CA Sri Lanka Code Reference No	Level of Compliance	Status of Compliance
<i>E. Institutional Investors</i>		
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 AGMs 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 to their attention.	Complied
<i>F. Other Investors</i>		
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 encourages the shareholders to participate at the AGM and to seek independent advice in investing.	Complied
<i>H. Environmental, Social and Governance Reporting (ESG)</i>		
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 pages 73 to 78 and GRI Reporting Index on page 202.	Complied
H.1.2 Environmental Indicators	Please refer "Natural Capital" on pages 93 to 96.	Complied
H.1.3 Social Factors	Please refer "Social and Relationship Capital" on pages 97 to 103.	Complied
H.1.4 Governance	Please refer "Corporate Governance" on page 106.	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

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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	Investor Information
iv) The Public Holding percentage	Complied	Investor 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	Investor 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	Investor Information
xi) The following ratios and market price information:	Complied	Financial Highlights Five-Year Summary Financial Capital Investor 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 Financial Statement Note 3 - Property Plant & Equipment
(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 undertaken ESOP-related proceedings during the year under review.	N/A

CSE Rule Number and Description	Status of Compliance	Section Reference in the Annual Report
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 37 - 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
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 their 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	Complied The Remuneration Committee consists of three NEDs of which two are independent.	Corporate Governance
The Chairman of the committee shall be a Non-Executive Director	The Chairman of the committee is a Non-Executive Director	Report of the Remuneration Committee

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CSE Rule Number and Description	Status of Compliance	Section Reference in the Annual Report
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
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	Complied	Corporate Governance
The Chairman of the committee shall be a Non-Executive Director	The Managing Director and the Head of Finance attend Audit Committee meetings by invitation	
Unless otherwise determined by the committee, the CEO and the CFO shall attend meetings		Report of the Audit Committee
Chairman or one member of the committee should be a member of a recognized professional accounting body	Chairman of the Audit Committee is a CFA and ACMA	
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

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	Complied	Notes to the Financial Statements
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	WIND did not have non-recurrent Related Party Transactions within this criterion	Note 37 - 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 37 - Related Party Transactions
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 CONTD.

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, page 148.
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 Pages 142 to 198.
168 (1) (c)	Auditors' Report on Financial Statements of the Group and the company	Independent Auditors' Report on Pages 139 to 141.
168 (1) (d)	Accounting Policies and any changes therein	Notes to the Financial Statements Note 2, page 149.
168 (1) (e)	Particulars of the entries made in the Interests Register during the accounting period	Annual Report of the Board of Directors on State of Affairs of the Company Page 129.
168 (1) (f)	Remuneration and other benefits paid to Directors of the company during the accounting period	Notes to the Financial Statements Note 31, page 184.
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 8.
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 31, page 184.
168 (1) (j)	Auditors' relationship or any interest with the company and its subsidiaries	Annual Report of the Board of Directors on State of Affairs of the Company Page 129. 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 State of Affairs of the Company Page 129.

RISK MANAGEMENT

{GRI 303}



Risk management is an important part of carrying out our corporate strategy. Strong risk management foundations are critical in our dynamic operating environment to guarantee our company continues to expand and meets the key objectives of all stakeholders. Our policies and procedures have been carefully crafted to ensure that we are well protected economically, socially, and environmentally. The Board of Directors and Senior Management identify significant risks of the organization whilst continuing and implementing the company's Risk Control and Management Systems throughout the organization.

The ERM process is a continuous cycle designed to manage business risks proactively. It is broken down into six stages:

1. Identification: R/O identification is a continuous process based on "top-down" and "bottom-up" approaches.
2. Assessment: R/Os are evaluated based on their impact on the organization and likelihood of occurrence over a three-year period.
3. Respond: This phase focuses on the implementation of response plans to manage the risks identified by selecting one of our general risk response strategies (avoid, transfer, reduce or accept).
4. Monitor: Controls and supervision to ensure timely notification of R/O situation, KRIs, and response plans.

5. Report and scale: Focused on the standardized and structured reporting of identified R/Os. This process provides significant risk information to management and Board members.
6. Continuous improvement: Risk management in the ERM is based on continuous improvement, audits, self-assessments, benchmarking, and compliance with legal and regulatory requirements.

Our risk management strategy aims to achieve the following specific goals:

- Analyze significant risks pertaining to WF.
- Re-profile all critical risks on a regular basis in light of changes in the internal business framework as well as the external operating environment to ensure risk frameworks can support the business strategy.
- Implement suitable controls to mitigate key risks in daily business operations.

In order to achieve the above-mentioned goals, we have implemented a three-pronged risk management strategy based on Governance, Direction, and Culture.

Key Challenges Faced by the Sri Lankan Power Sector

While the time has come for Sri Lanka to seek the construction of a 100% RE generation sector, the country still faces a

number of significant problems that must be addressed proactively if it is to achieve this goal.

As the Ceylon Electricity Board (CEB) is mired in a massive debt pile and facing a rupee shortage due to its persistent large-scale losses, private renewable energy producers are experiencing payment delays, which has significantly stretched their working capital cycles.

Infrastructure expansion in the electricity sector (generation, transmission, and distribution) necessitates significant investment, and Sri Lanka lacks the indigenous potential to get commercial bank financing for ambitious projects. It will be difficult to boost growth without the cooperation of multilaterals and international banks with low-cost financing.

An integrated national energy policy formulation is needed to support RE growth, as the high cost of electricity from RE sources is a deterrent.

Absence of local research and development to foster local capacity development: Sri Lanka has few or no research institutions dedicated to the development of renewable energy resources locally, resulting in a sector that is reliant on imported RE expertise and resources.

The following are a few factors to consider for the risk management process in renewable energy projects to ensure safe operations and successful generation and supply of energy as needed without losses:

- Experienced operators with the technology need to be employed for operation and maintenance.
- Pre-feasibility studies along with the risk analysis from a professional consultation.
- Resources availability, procurement, and supply need to be monitored.
- Experienced professional consultants need to be considered for planning, approvals, policymakers, and legal advisories.
- Technology risks must be noticed during planning, construction, operation, transmission, and utilization.

RISK MANAGEMENT CONTD.

Risk Governance {GRI 102-30}

Risk Governance Structure



Effective risk management begins with effective risk governance. The WF Board as the ultimate authority within the company, provides strategic over-sight for risk management. In exercising its risk management duties, the Board has established a Risk Governance Structure based on the three-lines-of-defense principle that outlines risk management duties and responsibilities across the company.

Risk Direction

For each key risk, the Board establishes acceptable risk tolerance limits. Internalized policies, standards, and procedures approved by the Board of Directors guide operational teams on a daily basis.

Risk Culture

The successful implementation of the three-line-of-defense mechanism requires a proactive risk culture. As a result, the Board works to cultivate a strong risk awareness culture by encouraging appropriate values and behaviors that shape risk decisions made by management and employees in accordance with the company's risk management objectives.

Major Risks Faced in FY 2022/23 {GRI 201-2}

Strategic Risks: Climate Changes, Production Risks, Political Risks, Commodity Risks, Acquisitions, Social and Environmental Risks

Financial Risks: Interest Rate Risk, Credit Risk, Investment Risk, Liquidity Risks, Inflation Risk

Other: Business Disruption, Tax, Market Prices, General Business Principles

WindForce Approach to Risk Management

Potential Health and Safety Risks for WF {GRI 403-7}

Potential Safety Risk	Identified Risk	Mitigation Action
New Project Construction	Burn risk due to high voltage hazard	Isolation procedures. Lockout and tag-out procedures.
	Theft of items at construction sites or during transportation	Adequate security at sites with plant parts stored in locked warehouses. Appropriate insurance policies to cover theft and damage.
Operational Plants	Burn risk due to high voltage hazard	Isolation procedures. Lockout and tag-out procedures.
	Injuries caused due to uncalibrated or defective lifting tools/equipment	Load testing of lifting equipment and constant inspection of all tools and equipment.
Common Safety Risks	Working at heights	Adoption of high H&S standards and equipment such as ropes and harnesses and anti-slip safety shoes. Continuous training and inspection of all H&S procedures and equipment.
	Injuries caused by falling objects	Safety helmets and hard boots are made a requirement.
	Entrapment and ergonomic failure hazards	Proper personnel training to all relevant employees on safe work practices and rescue. Safety signs and adequate safety systems in place.

Risk Management Report: FY 2022/23 {GRI 102-15}

RISK CATEGORY	RISK EVENT AND ITS IMPACT		DEGREE OF IMPACT		MITIGATION STRATEGIES
			FY 2022/23	FY 2021/22	
BUSINESS RISK	Non-renewal of the Power Purchase Agreements leading to the closure of plants	Loss of revenue Deterioration of the assets	L	L	Create awareness regarding the importance of energy generation through renewable energy to secure renewal of PPA's Collective efforts at industry level to avoid the possibility
	Breakdowns / failures at the CEB's transmission grid substation preventing the distribution of generated electricity		M	L	Addressing such issues at the time of PPA renewal and when entering in to new PPAs Ensuring adequate insurance to cover potential losses arising from such eventualities
	Lower power generation due to equipment failure		L	L	Timely maintenance of the critical machinery and equipment Maintain sufficient inventory of critical equipment for quick fix of failures Build team expertise to ensure O&M can be handled in-house promptly and swiftly.
	Unforeseen challenges leading to delays in project commissioning	Impact on profitability due to cost overruns	H	H	Detailed project planning Link the sales tariff to USD until project COD
	Issues arising as a result of the overdependence on a single customer / utility	Settlement delays by the customer leading to cash flow and liquidity constraints	H	M	Creating new revenue streams by diversifying into new foreign markets Creating additional revenue streams through new product development through R&D efforts Collective negotiations through renewable energy associations
FINANCIAL RISK	Interest Rate Risk	Adverse impact on profits due to higher finance costs	H	H	Maintaining a combination of fixed and variable interest rates Negotiations with banks to obtain favorable rates
	Exchange Rate Risk	Cost overruns in ongoing projects due to the depreciation in the local currency and supply chain issues arising as a result of delays in opening of LCs	H	H	Use of hedging/forward contracts Advance currency booking for foreign remittances Negotiated payment terms Extension of existing foreign borrowing facilities
	Credit Risk	Impact on liquidity due to delayed payments by CEB and other customers (foreign)	H	M	Enter into legally binding agreements with CEB and other foreign utilities

RISK MANAGEMENT CONTD.

RISK CATEGORY	RISK EVENT AND ITS IMPACT		DEGREE OF IMPACT		MITIGATION STRATEGIES
			FY 2022/23	FY 2021/22	
STRATEGIC RISKS	Reduced energy generation due to low wind speeds	Loss of revenue	L	L	Evaluating wind speed and trends in the air flow patterns at the feasibility stage ensures that WF's wind plants are built at sites with optimal wind resources for power generation.
	Reduced energy generation due to changes/ fluctuations in solar irradiance	Loss of revenue	L	L	Evaluating solar irradiance levels at the feasibility stage ensures that WF's solar plants are built at optimal locations. Use of bi-facial technology in solar panels Use of battery storage facility
	Reduced energy generation due to erratic rainfall and prolonged drought conditions	Loss of revenue	M	M	At the feasibility stage, the company hires experts in hydrology to assess the historical flow and duration curve for viability of potential sites for hydro power generation, including an assessment of rainfall patterns to ensure hydro power plants are optimally located
	Disruption of natural water flows that could potentially harm surrounding ecosystems, farmlands and agricultural zones	Negative perceptions among the community	L	L	WF's hydro power plants are designed by taking into consideration the uninterrupted natural flow of water and the needs of all stakeholders who depend on the water resource, ensuring a sustainable operation of the plant
OPERATIONAL RISKS	Health and safety of people	Lost days due to injuries could affect the project completion deadlines	L	L	Adoption of global best practices for health and safety management at construction sites and operational plants
	Team expertise	Inability to achieve plant productivity and quality targets due to lack of adequately skilled workers	L	L	Adopting a team-based work ethic to promote continuous learning Structured retention and growth plans for better career prospects within the company
	Pandemic impact	Losses due to business disruptions caused by lockdowns and mobility travel restrictions as well as the breakdown in global supply chains	H	M	Implementing the "bio-bubble" model to safeguard the workforce Mobilising work-from-home arrangements for administrative teams Moving to digital platforms to connect with overseas business partners Increased focus on procurement planning and inventory management
IT RISK	Breach of the company's IT systems	Negative impact from the loss of company data due to file corruption, data leakage and external cyber threats	L	L	Internal IT controls Regular maintenance, IT audit, updating and back-up of systems and data Introduction of new firewall systems

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE 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 31 March 2023, 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 guidelines 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 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.

Group Structure and Principal Business Activities

The group structure can be found on page 8.

Summarized Financial Statements

	Group		Company	
	2022/2023 LKR. '000	2021/2022 LKR. '000	2022/2023 LKR. '000	2021/2022 LKR. '000
Revenue	4,953,490	4,367,373	419,319	274,181
Profit/(Loss) Before Tax	2,358,936	2,237,825	479,072	1,972,666
Income Tax Reversal/(Expenses)	(576,078)	(285,998)	(52,827)	(151,526)
Profit/(Loss) After Tax	1,782,857	1,951,827	426,245	892,869

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 149 to 160.

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.

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.

However, in the current financial year we diversified into business of development of Electrical Vehicle (EV) range and EV conversions.

Review of Performance

A review of the Company's performance and that of its subsidiaries for the Financial Year 2022/23 together with the future outlook is available in the Chairman's Statement, Managing Director's Review on pages 44 to 47 and also in Review of Business Operations on pages 68 to 72.

Financial Statements

The Financial Statements of the Company for the year ended 31st March 2023 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 145 of this Annual Report.

Please refer page 133 for Statement of Directors' Responsibility on Financial Reporting.

Board of Directors

As at 31st March 2023, 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 on page 110 under Corporate Governance 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 37.2 to the Financial Statements on page 193.

Directors' Remuneration

The Directors' Remuneration is disclosed in Note 31 to the Financial Statements on page 184.

Directors' Shareholding

The Directors' individual shareholdings in the Company as at 31st March 2023 are given on Page 200 of this annual report.

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

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 Institute of Chartered Accountants of Sri Lanka, the Securities and Exchange Commission of Sri Lanka and the Colombo Stock Exchange. The Corporate Governance Report is given on pages 106 to 124 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 independent auditors' comments on the internal control system during the financial year 2021/22 were considered, and suitable steps were taken to incorporate them where applicable during the financial year 2022/23. According to the Internal Audit Framework, this year an independent internal audit was conducted, and the results were presented to the Audit Committee. Further, necessary actions were taken to address the concerns of the Internal Audit Report. The "Report of the Audit Committee" 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 "Risk Management" on page 125 of this Annual Report.

Donations

The Group and the Company have not made any donations for political purposes 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. 24 of 2017 and subsequent amendments thereto and details are given in Note 33 to the Financial Statements on page 185.

Property, Plant and Equipment

The movement in property, plant and equipment of the company are given in Note 3 to the Financial Statements.

Employment

The collective manpower strength of the Company and Group as at 31st March 2023 was 155. Further information of the Company's workforce can be found in the Human Capital Report on pages 79 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 31 March 2023 was LKR 18 Billion represented by 1,350,768,942 fully paid Ordinary Shares.

Reserves

The reserves of the company as at 31st March, 2023 stand at LKR 4.6 Bn (2021/22 – LKR 2.7 Bn) comprising totally revenue reserves.

Investor Information

Information relating to shareholding, market value of shares, public shareholding and top twenty shareholders are available are

available under the tile 'Investor Information' on pages 199 to 201.

Equitable Treatment of Shareholders

The Company has made all endeavours to ensure that all shareholders are treated equitably.

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 31 March 2023, 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 37 to the Financial Statements on page 189.

The members of the Board and Chief Executive 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.

Dividends

The company has not issued dividend payments for the financial year 2022/23 due to cashflow constraints experienced as a result of CEB payment delays.

Environmental Protection

To the best of 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.

Independent Auditors' Report, Remuneration and Appointment

The Financial Statements of the Company for the twelve months ended 31st March 2023 have been audited by Messrs. BR de Silva & Co., Chartered Accountants and the Independent Auditors' Report thereon is given on page 139 of the Annual Report as required by the Section 168 (1) (c) of the Companies Act No. 07 of 2007.

A sum of LKR 6 million 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 appointment of M/s. Ernst & Young, 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 of June 2023. The notice of the Annual General Meeting appears on page 208.

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.

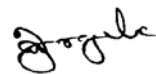
This Annual Report is signed for and on behalf of the Board of Directors.



Ranil Pathirana
Chairman



Manjula Perera
Managing Director/Executive Director



Nexia Corporate Consultants (Private) Limited
Secretaries

Colombo
17th May 2023

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 Budgets.

Internal Audit

Independent auditors' comments on the internal control system during the financial year 2021/22 were considered during the financial year 2022/23, and suitable steps were taken to incorporate them where applicable. Further according to the Internal Audit Framework, during the year under review, an independent internal audit was conducted. The Audit Committee endorsed additional controls and risk mitigation strategies, where necessary, in order to strengthen the existing internal control system.

The Board of Directors and the Audit Committee have concluded that the Group has an effective risk management and internal control system in place to protect the shareholders' investment and assets.

Refer Audit Committee Report on page 134.

Group Ethics and Code of Conduct

The Group is dedicated to operating in an open, honest, and ethical manner. When interacting with numerous stakeholders, ethics and integrity have always been the main reference point for all personnel.

The Group Ethos is communicated to all employees of the Group during their onboarding process and is cited in the employee handbook. The Board and sub-committees ensure that all members of the group comply with the code of ethics when conducting their duties.

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 Chairperson/Director



Rusiri Cooray
Chief Financial Officer

17th May 2023

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 to be read in conjunction with the Independent Auditor's Report on pages 139 to 141.

As per the Companies Act No 7 of 2007, the Directors are responsible to prepare and present Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company and the Group and the profit or loss of the Company and the Group for the financial year in accordance with applicable laws and regulations and SLFRSs and LKASs.

The Financial Statements comprise of:

- ➊ Statement of Profit or Loss and Other Comprehensive Income of the Group and the Company
- ➋ Statement of Financial Position of the Group and the Company
- ➌ Statement of Changes in Equity of the Group and the Company
- ➍ Statement of Cash Flows of the Group and the Company
- ➎ Notes to the Financial Statements

The Directors are also required to place these Financial Statement before general meeting of shareholders.

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

The Board of Directors accepts responsibility for the integrity and objectivity of the 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 established by the Board 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 to 31st March 2023 and the bank facilities, consider that the Group/Company has adequate resources to continue in operation, and have continued to adopt the going concern basis in preparing these Financial Statements.

The Directors Confirm That;

- ➊ Appropriate Accounting Policies have been selected and used in a consistent manner, and material departures, if any, have been disclosed and explained;
- ➋ 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;
- ➌ Listing Rules of the Colombo Stock Exchange are complied with; and

- ➍ To the best of their knowledge, 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 Pathirana
Chairman



Manjula Perera
Managing Director/Executive Director

17th May 2023

REPORT OF THE AUDIT COMMITTEE

The Audit Committee was appointed 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.

Composition of the Committee

- ▶ Dilshan Hettiaratchi - Non-Executive Independent Director
- ▶ Savantha De Saram - Non-Executive Independent Director
- ▶ Moiz Najmudeen - Non-Executive Non- Independent Director

Meetings

Name	Membership Position	Attendance
Dilshan Hettiaratchi	Chairperson	4/4
Savantha De Saram	Member	3/4
Moiz Najmudeen	Member	4/4

Role of the Committee

Financial Reporting

The Audit Committee has reviewed the quarterly and annual financial statements prior to its publication, with special focus on the below 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 committee assess the effectiveness of the internal audit, internal controls and the risk management system that have been designed to provide reasonable assurance to the Directors that company assets are safe guarded, and that the financial reporting system can be relied upon in preparation and presentation of Financial statements.

As per the Internal Audit Framework, an Internal Audit was conducted during the year by an independent internal auditor. The findings of the report were presented to the Audit Committee in February 2023, and suitable steps were taken to address the concerns.

External Audit

The Audit Committee has reviewed the independence and objectivity of the Independent External Auditors, B.R. 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 proposal to change the External Auditors in favor of good governance, was considered by the Audit Committee and it was recommended to the Board of Directors to appoint Ernst & Young, Chartered Accountants as the External Auditors for the financial year ending 31st March 2024. This appointment is to be included in the agenda of the Annual General Meeting for the approval of the shareholders.

Conclusion

The Audit Committee confirms that the financial reports for the year ending 31st March 2023 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 Organizational 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 will continue to obtain external advice to further enhance these frameworks.

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



Dilshan Hettiaratchi
Chairperson – Audit Committee

Colombo
17th May, 2023

REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee ('Committee') was appointed as a sub-committee to assist and be accountable to the Board of Directors on any matters regarding the Human Resource Management of the Company.

Composition of the Committee

- ▶ Ranil Pathirana - Non-Executive Non-Independent
- ▶ Dilshan Hettiaratchi - Non-Executive Independent Director
- ▶ Savantha De Saram - Non-Executive Independent Director

Meetings

Name	Membership Position	Attendance
Ranil Pathirana	Chairman	3/3
Dilshan Hettiaratchi	Member	3/3
Savantha De Saram	Member	3/3

Key Responsibilities of the Committee

- ▶ Determining and monitoring the Company's remuneration policy and its implementation with relevance to the Board of Directors, Senior Management and other employees.
- ▶ Ensuring that no Board member is involved in setting his or her own remuneration.
- ▶ To evaluate the performance of the Managing Director and Key Management Personnel to ensure management development with a streamline succession plan is set in place.
- ▶ Make suggestions to the Board regarding the Company's need for additional/new expertise.
- ▶ Make recommendations to the Board regarding the content to be disclosed in the Board's Annual Report to shareholders on Directors' Emoluments
- ▶ Developing guidelines and parameters for the compensation structure for the Senior Management, Executive and Non-executive employees, in line with current market/ industry trends.
- ▶ Approving annual salary increments and bonuses submitted by the Senior Management for all Group employees.

Directors' Emoluments

The Directors' Emoluments are disclosed in page 184.

Activities during the year under review

During the year, the Committee evaluated the Managing Director's and KMP's performance in accordance with the Company's performance and determined the bonus due and annual increments. The Committee also approved the annual increments and bonus of the Executive and Non-Executive staff as recommended by the Senior Management.

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 2023/24.



R. P. Pathirana

Chairman – Remuneration Committee

Colombo
17th May 2023

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee ('Committee') was appointed to assist the Board in meeting its oversight responsibilities, specifically to ensure that the interest of shareholders are taken into consideration when entering into Related Party Transactions (RPT). 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.

Composition of the Committee

- ▶ Mrs. Saumya Amarasekera - Non-Executive Independent Director
- ▶ Mr. Huzefa Akbarally - Non-Executive Non- Independent Director
- ▶ Mr. Savantha De Saram - Non-Executive Independent Director

Meetings

Name	Membership Position	Attendance
Saumya Amarasekera	Chairperson	4/4
Huzefa Akbarally	Member	4/4
Savantha De Saram	Member	4/4

Key Responsibilities of the Committee

- ▶ Developing, updating, and recommending policies and guidelines to be adopted by the Company and the Board of Directors, when entering into RPT in compliance with the Code of Best Practices in CSE listing rules.
- ▶ Review all recurring and non-recurring RPT as set out in Section 9 of the CSE listing rules on a quarterly basis.
- ▶ Advising the Board, when necessary, of shareholder approval for any RPT.
- ▶ Review the Company's internal controls and obtain advice from independent professionals to confirm the adequacy of the Company's RPT framework.
- ▶ Ensuring the Company declares necessary information on RPT in accordance with the CSE listing Rules by way of market disclosure under section 9.3.1 or in the Annual Report under section 9.3.2.

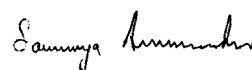
Activities during the year under review

There were no changes to the composition of the committee, that was appointed in January 2021. The committee reviewed the Related Party Transactions entered into by the Company during the year and made the necessary disclosures to the CSE. However, the only disclosures made during the period were dealings by Directors. Further, it was advised by the RPT committee, to prepare a guideline for the use of management and directors with reasonable indicators to consider that transactions are at arm's length.

Conclusion

The Committee held four meeting during the year under review and reviewed all applicable and proposed RPT identified through discussions with the internally appointed committee.

Relevant disclosures have been made to the Colombo Stock Exchange in compliance with regulations. 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.



Saumya Amarasekera

Chairperson – Related Party Transactions Review Committee

Colombo
17th May 2023

MANAGING DIRECTOR'S AND CHIEF FINANCIAL OFFICER'S STATEMENT ON FINANCIAL RESPONSIBILITY

The Financial Statements of WindForce PLC and Consolidated Financial Statements of the Group as at 31st March 2023 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 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, which is reviewed, evaluated and updated on an on-going basis.

We have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed. However, there are inherent limitations that should be recognized 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 139 to 141 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



Rusiri Cooray
Chief Financial Officer

Colombo
17th May 2023

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Financial Calendar	
Interim Financial Statements	Year 2022/23
1st Quarter - 30th June 2022	12th August 2022
2nd Quarter - 30th September 2022	11th November 2022
3rd Quarter - 31st December 2022	10th February 2023
4th Quarter - 31st March 2023	17th May 2023
Annual Report for the year ended 31st March 2023	06th June 2023
Annual General Meeting	28th June 2023

INDEPENDENT AUDITORS' REPORT



Private & Confidential

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WINDFORCE PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of WindForce PLC ("the company") and the consolidated financial statements of the company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31st March 2023, and the statement of Profit or Loss, 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 2023, 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 Group 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.

Key Audit Matter

How our audit addressed the key audit matter

01. Estimation of useful life period of property, plant and equipment

The Group depreciates its property, plant, and equipment on the straight-line method, by allocating the depreciable amount of each asset category over its estimated useful life, based on management's judgment. These estimations are based on changes in expected usage level and period, technological developments and obsolescence, and level of wear and tear.

Estimation of useful life period of property plant and equipment was a key audit matter due to :

- ▶ Which involve a high degree of judgment and can impact the depreciation expense and carrying value of the property, plant, and equipment in the financial statements.
- ▶ The carrying value of property, plant, and equipment is substantial, at approximately LKR 21,491 Mn, which represents 54% of the Group's total assets.
- ▶ Depreciation charged to the statements of Profit or loss for the year ended 31st March 2023 was approximately LKR 1,170 Mn.

Our audit procedures included;

- ▶ Assessed the group's depreciation policies and estimated useful lives for different asset categories relevant to power plant operations. Compared them with industry norms and standards to ensure that the group's policies are reasonable and consistent with those of comparable power plant operations.
- ▶ Obtained the Group's estimation methodology for useful life of property, plant and equipment and evaluated the underlying assumptions, data, and analysis to assess their reasonableness and consistency with Group's historical experience and power and energy industry and market conditions.
- ▶ Evaluated the accuracy and completeness of data used to estimate the useful life of items, such as maintenance records, repair histories, and usage patterns and verified that the data is reliable and consistent.
- ▶ Considered the impact of external factors such as changes in technology, market conditions, or regulations, on the estimated useful life of items and ensured that group has taken these factors into account when estimating the useful life.
- ▶ Assessed the adequacy of the disclosures made in Note 2.4 and 03 to the financial statements.

Partners - N.S.C.De Silva FCA, FCMA (UK), CGMA, L.C.Piyasena FCA, L.L.S.Wickremasinghe FCA,
S.M.S.S.Bandula MBA, FCA, D.S.De Silva LL.B., Attorney at Law
ACA, ACMA(UK), CGMA

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

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E-mail : brds@eurcka.lk
Web : www.brdesilva.com

02. Application of Cash flow hedge accounting

The Company has implemented a cash flow hedge to manage the foreign currency risk associated with its borrowings denominated in USD. The hedge is achieved by using USD cash inflows from dividend income to offset the exposure of the borrowings.

To ensure the accuracy of the assessment, external expert was engaged to provide support to the Company's management team.

We identified adaptation of cash flow hedge accounting as a key audit matter due to;

- ▶ The accounting requirements for cash flow hedge accounting can be complex, requiring a thorough understanding of the relevant accounting standards and the principles underlying cash flow hedge accounting.
- ▶ There is a risk of misstatement associated with the adaptation of cash flow hedge accounting, particularly if the company's hedging activities are not properly documented or if there are errors or omissions in the hedge effectiveness testing or other related calculations.
- ▶ Cash flow hedge accounting involves a number of disclosure requirements according to SLFRS 09.
- ▶ Total borrowings denominated in foreign currency as of 31st March 2023 was USD 3,676,907.

Our audit procedures included;

- ▶ Obtained an understanding of the company's hedging policies and procedures, including its risk management objectives, its criteria for selecting hedging instruments, and its documentation and testing requirements. Evaluated whether these policies and procedures are appropriate and effectively implemented.
- ▶ Reviewed the company's documentation of the hedging relationship, including the identification of the hedged item, the hedging instrument, and the nature of the risk being hedged. Evaluated whether the documentation is complete and accurately reflects the company's hedging activities.
- ▶ Performed testing of the effectiveness of the hedge relationship, including the validation of assumptions used in the hedge effectiveness calculations, and the accuracy of the related data.
- ▶ Evaluated the adequacy of the company's internal controls over financial reporting related to cash flow hedge accounting.
- ▶ Reviewed the company's disclosures related to cash flow hedge accounting as mentioned in Note 2.7.5 and evaluated whether these disclosures are complete and in accordance with the applicable accounting standards.

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.

Based on the work we have performed on the other information that obtained prior to the date of this auditor's report, we conclude that there is no material misstatement of this other information, we are required to report. Our opinion is limited up to the date of opinion.

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 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.

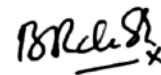
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2972.



B. R. DE SILVA & CO.
Chartered Accountants
Colombo 05.

17th May 2023
SB/SLK/ss/23/

STATEMENT OF PROFIT OR LOSS

For the year ended 31st March	Notes	GROUP		COMPANY	
		2023 LKR	2022 LKR	2023 LKR	2022 LKR
Revenue	(26)	4,953,490,297	4,367,373,239	419,319,225	274,180,727
Direct cost	(27)	(1,952,262,479)	(1,654,169,574)	(51,369,402)	-
Gross profit	(28)	3,001,227,818	2,713,203,665	367,949,823	274,180,727
Other operating income	(29)	39,567,481	132,669,188	20,819,481	71,913,897
Finance income	(30)	759,012,154	340,548,619	1,009,119,945	2,367,693,454
Administration expenses		(776,507,905)	(647,975,486)	(441,353,511)	(432,344,807)
Selling and distribution expenses		(5,628,411)	-	-	-
Profit from operating activities	(31)	3,017,671,137	2,538,445,986	956,535,738	2,281,443,271
Finance costs	(32)	(1,128,746,862)	(621,829,492)	(477,463,877)	(308,777,575)
Profit from ordinary activities before taxation		1,888,924,275	1,916,616,494	479,071,861	1,972,665,696
Gain on bargain purchase		-	3,071,469	-	-
Share of results of equity accounted investee		470,011,278	318,137,076	-	-
Profit before taxation		2,358,935,553	2,237,825,039	479,071,861	1,972,665,696
Income tax expenses	(33)	(158,693,802)	(303,478,288)	(53,863,717)	(160,664,120)
Deferred tax					
- Relating to origination and reversal of temporary differences		136,903,528	17,480,528	-	9,138,560
- Relating to increase in income tax rate		(554,287,879)	-	1,037,178	
Total tax expense		(576,078,153)	(285,997,760)	(52,826,539)	(151,525,560)
Profit after taxation		1,782,857,400	1,951,827,279	426,245,322	1,821,140,136
Attributable to:					
Non-controlling interests		302,913,426	376,893,448	-	-
Equity holders of WindForce PLC		1,479,943,973	1,574,933,832	-	-
		1,782,857,400	1,951,827,279	-	-
Earnings per share	(34)	1.10	1.17	0.32	1.35
Dividend per share	(35)	-	1.30	-	1.30

The accounting policies and notes as set out in pages 148 to 197 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

	GROUP		COMPANY	
For the year ended 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Profit after taxation	1,782,857,400	1,951,827,279	426,245,322	1,821,140,136
Other comprehensive income				
Items that will not be reclassified subsequently to the statement of profit or loss				
Actuarial gain/ (loss) on retirement benefit obligations	16,777,112	-	16,777,112	-
Deferred tax effect on above	(5,033,134)	-	(5,033,134)	-
Items that will be reclassified subsequently to the statement of profit or loss	11,743,978	-	11,743,978	-
Net exchange differences on translation of foreign operations	584,960,040	158,299,902	-	-
Net loss on cash flow hedges	(97,972,538)	-	(97,972,538)	-
Total comprehensive income for the year, net of tax	2,281,588,880	2,110,127,181	340,016,762	1,821,140,136
Total comprehensive income for the year attributable to:				
Non-controlling interests	456,317,776	376,893,448	-	-
Equity holders of WindForce PLC	1,825,271,104	1,733,233,734	-	-
	2,281,588,880	2,110,127,181	-	-

The accounting policies and notes as set out in pages 148 to 197 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

		GROUP		COMPANY	
As at 31st March	Notes	2023 LKR	2022 LKR	2023 LKR	2022 LKR
ASSETS					
Non-Current Assets					
Property, plant & equipment	(03)	21,491,328,136	14,629,776,708	71,152,254	59,605,419
Right of use assets	(04)	142,384,127	-	10,234,564	-
Investments in subsidiaries	(05)	-	-	14,779,290,804	13,824,083,209
Investments in equity accounted investees	(06)	4,586,040,193	3,518,006,910	2,210,092,000	1,957,425,667
Other non current financial assets	(07)	223,660,000	653,431,973	223,660,000	376,326,333
Inter company loan receivables	(11)	-	-	76,000,000	79,000,000
Intangible assets	(08)	2,636,384,752	2,655,604,382	-	-
Deferred tax asset	(22)	-	-	5,142,605	9,138,560
Total Non-Current Assets		29,079,797,208	21,456,819,973	17,375,572,227	16,305,579,188
Current Assets					
Inventory	(09)	757,693,787	540,084,654	-	-
Other non financial assets	(8.1)	14,605,777	14,605,777	-	-
Trade and other receivables	(10)	5,328,356,071	3,707,868,075	363,334,781	247,582,620
Income tax receivable	(25)	-	71,191,543	-	353,698
Inter company loan receivables	(11)	950,138,202	-	1,002,138,202	56,000,000
Amounts due from related parties	(12)	39,174,322	91,729,046	770,309,526	547,876,847
Short term financial assets	(13)	2,997,306,626	3,315,539,382	2,987,228,797	3,287,505,056
Cash and cash equivalents	(14.1)	635,165,958	1,321,298,428	257,096,100	832,745,471
Total Current Assets		10,722,440,743	9,062,316,905	5,380,107,406	4,972,063,692
Total Assets		39,802,237,951	30,519,136,878	22,755,679,633	21,277,642,880
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated capital	(15)	18,226,455,904	18,226,455,904	18,226,455,904	18,226,455,904
Retained earnings	(16)	3,947,846,714	2,494,597,464	1,011,104,014	573,114,716
Cash flow hedge reserve		(97,972,538)	-	(97,972,538)	
Foreign exchange reserve	(17)	744,383,231	159,423,190	-	-
Equity attributable to equity holders of the company		22,820,713,311	20,880,476,558	19,139,587,380	18,799,570,620
Non controlling interest	(18)	2,378,607,359	1,940,457,382	-	-
Total Equity		25,199,320,670	22,820,933,940	19,139,587,380	18,799,570,620
Non-Current Liabilities					
Interest bearing loans & borrowings	(19)	7,723,538,330	3,815,511,460	582,192,766	1,109,589,304
Lease liabilities	(20)	116,179,581	-	2,222,675	-
Retirement benefit obligations	(21)	61,765,074	64,427,667	61,765,074	64,427,667
Deferred tax liabilities	(22)	1,789,917,400	1,367,499,914	-	-
Total Non-Current Liabilities		9,691,400,385	5,247,439,041	646,180,515	1,174,016,971

		GROUP		COMPANY	
As at 31st March	Notes	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Current Liabilities					
Interest bearing loans & borrowings	(19)	2,003,855,891	1,150,953,877	726,256,361	381,592,521
Lease liabilities	(20)	15,682,374	-	6,363,162	-
Trade and other payables	(23)	1,040,065,865	388,041,312	236,151,729	187,674,522
Amounts due to related parties	(24)	31,009,970	14,171,740	233,173,942	24,879,757
Income tax liability	(25)	80,820,059	-	47,928,233	-
Bank overdraft	(14.2)	1,740,082,737	897,596,968	1,720,038,311	709,908,489
Total Current Liabilities		4,911,516,896	2,450,763,897	2,969,911,738	1,304,055,289
Total Equity and Liabilities		39,802,237,951	30,519,136,878	22,755,679,633	21,277,642,880
Net Asset Value per Share		16.89	15.46	14.17	13.92

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.



Rusiri Cooray
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
Director



Manjula Perera
Director

17th May 2023
Colombo

The accounting policies and notes as set out in pages 148 to 197 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

COMPANY	Stated Capital	Retained Earnings	Share pending Allotment	Cash Flow Hedge Reserve	Total Equity
	LKR	LKR	LKR	LKR	LKR
Balance as at 01st April, 2021	14,984,610,448	563,345,093	3,241,845,456	-	18,789,800,997
Profit for the year	-	1,821,140,136	-	-	1,821,140,136
Shares to be allotted for funds received from IPO	3,241,845,456	-	(3,241,845,456)	-	-
Direct transaction cost of issues of new shares	-	(55,370,889)	-	-	(55,370,889)
Dividends - ordinary shares	-	(1,755,999,625)	-	-	(1,755,999,625)
Balance as at 31st March, 2022	18,226,455,904	573,114,715	-	-	18,799,570,619
Balance as at 01st April, 2022	18,226,455,904	573,114,715	-	-	18,799,570,619
Profit for the year	-	426,245,322	-	-	426,245,322
Other comprehensive income	-	11,743,978	-	-	11,743,978
Net loss on cash flow hedges	-	-	-	(97,972,538)	(97,972,538)
Balance as at 31st March, 2023	18,226,455,904	1,011,104,015	-	(97,972,538)	19,139,587,381

GROUP

ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

	Stated Capital LKR	Retained Earnings LKR	Cash Flow Hedge Reserve LKR	Foreign Exchange Reserve LKR	Total LKR	Non Controlling Interest LKR	Total Equity LKR
Balance as at 01st April, 2021	14,984,610,448	2,731,034,146	-	1,123,288	17,716,767,882	1,880,602,359	19,597,370,241
Net profit for the year	-	1,574,933,832	-	-	1,574,933,832	376,893,448	1,951,827,280
Other comprehensive income	-	-	-	158,299,902	158,299,902	-	158,299,902
Foreign currency translation reserve	-	-	-	-	-	(33,863,529)	(33,863,529)
Dividends paid to minority shareholders	-	-	-	-	-	(283,174,896)	(283,174,896)
Shares to be allotted for funds received from IPO	3,241,845,456	-	-	-	3,241,845,456	-	3,241,845,456
Direct transaction cost to issues of new shares	-	(55,370,889)	-	-	(55,370,889)	-	(55,370,889)
Dividends - ordinary shares	-	(1,755,999,625)	-	-	(1,755,999,625)	-	(1,755,999,625)
Balance as at 31st March, 2022	18,226,455,904	2,494,597,464	-	159,423,190	20,880,476,558	1,940,457,382	22,820,933,940
Balance as at 01st April, 2022	18,226,455,904	2,494,597,464	-	159,423,190	20,880,476,558	1,940,457,382	22,820,933,940
Net profit for the year	-	1,479,943,973	-	-	1,479,943,973	302,913,426	1,782,857,399
Other comprehensive income	-	-	(97,972,538)	-	(97,972,538)	-	(97,972,538)
Actuarial gain/ loss	-	11,743,979	-	-	11,743,979	-	11,743,979
Foreign currency translation reserve	-	-	-	584,960,040	584,960,040	135,236,551	720,196,591
Dividends - ordinary shares	-	(38,438,701)	-	-	(38,438,701)	-	(38,438,701)
Balance as at 31st March, 2023	18,226,455,904	3,947,846,715	(97,972,538)	744,383,230	22,820,713,311	2,378,607,359	25,199,320,670

The accounting policies and notes as set out in pages 148 to 197 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31st March	Notes	GROUP		COMPANY	
		2023 LKR	2022 LKR	2023 LKR	2022 LKR
Cash Flow from/(used) in Operating Activities					
Net Profit Before Taxation		2,358,935,553	2,237,825,039	479,071,861	1,972,665,696
Adjustments for					
Profit accruing to the group net of dividend	(05)	(470,011,278)	(145,353)	-	-
Depreciation	(03)	1,158,035,469	1,088,493,192	24,364,095	23,807,443
Amortization		34,325,740	-	5,117,282	-
Loss/ (gain) on fixed asset disposal	(29)	33,222,400	(17,007,476)	-	(16,999,058)
Revaluation of assets and loans		(584,960,040)	-	-	482,240,468
Interest costs	(32)	809,757,246	366,538,439	477,463,876	53,486,523
Gratuity provision	(21)	(2,518,875)	13,965,514	(2,518,875)	13,965,514
Dividend income	(30)	(60,280,243)	(48,793,624)	(229,654,337)	(2,117,611,370)
ESC written off		24,783,818	-	77,219	-
Foreign exchange gain loss		(277,234,363)	-	(256,308,649)	-
Interest income	(30)	(481,777,791)	(225,708,748)	(523,156,959)	(250,082,084)
Operating profit before working capital changes		2,542,277,636	3,415,166,983	(25,544,487)	161,473,132
(Increase)/decrease in trade & other receivables	(10)	(1,620,487,996)	(2,051,038,827)	(115,752,157)	(96,131,994)
(Increase)/decrease in inventories	(09)	(217,609,133)	(80,363,122)	-	-
(Increase)/decrease in amounts due from related parties	(12)	52,554,724	(38,635,082)	(1,713,583,056)	(509,030,925)
Increase/(decrease) in amounts due to related parties	(24)	16,838,229	(25,822,461)	208,294,182	(317,990,260)
Increase/(decrease) in trade & other payables	(23)	652,683,142	(3,019,921,530)	38,742,586	(3,051,180,433)
		(1,116,021,034)	(5,215,781,022)	(1,582,298,445)	(3,974,333,612)
Cash Generated from/(used in) Operations		1,426,256,602	(1,800,614,039)	(1,607,842,932)	(3,812,860,480)
Interest paid	(30)	(809,757,246)	(366,538,439)	(477,463,877)	(53,486,523)
Income tax paid	(25)	(33,565,601)	(374,878,680)	(5,659,004)	(204,301,890)
Tax payments on EPC		-	(32,898,364)	-	(25,158,911)
Gratuity paid	(21)	(143,718)	(680,820)	(143,718)	(680,820)
		(843,466,565)	(774,996,303)	(483,266,599)	(283,628,144)
Net Cash from/(used in) Operating Activities		582,790,037	(2,575,610,342)	(2,091,109,531)	(4,096,488,624)
Cash Flows from/(used in) Investing Activities					
Interest income	(30)	481,777,791	225,708,748	523,156,959	250,082,084
Dividend income	(30)	60,280,243	48,793,624	229,654,337	2,117,611,370
Acquisition of property, plant & equipment	(03)	(6,592,796,485)	(327,448,141)	(35,910,929)	(22,656,158)
Investment in shares		-	(433,666,514)	-	(160,000,000)
Investment in subsidiaries		-	-	-	(1,192,001,000)
Investment in associates		(144,013,838)	-	(144,013,838)	-
Short term investments - fixed deposit	(13)	318,232,757	(1,549,651,916)	300,276,259	(1,621,673,550)
Net Cash Flow from/(Used in) Investing Activities		(5,876,519,532)	(2,036,264,199)	873,162,788	(628,637,254)
Cash Flows from/(used in) Financing Activities					
Direct transaction cost issues of new shares		-	(55,370,889)	-	(55,370,889)
Dividend paid for equity holders of parent	(06)	-	(1,755,999,625)	-	(1,755,999,625)
Dividend paid for non controlling interest		(38,438,701)	(283,174,896)	-	-
Proceeds from sale of fixed assets		-	17,007,476	-	16,999,058
Proceeds of loan term loans	(19)	6,187,108,671	-	64,907,500	-
Repayments of interest bearing borrowings	(19)	(1,426,179,787)	(893,616,706)	(432,739,949)	(273,573,847)
Loans granted		(950,138,202)	-	-	-
Lease paid	(20)	(7,240,725)	-	-	-
Net Cash Flow from/ (used in) Financing Activities		3,765,111,256	(2,971,154,640)	(367,832,449)	(2,067,945,303)
Net Increase/(Decrease) in Cash and Cash Equivalents		(1,528,618,239)	(7,583,029,181)	(1,585,779,192)	(6,793,071,181)
Cash and Cash Equivalents at the Beginning of the Year		423,701,460	8,006,730,641	122,836,981	6,915,908,162
Cash and Cash Equivalents at the End of the Year		(1,104,916,779)	423,701,460	(1,462,942,211)	122,836,981
Analysis of Cash and Cash Equivalents					
Cash at bank - Favourable	(14)	635,165,957	1,321,298,428	257,096,101	832,745,470
Bank Overdrafts	(14)	(1,740,082,737)	(897,596,968)	(1,720,038,312)	(709,908,489)
		(1,104,916,779)	423,701,460	(1,462,942,211)	122,836,981

The accounting policies and notes as set out in pages 148 to 197 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

1.1 Reporting Entity

WindForce PLC ("The Company") is a public limited liability 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 PLC as at and for the year ended 31st March 2023 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. Consolidated Financial Statements

The Financial Statements for the year ended 31 March 2023 comprise "the Company" referring to WindForce PLC as the holding Company and the "Group" referring to companies that have been consolidated therein together with the group's Interests in Equity Accounted Investees.

1.3 Principal Activities and Nature of Operations

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

Name of the Company	Nature of the Business
WindForce PLC	Renewable energy (Solar, Wind & Hydro) generation plants are owned by and managed. Supply of EPC and O&M Services Manages own investments in EV sector
Renewgen Private Limited	Renewable energy generation plants are owned by and managed.
Daily Life Renewable Energy (Pvt) Limited	Generates Electricity using Wind Power and supply of electricity to the Ceylon Electricity Board.
Powergen Lanka (Pvt) Ltd	
Beta Power (Pvt) Limited	
Joule Power (Pvt) Limited	
Seguwantivu Wind Power Private Limited	
Vidatamunai Wind Power Private Limited	
Hiruras Power (Pvt) Ltd	
Vydexa (Lanka) Power Corporation (Pvt) Ltd	Generates Electricity using Solar Power (Ground Mounted) and sells electricity to the Ceylon Electricity Board.
Sunny Clime Lanka (Pvt) Ltd	
Seruwawila Photovoltaic (Pvt) Ltd	
Tororo Pv Power Private Limited	Generates Electricity using Solar Power and sells electricity to the Uganda Electricity Transmission Company Limited.
Suryadhanavi (Pvt) Limited	Generates Electricity using Solar Power (Rooftop) and sells electricity to the Ceylon Electricity Board.
Hirujanani (Pvt) Limited	
Sky Solar (Pvt) Limited	
Terraqua International (Pvt) Ltd	Generates Electricity using Hydro Power and sells 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	
BlueSky EV (Pvt) Ltd	Company is converting Internal Combustion engine (ICE) vehicles to Electric vehicles; specialized for three wheelers and motor cars
Satva Automotive (Pvt) Ltd	Company is importing, assembling and sells of brand-new motor bikes, spare parts and providing after sales services.

1.4 Date of Authorization for Issue

The Consolidated Financial Statements of WindForce PLC for the year ended 31st March 2023 were authorized for issue by the Board of Directors on 17th May 2023.

1.5 Responsibility for Financial Statements.

The board of directors is responsible for the preparation and presentation of the financial statements of the Group and the Company as per Sri Lanka Accounting Standards and the provision of the Companies Act No.07 of 2007.

1.6 Components of Financial Statements.

The Financial Statements include the following components:

- Statement of Profit or Loss and Statement of Comprehensive Income providing the information on the financial performance of the Group and the Company for the year under review.
- Statement of financial position providing the information on the financial position of the Group and the Company as at the year end.
- Statement of Changes in Equity depicting all changes in shareholders' funds during the year under review of the Group and the Company.
- Statement of Cash Flows providing the information to the users, the amount of cash and cash equivalents, inflows to and outflows from the Group and the Company.
- Notes to the Financial Statements comprising Significant Accounting Policies and other explanatory information.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

2.1.1 Statement of Compliance

The Financial Statements of the Company and the Group comprise the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position,

Statement of Changes in Equity, Statement of Cash Flow together with Accounting Policies and Notes to the Financial Statements (the "Consolidated Financial Statements") have been prepared in accordance with Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, which requires compliance with the Sri Lanka Accounting Standards promulgated by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and with the requirements of the Companies Act No. 07 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. There were no changes in the presentation or functional currency of the Group during the year under review.

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
Ziba Limited	31st December
Gharo Solar (Private) Ltd	30th June

2.1.5 Going Concern

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

2.1.6 Materiality and Aggregation

Each material class of similar items are presented separately in the Financial Statements. Items of dissimilar nature or functions are presented separately, unless they are immaterial as permitted by the LKAS 01 on "Presentation of Financial Statements".

2.1.7 Comparative Information

The Financial Statements for the Comparative periods comprise results for the 12 months from 01st April, 2021 to 31st March, 2022. In this circumstance, the comparative information for the Statement of Financial Position, Statement of Profit & Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and related notes are comparable with the current reporting period.

The previous year figures and phrases have been rearranged whenever necessary to confirm the current year's presentation.

NOTES TO THE FINANCIAL STATEMENTS CONTD.

2.1.8 Significant Accounting Judgements, Estimates and Assumptions

The presentation of Financial Statements in conformity with SLFRS/LKAS require management to make judgements, estimates and assumptions that effect the application of Accounting Policies and reported amounts of assets, liabilities income and expenses. Actual results may differ from these estimates.

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements is included in the under mentioned notes:

(a) Assessment of Impairment – Key Assumptions Used on Discounted Cash Flow Projections

The Company assesses at each reporting date whether there is objective evidence that an asset or portfolio of asset is impaired. The recoverable amount of an asset or Cash Generating Unit (CGU) is the greater of its Value in Use (VIU) and its Fair Value (FV) less cost to sell. In assessing value in use, the estimated future cash flows are discounted to present value using appropriate discount rates that reflect the current market assessment of the time value of money and risks specific to the asset.

(b) Useful Lifetime of the Property, Plant & Equipment

The Company reviews the residual values, useful lives and method of depreciation of Property, Plant & Equipment at each reporting date. The judgement of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainly.

(c) Deferred Taxation – Utilization of Tax Losses

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available

against which the losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the level of future taxable profits together with future tax planning strategies.

(d) Defined Benefit Plans

The assessment of the present value of the defined benefit obligations involves a significant element of assumptions; including discount rates, future salary escalations, mortality rates and future pension increases and due to the long-term nature of these plans, such estimations are subject to uncertainly.

(e) Current Taxation

Current Tax liabilities are provided for in the Financial Statements applying the relevant tax statutes and regulation, which the management believes reflect the actual liability.

2.2 Business Combinations

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

The consolidated Financial Statements comprise the financial statements of the Parent and its subsidiaries in terms of the Sri Lanka Accounting Standard – SLFRS 10 on “Consolidated Financial Statements”. Thus, the consolidated financial statements present financial information about the Group as a single economic entity distinguishing the equity attributable to the parent (Controlling Interest) and attributable to minority shareholders with non-controlling interest.

Subsidiaries

Subsidiaries are those entities controlled by the Group. Control exists when the Company has the power, directly or indirectly to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable and other contractual arrangements.

- ▶ Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- ▶ Exposure, or rights, to variable returns from its involvement with the investee
- ▶ The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- ▶ The contractual arrangement(s) with the other vote holders of the investee.
- ▶ Rights arising from other contractual arrangements.
- ▶ The Group's voting rights and potential voting right.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Consolidation of subsidiaries with different accounting periods

Most subsidiaries with 31 December financial year ends prepare for consolidation purposes, additional financial information as of the same date as the financial statements of the parent.

For subsidiaries which are unable to prepare additional financial information the parent uses the most recent financial statements of the subsidiaries and is adjusted for the effects of significant transactions or events that occur between the date of those financial statements and the date of the Consolidated Financial Statements. The difference between the date of the subsidiary's financial statements and that of the Consolidated Financial Statements will not be more than three months.

The Financial Statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss within 'Share of profit or loss of equity accounted investees' in the Statement of Profit or Loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and

recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the Statement of Profit or Loss

Business Combination

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the noncontrolling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets

Acquisition-related costs are expensed as incurred and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration which is deemed to be a financial liability or as equity that is a financial instrument and within the scope of LKAS 32 Financial Instruments: presentations. If the contingent consideration is not within the scope of LKAS 32, it is measured in accordance with the appropriate SLFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is measured at fair value with changes in fair value either in profit or loss or as a change to the other comprehensive income (OCI).

Goodwill and gain from a Bargain Purchase arising on the Acquisition of Subsidiaries

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain (bargain purchase) is recognized immediately in profit or loss

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination transferred; the gain is recognized in profit or loss. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained. Goodwill is tested for impairment annually as at 31st March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Non-Controlling Interest

Non-Controlling Interests represent the portion of profit or loss and net assets that is not held by the Group and are presented separately in the Consolidated Statement of profit and loss and within equity in the

NOTES TO THE FINANCIAL STATEMENTS CONTD.

Consolidated Statement of Financial Position separately from parent shareholders' equity.

Non-controlling interest are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. The Group elects whether to measure the non-controlling interest in the proportionate share of the acquiree's fair value or at the proportionate share of the acquiree's identifiable net assets.

Associates (equity accounted investees) and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate and joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part

of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the Statement of profit and loss and represents profit or loss before tax.

The Financial Statements of the associate and joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss in the statement of profit or loss. Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.3 Foreign Currency

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates

at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in Statement of Profit or Loss. Tax charges and credit attributable to exchange differences on those monetary items are also recognised in Other Comprehensive Income.

Non-monetary assets and liabilities which are measured in terms of historical cost in a foreign currency are translated using exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on the change in fair value of the item (i.e., translation differences on items of which fair value gain or loss is recognised in OCI or Profit or Loss are also recognised in OCI or Profit or Loss, respectively). In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Foreign operations

On consolidation, the assets and liabilities of foreign operations are translated into Sri Lanka Rupees at the rate of exchange prevailing at the reporting date and their Statements of Profit or Loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a

foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period.

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period.

Or

- It does not have a right at the reporting date to defer the settlement of the liability for at least twelve months after the reporting date.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.4 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 recognized 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 recognized 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

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 derecognized.

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 power plant. Expenses that are in the capital nature are accounted for as capital work – in – progress during the period of construction.

2.5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the Statement of profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

2.6 Leases

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Group recognises lease liability to make lease payments and right to use of assets representing the right to use the underlying assets.

Right of Use Assets

The Group recognises right to use of assets at the commencement date of a lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right to use of assets includes the amount of lease liabilities recognized, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentive received.

Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transferred to the Group at the end of the lease period or the cost reflect the

exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liability measured at the present value of lease payment to be made over the lease term. The lease payment includes fixed payments (including in-substance fixed payments) less any lease incentive receivables, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payment also includes the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because of the interest rate implicit in the lease is not readily determinable. After the commencement date, amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of the lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term Leases and Leases of Low-value Assets

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

2.7 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.

2.7.1 Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized 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 recognized 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:

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

a) Financial assets at amortized cost (debt instruments)

The Group measures financial assets at amortized 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 amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. Financial Assets at amortized 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 recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon de recognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

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

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 recognized 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 amortized 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 recognized 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-recognized 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 recognized to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes 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 amortized 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

NOTES TO THE FINANCIAL STATEMENTS CONTD.

permitted by SLFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

2.7.2 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 recognized 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 recognized in the statement of profit or loss.

b) Financial liabilities at amortized cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the Profit or Loss Statement when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization 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-recognized 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 recognized in the Statement of Profit or Loss.

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

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

2.7.4 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 nonfinancial 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

2.7.5 Hedge accounting and cash flow hedge

Hedging' is a process of using a financial instrument to mitigate all or some of the risk associated to a hedged item. 'Hedge accounting' changes the timing of recognizing the gains and losses on either the hedged item or the hedging instrument so that both are recognised in profit or loss or other comprehensive income in the same accounting period in order to record the economic substance of the relationship between the hedged item and instrument.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on a prospective basis according to SLFRS 09 – 'Financial Instruments' requirements.

Cash flow hedge

When a non-derivative financial liability is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the non-derivative financial liability is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the non-derivative financial liability that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the non-derivative financial liability is recognised immediately in profit or loss.

If the hedge no longer meets the criteria for hedge accounting (after taking into account any rebalancing of the hedging relationship) or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of the hedging reserve are immediately reclassified to profit or loss.

US dollar Borrowings from Standard Chartered Bank (SCB) and Hongkong and Shanghai Banking Corporation Limited (HSBC) are designated as hedging instruments in the cash flow hedge of forecast dividend income in US dollars. These forecast transactions are highly probable. The outstanding balances of the US dollar borrowings vary with the level of expected US dollar cash inflows and changes in foreign exchange forward rates.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the US dollar borrowing match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the US dollar borrowing is identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

2.8 Trade Receivables

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

2.9 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.

2.10 Liabilities and Provisions

2.10.1 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.

2.10.2 Employee Benefits

a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognised as an expense in profit or loss in the periods during which services are rendered by employees

The Company contributes 12% on consolidated salary of the employees to Employees' Provident Fund (EPF).

All the employees of the Company are members of the Employees' Trust Fund, to which the Company contributes 3% on the consolidated salary of such employees

b) Defined benefit plans

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The liability recognised in the Financial Statements in respect of defined benefit plan is the present value of the defined benefit obligation at the Reporting date. The defined benefit obligation is calculated annually using the projected unit credit method. The

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present value of the defined benefit obligation is determined by discounting the estimated future cash flows using the interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised as in retained earnings through other comprehensive income. Past service costs are recognised immediately in Profit or Loss Statement.

The provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19, Employee Benefits. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The Liability is not externally funded

The key assumptions used in determining the retirement benefit obligations are as follows.

	2023 as per the actuarial valuation.	2022 as per assessment of the management
Discount Rate	18%	11%
Expected Salary Increment Rate	Eng & Office Staff 12%-15% Technical Staff 18%	10%
Staff Turnover rate	6%	5%
Retirement Age	60 Years	60 Years

2.10.3 Provisions

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

2.10.4 Capital Commitments and Contingencies

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

2.11 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be 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 recognized upon satisfaction of performance obligation.

a) Rendering of Services

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

b) Energy Supply

Revenue from energy supply is recognized 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 recognized using effective interest rate (EIR).

d) Dividends

Dividend income is recognized 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.

2.12 Expenditure Recognition

2.12.1 Expenses are recognized in the Statement of 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.

2.12.2 For the purpose of presentation of the Statement of 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.

2.12.3 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 capitalized as part of the cost of the respective assets. All other borrowing costs are recognized as an expense in the period in which they are incurred.

2.13 Taxation

(a) Current Taxes

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 24 of 2017 and amendments thereto.

Where a company is exempted from Inland Revenue Act No 24 of 2017 through Board of Investment under section 17 of the Board of Investment Law, Applicable tax rate has been used pursuant to the relevant agreement provisions.

Applicability of income tax for group companies have been disclosed in Note 30 to the financial statements.

Deferred Taxation

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed

goodwill) if it was incurred during the measurement period or recognised in profit or loss.

2.14 Standards Issued But Not Yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

(a) SLFRS 17 - Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace IFRS 4 Insurance Contracts (SLFRS 4). SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2025. The Group does not have a material impact from the above standard.

(b) Definition of Accounting Estimates - Amendments to LKAS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. The Group does not have a material impact from the above standard.

(c) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to LKAS 12

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and related expense) or to the related asset component (and related expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Also, under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. The Group does not have a material impact from the above standard.

(d) Disclosure of Accounting Policies - Amendments to LKAS 1 and IFRS Practice Statement 2

Amendments to LKAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by

- ▶ Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies.
- ▶ Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

Also, under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. The Group does not have a material impact from the above standard.

(e) Classification of Liabilities as Current or Non-current - Amendments to LKAS 1

Amendments to LKAS 1 Presentation of Financial Statements specify the requirements for classifying liabilities as current or non-current. The amendments clarify

- ▶ What is meant by a right to defer settlement
- ▶ That a right to defer must exist at the end of the reporting period
- ▶ That classification is unaffected by the likelihood that an entity will exercise its deferral right
- ▶ That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
- ▶ Disclosures

The amendments are effective for annual reporting periods beginning on or after 1 January the Group does not have a material impact from the above standard.

3. PROPERTY, PLANT & EQUIPMENT

3.1 Group

	Gross Carrying Amounts - At Cost					Depreciation				
	Balance as at 01.04.2022 LKR	Exchange Difference LKR	Additions LKR	Disposals LKR	Balance as at 31.03.2023 LKR	Balance as at 01.04.2022 LKR	Depreciation for the Year LKR	Depreciation on Disposals LKR	Balance as at 31.03.2023 LKR	W.D.V as at 31.03.2023 LKR
Freehold Assets										
Land	11,349,794	-	-	-	11,349,794	-	-	-	-	11,349,794
Plant & machinery	21,146,218,095	953,360,513	79,413,205	(33,222,400)	22,145,769,413	7,503,498,759	1,040,618,010	(12,181,547)	8,531,935,222	13,613,834,191
Development cost	406,512,820	232,148,753	-	-	638,661,573	90,373,851	31,713,546	-	122,087,397	516,574,176
SCADA building	513,868,487	270,646,579	-	-	784,515,066	181,683,293	31,860,041	-	213,543,334	570,971,732
Engineering quarters	54,660,781	-	-	-	54,660,781	14,811,992	2,035,131	-	16,847,123	37,813,658
Office equipment	7,192,250	-	1,136,117	-	8,328,367	5,050,367	562,800	-	5,613,167	2,715,200
Furniture & fittings	34,772,607	1,371,374	3,502,293	-	39,646,274	28,945,845	2,562,972	-	31,508,817	8,137,457
Computer software	11,548,852	-	1,946,271	-	13,495,123	8,821,936	934,854	-	9,756,790	3,738,333
Computers & related equipment	18,392,244	133,479	3,543,775	-	22,069,498	11,488,787	4,494,657	-	15,983,444	6,086,054
Other civil structures	26,312,797	-	298,000	-	26,610,797	5,524,020	17,316,561	-	22,840,581	3,770,216
SODAR unit	12,052,683	-	-	-	12,052,683	11,551,780	138,452	-	11,690,232	362,451
Site equipment	91,730,180	-	14,305,640	-	106,035,820	63,558,397	16,148,965	-	79,707,362	26,328,458
Motor bikes	6,005,930	-	9,647,333	-	15,653,263	4,098,358	796,367	-	4,894,725	10,758,538
Motor vehicles	99,818,203	1,375,684	9,472,000	-	110,665,887	54,379,606	21,046,660	-	75,426,266	35,239,621
	22,440,435,723	1,459,036,382	123,264,634	(33,222,400)	23,989,514,339	7,983,786,991	1,170,229,016	(12,181,547)	9,141,834,460	14,847,679,879
Leasehold assets										
Motor vehicles	45,050,000	-	-	-	45,050,000	40,296,668	-	-	40,296,668	4,753,332
Land	17,529,395	-	-	-	17,529,395	1,408,223	-	-	1,408,223	16,121,172
	62,579,395	-	-	-	62,579,395	41,704,891	-	-	41,704,891	20,874,504
Capital work in progress										
Plant & machinery	152,253,472	-	6,470,520,281	-	6,622,773,753	-	-	-	-	6,622,773,753
	152,253,472	-	6,470,520,281	-	6,622,773,753	-	-	-	-	6,622,773,753
Total W.D.V	22,655,268,590	1,459,036,382	6,593,784,915	(33,222,400)	30,674,867,487	8,025,491,882	1,170,229,016	(12,181,547)	9,183,539,351	21,491,328,136

NOTES TO THE FINANCIAL STATEMENTS CONTD.

3. PROPERTY, PLANT & EQUIPMENT (Contd..)

3.2 Company

	Gross Carrying Amounts - At Cost			Depreciation			
	Balance as at 01.04.2022 LKR	Additions LKR	Balance as at 31.03.2023 LKR	Balance as at 01.04.2022 LKR	Depreciation for the Year LKR	Balance as at 31.03.2023 LKR	W.D.V as at 31.03.2023 LKR
Freehold Assets							
Office equipment	3,601,280	442,117	4,043,397	2,210,884	313,388	2,524,272	1,519,125
Furniture & fittings	19,586,642	-	19,586,642	16,869,971	886,357	17,756,328	1,830,314
Computer software	8,602,935	1,946,271	10,549,206	7,151,901	869,397	8,021,298	2,527,908
Computers & related equipment	8,287,836	986,015	9,273,851	4,366,307	1,619,848	5,986,155	3,287,696
SODAR unit	12,052,685	-	12,052,685	10,882,340	807,892	11,690,232	362,453
Site equipment	10,439,989	8,357,567	18,797,556	4,961,845	4,544,913	9,506,758	9,290,798
Bicycle & motor cycle	341,000	-	341,000	142,084	85,250	227,334	113,666
Motor vehicles	44,768,580	2,025,000	46,793,580	6,243,528	15,237,049	21,480,577	25,313,003
	107,680,947	13,756,970	121,437,917	52,828,860	24,364,094	77,192,954	44,244,963
Leasehold assets			-				
Motor vehicles	45,050,000.00	-	45,050,000	40,296,668	-	40,296,668	4,753,332
	45,050,000.00	-	45,050,000	40,296,668	-	40,296,668	4,753,332
Capital work in progress							
Plant & machinery	-	22,153,959	22,153,959	-	-	-	22,153,959
Total W.D.V	152,730,947	35,910,929	188,641,876	93,125,528	24,364,094	117,489,622	71,152,254

	GROUP		COMPANY	
As at 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
4. RIGHT OF USE ASSETS				
Right of use asset - Land	122,650,570	-	-	-
Right of use asset - Building	19,733,557	-	10,234,564	-
	142,384,127	-	10,234,564	-

This right-of-use asset - land is amortized over the remaining lease term or useful life of the right whichever is shorter and is disclosed under non-current assets. With the adoption of SLFRS 16, company recognised right of use asset and lease liability during the current financial year.

4. RIGHT OF USE ASSETS (CONTD.)

	GROUP		COMPANY	
As at 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Right of use asset - land				
Cost				
As at 1st April	-	-	-	-
Additions during the year	148,228,378	-	-	-
As at 31st March	148,228,378	-	-	-
Amortization				
As at 1st April	-	-	-	-
Amortization charge for the year	25,577,808	-	-	-
As at 31st March	25,577,808	-	-	-
Written down value	122,650,570	-	-	-

Right of use asset - Building

WindForce PLC and Satva Automotive (Pvt) Ltd as a tenant, occupying a building which belongs to Akbar Brothers (Pvt) Ltd and CM Holding PLC respectively and which was previously accounted as an operating lease under LKAS 17. Since, the SLFRS 16 supersedes LKAS 17 Leases, The Group adopted SLFRS 16 using the modified retrospective method of adoption to above lease arrangement. The effect to the Statement of Financial Position and depreciation of building to 31 March 2023 are as follows:

	GROUP		COMPANY	
Cost	2023 LKR	2022 LKR	2023 LKR	2022 LKR
As at 1st April	-	-	-	-
Adjustment on reassessment of lease liability at 01st April	26,750,637	-	15,351,846	-
As at 31st March	26,750,637	-	15,351,846	-
Amortization				
As at 1st April	-	-	-	-
Amortization charge for the year	7,017,080	-	5,117,282	-
As at 31st March	7,017,080	-	5,117,282	-
Written down value	19,733,557	-	10,234,564	-

NOTES TO THE FINANCIAL STATEMENTS CONTD.

5. INVESTMENTS IN SUBSIDIARIES - UNQUOTED

5.1 Company investments in subsidiaries

Unquoted Investments	COMPANY					
	Effective holding %		No of shares		Value	
	2023 %	2022 %	2023	2022	2023 LKR	2022 LKR
Seguwantivu 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 Lanka (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
SKY Solar (Pvt) Ltd	100.00%	100.00%	24,959,751	24,959,751	265,000,000	265,000,000
Hiruras Power (Pvt) Ltd	100.00%	100.00%	92,700,100	92,700,100	1,855,541,028	927,001,000
Daily Life Renewable Energy (Pvt) Ltd	95.83%	95.83%	116,656,000	116,656,000	1,166,560,000	1,166,560,000
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
Suryadhanavi (Pvt) Ltd	88.00%	88.00%	36,000,000	36,000,000	360,000,200	360,000,200
Tororo Pv Power (Pvt) Limited	80.00%	80.00%	105,890,776	105,890,776	579,854,800	579,854,800
Satva Automotive (Pvt) Ltd	80.00%	-	2,400,000	-	26,666,667	-
BlueSky EV (Pvt) Ltd	90.00%	-	90	-	900	-
Vydexa (Lanka) Power Corporation (Pvt) Ltd	76.13%	76.13%	92,385,610	92,385,610	923,856,101	923,856,101
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
Hirujanani (Pvt) Ltd	66.00%	66.00%	5,400,000	5,400,000	54,000,000	54,000,000
Company investment in subsidiaries (at cost)					14,779,290,804	13,824,083,209

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

6. INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

As at 31st March	GROUP					COMPANY			
	2023		2022			2023		2022	
	Effective holding Percentage %	Number of shares	Value	Number of shares	Value	Number of shares	Value	Number of shares	Value
			LKR		LKR		LKR		LKR
6.1 Unquoted Investments									
Nirmalapura Wind Power (Pvt) Limited (NPWP)									
Balance at the beginning of the year	49%	49,000,000	818,591,961	49,000,000	853,582,270	49,000,000	490,000,000	49,000,000	490,000,000
Profit acquiring to the group net of dividend		-	(12,623,120)	-	(34,990,309)	-	-	-	-
Balance at the end of the year		49,000,000	805,968,841	49,000,000	818,591,961	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	681,850,705	35,085,952	618,807,745	35,085,952	490,300,000	35,085,952	490,300,000
Profit acquiring to the group net of dividend		-	73,022,019	-	63,042,960	-	-	-	-
Balance at the end of the year		35,085,952	754,872,724	35,085,952	681,850,705	35,085,952	490,300,000	35,085,952	490,300,000
Gharo Solar Limited - Pakistan (GSP)									
Balance at the beginning of the year	30%	30,061,849	1,386,691,440	5,073,257	255,053,152	30,061,849	969,792,000	5,073,257	57,530,831
Investment made		-	-	24,988,592	912,261,169	-	-	24,988,592	912,261,169
Share of net assets acquiring to the group		-	(35,821,362)	-	262,373,671	-	-	-	-
Dividend paid		-	(75,961,049)	-	-	-	-	-	-
Profit acquiring to the group net of dividend		-	192,717,818	-	(42,996,552)	-	-	-	-
Balance at the end of the year		30,061,849	1,467,626,847	30,061,849	1,386,691,440	30,061,849	969,792,000	30,061,849	969,792,000

NOTES TO THE FINANCIAL STATEMENTS CONTD.

6. INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES (CONTD.)

As at 31st March	GROUP					COMPANY			
	2023			2022		2023		2022	
	Effective holding Percentage %	Number of shares	Value	Number of shares	Value	Number of shares	Value	Number of shares	Value
			LKR		LKR		LKR		LKR
6.1 Unquoted Investments (Contd...)									
Vidul Madugeta (Pvt) Ltd (VM)									
Balance at the beginning of the year	50%	4,500,000	334,742,044	4,500,000	339,316,085	-	-	-	-
Profit acquiring to the group net of dividend		-	9,468,444	-	(4,574,041)	-	-	-	-
Balance at the end of the year		4,500,000	344,210,488	4,500,000	334,742,044	-	-	-	-
Gurugoda Hydro (Pvt) Ltd (GH)									
Balance at the beginning of the year	50%	2,472,000	109,045,349	2,472,000	103,346,832	-	-	-	-
Profit acquiring to the group net of dividend		-	3,024,020	-	5,698,517	-	-	-	-
Balance at the end of the year		2,472,000	112,069,369	2,472,000	109,045,349	-	-	-	-
Mahoma Uganda Ltd (MU)									
Balance at the beginning of the year	36%	2,317,021	180,684,738	1,800	35,703,015	-	-	-	-
Investment made		-	-	2,315,221	98,994,310	-	-	-	-
Share of net assets acquiring to the group		-	136,018,605	-	31,380,347	-	-	-	-
Profit acquiring to the group net of dividend		-	55,948,153	-	14,607,066	-	-	-	-
Balance at the end of the year		2,317,021	372,651,496	2,317,021	180,684,738	-	-	-	-

6. INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES (Contd..)

As at 31st March	GROUP					COMPANY			
	2023			2022		2023		2022	
	Effective holding Percentage %	Number of Shares	Value	Number of Shares	Value	Number of Shares	Value	Number of Shares	Value
			LKR		LKR		LKR		LKR
6.1 Unquoted investments (Contd...)									
Solar Universe (Pvt) Ltd (SU)									
Balance at the beginning of the year	33%	500,000	6,400,673	-	-	500,000	7,333,667	-	-
Investment made		20,500,000	252,666,333	500,000	7,333,667	20,500,000	252,666,333	500,000	7,333,667
Profit acquiring to the group net of dividend		-	(28,522,233)	-	(932,994)	-	-	-	-
Balance at the end of the year		21,000,000	230,544,773	500,000	6,400,673	21,000,000	260,000,000	500,000	7,333,667
Ziba Ltd									
Balance at the beginning of the year		-	-	-	-	-	-	-	-
Investment made	25.5%	516	321,119,479	-	-	-	-	-	-
Profit acquiring to the group net of dividend		-	176,976,176	-	-	-	-	-	-
Balance at the end of the year		516	498,095,655	-	-	-	-	-	-
6.2 Carrying value of equity accounted investee									
			4,586,040,193		3,518,006,910		2,210,092,000		1,957,425,667

The group recognized its interests in joint ventures using the equity method as per LKAS 28.

NOTES TO THE FINANCIAL STATEMENTS CONTD.

6. INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES (CONTD.)

6.3 Summarized financial information of equity accounted investees

For the year ended 31st March 2023								
	Nirmalapura	Solar One	Vidul	Gurugoda	Gharo	Mahoma	Solar Universe	Ziba Ltd
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Revenue	333,308,328	471,195,044	77,026,984	29,173,565	2,072,670,993	467,945,980	195,302,025	1,505,807,241
Cost of sales	(267,112,227)	(121,433,963)	(41,818,498)	(17,288,132)	(690,943,707)	(160,812,567)	(64,662,109)	(261,359,378)
Other income/ net finance cost	(4,554,905)	(155,709,024)	(421,215)	(2,119,570)	164,240,646	(125,806,515)	(209,827,606)	(482,003,052)
Administration expense	(72,056,174)	(47,978,878)	(1,108,295)	(740,752)	(903,575,203)	(25,915,363.00)	(25,336,598)	(68,420,591)
Profit/(loss) before taxation	(10,414,978)	146,073,179	33,678,976	9,025,111	642,392,729	155,411,535	(104,524,288)	694,024,220
Taxation	(15,346,491)	(29,141)	(14,742,088)	(2,977,071)	-	-	18,949,032	-
Profit/(loss) after taxation	(25,761,469)	146,044,038	18,936,888	6,048,040	642,392,729	155,411,535	(85,575,256)	694,024,220

As at 31st March 2023								
	Nirmalapura	Solar One	Vidul	Gurugoda	Gharo	Mahoma	Solar Universe	Ziba Ltd
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Non current assets	947,329,482	1,347,464,903	446,832,173	105,597,976	7,183,566,800	1,617,362,471	2,369,893,521	6,017,549,755
Current assets	597,084,080	563,181,609	119,353,434	34,017,949	1,290,973,807	300,732,693	154,434,170	1,187,839,330
Total assets	1,544,413,562	1,910,646,512	566,185,607	139,615,925	8,474,540,607	1,918,095,164	2,524,327,691	7,205,389,085
Non current liabilities	4,246,491	196,834,425	29,733,741	2,889,388	5,858,571,895	944,754,874	920,997,156	438,412,526
Current liabilities	193,006,117	558,532,864	21,345,195	24,707,004	141,139,338	24,228,030	1,107,244,132	6,029,593,065
Net assets	1,347,160,954	1,155,279,223	515,106,671	112,019,533	2,474,829,374	949,112,260	496,086,403	737,383,494

7. OTHER NON CURRENT FINANCIAL ASSETS

As at 31st March	Notes	GROUP		COMPANY	
		2023 LKR	2022 LKR	2023 LKR	2022 LKR
Other unquoted equity investments - foreign	(7.1)	223,660,000	223,660,000.00	223,660,000	223,660,000
Advances paid to acquire shares	(7.2)	-	429,771,973.00	-	152,666,333
		223,660,000	653,431,973	223,660,000	376,326,333

7.1 Other unquoted equity investments - foreign

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	18%	101,020,000	101,020,000	101,020,000	101,020,000
		223,660,000	223,660,000	223,660,000	223,660,000

7.2 Advances Paid to Acquire Shares

Solar Universe (Pvt) Ltd		-	152,666,333	-	152,666,333
Ziba Limited		-	277,105,640	-	-
		-	429,771,973	-	152,666,333

8. INTANGIBLE ASSETS

Advance for grid substation - non current	(8.1)	100,870,313	115,476,093	-	-
Right to generate electricity from hydro resources	(8.2)	148,682,194	153,296,044	-	-
Goodwill on business combinations	(8.3)	2,386,832,245	2,386,832,245	-	-
		2,636,384,752	2,655,604,382	-	-

8.1 Advance for grid substation

Cost

As at 01st April		268,929,311	268,929,311	-	-
Other adjustments		-	-	-	-
As at 31st March		268,929,311	268,929,311	-	-

Amortization

As at 01st April		138,847,443	124,241,664	-	-
Other adjustments		-	-	-	-
Amortization for the year		14,605,777	14,605,777	-	-
As at 31st March		153,453,220	138,847,441	-	-

Net book value -current		14,605,777	14,605,777	-	-
Non- current		100,870,313	115,476,093	-	-
		115,476,090	130,081,870	-	-

NOTES TO THE FINANCIAL STATEMENTS CONTD.

8. INTANGIBLE ASSETS (CONTD.)

	GROUP		COMPANY	
As at 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
8.2 Right to generate electricity from hydro resources				
Cost				
Balance as at 01st April	184,553,989	184,553,989	-	-
Additions	-	-	-	-
Balance as at 31 March	184,553,989	184,553,989	-	-
Amortization				
Balance as at 01 April	31,257,945	26,644,095	-	-
Additions	-	-	-	-
Charge for the year	4,613,850	4,613,850	-	-
Total at the year end	35,871,795	31,257,945	-	-
Net book value Balance as at 31st March	148,682,194	153,296,044	-	-
8.3 Goodwill on Business Combinations				
As at 01st April	2,386,832,245	2,386,832,245	-	-
Impairment of goodwill	-	-	-	-
As at 31st March	2,386,832,245	2,386,832,245	-	-
Seguwantivu 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	57,719,120	-	-
Vydexa (Lanka) Power Corporation (Pvt) Ltd	304,961,493	304,961,493	-	-
	2,386,832,245	2,386,832,245	-	-

Goodwill as at the reporting date has been tested for impairment. No indications of impairment is noted by the management.

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.

9. INVENTORIES

	GROUP		COMPANY	
As at 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Spare parts	591,247,358	540,084,654	-	-
Raw materials	14,956,981	-	-	-
Finished goods	151,489,448	-	-	-
	757,693,787	540,084,654	-	-

10. TRADE & OTHER RECEIVABLES

Trade debtors	4,727,494,528	2,288,620,650	136,730,936	9,965,560
Refundable deposits & prepayments	161,155,363	1,009,093,303	3,124,731	27,392,855
Staff loans	6,770,097	17,400,674	6,770,097	17,400,674
Advances	6,707,732	70,885,435	1,272,768	2,488,763
Interest receivable	41,413,139	61,756,627	41,408,543	61,458,413
Advance on project preliminaries	9,469,154	14,976,010	-	19,080,000
Insurance receivable	94,048,149	18,172,510	-	7,150,000
Other receivables	201,579,787	8,471,178	121,309,585	3,797,556
Dividend receivables	79,718,122	218,491,688	52,718,121	98,848,799
	5,328,356,071	3,707,868,075	363,334,781	247,582,620

11. INTERCOMPANY LOAN RECEIVABLES

Balance as at 01st April	-	-	135,000,000	-
Loans granted during the year	950,138,202	-	950,138,202	137,500,000
Loan settlement during the year	-	-	(7,000,000)	(2,500,000)
Balance as at 31st March	950,138,202	-	1,078,138,202	135,000,000
Current	950,138,202	-	1,002,138,202	56,000,000
Non current	-	-	76,000,000	79,000,000
Balance as at 31st March	950,138,202	-	1,078,138,202	135,000,000

Company	Relationship				
Terraqua Kokawita (Pvt) Ltd	Subsidiary	-	-	-	7,000,000
HPD Power (Pvt) Ltd	Subsidiary	-	-	128,000,000	128,000,000
Solar Universe (Pvt) Ltd	Associate	950,138,202		950,138,202	-
		950,138,202	-	1,078,138,202	135,000,000

Entity	Loan amount	Purpose	Interest rate
Terraqua Kokawita (Pvt) Ltd	LKR 7.5 Mn (approx)	To introduce reliable control system and electrical instruments to make the power plant available for smooth operation over the next 25 years without major modification and repairs	8 % p.a
HPD Power (Pvt) Ltd	LKR 130 Mn (approx)	To settle the inter company balances of Renewgen (Pvt) Ltd	8 % p.a

NOTES TO THE FINANCIAL STATEMENTS CONTD.

12. AMOUNTS DUE FROM RELATED PARTIES

		GROUP		COMPANY	
As at 31st March		2023 LKR	2022 LKR	2023 LKR	2022 LKR
WindForce (Pvt) Ltd	Relationship				
Beta Power (Pvt) Ltd	Subsidiary	-	-	78,018,252	52,194,688
Joule Power (Pvt) Ltd	Subsidiary	-	-	93,621,185	54,121,602
Vydexa (Lanka) Power Corporation (Pvt) Ltd	Subsidiary	-	-	11,230,923	13,041,751
Sunny Clime Lanka (Pvt) Ltd	Subsidiary	-	-	21,562,904	3,846,063
Melanka Power (Pvt) Ltd	Subsidiary	-	-	95,864,397	51,846,470
Seruwawila Photovoltaic (Pvt) Ltd	Subsidiary	-	-	18,650,192	3,489,667
Daily Life Renewable Energy (Pvt) Ltd	Subsidiary	-	-	98,916,385	51,377,929
Suryadhanavi (Pvt) Ltd	Subsidiary	-	-	30,775,100	6,753,473
Renewgen Power (Pvt) Ltd	Subsidiary	-	-	11,371,004	6,204,182
Powergen Lanka (Pvt) Ltd	Subsidiary	-	-	102,220,633	41,303,781
Hirujanani (Pvt) Ltd	Subsidiary	-	-	5,925,231	1,777,289
Seguwantivu Wind Power Pvt Ltd	Subsidiary	-	-	100,586,169	7,162,779
Vidatamunai Wind Power (Pvt) Ltd	Subsidiary	-	-	39,067,933	44,621,486
HPD Power (Pvt) Ltd	Subsidiary	-	-	4,698,850	1,178,239
Renewgen Power (Pvt) Ltd	Subsidiary	-	-	-	-
Energy Reclamation (Pvt) Ltd	Subsidiary	-	-	-	4,479,700
Hiruras Power (Pvt) Ltd	Subsidiary	-	-	-	114,056,683
Sky Solar (Pvt) Ltd	Subsidiary	-	-	-	1,231,509
Tororo PV Power Limited	Subsidiary	-	-	-	9,081,047
BlueSky EV (Pvt) Ltd	Subsidiary	-	-	31,798,097	-
Satva Automotive (Pvt) Ltd	Subsidiary	-	-	23,149,925	-
Solar Universe (Pvt) Ltd	Associate	-	100,000	-	100,000
Akbar Brothers (Pvt) Ltd	Shareholder	3,226,515	-	-	-
Nirmalapura Wind Power (Pvt) Ltd	Associate	35,384,294	73,440,799	2,288,833	61,820,262
Solar One Ceylon (Pvt) Ltd	Associate	530,579	18,188,247	530,579	18,188,247
Diyaviduli (Pvt) Ltd	Affiliate	32,934	-	32,934	-
		39,174,322	91,729,046	770,309,526	547,876,847

13. SHORT TERM FINANCIAL ASSETS

		GROUP		COMPANY	
As at 31st March		2023 LKR	2022 LKR	2023 LKR	2022 LKR
Investments in fixed deposits		2,997,306,626	2,277,557,191	2,987,228,797	2,249,522,865
Investment in unit trust		-	1,037,982,191	-	1,037,982,191
		2,997,306,626	3,315,539,382	2,987,228,797	3,287,505,056

14. COMPONENTS OF CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
As at 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
14.1 Favorable cash and cash equivalent balances				
Cash and bank balances	628,699,806	1,288,819,937	256,386,100	831,589,022
Petty cash	6,466,152	32,478,491	710,000	1,156,449
	635,165,958	1,321,298,428	257,096,100	832,745,471
14.2 Unfavorable cash and cash equivalent balances				
Bank overdrafts	(1,740,082,737)	(897,596,968)	(1,720,038,311)	(709,908,489)
Net cash and cash equivalents for the purpose of statement of cash flows	(1,104,916,779)	423,701,460	(1,462,942,211)	122,836,982

15. STATED CAPITAL

	GROUP		COMPANY	
As at 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Number of issued and fully paid ordinary shares				
At the beginning of the year	1,350,768,942	1,148,153,601	1,148,153,601	1,148,153,601
Shares issued during the year	-	202,615,341	202,615,341	202,615,341
At the end of the year	1,350,768,942	1,350,768,942	1,350,768,942	1,350,768,942
Value of issued and fully paid ordinary shares				
At the beginning of the year	18,226,455,904	14,984,610,448	18,226,455,904	14,984,610,448
Value of shares issued during the year	-	3,241,845,456	-	3,241,845,456
At the end of the year	18,226,455,904	18,226,455,904	18,226,455,904	18,226,455,904

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.

16. RETAINED EARNINGS

	GROUP		COMPANY	
As at 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Balance at the beginning of the year	2,494,597,463	2,731,034,146	573,114,714	563,345,094
Dividends - ordinary shares	(38,438,701)	(1,755,999,625)	-	(1,755,999,625)
Profit for the year	1,479,943,973	1,574,933,832	426,245,322	1,821,140,136
Transaction cost for issues of new shares	-	(55,370,889)	-	(55,370,889)
Actuarial gain/loss	11,743,979	-	11,743,978	-
Balance at the end of the year	3,947,846,714	2,494,597,464	1,011,104,014	573,114,716

NOTES TO THE FINANCIAL STATEMENTS CONTD.

17. FOREIGN EXCHANGE RESERVE

	GROUP		COMPANY	
As at 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Balance at the beginning of the year	159,423,190	1,123,288	-	-
Exchange difference on transaction of foreign operation	584,960,041	158,299,902	-	-
Balance at the end of the year	744,383,231	159,423,190	-	-

Foreign exchange reserve comprises of foreign exchange differences arising from the translation of foreign subsidiaries and associates in the group.

18. NON- CONTROLLING INTERESTS

	GROUP		COMPANY	
As at 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Balance as at the beginning of the year	1,940,457,382	1,880,602,359	-	-
Exchange difference on transaction of foreign operation	135,236,551	(33,863,529)	-	-
Adjustments due to change in group holdings & other adjustments	-	-	-	-
Buy back of minority shares	-	-	-	-
Profit attributable to non- controlling interest	302,913,426	376,893,448	-	-
Dividends paid to minority shareholders	-	(283,174,896)	-	-
Balance as at the end of the year	2,378,607,359	1,940,457,382	-	-

19. INTEREST BEARING LOANS AND BORROWINGS

	GROUP		COMPANY	
As at 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR

Analysis by lending institutions

19.1 Non-current interest-bearing loans and borrowings

	Currency	Type				
Sampath Bank	LKR	Loan	4,729,232,914	238,735,465	-	-
Hatton National Bank	LKR	Loan	1,882,768,093	1,789,334,314	-	-
DFCC Bank PLC	LKR	Loan	486,790,557	586,420,824	-	-
Seylan Bank	LKR	Loan	42,554,000	91,154,000	-	-
Commercial Bank of Ceylon	LKR	Loan	64,907,500	-	64,907,500	-
Standard Chartered Bank	USD	Loan	80,363,020	502,243,045	80,363,020	502,243,044
HSBC	USD	Loan	435,435,128	600,813,503	435,435,128	600,813,503
Hatton National Bank - FCBU	USD	Loan	-	-	-	-
Pan Asia Bank - vehicle lease	LKR	Lease	1,487,118	5,693,823	1,487,118	5,693,824
Commercial Bank of Ceylon - vehicle loan	LKR	Lease	-	1,116,486	-	838,933
			7,723,538,330	3,815,511,460	582,192,766	1,109,589,304

19. INTEREST BEARING LOANS AND BORROWINGS (CONTD.)

19.2 Current interest bearing loans and borrowings (Contd.)

			GROUP		COMPANY	
As at 31st March			2023 LKR	2022 LKR	2023 LKR	2022 LKR
	Currency	Type				
National Development Bank	LKR	Loan	-	108,911,435	-	-
Sampath Bank	LKR	Loan	620,673,759	95,336,131	-	-
Hatton National Bank	LKR	Loan	493,826,200	168,612,881	-	-
DFCC Bank PLC	LKR	Loan	126,979,572	278,856,446	-	-
Seylan Bank	LKR	Loan	36,120,000	131,994,000	-	16,672,000
Standard Chartered Bank	USD	Loan	482,177,657	143,497,951	482,177,657	143,497,951
HSBC loan	USD	Loan	237,510,076	212,051,826	237,510,076	212,051,826
DFCC Bank - Lease	LKR	Lease	-	1,415,814	-	-
Pan Asia Bank - vehicle lease	LKR	Lease	5,479,910	4,285,148	5,479,910	5,992,244
Commercial Bank of Ceylon - vehicle loan	LKR	Lease	1,088,717	5,992,245	1,088,718	3,378,500
			2,003,855,891	1,150,953,877	726,256,361	381,592,521
19.3 Total outstanding			9,727,394,221	4,966,465,337	1,308,449,127	1,491,181,825

19.4 Security and Repayment Terms - Group

Loan obtained by	Bank/ Lenders	Facility Outstanding	Purpose	Re-payment	Security
Daily Life Renewable Energy (Pvt) Ltd	Sampath Bank	LKR 41,327,378/-	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 - Rate AWPLR + 0.5%	
Vydexa (Lanka) Power Corporation (Pvt) Ltd	Hatton National Bank	LKR 351,699,480	Finance the construction and commission of 10 MW 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 Billion from WindForce PLC
WindForce PLC	Commercial Bank	LKR 4,000,000/-	Purchase of brand new Honda Vessel DAA motor vehicle	60 Equal monthly instalments of LKR 92,989.50 - Rate - 14.5%	Vehicle
		LKR 4,000,000/-	Purchase of brand new Crew Cab motor vehicle	60 Equal monthly instalments of LKR 92,989.50 - Rate 14.5%	Vehicle
		LKR 25,000,000	Importation of craneless tools	48 equal monthly installments after 12 months grace period	Craneless tools

NOTES TO THE FINANCIAL STATEMENTS CONTD.

19.4 Security and Repayment Terms - Group (Contd.)

Loan obtained by	Bank/ Lenders	Facility	Purpose	Re-payment	Security
WindForce PLC	Commercial Bank	LKR 3,400,000/-	Purchase of brand new Honda Civic motor vehicle	60 equal monthly instalments of LKR 79,041.08 - Rate 14.5%	Vehicle
		LKR 5,000,000	Purchase of brand new Motor CRV vehicle	60 equal monthly instalments of 116,238 - Rate 14.5%	Vehicle
	HSBC Mauritius	USD 4.3Mn	Loan obtained for the investment in Gharo Solar Projects	Loan capital payments commence from February 2020 - rate LIBOR + 1.6%	Lien over Sri Lanka Rupee cash deposit equivalent to 110% at the loan outstanding held with Standard Chartered Bank
	Standard Chartered Bank Mauritius	USD 3.5Mn	Investment in 10 MW 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 - Rate 13.25%	Vehicle
		Lease LKR 14.550 Mn	Mercedes Benz GLE 300 D Car	48 Monthly instalments of LKR 392,147.87 - Rate 13.5%	Vehicle
Suryadhanavi (Pvt) Ltd	DFCC Bank	LKR 840 Mn.	To finance the establishment of 10 MW 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 - Rate AWPLR + 1.5%	Primary mortgage over movable machinery Corporate guarantee from WindForce PLC
Hirujanani (Pvt) Limited	Hatton National Bank	LKR 175 Mn	To finance the establishment of 2.13 MW of rooftop mounted solar power systems	108 equal monthly instalments after grace period of 12 months - AWPLR + 1.5%	Primary mortgage over movable machinery Corporate guarantee from WindForce PLC
Sunny Clime Lanka (Pvt) Ltd	Seylan Bank (Asian Development bank loan)	LKR 50,000,000 at a rate of 12% per annual (fixed rate)	To part 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 corporate guarantee from WindForce PLC for LKR 135Mn
		LKR 50,000,000 at a rate of 6.75% per annual (fixed rate)	To part finance construction of 1 MW 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 PLC for LKR 135 Mn.

19.4 Security and Repayment Terms - Group (Cont..)

Loan obtained by	Bank/ Lenders	Facility	Purpose	Re-payment	Security
Seruwawila Photovoltaic (Pvt) 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 1 MW 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.
HPD Power (Pvt) Ltd	Sampath Bank	Facility 01 - LKR 448 Mn @ AWPLR+ 1.5%	Plant and machinery, including other equipment of the hydro power project	96 monthly instalments commenced from 30.03.2017	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.
Tororo PV Power Company Limited	HNB	USD 9 Mn	Construction and commissioning of plant and machinery, including other equipment of the solar power project	To be repaid over 9 years in 36 quarterly installments after a grace period of 1 year from date of first disbursement - interest rate 6M LIBOR+ 4.5 %	Primary mortgage over entirety of shares & projects assets

NOTES TO THE FINANCIAL STATEMENTS CONTD.

20. LEASE LIABILITIES

	GROUP		COMPANY	
As at 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Lease liability on right of use asset - Land	114,970,842	-	-	-
Lease liability on right of use asset - Building	16,891,112	-	8,585,836	-
	131,861,954	-	8,585,836	-
Lease liability on right of use asset - Land				
Balance at the beginning of the year	-	-	-	-
Additions during the year	116,361,999	-	-	-
Accretion of interest	981,986	-	-	-
Paid during the year	(2,373,143)	-	-	-
Balance as at end of the year	114,970,842	-	-	-
Lease liability on Right-of-Use asset- Building				
Balance at the beginning of the year	-	-	-	-
Additions during the year	28,166,451	-	15,351,846	-
Accretion of interest	2,798,643	-	2,440,390	-
Paid during the year	(4,867,582)	-	-	-
Transferred to accrued liability	(9,206,400)	-	(9,206,400)	-
Balance as at end of the year	16,891,112	-	8,585,836	-
Maturity analysis of lease liability as follows,				
Less than one year	15,682,373	-	6,363,161	-
2 to 5 Years	116,179,581	-	2,222,675	-
	131,861,954	-	8,585,836	-

21. RETIREMENT BENEFIT OBLIGATION

	GROUP		COMPANY	
As at 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Gratuity				
At the beginning of the year	64,427,667	51,142,973	64,427,667	51,142,973
Interest cost	7,087,043	4,956,372	7,087,043	4,956,372
Current service cost	7,171,194	7,158,467	7,171,194	7,158,467
Payments made during the year	(143,718)	(680,820)	(143,718)	(680,820)
Actuarial gain / (loss) due to changes in financial assumptions	(6,620,053)	1,850,675	(6,620,053)	1,850,675
Actuarial gain / (loss) due to changes in experience	(10,157,059)	-	(10,157,059)	-
Balance at the end of the year	61,765,074	64,427,667	61,765,074	64,427,667

An actuarial valuation of the retirement gratuity payable was carried out as at March 31, 2023 by Mr M Poopalanathan, AIA, of Messrs. Actuarial & Management Consultants (Pvt) Ltd., a firm of professional actuaries. The valuation method used by the actuaries to value the liability is the "Projected Unit Credit Method (PUC)", the method recommended by the Sri Lanka Accounting Standard - LKAS 19 on "Employee Benefits".

21. RETIREMENT BENEFIT OBLIGATION (CONTD.)

Actuarial assumptions

The following key assumptions were made in arriving at the above figure.

	2023	2022
(i) Rate of discount	18% (Per Annum)	11% (Per Annum)
(ii) Rate of salary increase		10% (Per Annum)
- Chief staff	12% (Per Annum)	-
- Engineer & office staff	15% (Per Annum)	-
- Technicle staff	18% (Per Annum)	-
(iii) Retirement age	60 Years	60 Years

Assumptions regarding future mortality are based on the A1967/70 for Staff/Executive and A1949/52 for Worker, issued by the Institute of Actuaries, London

The demographic assumptions underlying the valuation are with respect to retirement age early withdrawals from service and retirement on medical grounds.

The company uses market yields on Treasury Bonds issued by the Government of Sri Lanka, matching the remaining maturity with the average working life of its employees, to determine the discount rate for its defined benefit obligation as at the reporting date. However, due to prevailing economic conditions in the country, the high yields of Treasury Bond market do not accurately reflect the time value of money. Therefore, the year-end Treasury Bond market yields have been adjusted for the credit risk spread to derive the rate used to discount the defined benefit obligation.

This adjustment has been made based on the guidance provided by the Institute of Chartered Accountants of Sri Lanka in "Frequently Asked Questions (FAQs) on Use of Discount Rate under the Uncertain Economic Conditions".

Sensitivity Analysis - Salary Escalation Rate/Discount Rate

Values appearing in the Financial Statements are very sensitive to the changes in financial and non financial assumptions used

A Sensitivity was carried out as follows,	Group		Company	
	LKR	LKR	LKR	LKR
A one percentage point change in the salary escalation rate	+1%	-1%	+1%	-1%
The present value of defined benefit obligation	5,330,719	(4,767,015)	5,330,719	(4,767,015)
A one percentage point change in the discount rate				
The present value of defined benefit obligation	(4,343,689)	4,923,544	(4,343,689)	4,923,544
Distribution of Employee Benefit Obligation over Future Working Lifetime				
Less than or equal 1 year	4,734,201	-	4,734,201	-
Over 1 year and less than or equal 5 years	12,443,493	-	12,443,493	-
Over 5 year and less than or equal 10 years	25,110,815	-	25,110,815	-
Over 10 years	19,476,565	-	19,476,565	-
	61,765,074	-	61,765,074	-

NOTES TO THE FINANCIAL STATEMENTS CONTD.

22. DEFERRED TAX LIABILITIES/(ASSETS)

	GROUP				COMPANY			
	2023 Temporary Difference LKR	Tax Effect LKR	2022 Temporary Difference LKR	Tax Effect LKR	2023 Temporary Difference LKR	Tax Effect LKR	2022 Temporary Difference LKR	Tax Effect LKR
As at 1 April	9,746,872,318	1,367,499,914	9,747,199,986	1,364,607,998	(38,077,332)	(9,138,560)	-	-
Amount originating during the year	(1,325,044,000)	422,417,486	(327,668)	2,891,916	20,935,318	3,995,955	(38,077,332)	(9,138,560)
As at 31 March	8,421,828,318	1,789,917,400	9,746,872,318	1,367,499,914	(17,142,014)	(5,142,605)	(38,077,332)	(9,138,560)

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

	GROUP				COMPANY			
	2023		2022		2023		2022	
	Temporary Difference LKR	Tax Effect LKR	Temporary Difference LKR	Tax Effect LKR	Temporary Difference LKR	Tax Effect LKR	Temporary Difference LKR	Tax Effect LKR
Temporary difference of Right-of-use asset	22,099,880	6,275,016	-	-	10,234,564	3,070,369	-	-
Temporary difference of Property, Plant and Equipment	9,709,544,866	2,172,431,448	10,704,054,499	1,501,505,420	42,974,332	12,892,300	(38,077,332)	(9,138,560)
Temporary difference of Retirement Benefit Obligation	(61,765,074)	(18,529,522)	-	-	(61,765,074)	(18,529,522)	-	-
Temporary difference of Lease Liabilities	(18,036,450)	(5,230,399)	-	-	(8,585,836)	(2,575,752)	-	-
Carried Forward Tax Losses	(1,230,014,904)	(365,029,143)	(957,182,181)	(134,005,506)	-	-	-	-
	8,421,828,318	1,789,917,400	9,746,872,318	1,367,499,914	(17,142,014)	(5,142,605)	(38,077,332)	(9,138,560)

As per the amendment to the Inland Revenue Act No. 24 of 2017, effective from October 1st, 2022, the income tax rate for companies has been increased from 14% to 30%. This change has been applied to some companies in the WindForce group. However, certain companies within the WindForce group still have BOI exceptions, making them liable for income tax at the rate specified in the BOI agreement.

As per LKAS 12, all companies except for those with BOI concessionary rates, have been considered for deferred tax liability at the rate of 30%.

23. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
As at 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Trade payables	849,611,210	269,793,458	166,079,969	144,876,740
Accrued expenses	33,601,865	14,066,521	9,827,742	728,834
Excess fund received from Regen	-	3,670,551	-	3,670,551
EPF/ETF/PAYE Payable	6,592,731	3,861,600	5,778,181	3,957,338
VAT payable	47,788,302	41,975,576	47,788,302	28,631,841
NBT payable	-	56,626	-	-
Other payables	75,902,510	39,252,112	1,654,079	(20)
Loan interest payable	11,567,343	5,415,007	-	-
Stamp duty payable	4,800	26,676	4,000	26,675
WHT payable	435,509	88,685	47,064	47,063
Dividend payable	9,265,839	5,065,500	4,265,840	5,065,500
Audit fee payable	5,295,756	4,769,000	706,552	670,000
	1,040,065,865	388,041,312	236,151,729	187,674,522

24. AMOUNTS DUE TO RELATED PARTIES

		GROUP		COMPANY	
As at 31st March		2023 LKR	2022 LKR	2023 LKR	2022 LKR
	Relationship				
Akbar Brothers (Pvt) Ltd	Shareholder	31,009,970	14,171,740	7,802,611	7,519,988
Powergen Lanka (Pvt) Ltd	Subsidiary	-	-	-	-
Renewgen (Pvt) Ltd	Subsidiary	-	-	-	-
Peak Power Delta (Pvt) Ltd	Subsidiary	-	-	2,291,647	1,786,366
Terraqua International (Pvt) Ltd	Subsidiary	-	-	28,450,100	13,619,750
Terraqua Kokawita (Pvt) Ltd	Subsidiary	-	-	687,814	1,953,653
Vidatamunai Wind Power (Pvt) Ltd	Subsidiary	-	-	-	-
Tororo PV Power Company Limited	Subsidiary	-	-	5,679,017	-
Seguwantivu Wind Power (Pvt) Ltd	Subsidiary	-	-	-	-
Daily Life Renewable Energy Private Limited	Subsidiary	-	-	-	-
Energy Reclamation (Pvt) Ltd	Subsidiary	-	-	6,712,136	-
Sky Solar (Pvt) Ltd	Subsidiary	-	-	181,550,617	-
Nirmalapura Wind Power (Pvt) Ltd	Associates	-	-	-	-
		31,009,970	14,171,740	233,173,942	24,879,757

NOTES TO THE FINANCIAL STATEMENTS CONTD.

25. INCOME TAX LIABILITY/ OVERPAID

	GROUP		COMPANY	
As at 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Balance at the beginning of the Year	(71,191,543)	17,628,307	(353,699)	68,442,983
Provision for taxation	158,693,802	278,319,377	53,863,717	135,505,208
Adjustment for taxation	2,099,583	3,010,660	-	-
ESC written off	24,783,817	4,728,793	77,219	-
Income tax payments	(33,565,600)	(374,878,680)	(5,659,004)	(204,301,890)
Balance at the end of the year	80,820,059	(71,191,543)	47,928,233	(353,699)

26. REVENUE

	GROUP		COMPANY	
For the year ended 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Supply of electricity	4,681,547,918	4,307,690,712	-	-
Management fees	47,346,071	38,857,629	149,087,112	145,807,329
Operation & maintenance fees	63,735,037	44,666,700	187,500,003	152,215,200
Carbon credit income	82,732,110	-	82,732,110	-
Automobile	21,555,085	-	-	-
Others	56,574,076	-	-	-
Less: Value added tax	-	(23,841,802)	-	(23,841,802)
	4,953,490,297	4,367,373,239	419,319,225	274,180,727

26.1 Revenue - Segment Analysis (Industry Segment)

Power & energy	4,681,547,918	4,307,690,712	-	-
Automobile	21,555,085	-	-	-
Services (management / O&M)	111,081,107	-	-	-
Carbon credit income	82,732,110	-	-	-
Investment	56,574,077	59,682,527	419,319,225	274,180,727
	4,953,490,297	4,367,373,239	419,319,225	274,180,727

27. DIRECT COSTS

	GROUP		COMPANY	
For the year ended 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Depreciation - plant	1,162,599,298	1,001,537,696	-	-
Plant O & M cost	42,454,271	98,774,647	(18,952,892)	-
Crane hiring expenses	175,148,013	129,953,348	-	-
Deductions on transmission loss	692,084	-	-	-
Site - insurance	80,583,073	66,530,294	-	-
Plant repairs & maintenance	333,077,943	276,949,293	-	-
Amortization of lease payment	-	22,029,440	-	-
MASL royalty	29,348,923	26,888,435	-	-
Electricity	38,343,009	31,506,421	-	-
Carbon credit buying expense	35,597,143	-	70,322,294	-
Battery pack expenses	23,092,724	-	-	-
Electric three wheel expenses	3,517,958	-	-	-
Electric motor bike expenses	13,666,290	-	-	-
Inventory Devalued Diffrence	14,141,750	-	-	-
	1,952,262,479	1,654,169,574	51,369,402	-

27.1 Cost of Sales - Segment Analysis (Industry Segment)

Power & energy	1,897,843,758	1,654,169,574	-	-
Automobie	54,418,721	-	-	-
Investment	-	-	51,369,402	-
	1,952,262,479	1,654,169,574	51,369,402	-

28. GROSS PROFIT - SEGMENT ANALYSIS (Industry Segment)

	GROUP		COMPANY	
For the year ended 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Power & energy	2,783,704,161	2,653,521,138	-	-
Automobie	(32,863,636)	-	-	-
Investment	250,387,293	59,682,527	367,949,823	274,180,727
	3,001,227,818	2,713,203,665	367,949,823	274,180,727

NOTES TO THE FINANCIAL STATEMENTS CONTD.

29. OTHER OPERATING INCOME

	GROUP		COMPANY	
For the year ended 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Profit on other project	11,148,000	27,924,694	-	27,924,694
Gain on sales of assets	-	17,007,476	-	16,999,058
Insurance claim received-general	-	6,814,017	-	-
Income from carbon credit	-	31,578,270	-	31,578,270
Income from Liquidity damages	-	53,932,856	-	-
Rental income	7,624,000	-	24,000	-
Creditors written back	7,389,001	-	7,389,001	-
Sales of goods	13,406,480	-	13,406,480	-
Less: Value added tax	-	(4,588,125)	-	(4,588,125)
	39,567,481	132,669,188	20,819,481	71,913,897

30. FINANCE INCOME

	GROUP		COMPANY	
For the year ended 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Interest on deposits	417,717,581	222,902,557	421,270,881	200,293,702
Dividends received	60,280,243	48,793,624	229,654,337	2,117,611,370
Interest income on inter company	3,779,967	2,806,192	101,886,078	2,806,191
Exchange gain	277,234,363	19,064,056	256,308,649	-
Income from unit trust	-	46,982,190	-	46,982,191
	759,012,154	340,548,619	1,009,119,945	2,367,693,454

31. OPERATING PROFIT/(LOSS) BEFORE TAXATION

Operating Profit stated after charging all expenses including the following;

	GROUP		COMPANY	
For the year ended 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Director's remuneration	3,100,000	2,862,500	3,100,000	2,300,000
Audit fees	6,264,006	5,128,470	1,302,712	664,950
Staff costs	162,130,573	156,543,024	154,207,991	137,883,925
EPF	24,734,574	22,877,778	23,727,212	21,036,869
ETF	6,183,568	5,266,717	5,931,778	5,259,217
Depreciation & amortization	1,173,460,487	1,066,782,261	29,481,377	23,807,445

32. FINANCE COSTS

	GROUP		COMPANY	
For the year ended 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Bank over draft interest	307,890,594	25,162,192	150,175,595	18,513,793
Lease interest	32,782,284	3,107,044	4,074,235	2,768,410
Interest on bank loans	460,579,285	296,187,103	78,097,931	21,633,480
Bank charges	8,216,180	6,790,768	4,110,704	5,154,954
Bank charges on guarantee	150,408	797,168	-	797,168
Exchange loss	318,989,616	33,715,727	232,004,019	4,616,218
LC commission & amendment charge	12,000	231,404	12,000	-
Other	126,495	547,034	-	2,500
Intercompany loan interest	-	-	8,989,393	-
Net Loss from the translation on foreign currency denominated Borrowings to reporting currency	-	255,291,052	-	255,291,052
	1,128,746,862	621,829,492	477,463,877	308,777,575

33. INCOME TAX EXPENSES

	GROUP		COMPANY	
For the year ended 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
33.1 Income tax expense				
Current income tax charges	158,693,802	278,319,377	53,863,717	135,505,210
Tax payments on EPC (Uganda)	-	25,158,911	-	25,158,910
	158,693,802	303,478,288	53,863,717	160,664,120
33.2 Deferred tax expense				
Statement of profit or loss				
Origination and (reversal) of temporary differences	(417,384,352)	(17,480,528)	1,037,178	(9,138,560)
Statement of Comprehensive Income				
Tax effect on actuarial gain/(loss) on retirement benefit obligations	(5,033,133)	-	(5,033,133)	-
	(422,417,485)	(17,480,528)	(3,995,955)	(9,138,560)

NOTES TO THE FINANCIAL STATEMENTS CONTD.

33. INCOME TAX EXPENSES (CONTD.)

	GROUP		COMPANY	
For the year ended 31st March	2023 LKR	2022 LKR	2023 LKR	2022 LKR
33.3 Reconciliation of Accounting Profit to Taxable Income				
Accounting Profit before tax	1,790,610,825	2,237,825,039	479,071,861	1,972,665,695
Income which does not form part of the Business	(30,761,115)	(2,536,428,779)	-	(2,290,974,505)
Adjustment relating to disallowed items	1,149,747,613	1,373,254,591	50,032,046	358,772,015
Adjustment relating to allowed items	(1,288,994,776)	(654,120,548)	(638,411,231)	(25,677,569)
Profit/(Loss) from Business	1,620,602,547	420,530,303	(109,307,324)	14,785,636
Business income	674,552,554	2,277,442,969	-	14,785,637
Investment income	403,147,889	2,005,786,689	392,202,403	1,786,611,086
Loss claimed	(110,399,470)	(8,186,669)	(109,307,325)	-
Tax exempt income	(19,815,629)	-	-	-
Assessable income	947,485,344	4,275,042,989	282,895,078	1,801,396,723

(33.4) Current Taxation

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

(33.5) Following Companies exempt from income tax/liable to tax at concessionary rates

(a) Companies exempt from income tax

Company	Exemption Period
Beta Power (Pvt) Ltd	12 Years
Joule Power (Pvt) Ltd	12 Years
Vydexa (Lanka) Power Corporation (Pvt) Ltd	06 Years
Peak Power Delta (Pvt) Ltd	07 Years
HPD Power (Pvt) Ltd	09 Years

(b) Companies liable to tax at concessionary rates

Company	Concessionary Rate
Powergen Lanka (Pvt) Ltd	15% p.a
Seguwantivu Wind Power (Pvt) Ltd	15% p.a
Vidatamunai Wind Power (Pvt) Ltd	15% p.a
Daily Life Renewable Energy (Pvt) Ltd	15% p.a
Terraqua International (Pvt) Ltd	20% p.a
Terraqua Kokavita (Pvt) Ltd	20% p.a

34. EARNINGS PER SHARE

34.1 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.

	GROUP		COMPANY	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Net profit attributable to ordinary shareholders (LKR)	1,479,943,973	1,574,933,831	426,245,322	1,821,140,134
Weighted average number of shares outstanding during the year (Nos)	1,350,768,942	1,350,768,942	1,350,768,942	1,350,768,942
Earnings per share (LKR)	1.10	1.17	0.32	1.35

34.2 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.

35. DIVIDEND PER SHARE

	GROUP		COMPANY	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Dividend paid during the year (LKR)	-	1,755,999,625	-	1,755,999,625
Weighted average number of shares outstanding during the year (Nos)	-	1,350,768,942	-	1,350,768,942
Dividend per share (LKR)	-	1.30	-	1.30

36. FINANCIAL INSTRUMENTS

36.1 Financial assets by categories (Company)

	Amortized cost		Financial assets at FVTPL	
Financial instruments in current assets	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Trade receivables	136,730,936	9,965,561	-	-
Amounts due from related parties	770,309,526	547,876,845	-	-
Short term financial assets	2,987,228,797	3,287,505,056	-	-
Cash & cash equivalents	257,096,101	832,745,470	-	-
	4,151,365,360	4,678,092,932	-	-

Fair value of loans and receivables does not significantly vary from the value based on the amortized cost methodology for the company.

NOTES TO THE FINANCIAL STATEMENTS CONTD.

36.2 Financial liabilities by categories (Company) (Cont...)

	Other financial liabilities	
	2023 LKR	2022 LKR
Financial instruments in non-current liabilities		
Interest bearing loans & borrowings	582,192,766	1,109,589,305
	582,192,766	1,109,589,305
Financial instruments in current liabilities		
Interest bearing loans & borrowings	726,256,362	381,592,522
Amounts due to related parties	233,173,939	24,879,762
Bank overdraft	1,720,038,312	709,908,489
Trade payables	175,286,369	144,876,740
	2,854,754,982	1,261,257,513
Total	3,436,947,748	2,370,846,818

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.

36.3 Financial assets by categories (Group)

	Amortized Cost		Financial Assets at FVTPL	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Financial instruments in current assets				
Trade receivables	4,727,494,528	2,288,620,650	-	-
Amounts due from related parties	39,174,322	91,729,046	-	-
Short term financial assets	2,997,306,625	3,315,539,382	-	-
Cash & cash equivalents	635,165,958	1,321,298,427	-	-
	8,399,141,433	7,017,187,505	-	-

Fair value of loans and receivables does not significantly vary from the value based on the amortized cost methodology for the Group.

	Other Financial Liabilities	
	2023 LKR	2022 LKR
Financial instruments in non-current liabilities		
Interest bearing loans & borrowings	7,723,538,330	3,815,511,462
	7,723,538,330	3,815,511,462
Financial instruments in current liabilities		
Interest bearing loans & borrowings	2,003,855,891	1,150,953,876
Amounts due to related parties	31,009,970	14,171,741
Bank overdraft	1,740,082,737	897,596,967
Trade payables	858,817,610	269,793,458
	4,633,766,208	2,332,516,042
Total	12,357,304,538	6,148,027,504

Fair value of financial liabilities does not significantly vary from the value based on the amortized cost methodology for the Group.

Accrued expenses, taxes payable and advance received that are not financial liabilities are not included.

37. RELATED PARTY TRANSACTIONS

37.1 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 31.03.2023 LKR	Outstanding as at 31.03.2023 LKR
Akbar Brothers (Pvt) Ltd	Shareholder	Opening balance	(7,519,988)		
		Apportionment of cost	5,430,281		
		Rent & management fee	(22,978,597)		
		Settlements	(5,941,667)		
		Closing balance		(31,009,971)	
Daily Life Renewable Energy (Pvt) Ltd	Subsidiary Company	Opening balance	51,377,929		
		Share of cost	85,331,227		
		Settlements	(82,057,034)		
		Management fee	31,538,899		
		InterCo interest	12,725,366		
		Closing balance			98,916,387
Beta Power (Pvt) Ltd	Subsidiary company	Opening balance	52,194,688		
		Share of cost	55,114,700		
		Management & O & M fees	67,016,250		
		Settlements	(101,129,661)		
		InterCo interest	4,822,275		
		Closing balance			78,018,252
Joule Power (Pvt) Ltd	Subsidiary company	Opening balance	54,121,602		
		Share of cost	65,101,190		
		Management & O & M fees	75,340,825		
		Settlements	(108,515,211)		
		InterCo interest	7,572,780		
		Closing balance			93,621,186
Nirmalapura Wind Power (Pvt) Ltd	Associate company	Opening balance	61,820,262		
		Management fee	91,472,048		
		InterCo interest	2,288,833		
		Share of cost	57,366,998		
		Settlements	(177,563,846)		
		Closing balance		35,384,294	

NOTES TO THE FINANCIAL STATEMENTS CONTD.

37.1 Transactions maintained with related entities (Contd...)

Name of the related party	Relationship	Nature of transaction	Value of transaction LKR	GROUP	COMPANY
				Outstanding as at 31.03.2023 LKR	Outstanding as at 31.03.2023 LKR
Suryadhanavi (Pvt) Limited	Subsidiary company	Opening balance	6,753,473		
		Share of cost	1,127,434		
		Management fee	14,021,862		
		Fund transfers	25,000,000		
		Settlements	(20,000,000)		
		InterCo interest	3,872,331		
		Closing balance		30,775,100	
Hirujanani Pvt Ltd (Pvt) Limited	Subsidiary company	Opening balance	1,777,289		
		Share of cost	5,811		
		Management fee	4,124,076		
		InterCo interest	18,055		
		Closing balance			5,925,231
Sunny Clime Lanka (Pvt) Limited	Subsidiary company	Opening balance	3,846,063		
		Share of cost	34,362		
		Management fee	1,649,628		
		Fund transfers	13,543,072		
		InterCo interest	2,489,779		
		Closing balance			21,562,904
Seruwawila Photovoltaic Pvt Ltd	Subsidiary company	Opening balance	3,489,667		
		Share of cost	34,362		
		Management fee	1,649,628		
		Fund Transfers	11,702,265		
		InterCo Interest	1,774,271		
		Closing balance			18,650,193
Solar One Ceylon Pvt Ltd	Associate company	Opening balance	18,188,247		
		Management fee	8,665,269		
		Share of cost	3,423,039		
		Settlements	(29,876,556)		
		InterCo Interest	130,579		
		Closing balance			530,579
Powergen Lanka (Pvt) Ltd	Subsidiary company	Opening balance	41,303,781		
		Management fee	12,372,228		
		Share of cost	54,892,206		
		Settlements	(16,304,911)		
		InterCo interest	9,957,328		
		Closing balance			102,220,632

37.1 Transactions maintained with related entities (Contd...)

Name of the related party	Relationship	Nature of transaction	Value of transaction LKR	GROUP	COMPANY
				Outstanding as at 31.03.2023 LKR	Outstanding as at 31.03.2023 LKR
Vidatamunai Wind Power (Pvt) Ltd	Subsidiary company	Opening balance	44,621,485		
		Share of cost	8,412,232		
		Management fee	58,816,836		
		Settlements	(80,827,561)		
		InterCo interest	8,044,940		
		Closing balance			39,067,933
Seguwanthivu Wind Power (Pvt) Ltd	Subsidiary company	Opening balance	7,162,779		
		Share of cost	120,107,169		
		Management fee	8,412,232		
		Settlements	(50,217,888)		
		InterCo interest	15,121,878		
		Closing balance			100,586,169
Vydexa Lanka Power Corporation Pvt Ltd	Subsidiary company	Opening balance	13,041,751		
		Share of cost	56,189,551		
		InterCo interest	187,530		
		O & M fee	30,002,600		
		Settlements	(88,190,500)		
		Closing balance			11,230,932
Solar Universe (Pvt) Ltd	Associate Company	Opening balance	100,000		
		Share of cost	1,426,984,657		
		Management fee	2,564,103		
		Settlements	(479,510,558)		
		Closing balance			950,138,202
Sky Solar (Pvt) Ltd	Subsidiary company	Opening balance	-		
		Share of cost	80,200		
		Management fee	2,749,383		
		Settlements	(184,380,200)		
		Closing balance			(181,550,617)
Renewgen (Pvt) Ltd	Subsidiary company	Opening balance	6,204,182		
		Settlements	(10,000,000)		
		Fund transfers	12,300,000		
		InterCo interest	2,866,822		
		Closing balance			11,371,004

NOTES TO THE FINANCIAL STATEMENTS CONTD.

37.1 Transactions maintained with related entities (Contd...)

Name of the related party	Relationship	Nature of transaction	Value of transaction LKR	GROUP	COMPANY
				Outstanding as at 31.03.2023 LKR	Outstanding as at 31.03.2023 LKR
HPD Power (Pvt) Limited	Subsidiary company	Opening balance	1,178,238		
		InterCo interest	645,919		
		Fund transfers	1,500,000		
		Management fee	1,374,693		
		Closing balance			4,698,850
Peak Power Delta (Pvt) Ltd	Subsidiary company	Opening balance	(1,786,366)		
		Management fees	1,374,691		
		InterCo interest	(977,075)		
		Settlements	(902,898)		
		Closing balance			(2,291,648)
Terraqua International (Pvt) Ltd	Subsidiary company	Opening balance	(13,619,750)		
		Management fees	1,237,218		
		Settlements	(10,000,000)		
		InterCo interest	(6,067,576)		
		Closing balance			(28,450,108)
Terraqua Kokawita (Pvt) Ltd	Subsidiary company	Opening balance	(1,953,653)		
		Management fees	1,237,225		
		InterCo interest	(495,384)		
		Fund transfers	524,000		
		Closing balance			(687,812)
Melanka Power (Pvt) Ltd	Subsidiary company	Opening balance	51,846,470		
		Management fees	1,374,694		
		Share of cost	806		
		Fund transfers	42,600,000		
		Settlements	(15,000,000)		
		InterCo interest	15,042,430		
		Closing balance			95,864,400
Tororo PV Power Limited	Subsidiary company	Opening balance	(6,181,934)		
		Project written off			
		Settlements	502,917		
Energy Reclamation (Pvt) Ltd	Subsidiary company	Closing balance			(5,679,017)
		Opening balance	4,479,701		
		Management fees	1,237,224		
		InterCo Interest	(1,449,358)		
		Settlements	(10,979,700)		
Hiruras Power (Pvt) Ltd	Subsidiary company	Closing balance			(6,712,133)
		Opening balance	114,056,685		
		Share of cost	397,731,253		
		Share allotment	(311,195,572)		
		Settlements	(110,592,366)		
		Converted to equity	(90,000,000)		
		Closing balance		-	

37.1 Transactions maintained with related entities (Contd...)

Name of the related party	Relationship	Nature of transaction	Value of transaction LKR	GROUP	COMPANY
				Outstanding as at 31.03.2023 LKR	Outstanding as at 31.03.2023 LKR
BlueSky EV (Pvt) Ltd	Subsidiary company	Opening balance	-		
		Share of cost	28,627,099		
		InterCo interest	3,170,997		
		Closing balance			31,798,097
Satva Automotive (Pvt) Ltd	Subsidiary company	Opening balance	-		
		Share of cost	21,429,052		
		InterCo interest	1,720,873		
		Closing balance			23,149,925

37. RELATED PARTY TRANSACTIONS (CONTD...)

37.2) Transactions maintained with related entities (Contd...)

Key management personnel comprise of the Directors of the WindForce PLC 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

	GROUP		COMPANY	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Short-term employee benefits - cash	34,789,696	31,505,513	34,789,696	31,505,513

38. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

38.1 Capital commitments

Company

There were no material financial commitments outstanding as at the reporting date.

Group companies

There were no material financial commitments outstanding as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS CONTD.

38.2 Financial commitments

Company

There were no material financial commitments outstanding as at the reporting date.

Group companies

There were no material financial commitments outstanding as at the reporting date other than those disclosed below,

Hiruras Power (Pvt) Ltd

Supplier	Bank Name	Purpose	LC Value USD
Goldwind International Holdings	Sampath Bank LC No.498512146323	To purchase 5 MW Wind turbine Power Plant	USD 169,178.8
Goldwind International Holdings	Sampath Bank LC No.498512146325	To purchase 10 MW Wind turbine Power Plant	USD 329,131.6

38.3 Contingent liabilities

Group companies

There were no contingent liabilities as at 31st March, 2023 that require adjustment to or disclosure in the Financial Statements, other than those disclosed below,

Hiruras Power (Pvt) Ltd

Bank Name	Proposal Amount	Purpose	Company	Period
Sampath Bank	LKR 2.8 Bn	Until the finalization of lease mortgage or Sampath Bank restructure the security requirement	Hiruras Power (Pvt) Ltd.	Period not specified
Commercial Bank PLC	USD 863,750	Importation of Crane less tools for WTG	Hiruras Power (Pvt) Ltd.	15th February 2023

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 finalized 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.

39. 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.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND 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 loan 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 Market Risks 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.

40.1 Financial risk management framework

The Board of Directors has the overall responsibility for the establishment and oversight of the group's financial risk management framework which includes developing and monitoring the Group's financial risk management policies.

The Group financial risk management policies are established to identify, quantify and analyze the financial risks faced by the Group, to set appropriate risk limits and controls and to monitor financial risks and adherence to limits. Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The WindForce PLC Audit Committee oversees how management monitors compliance with the Group's financial risk management policies and procedures and reviews the adequacy of the financial risk management framework in relation to the risks faced by the Group.

40.2 Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions.

40.2.1 Trade and other receivables

The trade receivables are due from the Ceylon Electricity Board which is the primary government institution responsible for distributing electricity to the general public. Credit risk in relation to electricity sales to the government institution is low as the probability of default is insignificant; in the past experience the customer has not defaulted payments at any occasion. The Group maintains a regular and healthy communication relationship in order to recover all the balances due.

40.2.2 Investments

Credit risks from invested balance with the financial institutions are managed by the Board of Directors. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to them. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

The Group held short term investments of LKR 2,997 Mn as at 31st March 2023 (2022 – LKR 2,987 Mn) which represents the maximum credit exposure on these assets.

► Commercial Bank PLC - AA(lka)

40.3 Liquidity Risk

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

The Group does not concentrate on a single financial institution, thereby minimizing the exposure to liquidity risk through diversification of funding sources. The Group aims to fund investment activities of the individual and Group level by funding the long-term investment with long term financial sources and short term investment with short term financing. Where necessary the Group consults the Treasury Department and Strategic Business Development Unit in Parent Company for scrutinizing the funding decisions.

NOTES TO THE FINANCIAL STATEMENTS CONTD.

40.3 Liquidity Risk (Contd...)

The Table below summarizes the maturity profile of the Groups financial liabilities based on contractual undiscounted payments.

As at 31st March 2023	On Demand	Less than 3 Months	3 to 12 Months	2 to 5 years	>5 years	Total
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Group						
Lease liability on right of use asset - Land	-	5	16	88	5	114
Lease liability on right of use asset - Building	-	4	11	2	-	17
Interest bearing loans & borrowing	-	468	1,403	7,848	-	9,719
Bank overdraft	1,740	-	-	-	-	1,740
	1,740	477	1,430	7,938	5	11,590

Company						
Lease liability on right of use asset - Land	-	-	-	-	-	-
Lease liability on right of use asset - Building	-	2	7	-	-	9
Interest bearing loans & borrowing	-	121	364	815	-	1,300
Bank overdraft	1,720	-	-	-	-	1,720
	1,720	123	371	815	-	3,029

As at 31st March 2022	On Demand	Less than 3 Months	3 to 12 Months	2 to 5 years	>5 years	Total
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Group						
Lease liability on Right-of-Use asset- Land	-	-	-	-	-	-
Lease liability on Right-of-Use asset- Building	-	-	-	-	-	-
Interest bearing loans & borrowing	-	262	786	3,900	-	4,948
Bank Overdraft	898	-	-	-	-	898
	898	262	786	3,900	-	5,846

Company						
Lease liability on Right-of-Use asset- Land	-	-	-	-	-	-
Lease liability on Right-of-Use asset- Building	-	-	-	-	-	-
Interest bearing loans & borrowing	-	99	298	1,078	-	1,475
Bank Overdraft	710	-	-	-	-	710
	710	99	298	1,078	-	2,185

40.4 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk & other price risk such as equity price risk. Financial instrument affected by market risk include loans & borrowings, deposits, available for sale investment & derivative financial instruments.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Interest Rate Sensitivity The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings.

The Group's profit before tax is affected through the impact on floating rate borrowings as follows.

Year	Increase/Decrease in Basis Points	Group Effect on Profit Before Tax	Company Effect on Profit Before Tax
2023	100	+/- 97.19 Mn	+/- 13 Mn
2022	100	+/- 49.49 Mn	+/- 14.75 Mn

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

40.4.1 Capital management

The Group's policy is to retain a strong capital base so as to maintain investor, creditor & market confidence and to sustain future development of the business. Capital consists of share capital, reserves, retain earning & non-controlling interest of the Group. The Board of Directors monitors the return on capital, interest covering ratio, dividend to ordinary shareholders.

The gearing ratio at the reporting date is as follows.

	Group		Company	
	2023 LKR '000	2022 LKR '000	2023 LKR '000	2022 LKR '000
Interest bearing borrowing	9,727	4,966	1,308	1,491
Equity	25,199	22,821	19,140	18,800
Equity & interest - bearing loans and borrowings	34,927	27,787	20,448	20,291
Gearing ratio	28%	18%	6%	7%

FIVE YEAR SUMMARY

Summary of Income Statement	2022/23		2021/22		2020/21		2019/20		2018/2019	
	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	4,953,490	419,319	4,367,373	274,181	4,310,110	127,869	3,484,204	53,118	2,825,546	39,736
Gross Profit	3,001,228	367,950	2,713,204	274,181	2,754,631	127,869	2,352,757	53,118	2,011,266	39,736
Net Profit/(Loss) Before finance cost	3,017,671	956,536	2,538,446	2,281,443	2,559,213	1,058,498	2,045,681	1,324,755	1,741,420	874,906
Profit/(Loss) before Taxation	2,358,936	479,072	2,237,825	1,972,666	2,547,754	1,014,650	2,359,159	1,275,167	1,715,153	860,412
Taxation	-576,078	-52,827	-285,998	-151,526	-401,505	-121,781	-462,361	-113,444	-231,811	-
Profit/(Loss) After Tax	1,782,857	426,245	1,951,827	1,821,140	2,146,249	892,869	1,896,798	1,161,723	1,106,949	860,412
Profit/(Loss) Attributable to Non-Controlling Share Holders	302,913	-	376,893	-	396,430	-	355,883	-	376,393	-
Summary of Financial Position	As at 31.03.2023		As at 31.03.2022		As at 31.03.2021		As at 31.03.2020		As at 31.03.2019	
	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	18,226,456	18,226,456	18,226,456	18,226,456	14,984,610	14,984,610	14,984,610	14,984,610	7,163,772	7,163,772
Pending Share Allotment	-	-	-	-	3,241,845	3,241,845	-	-	-	-
Retained Earnings	3,947,847	1,011,104	2,494,597	573,115	2,731,034	563,345	1,362,004	51,264	726,493	-93,496
Foreign Exchange Reserve	744,383	-	159,423	-	1,123	-	-	-	-	-
Cash Flow Hedge Reserve	-97,973	-97,973	-	-	-	-	-	-	-	-
Total Equity Attributable to Equity Holders of the Company	22,820,713	19,139,587	20,880,477	18,799,571	20,958,613	18,789,801	16,346,615	15,035,875	7,890,265	7,070,276
Non Controlling Interest	2,378,607	-	1,940,457	-	1,880,602	-	1,634,602	-	1,831,552	-
Total Equity	25,199,321	19,139,587	22,820,934	18,799,571	22,839,216	18,789,801	17,981,217	15,035,875	9,721,817	7,070,276
Asset and Liabilities										
Current Assets	10,722,441	5,380,107	8,991,125	4,971,710	12,409,681	8,906,796	5,713,297	2,787,538	2,069,844	1,166,514
Current Liabilities	4,911,517	2,969,912	2,379,572	1,303,702	5,216,096	3,898,409	3,129,006	1,251,556	1,107,172	244,208
Net Current Assets	5,810,924	2,410,196	6,611,553	3,668,008	7,193,585	5,008,387	2,584,290	1,535,982	962,673	922,306
Property Plant and Equipment	21,491,328	71,152	14,629,777	59,605	15,239,784	61,058	15,275,257	57,750	8,885,884	65,249
Other Non Current Assets	7,588,469	17,304,420	6,827,043	16,236,835	6,383,982	14,805,834	6,192,624	14,690,115	3,988,705	6,882,502
Non Current Liabilities	9,691,400	646,181	5,247,439	1,164,878	5,978,135	1,085,478	6,070,954	1,247,972	4,115,444	799,781
Net Assets	25,199,321	19,139,587	22,820,934	18,799,571	22,839,216	18,789,801	17,981,217	15,035,875	9,721,817	7,070,276

INVESTOR INFORMATION

Analysis of shareholders according to the number of shares as at 31st March 2023

No of Shares held	Resident			Non-Resident			Total		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
1 to 1,000	1,718	659,231	0.05%	3	2,000	0.00%	1,721	661,231	0.05%
1,001 to 10,000	1,322	5,976,874	0.44%	6	52,100	0.00%	1,328	6,028,974	0.44%
10,001 to 100,000	669	24,051,260	1.78%	9	341,852	0.03%	678	24,393,112	1.81%
100,001 to 1,000,000	149	37,988,805	2.81%	1	349,638	0.03%	150	38,338,443	2.84%
1,000,001 and over	33	1,169,164,507	86.55%	11	112,182,675	8.31%	44	1,281,347,182	94.86%
Total	3,891	1,237,840,677	91.63%	30	112,928,265	8.37%	3,921	1,350,768,942	100.00%

Shareholders by category as at 31st March 2023

Categories of Shareholders	Number of Shareholders	Number of Shares
Individual	3,717	160,321,108
Institutional	204	1,190,447,834
Total	3,921	1,350,768,942

Twenty Major Shareholders

Shareholder	31st March 2023	
	Number of Shares	Holding %
1. Akbar Brothers Pvt Ltd	492,754,404	36.48%
2. Hirdaramani Private Limited	279,211,864	20.67%
3. BBH-Tundra Sustainable Frontier Fund	70,500,000	5.22%
4. National Development Bank PLC/Debug Investments (Pvt) Ltd	51,886,792	3.84%
5. Debug Investments (Pvt) Limited	51,534,198	3.82%
6. Amaliya Private Limited	44,676,827	3.31%
7. Mr. K.B.M.I. Perera	42,463,018	3.14%
8. Hirdaramani Power Private Limited	31,827,927	2.36%
9. National Development Bank PLC/Debug Renewable Energy Investment	29,400,000	2.18%
10. Seylan Bank PLC/Debug Investments (Pvt) Ltd	21,346,413	1.58%
11. Mr. E.D. Pieris	20,029,577	1.48%
12. Tea House (Pvt) Ltd	13,092,218	0.97%
13. Mr. H.M. Udeshi	12,050,000	0.89%
14. Deutsche Bank AG as Trustee to Assetline Income Plus Growth Fund	8,613,266	0.64%
15. Saboor Chatoor (Pvt) Ltd	8,300,000	0.61%
16. BBH-Redwheel Frontier Markets Equity Master Fund Limited	7,600,000	0.56%
17. Mr. M.K.T. Darwazeh	7,413,761	0.55%
18. Mr. S.K.T. Darwazeh	7,413,761	0.55%
19. Mouldex (Pvt) Ltd	7,401,648	0.55%
20. Employees Trust Fund Board	6,984,333	0.52%
Other Shareholders	136,268,935	10.09%
Total	1,350,768,942	100.00%

INVESTOR INFORMATION CONTD.

Computation % of Public Shareholding as at 31st March 2023

Related Companies

Name of Related Company	Number of Shares
Akbar Brothers Pvt Limited	492,754,404
Amana Bank PLC	587,102
Falcon Trading (Private) Limited	4,325,314
Quick Tea (Private) Limited	6,568,003
Rosewood (Pvt) Limited	6,000,000
Hirdaramani Private Limited	279,211,864
Hirdaramani Power Private Limited	31,827,927
Debug Investments (Private) Limited	51,534,198
National Development Bank PLC/Debug Investments (Pvt) Ltd	51,886,792
National Development Bank PLC/Debug Renewable Energy Investment	29,400,000
Seylan Bank PLC/Debug Investments (Pvt) Ltd	21,346,413
Total	975,442,017

Directors Shareholding

Board of Directors	Number of Shares
Mr. R. P. Pathirana	1,963,323
Mr. A. A. Akbarally	166,145
Mr. K. B. M. I. Perera	42,463,018
Mr. Huzefa Akbarally	166,145
Mr. Hussain Akbarally	166,145
Mr. M. Najmudeen	-
Mr. V. K. Hirdaramani	186,145
Mrs. Saumya Amarasekera	-
Mr. Dilshan Hettiarachchi	332,888
Mr. Savantha De Saram	-
Spouse, Children Under/Over 18 of Director	498,435
Total	45,942,244

Chief Executive Officer

Chief Executive Officer	Number of Shares
Mr. J. B. S. L. Wimalasena	313,500

Computation % of Public Shareholding as at 31st March 2023

Issued Share Capital as at 31 March 2023	1,350,768,942
Related Companies	975,442,017
Directors Shareholding	45,443,809
Spouse, Children Under/Over 18 of Director	498,435
Chief Executive Officer	313,500
Public Holding	329,071,181
Public Holding as a % of Issued Share Capital	24.36%

Share Price Information

For the year ended 31st March 2023	2023 LKR	2022 LKR
Highest	18.70	23.00
Lowest	13.10	15.80
Closing	16.50	15.90
No. of Transactions during the year	10,372	35,488
No. of Shares traded during the year	69,597,697	300,839,286
Value of Shares Traded (LKR)	1,096,899,232	5,569,982,962
Market Capitalisation (LKR)	22,287,687,543	21,477,226,178

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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

PQ00234079

Nature of the Business

Generate and Supply Renewable Energy 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 : +94 114 645 424
E-mail : info@windforce.lk
Web : www.windforce.lk

Company Secretary

Nexia Corporate Consultants (Private) Limited
No: 130 , Second Floor,
Nawala Road, Narahenpita,
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 24
Pan Asia Banking Corporation PLC
Bank of Ceylon
Diamond Trust Bank
Standard Chartered Bank Uganda Ltd
HSBC Bank (Mauritius) Limited
Standard Chartered Bank (Mauritius)

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 13th Annual General Meeting of the shareholders of WINDFORCE PLC will be held on 28th June 2023 at 3.30 p.m. by way of a virtual meeting (online/audio-visual) at WindForce PLC, No. 334, T.B. Jayah Mawatha, Colombo 10.

The business to be brought forward before the meeting will be:

1. To receive and consider the Annual Report of the Directors and the Statement of Accounts for the year ended 31st March 2023 with the Report of the Auditors thereon. **(Resolution 1)**
2. Re-election of Directors
 - (i) To re-elect Mr. Savantha Rishad Sproule De Saram - Director who retires by rotation in terms of Article 78 of the Articles of Association of the Company and being eligible offers himself for the re-election. **(Resolution 2.1)**
 - (ii) To re-elect Mr. Pradeep Dilshan Rajeeva Hettiaratchi - Director who retires by rotation in terms of Article 78 of the Articles of Association of the Company and being eligible offers himself for the re-election. **(Resolution 2.2)**
 - (iii) To re-elect Mr. Hussain Akbarally - Director who retires by rotation in terms of Article 78 of the Articles of Association of the Company and being eligible offers himself for the re-election. **(Resolution 2.3)**
3. To appoint M/S. Ernst & Young, Chartered Accountants, who have consented to be appointed Auditors of the Company until the conclusion of the next annual general meeting, in place of the retiring auditors M/s. B.R. De Silva & Company, Chartered Accountants, and to authorize the Directors to determine their remuneration. **(Resolution 3)**
4. To authorize the Directors to determine donations for charities for the ensuing year. **(Resolution 4)**
5. Any other business
If thought fit to pass the following as an ordinary resolution:

Cost Escalation of the Hiruras Wind Power Plant Project in Mannar 10 MW + 5 MW

Reference to the item 1.2 (Objectives of the Issue) of the Prospectus of the Initial

Public Offering of the Company dated 01st of March, 2021, and the Corporate Disclosure, dated 19th May 2022. It was previously stated that the total project cost has increased from LKR 3,090,000,000 to LKR 6,653,000,000 for the 10 MW+ 5 MW Wind Plants in Mannar due to the Rupee devaluation and cost increase in local material and services. The required approvals of the shareholders have been obtained at the shareholders' meeting of the Company on 20th July 2022.

Further, during erection of the wind turbine bottom tower at location 03, Nanattan, Mannar project construction site, the hired 600T main crane toppled. This crane is beyond repairs and the company had planned to import another 750T crane on rental to continue with the project.

The damage was recorded at LKR 995 million, out of which approximately LKR 377 million will be covered by the project insurance excluding the finance cost and other incidental cost relating to the accident. In addition, there is also a LKR 179 million cost escalation due to increase of VAT and global raw material prices. Hence, the estimated cost of the project has increased from LKR 6,653,000,000 to LKR 7,450,000,000. Consequently, the equity infusion for the project from the company's IPO funds are to be increased to LKR 2,500,000,000 with an expected change in Debt Equity ratio from 75:25 to 66:34. The additional IPO funds will be sourced by re-allocating the funds for Tororo Phase II Project, which is delayed due to the ongoing grid study by Electricity Regulatory Authority (ERA) in Uganda. This project will commence, upon the completion of the grid study in July 2023 and it will be funded by remaining IPO funds, company's own reserves and debt financing.

Nevertheless, as the Power Purchase Agreement (PPA) is yet to be signed, an 80% upward tariff rate revision is expected to the USD at the indicative LKR/USD rate published by the Central Bank of Sri Lanka (CBSL), seven (07) working days prior to the signing of the PPA. As a result of the tariff revision, the project will likely to earn an Equity IRR of 7.5% with a Project IRR of 9.2% at 15.6% WACC. Moreover,

negotiations are under way to further increase the tariff to compensate prevailing high interest rates in the market which will likely increase the Equity IRR to 15.3% with a Project IRR of 13.2%.

The market announcement relating to the aforesaid incident has been published on the Colombo Stock Exchange Web Site on the 03rd March 2023.

Accordingly, it is proposed to consider and if thought fit, pass the following resolution by way of an Ordinary Resolution.

The shareholders having noted the recommendation of the Directors that due to the accident in the construction site and the cost escalation due to increase of VAT and global raw material prices and other incidental costs, the estimated cost of the project has increased from LKR 6,653,000,000 to LKR 7,450,000,000 and consequently, the equity infusion for the project from the company's IPO funds are to be increased to LKR 2,500,000,000 with an expected change in Debt Equity ratio from 75:25 to 66:34, IT IS RESOLVED THAT the utilization of IPO funds as mentioned above to facilitate the project cost and the changes to the equity ratio is in the best interest of the Company and all its shareholders and that the same be hereby approved.

(Resolution 5)

By order of the Board,

Nexia Corporate Consultants (Private) Limited

Secretaries to WindForce PLC

05th June 2023

Notes -

1. A shareholder who is entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote (on-line) on behalf of him/her.
2. A proxy need not be a shareholder of the Company.
3. A Form of Proxy accompanies this notice.

NOTES

This image shows a full page of white paper with horizontal dotted lines. The lines are evenly spaced and run across the width of the page, providing a guide for handwriting practice. There are no margins, text, or other markings on the page.

NOTES CONTD.

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FORM OF PROXY

WINDFORCE PLC
ANNUAL GENERAL MEETING

FORM OF PROXY – VOTING SHAREHOLDER

I/We (full name of shareholder and names of joint holder/s, if any)

of (address of main shareholder)

being a Member/s of WINDFORCE PLC do hereby appoint (full name of the Proxy Holder) Mr./Mrs./Ms.

of.....

or failing him/her.

Mr. R.P. Pathirana or failing him

Mr. A.A. Akbarally

Mr. K.B.M.I. Perera

Mr. Hussain Akbarally

Mr. Huzefa Akbarally

Mr. V.K. Hirdaramani

Mr. M. Najmudeen

Mr. D. Hettiaratchi

Mr. S. De Saram

Ms. S. Amarasekara

or failing him

or failing him

or failing him

or failing him

or failing him

or failing him

or failing him

or failing him

as my/our Proxy to vote and speak for *me/us on *my/our behalf at the 13th Annual General Meeting of WINDFORCE PLC to be held at 3.30 p.m. on 28th of June 2023 by virtual means and at any adjournment thereof. Please indicate your preference by placing a "X" against the Resolution Number.

Please indicate your preference by placing a "X" against the resolution Number

	For	Against
Resolutions		
Resolution 1		
Resolution 2		
Resolution 2.1		
Resolution 2.2		
Resolution 2.3		
Resolution 3		
Resolution 4		
Resolution 5		

Signed on this day of 2023.

.....
Signatures

.....
NIC/ Passport Number

Please furnish the following details;

CDS Account No. of the Shareholder/s	
Number of shares	
Shareholder/s contact numbers/s	Fixed Line: Mobile:
Email address for the proxy holder's participation at the AGM (on-line link will be forwarded to this email address)	
Proxy Holder's NIC number	

FORM OF PROXY CONTD.

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.



334, T.B. Jayah Mawatha, Colombo 10 Tel: +94 11 2697151 Email: info@windforce.lk