

LIGHT TO LIFE

WINDFORCE PLC
ANNUAL REPORT 2023/24





LIGHT TO LIFE

While the nation sought cleaner and greener ways to develop power, we sought out the opportunities to be the most efficient provider of these needs with the advent of progressive legislation. While concentrating on our energy projects in the year under review we looked at actively developing new infrastructure in the form of a 100 MegaWatt solar power plant and more, in meeting the demands of the years ahead. As we work together in order to achieve sustainable and organic goals, ones that will enhance and empower the future, we will continue this impetus of progression, propelled by our values and intrepid nature, and guided by the principles of environmental, social, and corporate governance. From light to life, we continue to invest in succeeding generations through the regenerative and renewable power of nature.



AT WINDFORCE PLC, WE DEVELOP STATE-OF-THE-ART RENEWABLE ENERGY PLANTS THAT MEET INTERNATIONAL STANDARDS. WITH OUR COMMITMENT TO SUSTAINABILITY, WE PROVIDE ECO FRIENDLY ENERGY THAT BENEFITS OUR INVESTORS AND SATISFIES THE EVER-INCREASING NEED FOR ENERGY.

We manage the complete lifecycle of renewable energy projects, including feasibility studies, design, construction, commissioning, operation and maintenance. The ultimate goal is to provide a sustainable future for generations to come, by producing affordable, dependable, emission-free electricity that powers homes and businesses, whilst supporting the national energy policy and strategy.

CONTENTS

Organisation Overview

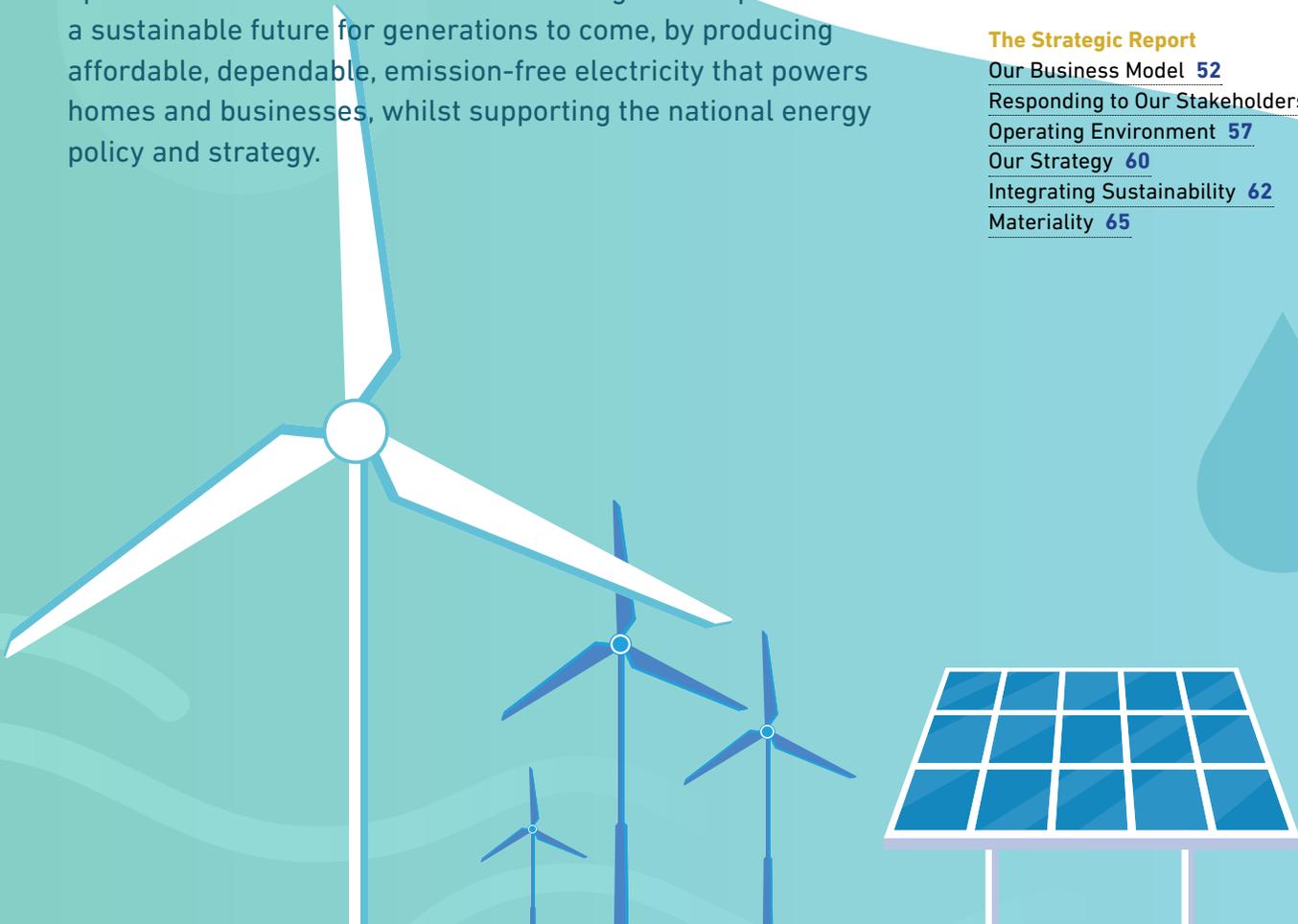
About Us	4
Report Profile	6
Group Structure	8
Our Presence in the Value Chain	10
Our Social and Economic Impact	11
Plants/Projects	12
Milestones	32
Financial Highlights	34
Non-Financial Highlights	36

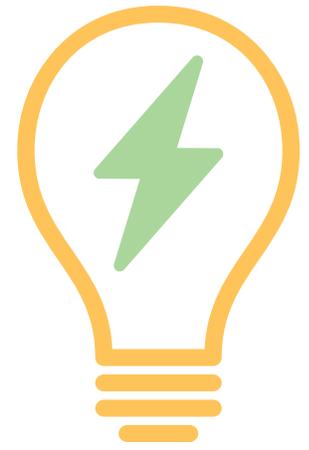
Leadership

Chairman's Message	38
Managing Director's Message	40
Board of Directors	44
Corporate Management	48

The Strategic Report

Our Business Model	52
Responding to Our Stakeholders	54
Operating Environment	57
Our Strategy	60
Integrating Sustainability	62
Materiality	65





Review of Business Operations

Wind [70](#)
Solar [72](#)
Hydro [74](#)
Automobile [75](#)

The Capital Reports

Financial Capital [77](#)
Social and Relationship Capital [82](#)
Human Capital [91](#)
Intellectual Capital [101](#)
Manufactured Capital [106](#)
Natural Capital [110](#)

Stewardship

Corporate Governance [118](#)
Risk Management [141](#)
Annual Report of the Board of Directors on the
Affairs of the Company [144](#)
Board of Directors' Statement on Internal Controls [148](#)
Statement of Directors' Responsibility on
Financial Reporting [149](#)
Report of the Audit Committee [150](#)

Report of the Remuneration Committee [151](#)
Report of the Related Party Transactions
Review Committee [152](#)
Managing Director's, Chief Executive Officer's and Chief
Financial Officer's Responsibility Statement [153](#)

Financial Reports

Financial Calendar [154](#)
Independent Auditors' Report [155](#)
Statement of Profit or Loss [158](#)
Statement of Comprehensive Income [159](#)
Statement of Financial Position [160](#)
Statement of Changes in Equity [162](#)
Statement of Cash Flows [163](#)
Notes to the Financial Statements [164](#)

Supplementary Information

Five Year Summary [221](#)
Investor Information [222](#)
GRI Content Index [225](#)
SASB Indices [234](#)
Corporate Information [235](#)
Notice of Annual General Meeting [236](#)
Notes [238](#)
Form of Proxy [239](#)

38 CHAIRMAN'S
MESSAGE

57 OPERATING
ENVIRONMENT

118 CORPORATE
GOVERNANCE

141 RISK
MANAGEMENT

155 INDEPENDENT
AUDITOR'S
REPORT

221 FIVE YEAR
SUMMARY



WindForce Website



WindForce Instagram



WindForce Facebook



WindForce LinkedIn

GRI 2-1

Established in July 2010, WindForce PLC was formed to spearhead and oversee all facets of renewable energy production. Through our strategic investments in renewable energy initiatives, we have become the largest renewable energy power producer in Sri Lanka with a global presence. Our expertise spans every stage of the life cycle of a power project. We excel in conducting feasibility studies, overseeing design and engineering processes, managing procurement, construction, commissioning, as well as ensuring the seamless operation and maintenance of power plants. This comprehensive approach enables us to be involved throughout the entire life cycle of a power project.



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 to 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.

Our Presence

As the largest renewable energy developer in Sri Lanka with a global presence, our portfolio comprises 8 wind power plants, 12 solar power plants, and 10 mini hydropower plants in Sri Lanka and overseas as indicated below.



WIND

- ☉ Pioneer & Leading Wind Power Producer in Sri Lanka
- ☉ 8 Wind Power Plants in Operation
- ☉ Annual CO₂ Emission Saving - 157,866 MT



SOLAR

- ☉ Pioneer of Agrivoltaic Plants in Sri Lanka
- ☉ 12 Solar Power Plants across the Globe
- ☉ Saved 171,066 MT of CO₂ Emissions



HYDRO

- ☉ 10 Small Hydro Power Plants
- ☉ Saved an Estimated 79,277 MT of CO₂ Emission



GRI 2-3

REPORT PROFILE

This is the fourth Annual Integrated Report of WindForce PLC which provides a balanced account of the performance during the financial year ending 31 March 2024. In preparing this report we have substantiated our statements with evidence where necessary, drawing from reliable sources of information. Our ongoing commitment to improving readability is evident in our exploration of enhancements, highlighting material matters, and building on the Annual Integrated Report for the year ending 31 March 2024 which is the most recent report preceding the publication of this report.

Improvements to Our Report

- ⦿ The SASB Standard on Electric Utilities & Power Generators has been adopted.
- ⦿ All GRI and SASB requirements were tagged for easy search and identification.
- ⦿ The process for determining materiality matters was modified to cover material topics from GRI and SASB standards and our business priorities.
- ⦿ Currently in the process of refining our ESG disclosures to align with the new reporting guidelines introduced since our last report.

Scope and Boundary

GRI 2-2

The boundaries for reporting financial and non-financial information have been aligned and refer to information regarding the WindForce Group unless specifically stated otherwise. The report outlines our core business as a producer of renewable energy and covers the Group's operations in Sri Lanka, Pakistan, Uganda and Ukraine. The non-financial information of equity-accounted investees has been aggregated in total. Please refer to the group structure on page 8.

Standards and Frameworks

The following reporting requirements were launched during the year under review:

- ⦿ A new Listing Rule #9 of Corporate Governance was issued in August 2023 by the Colombo Stock Exchange
- ⦿ Launch of Code of Best Practice on Corporate Governance by the Institute of Chartered Accountants of Sri Lanka in December 2023. We have complied with the provisions of the Listing Rule 9 that needed to be complied with as of 1 April 2024. Compliance with the Code is given on pages 126 to 137 of the report.

Risk and Governance Reporting

- ⦿ Colombo Stock Exchange Listing Rules
- ⦿ 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)

Reporting Principles

- ⦿ <IR> Framework 2021 issued by the International Integrated Reporting Council
- ⦿ GRI Standards issued by the Global Reporting Initiative in 2021
- ⦿ The Companies Act No. 7 of 2007
- ⦿ Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka

Sustainability Reporting

- ⦿ Global Reporting Initiative (GRI) Standards
- ⦿ UN Sustainable Development Goals
- ⦿ Sustainability Accounting Standards Board (SASB)

Integrating ESG to Facilitate Integrated Thinking

Taking on the challenge of GRI reporting four years ago, our organisation processes have evolved to integrate non-financial information into the reports used for monitoring performance at every level, from the factory to the Board. These are affirmed by certifications on environmental and social responsibility which serve to enhance management of these topics whilst also facilitating access to markets. All these services embed ESG principles into our organisational processes, providing deeper insights into our impacts on society and the environment and stakeholder concerns. These insights facilitate holistic decision-making through integrated thinking, optimising the efficient allocation of finite resources. This information also feeds into our risk management processes enabling evaluation of potential threats and opportunities which are critical for resource allocation decisions to deliver progress on strategic goals and strengthen the resilience of the Group.

Assurance

GRI 2-5

Assurance on Financial Statements has been provided by Messrs Ernst & Young and their report is set out on page 155.

Connectivity of Information

The connectivity of information has been improved by the use of the following icons throughout the report.

The Capitals	Stakeholders	Strategy
 Financial Capital	 Customers	 Progressive Growth
 Human Capital	 Employees	 A Great Place to Work
 Intellectual Capital	 Business Partners	 Contribution to the National Development Agenda
 Natural Capital	 Government & Regulators	 Operational Excellence
 Social & Relationship Capital	 Communities	
 Manufactured Capital	 Investors	

Significant Changes During the Year & Restatements

GRI 2-4

There were no significant changes requiring restatements of financial or sustainability information during the reporting period.

Forward-Looking Statements

The report contains forward-looking statements derived from current perceptions, opinions, and both external and internal information available to us. These statements are provided to facilitate the assessment of the future performance of the Group, yet they inherently carry varying degrees of uncertainty. The accuracy of these statements can be ascertained only in hindsight, as they relate to future events, outcomes and impacts which are beyond our control. Sri Lanka's economic recovery is underway amid ongoing high geopolitical risks. Therefore, the external operating environment remains unpredictable, prompting readers to use the latest information to assess forward-looking statements and to exercise their own judgment. This information is

provided without recourse or any liability whatsoever to the Board or other preparers of the Annual Report owing to the inherent high levels of uncertainty surrounding the information presented.

Feedback & Inquiries

GRI 2-3

We welcome any questions, clarifications, and feedback on this report:

For Inquiries, contact:

lasith@windforce.lk
(Chief Executive Officer)

Acknowledgement

The Annual Report has been prepared by the Senior Management of the Group on behalf of the Board of Directors. Senior Management has used internal and external resources in compiling this report to enhance the presentation and readability of the report.

The Annual Report of the Board of Directors includes an acknowledgement of the Directors' responsibilities with regard to the Annual Report. The Board of Directors acknowledge their responsibility to ensure the integrity of the Integrated Report and are of the opinion that the Integrated Annual Report of WindForce PLC for the financial year ending 31 March 2024 is presented in accordance with the <IR> Framework 2022.

Ranil Pathirana
Chairman
Board of Directors

Dilshan Hettiaratchi
Chairman
Audit Committee

Lasith Wimalasena
Chief Executive Officer
WindForce PLC



This report is available online at www.windforce.lk

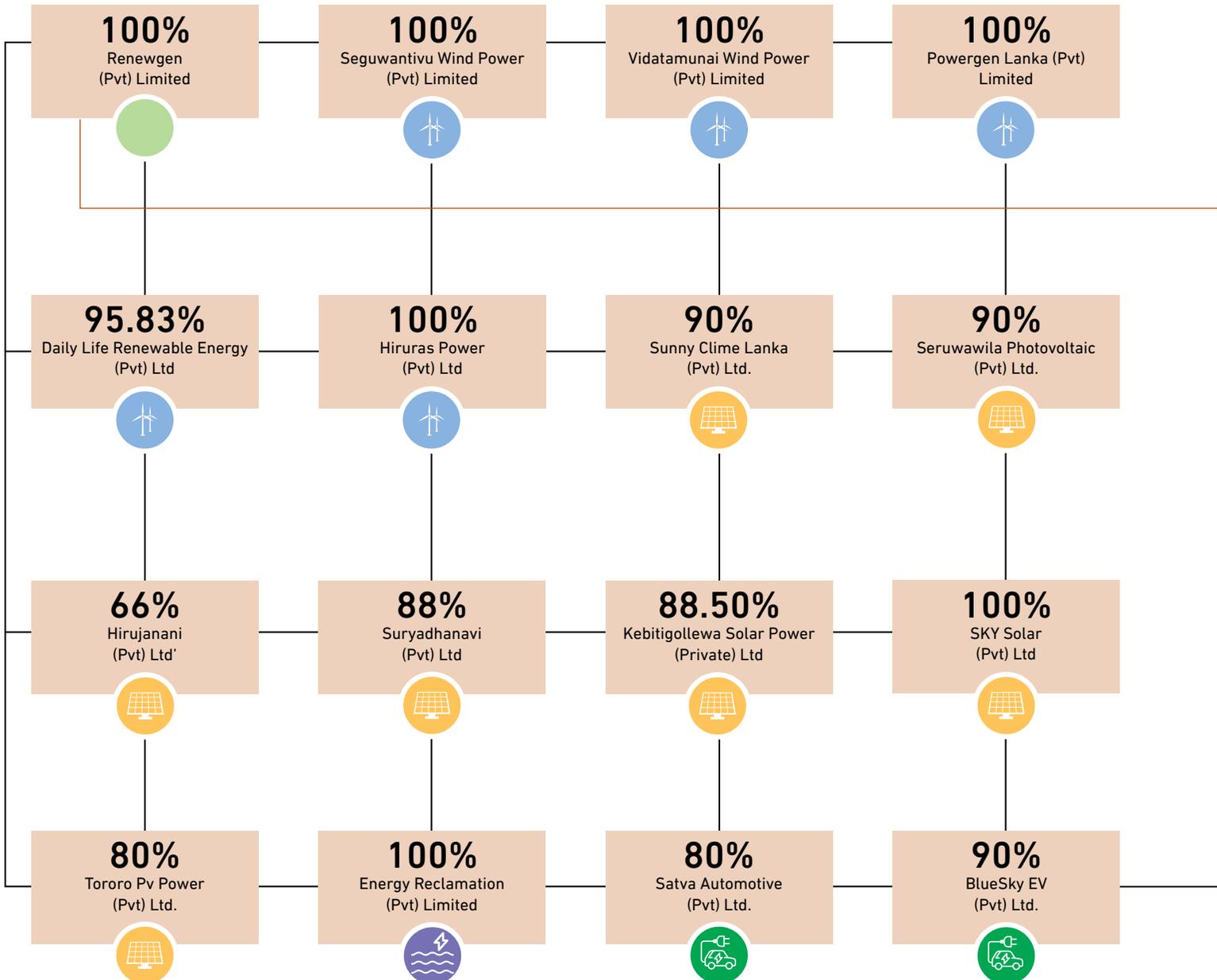


This report is available online at www.cse.lk

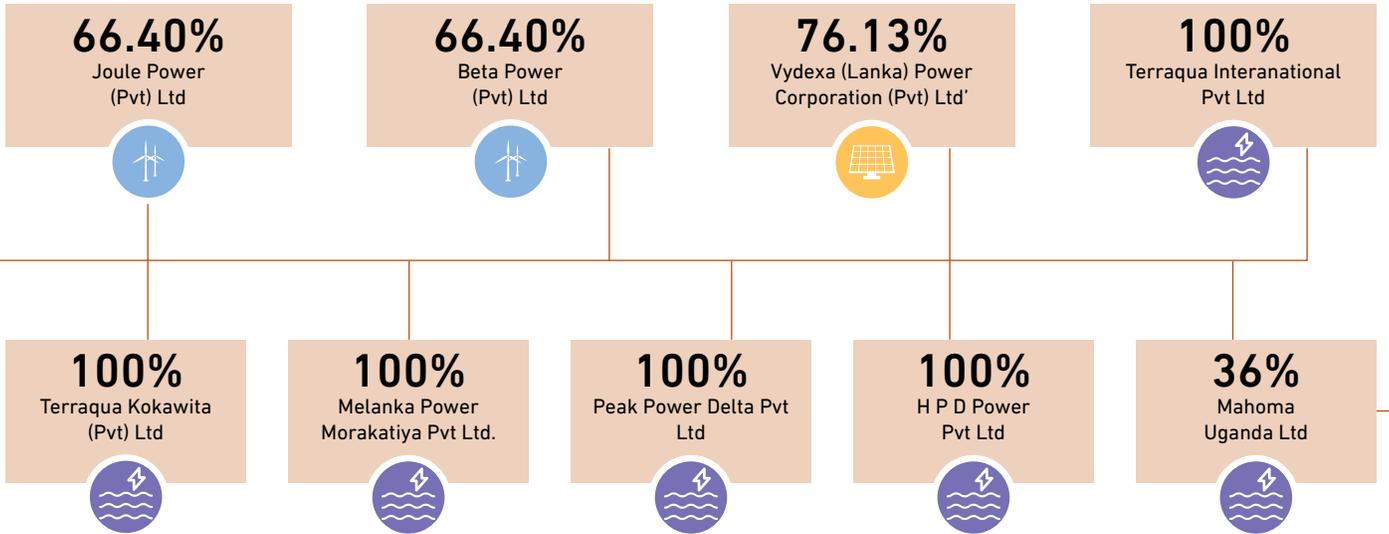
GROUP STRUCTURE



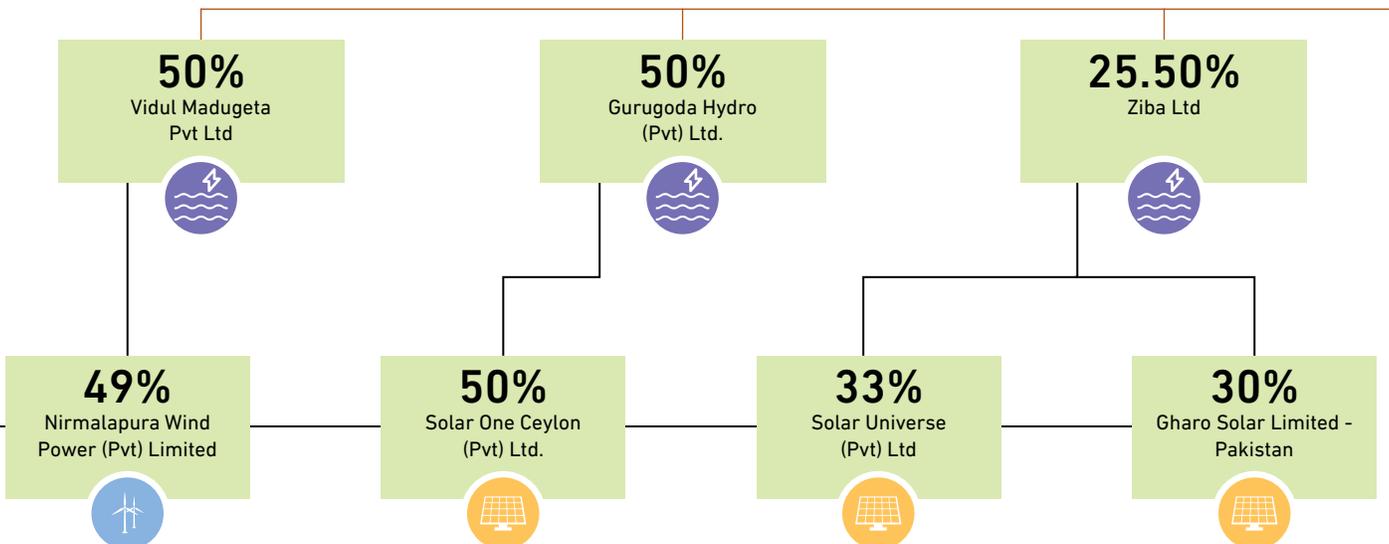
Subsidiaries



 Holding Company



Equity Accounted Investees



Solar Power Plants



Wind Power Plants

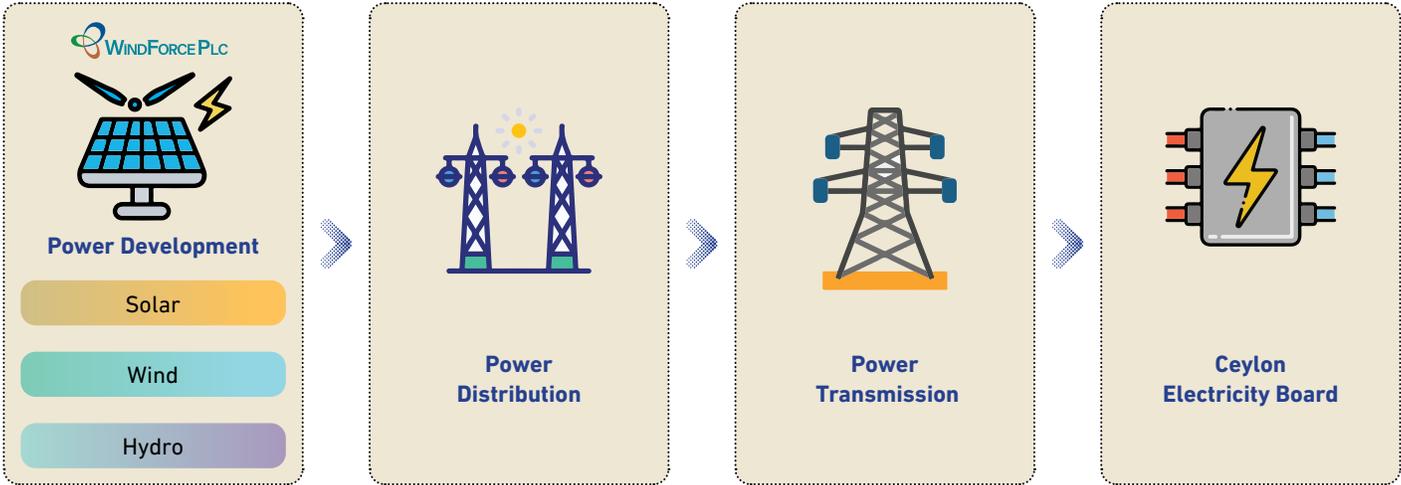


Hydro Power Plants



Automotive Companies

OUR PRESENCE IN THE VALUE CHAIN **GRI 2-6**



OUR SOCIAL AND ECONOMIC IMPACT

We are mindful of our socio-economic responsibility and are actively engaged in enhancing the outcomes for all our stakeholders. Fostering an environmentally conscious culture, we have implemented measures to conserve finite resources essential for value creation. Given below are some of our efforts aimed at adding value to the stakeholders.

Employment & Livelihoods Supported



External Sector Activities



Capital Markets



PLANTS/PROJECTS



WIND

WE CONVERT WIND ENERGY INTO ELECTRICITY PROVIDING CLEAN, RENEWABLE ENERGY AND REDUCING CARBON EMISSIONS.

8
PLANTS

258.6GWh
ANNUALLY

182,900MT CO₂
SAVED (ESTIMATED)

84.2 MW
INSTALLED CAPACITY



-  **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 (Rs.)**
1.2 Bn
-  **WindForce's Stake**
100%

-  **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 (Rs.)**
1.5 Bn
-  **WindForce's Stake**
100%



PLANTS/PROJECTS CONTD.



-  **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 (Rs.)**
490 Mn
-  **WindForce's Stake**
49%

-  **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 (Rs.)**
1.2 Bn
-  **WindForce's Stake**
95.83%





-  **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 (Rs.)**
1.5 Bn
-  **WindForce's Stake**
100%

-  **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 (Rs.)**
580 Mn
-  **WindForce's Stake**
66.40%



PLANTS/PROJECTS CONTD.



-  **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 (Rs.)**
580 Mn
-  **WindForce's Stake**
66.40%

-  **Name of Plant**
Hirus Power
-  **Location**
Mannar, Sri Lanka
-  **Capacity (MW)**
15
-  **Date of Commission**
June 2023
-  **Estimated Annual Average Generation (GWh)**
63.9
-  **Annual Average CO₂ Savings (MT)**
44,700
-  **WindForce's Investment (Rs.)**
2.5 Bn
-  **WindForce's Stake**
100%





SOLAR

WE CONVERT SUNLIGHT INTO ELECTRICITY USING PHOTOVOLTAIC PANELS, PROVIDING CLEAN, RENEWABLE ENERGY AND REDUCING CARBON EMISSIONS.

12
PLANTS

244.9 GWh
ANNUALLY

172,800MT CO₂
SAVED (ESTIMATED)

134.6 MW
INSTALLED CAPACITY

PLANTS/PROJECTS CONTD.



-  **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 CO₂ Savings (MT)**
15,000
-  **WindForce's Investment (Rs.)**
490 Mn
-  **WindForce's Stake**
50%



-  **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 (Rs.)**
923 Mn
-  **WindForce's Stake**
76.13%



-  **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 (Rs.)**
109 Mn
-  **WindForce's Stake**
12.85%

-  **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 (Rs.)**
360 Mn
-  **WindForce's Stake**
88%



PLANTS/PROJECTS CONTD.



-  **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 CO₂ Savings (MT)**
1,000
-  **WindForce's Investment (Rs.)**
47 Mn
-  **WindForce's Stake**
90%



-  **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 (Rs.)**
47 Mn
-  **WindForce's Stake**
90%



-  **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 CO₂
Savings (MT)**
2,000
-  **WindForce's Investment (Rs.)**
54 Mn
-  **WindForce's Stake**
66%



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 (Rs.)
970 Mn



WindForce's Stake
30%



PLANTS/PROJECTS CONTD.



-  **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 (Rs.)**
101 Mn
-  **WindForce's Stake**
12.5%

-  **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 (Rs.)**
580 Mn
-  **WindForce's Stake**
80%





-  **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 (Rs.)**
265 Mn
-  **WindForce's Stake**
100%

-  **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 (Rs.)**
410 Mn
-  **WindForce's Stake**
33.33%



PLANTS/PROJECTS CONTD.



HYDRO

IN OUR MINI HYDRO PLANTS, WE GENERATE ELECTRICITY FROM FLOWING WATER IN SMALL RIVERS/RESERVOIRS, OFFERING SUSTAINABLE, LOW-IMPACT RENEWABLE ENERGY SOLUTIONS.

10
PLANTS

110.4 GWh
ANNUALLY

78,300MT CO₂
SAVED (ESTIMATED)

26.3 MW
INSTALLED CAPACITY



-  **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 CO₂ Savings (MT)**
2,500
-  **WindForce's Investment (Rs.)**
130 Mn
-  **WindForce's Stake**
100%

-  **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 (Rs.)**
300 Mn
-  **WindForce's Stake**
100%



PLANTS/PROJECTS CONTD.



-  **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 CO₂ Savings (MT)**
3,000
-  **WindForce's Investment (Rs.)**
327 Mn
-  **WindForce's Stake**
100%

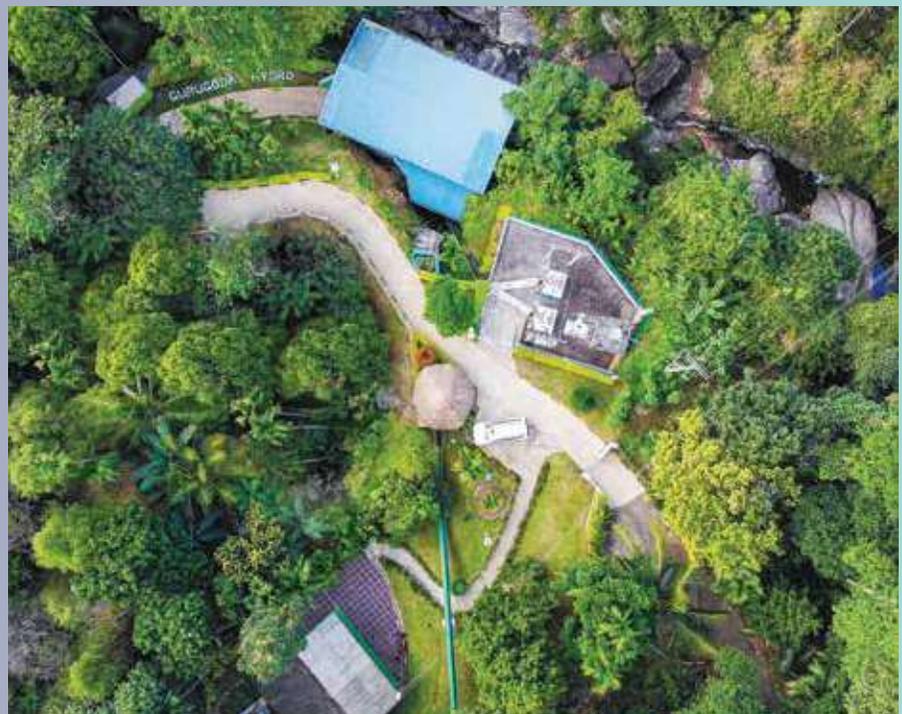
-  **Name of Plant**
Melanka Power
-  **Location**
Haldummulla, Sri Lanka
-  **Capacity (MW)**
3.8
-  **Date of Commission**
February 2014
-  **Estimated Annual Average Generation (GWh)**
12.3
-  **Annual Average CO₂ Savings (MT)**
8,700
-  **WindForce's Investment (Rs.)**
466 Mn
-  **WindForce's Stake**
100%



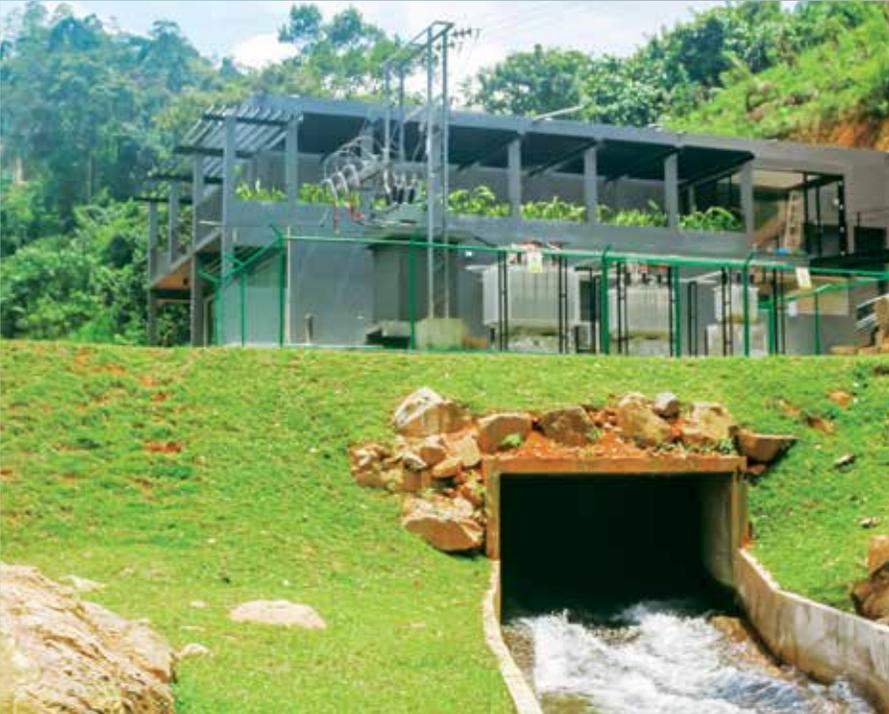


-  **Name of Plant**
Vidul Madugeta
-  **Location**
Neluwa, Sri Lanka
-  **Capacity (MW)**
2.5
-  **Date of Commission**
November 2013
-  **Estimated Annual Average Generation (GWh)**
11.2
-  **Annual Average CO₂ Savings (MT)**
8,000
-  **WindForce's Investment (Rs.)**
110 Mn
-  **WindForce's Stake**
50%

-  **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 (Rs.)**
80 Mn
-  **WindForce's Stake**
50%



PLANTS/PROJECTS CONTD.



-  **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 CO₂ Savings (MT)**
5,300
-  **WindForce's Investment (Rs.)**
230 Mn
-  **WindForce's Stake**
100%



-  **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 (Rs.)**
382 Mn
-  **WindForce's Stake**
100%



-  **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 (Rs.)**
98 Mn
-  **WindForce's Stake**
36%

-  **Name of Plant**
Ziba
-  **Location**
Uganda
-  **Capacity (MW)**
7.6
-  **Date of Commission**
July 2019
-  **Estimated Annual Average Generation (GWh)**
36.7
-  **Annual Average CO₂ Savings (MT)**
26,000
-  **WindForce's Investment (Rs.)**
266 Mn
-  **WindForce's Stake**
25.50%



NEW PROJECTS



Name of Plant
Kebithigollewa Solar Power



Type of Project
Solar



Location
Kebithigollewa, Sri Lanka



Capacity (MW)
10



Expected Date of Commission
July 2024



WindForce's Stake
88.5%

On 27 July 2023, WindForce PLC marked a significant milestone by signing the Power Purchase Agreement (PPA) for the 10MW Kebithigollewa Solar Power Project. Our acquisition of a stake in this project represents a substantial advancement in Sri Lanka's solar energy landscape, with an estimated investment of Rs. 2.7 Bn. and an Equity Internal Rate of Return (EIRR) exceeding 15%. Project development is underway, aiming for completion by July 2024. Besides generating clean energy, the project will foster job creation and economic growth in the Anuradhapura District. Moreover, we are committed to working closely with local communities and authorities to ensure sustainable implementation of the project.



Name of Plant
Rividhanavi



Type of Project
Solar



Location
**Siyambalanduwa,
Sri Lanka**



Capacity (MW)
100



Expected Date of Commission
April 2026



WindForce's Stake
30%

WindForce PLC, in collaboration with Lakdhanavi Ltd and The Blue Circle Pte Ltd, is launching the Siyambalanduwa 100 MW Solar Power Plant in Sri Lanka, a pioneering project in the nation's renewable energy journey. With a substantial investment of USD 133 Mn. The project integrates a 12MWh Battery Energy Storage System (BESS), marking a significant advancement in Sri Lanka's renewable energy landscape. The project also includes essential infrastructure with a 2x63.5MVA, 33/132kV Grid Substation and a 27km, 132kV Transmission Line, ensuring efficient energy distribution. A unique dollar-pegged tariff structure guarantees both sustainable returns for the consortium and competitive electricity rates for consumers. Awarded by the Ceylon Electricity Board, this project demonstrates a commitment to innovation, sustainability, and collaboration in Sri Lanka's energy sector.

ABOUT US CONTD.

MILESTONES

2010

- WindForce (Pvt) Ltd was incorporated.
- Pioneered wind power generation in Sri Lanka by commissioning the Seguvantivu 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

- Commissioned our 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 WindForce) commences operation and acquires five small hydro projects

2017

- Presidential Environmental Award - Silver Renewable Energy Generating Projects
- WindForce marks its entry into foreign markets by commissioning Harappa Solar in Pakistan

2018

- Renewgen commissioned its first small hydro plant in Uganda

2019

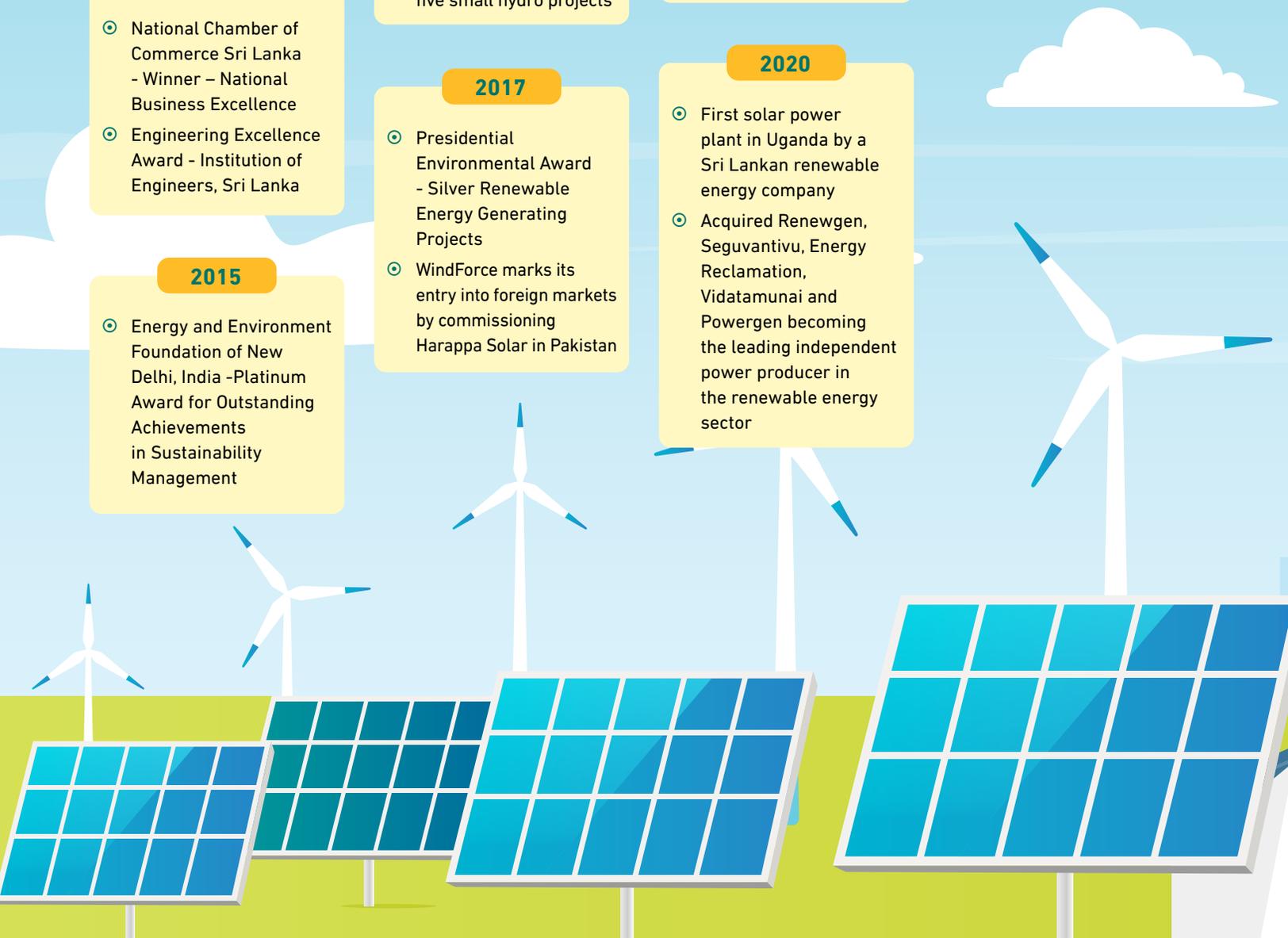
- First solar power plant in Ukraine by a Sri Lankan renewable energy company
- Commissioned our largest solar power plant with an install capacity of 50MW in Gharo, Pakistan

2020

- First solar power plant in Uganda by a Sri Lankan renewable energy company
- Acquired Renewgen, Seguvantivu, Energy Reclamation, Vidatamunai and Powergen becoming the leading independent power producer in the renewable energy sector

2021

- ICRA assigns issuer rating of [SL] AA-(stable) to WindForce
- Issue of Initial Public Offering (IPO) with 08 times oversubscription
- Approved as an IESL (Institute of Engineers Sri Lanka) Training Partner for graduate engineers for corporate membership in electrical engineering in June 2021



2022

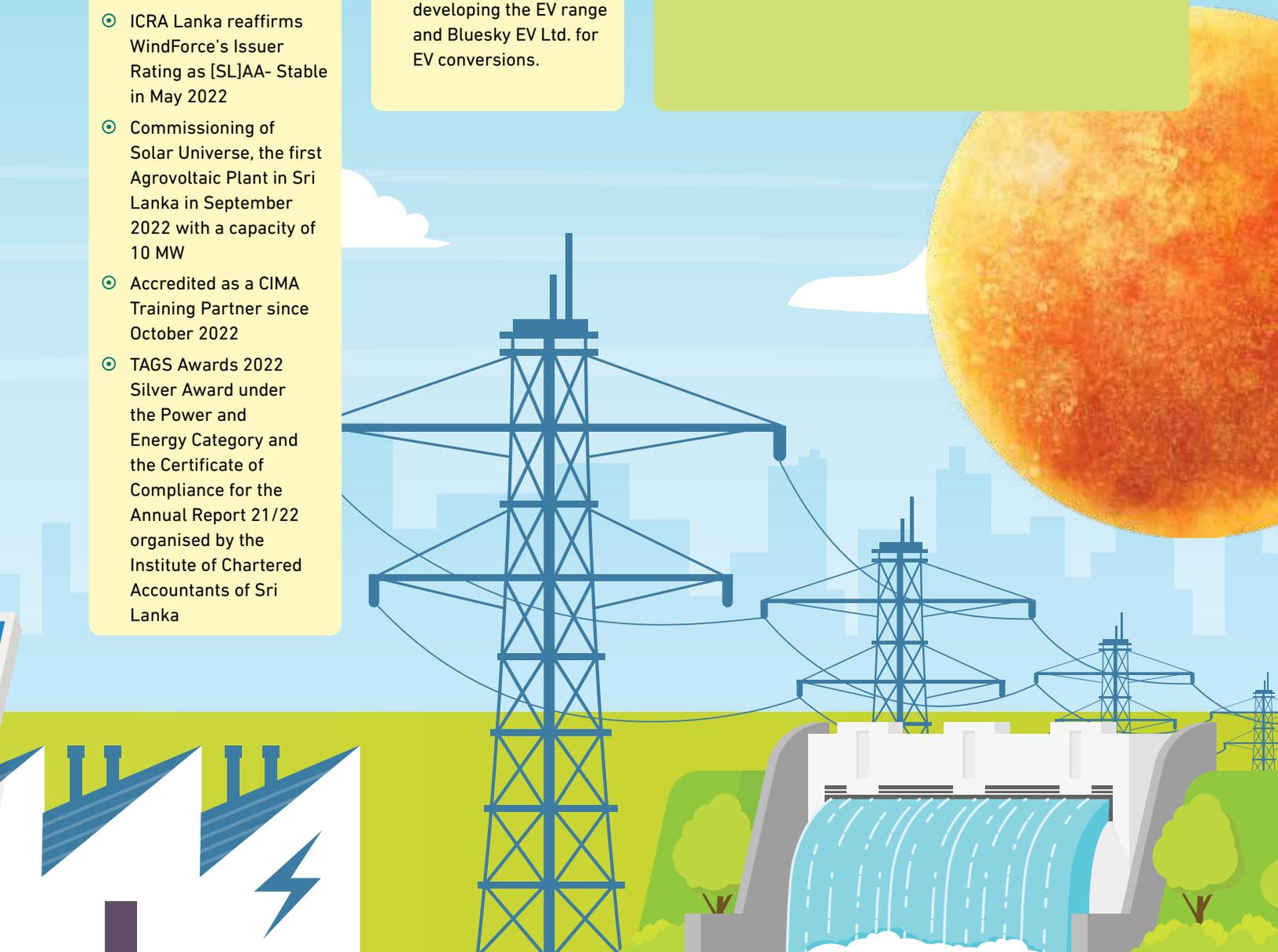
- ◉ Certified as an issuer of Carbon Emission Reduction Credits (CER)
- ◉ National Business Excellence Awards - Gold Winner under the Utilities and Infrastructure Sector
- ◉ Our very first Annual Report for FY 2020/21 received the Certificate of Compliance at the 56th Annual Report Awards conducted by 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
- ◉ Accredited as a CIMA Training Partner since October 2022
- ◉ TAGS Awards 2022 Silver Award under the Power and Energy Category and the Certificate of Compliance for the Annual Report 21/22 organised by the Institute of Chartered Accountants of Sri Lanka

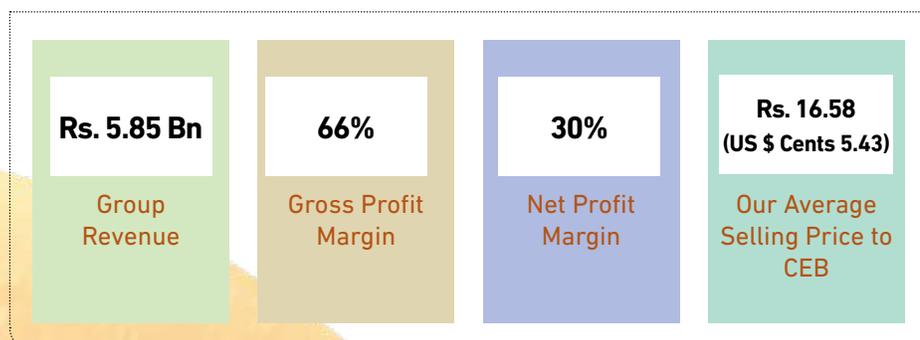
2023

- ◉ Awarded the APAC Employer Recognition Certificate for recruiting CIMA members and students and developing world-class Chartered Management Accountants
- ◉ Diversification into Sustainable mobility with the opening of Satva (Pvt) Ltd and the introduction of VMOTO, (Exclusive Agent) electric cycle range into the Sri Lankan market. Herewith, we entered developing the EV range and Bluesky EV Ltd. for EV conversions.

2024

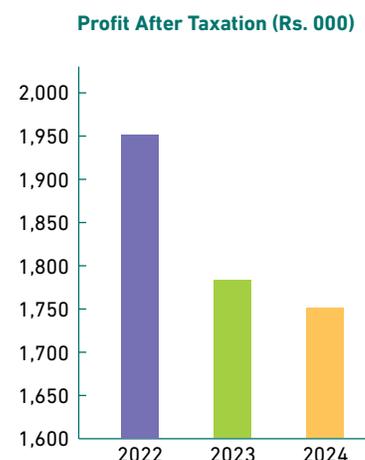
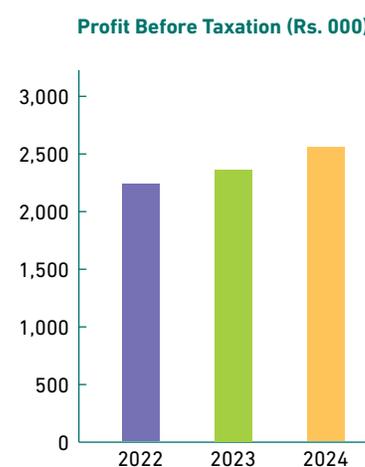
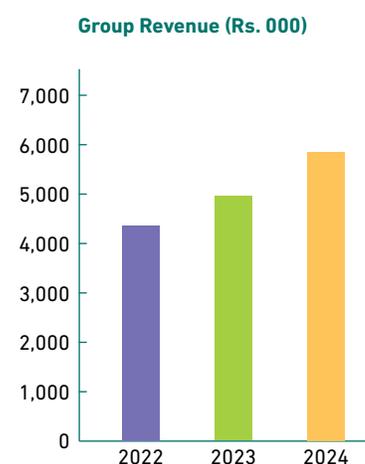
- ◉ Presidential Environment Awards 2021/2022 - Bronze Trophy of Commendation for the Nendum Kulam Solar Power Project, Vydexa
- ◉ Commissioned the Hiruras Wind Power Project in Mannar with a combined capacity of 15 MW
- ◉ The largest renewable energy project of 100 MW, Solar Park in Siyambalanduwa was awarded to a consortium of WindForce PLC, Lakdhanavi Ltd & Blue Circle Pte Ltd
- ◉ TAGS Awards 2023 - Bronze Award under Emerging Listed Companies Sector and the Certificate of Compliance under Power and Energy Sector
- ◉ South Asian Federation of Accountants (SAFA) Best Presented Annual Report Awards, Integrated Reporting Awards & SAARC Anniversary Awards for Corporate Governance Disclosure 2022 - Joint Bronze under the Power and Energy Category





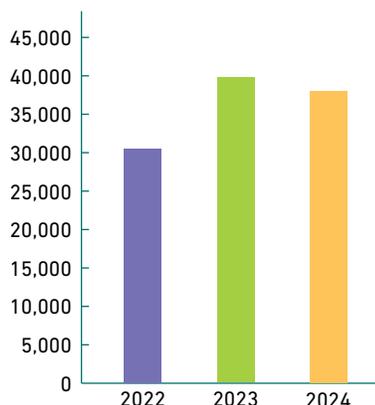
Year Ended 31st March	Rs. '000	2024	2023	%
Operating Results				
Group Revenue		5,851,800	4,953,490	18%
Operating Profit		2,855,838	2,258,659	26%
Profit Before Taxation		2,555,104	2,358,936	8%
Profit After Taxation		1,750,594	1,782,857	-2%
Profit Attributable to Parent		1,549,546	1,479,944	5%
Gross Dividend Paid		1,350,769	-	100%
Financial Position				
Total Assets		38,041,861	39,802,238	-4%
Stated Capital		18,226,456	18,226,456	0%
Retained Earnings		4,178,500	3,947,847	6%
Equity Attributable to the Equity Holders of the Parent		22,994,184	22,820,713	1%
Total Liabilities		12,582,327	14,602,917	-14%
No. of Ordinary Shares	No. '000	1,350,769	1,350,769	0%
Current Assets		7,261,345	10,722,441	-32%
Current Liabilities		2,928,451	4,911,517	-40%
Gearing Ratio	%	28.12%	27.85%	1%
Return on Capital Employed	%	9.73%	7.82%	24%
Shareholder Information				
Return on Assets	%	4.60%	4.48%	3%
Earnings Per Share	Rs.	1.15	1.10	5%
Dividend Per Share	Rs.	1.00	-	100%
Dividend Payout	%	87.17%	0.00%	87%
Net Asset Value Per Share	Rs.	17.02	16.89	1%
Market Capitalisation		26,475,071	22,287,688	19%
Float Adjusted Market Capitalisation		5,248,948	5,429,504	-3%
Price Earning Ratio	Times	17.09	15.06	13%
Interest Cover	Times	2.79	3.55	-21%
Highest Price for the year	Rs.	20.40	18.70	9%
Lowest Price for the year	Rs.	16.50	13.10	26%

Operating Results

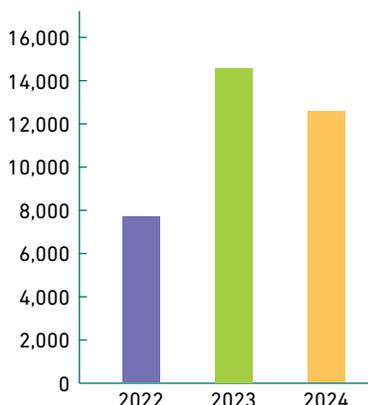


Financial Position

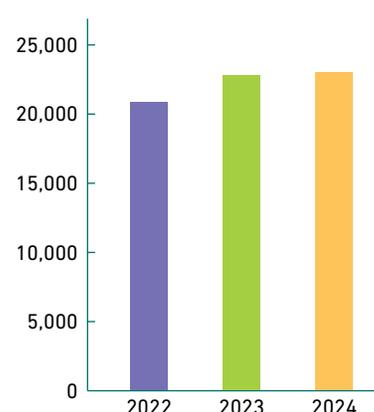
Total Assets (Rs. 000)



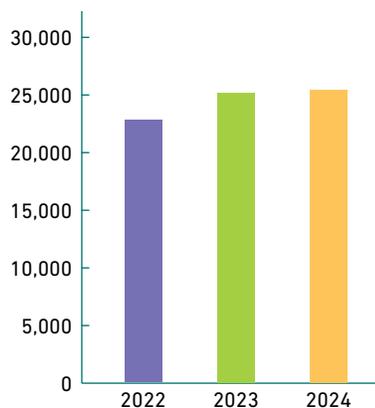
Total Liabilities (Rs. 000)



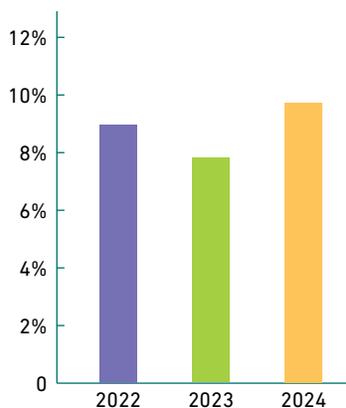
Total Equity Without NCI (Rs. 000)



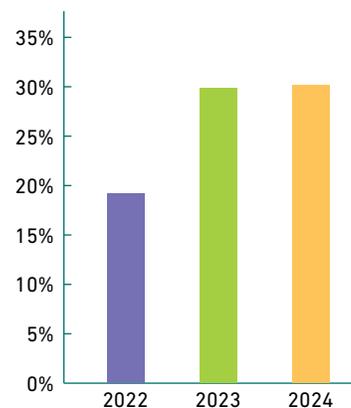
Total Equity With NCI (Rs. 000)



Return on Capital Employed %

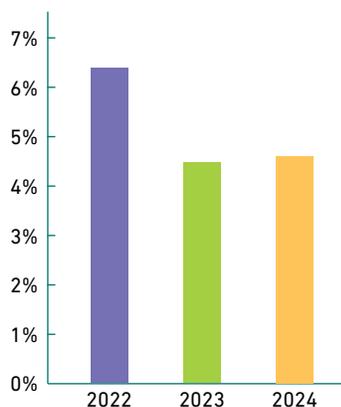


Gearing Ratio %

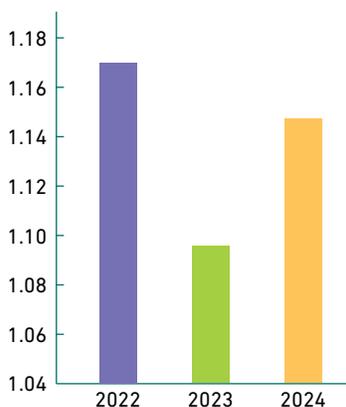


Shareholder Information

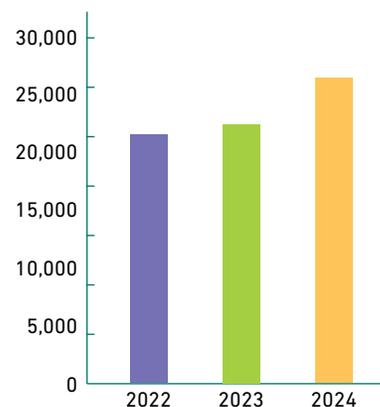
Return on Assets %



Earnings Per Share (Rs.)



Market Capitalisation (Rs. 000)



NON-FINANCIAL HIGHLIGHTS

Human Capital	Unit	2023/24	2022/23	Variance (%)	
	Number of employees	No.	190	155	23%
	Investment in employee learning	Rs. Mn.	6.1	1.5	307%
	New recruits	No.	33	18	83%
	Employee retention rate	%	91%	92%	-1%
	Female participation	%	6%	6%	-
	Fatal injury rate	%	0%	0%	-

Manufactured & Intellectual Capital	Unit	2023/24	2022/23	Variance (%)	
	Value of PPE	Rs. Bn	23.02	21.49	7%
	Capital expenditure	Rs. Bn.	4.24	6.59	-36%
	Depreciation and amortisation	Rs. Bn.	2.16	1.17	83%

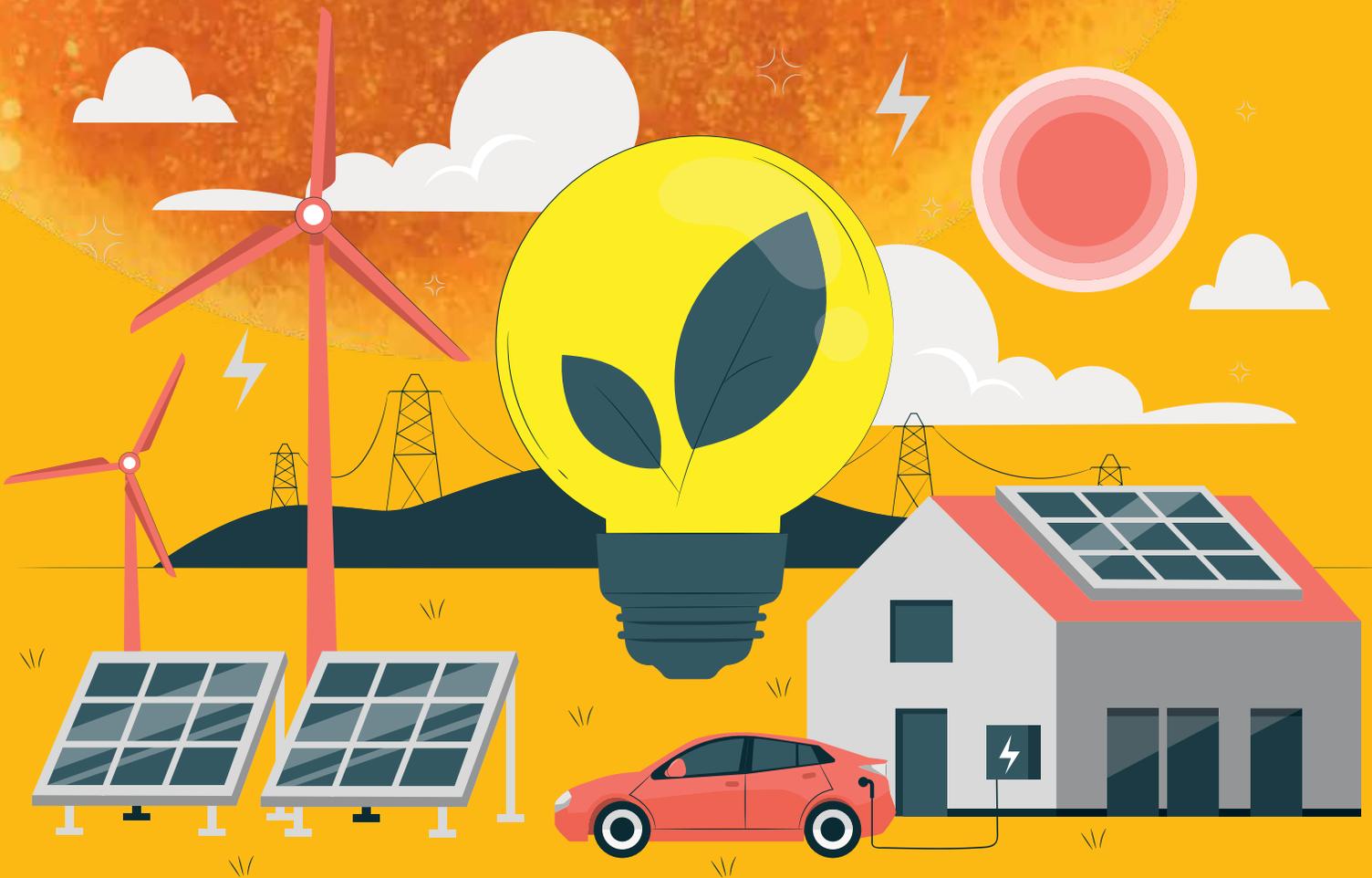
Social & Relationship Capital	Unit	2023/24	2022/23	Variance (%)	
	Number of suppliers	No.	119	214	-44%
	Investment on CSR	Rs. Mn.	32	30	7%

Natural Capital	Unit	2023/24	2022/23	Variance (%)	
	Carbon credits income	Rs. Mn	-	82.73	-100%
	Carbon credits to be sold	Units	142,539	-	100%
	CO ₂ saved	MT	408,209	368,403	11%
	Energy consumption	GWh	1.05	1.80	-42%
	Volume of water withdrawn	m3	14,175	N/A	-



FROM SUNLIGHT TO ELECTRICITY

Leadership



CHAIRMAN'S MESSAGE



"Recognising the capital-intensive nature of our industry, we are exploring strategic partnerships with global players to accelerate growth and participate in larger projects."

Ranil Pathirana
Chairman

GRI 2-22

I am pleased to present the Annual Report and audited Financial Statements of WindForce PLC for the financial year ended 31 March 2024. Despite facing a challenging economic environment and industry-specific hurdles, WindForce has demonstrated resilience and adaptability, achieving a commendable 8% YoY growth in Profit Before Tax and establishing our position as a leading renewable energy provider in Sri Lanka.

The Group's consolidated revenue grew by 18% to Rs. 5.85 Bn. for the year ended 31 March 2024, compared to Rs. 4.95 Bn. in the previous year. This growth is primarily attributed to the successful commissioning of the Hiruras 15 MW wind power plant in June/July 2023.

Profit before tax for the same period reached Rs.2.56 Bn., reflecting an 8% growth YoY from Rs. 2.36 Bn. in the previous year. However, profit after tax stood at Rs.1.75 Bn., indicating a 2% decline compared to Rs. 1.78 Bn. recorded in the previous financial year. This decline is primarily attributable to a significant dividend tax of Rs. 421 Mn. This year, with all outstanding payments settled, the Company was able to pay dividends, leading to the dividend tax.

Overcoming Obstacles

The past year presented significant challenges due to delays in receiving our payments, which had an impact on the cash flows of the Company. However, I am pleased to announce that CEB has settled the majority of the outstanding payments and therefore helped the Company to manage its financial requirements. This positive development not only strengthens our financial position but also reinforces our confidence in pursuing future growth opportunities.

Furthermore, we are proud to have received numerous prestigious awards this year, underscoring our commitment to excellence and sustainability. These accolades include the Bronze Award in the Emerging Listed Companies Sector at the TAGS Awards 2023, and the Certificate of Compliance in the Power and Energy Sector. Further recognition came with the Joint Bronze Award at both the SAFA Best

Presented Annual Report Awards and the Integrated Reporting Awards in the Power and Energy Sector. Finally, our Vydexa Solar Power Project was bestowed with the Bronze Trophy of Commendation at the Presidential Environment Awards 21/22, a powerful testament to our dedication to sustainable development. These awards stand as a tribute to the hard work and dedication of our entire team.

Strategic Focus

Our strategic priorities remain focused on expanding our domestic and international renewable energy portfolio. The recent award of a 100MW solar project underscores our ability to secure large-scale projects and contribute significantly to Sri Lanka's clean energy goals.

Recognising the capital-intensive nature of our industry, we are exploring strategic partnerships with global players to accelerate growth and participate in larger projects. This approach will enable us to leverage external expertise and resources while mitigating financial risks.

Governance and Sustainability

We are committed to upholding corporate governance and sustainability. In accordance with recent Listing Rule 9 issued by the Colombo Stock Exchange, we have implemented necessary changes to our committee structures to further enhance transparency and accountability. We affirm our compliance with the provisions of this rule as of 31 March, 2024.

Sustainability remains at the core of our values. Accordingly, Environmental, Social, and Governance (ESG) principles are integrated into our operations and decision-making processes to ensure our business practices benefit both the environment and society. We are planning on conducting a comprehensive review of our ESG strategy to ensure it remains robust, impactful, and aligned with emerging best practices. This review will include a thorough evaluation of our current initiatives, identification of areas for improvement, and the development of a refined roadmap for the future.

Looking Ahead

The renewable energy sector in Sri Lanka is poised for significant growth, driven by the Government's ambitious target of achieving 70% renewable energy dependence by 2030 and the introduction of the Renewable Energy Master Plan. These positive initiatives create a favourable environment for WindForce to continue to pursue growth opportunities in Sri Lanka. We are well-positioned to capitalise on these opportunities and play a leading role in Sri Lanka's clean energy transition. We are confident in our strategic direction and remain committed to delivering sustainable value for our shareholders.

Board Changes

I wish to extend a warm welcome to our new Director, Mr H M Udeshi, whose expertise and insights will be invaluable as we navigate the evolving renewable energy landscape.

It is with sincere gratitude that I acknowledge the invaluable contributions of my esteemed colleagues on the Board. Their active engagement in all Board affairs and unwavering support have been instrumental in our collective success.

Expressing Gratitude

On behalf of the entire Board, I extend my appreciation to our Managing Director and CEO, the exceptional Corporate Management Team, and all the employees. Your unwavering commitment, tenacity, and relentless pursuit of innovation year after year have propelled our company to new heights.

Finally, I express my gratitude to our shareholders and stakeholders for their enduring trust in our Company. Your continued support is the foundation upon which we build our future.



Ranil Pathirana
*Chairman, Non-Executive,
Non-Independent Director*
30th May, 2024

MANAGING DIRECTOR'S MESSAGE



"Our project pipeline is robust, with two major solar power plants currently under construction. The 10 MW Kebitigollewa plant in Anuradhapura is scheduled for completion in the second half of 2024, while the larger 100 MW Siyambalanduwa plant is expected to come online in the first quarter of 2026."

Manjula Perera
Managing Director

“Building Capacity, Forging Partnerships We are confidently progressing towards our 500MW capacity target by 2027. With 245MW currently operational and 140MW in the pipeline, we are poised to achieve 385MW by the end of the 2025/26 financial year.”

WindForce PLC continues to make significant strides in the renewable energy sector, driven by a strategic focus on geographic expansion, technological diversification, and a commitment to excellence. We are proud to be Sri Lanka’s largest private renewable energy producer with an installed capacity of 245 MW across wind, solar and hydro. The demand for cleaner and affordable power continues to gain momentum presenting growth opportunities, both in our home market and overseas. Despite some challenges posed by the current economic climate, we are actively positioning ourselves for sustained and sustainable growth.

Clean Energy Momentum: A Global Trend with Local Impact

Global renewable energy capacity surged by almost 50% in 2023, driven by supportive policies and falling costs for solar and wind power. China led this growth with solar and wind installations. This trend is set to continue, offering a prime opportunity for Sri Lanka to accelerate its clean energy transition. While hydropower remains dominant in Sri Lanka, rooftop solar is rapidly expanding, showcasing the potential for diversification. Sri Lanka’s growing electricity demand and commitment to sustainability have prompted strategic investments in a diversified energy mix, attracting both public and private sector participation.

Sri Lanka’s renewable energy sector presents a wealth of opportunities, but its growth is currently hindered by a complex and time-consuming approval process. Navigating the requirements of 24 different agencies can create significant delays for developers. The challenges posed by this multi-layered approval process, particularly considering the current economic climate and limitations on foreign funding. However, we remain dedicated to working collaboratively with stakeholders to advocate for a more efficient and transparent approval system.

We are also exploring alternative financing mechanisms to support the sector’s growth. The recent positive development of the Ceylon Electricity Board (CEB) fully settling its outstanding dues and committing to financial independence provides greater stability and predictability for the industry. This encouraging step sets a positive precedent and strengthens the foundation for continued investment and development in Sri Lanka’s renewable energy sector.

A Commendable Performance

I am pleased to announce that WindForce achieved a consolidated revenue of Rs. 5.85 Bn. for the FY 2023/24, marking an 18.1% growth compared to the previous year. This performance underscores our commitment to advancing the renewable energy sector in Sri Lanka and delivering sustainable value to our stakeholders. Cost of sales increased by 35.8% YoY to Rs. 2.65 Bn., primarily due to higher plant operation and maintenance expenses, depreciation, and electric vehicle (EV) costs. Moreover, WindForce achieved a notable 28.8% growth in gross profit, reaching Rs. 3.86 Bn. in FY 2023/24. This positive trend continued into profitability, with profit from operating activities increasing by 26.4% to Rs. 2.86 Bn. Profit before tax also reflected a positive growth, rising by 8.3% to Rs. 2.56 Bn. Although profit after tax declined marginally by 1.8% to Rs. 1.75 Bn. in 2023/24, this was largely attributed to a substantial increase in tax by Rs. 228 Mn. YoY.

Building Capacity, Forging Partnerships

We are confidently progressing towards our 500MW capacity target by 2027. With 245MW currently operational and 140MW in the pipeline, we are poised to achieve 385MW by the end of the 2025/26 financial year. While our ambitious expansion plans into Africa are temporarily on hold due to foreign exchange remittance limitations, we are committed to exploring international opportunities as conditions evolve.

Our expertise spans both solar and wind energy, allowing us to leverage the unique advantages of each. Solar projects offer faster returns due to shorter construction timelines, while our deep experience in wind power provides a distinct competitive edge.

Recognising the increasing scale of renewable energy projects in Sri Lanka, we are pursuing partnerships with global players. This strategic shift towards a joint venture model will enable us to participate in larger projects, access cutting-edge technologies, and accelerate our growth trajectory.

Our project pipeline is robust, with two major solar power plants currently under construction. The 10 MW Kebitigollewa plant in Anuradhapura is scheduled for completion in the second half of 2024, while the larger 100 MW Siyambaladuwa plant is expected to come online in the first quarter of 2026. These projects, alongside others in development, demonstrate our commitment to expanding our renewable energy portfolio and contributing to Sri Lanka's ambitious clean energy goals.

Moreover, the re-introduction of the feed-in tariff scheme for projects granted after 30 September 2022 and the introduction of a US Dollar pegged tariff for large-scale projects above 50MW further strengthen our outlook. This scheme provides greater price certainty and mitigates risks associated with currency fluctuations and macroeconomic uncertainties, thereby safeguarding margins for future projects and bolstering investor confidence.

Sustainability and Innovation

Our commitment to sustainability extends beyond environmental responsibility to encompass the well-being of our employees and the communities we operate in. We strive to minimise our ecological footprint by exploring innovative solutions like floating solar and rooftop installations, maximising

efficiency while optimising land use. Furthermore, we prioritise the health and safety of our employees through training programmes and adherence to industry standards. Our experienced Management team, known for delivering projects on time and within budget, forms the backbone of our success. We are committed to attracting and retaining top talent by fostering a culture of continuous learning and development. Moreover, recognising the socio-economic challenges faced by communities, we strive to uplift them through our targeted community investment initiatives. These initiatives, encompassing community and livelihood development, environmental conservation, education, emergency relief, and healthcare, positively impacted over 32,000 individuals during 2023/24 with a total investment of Rs. 32 million.

A New Era for Renewable Energy

Sri Lanka's electricity sector is undergoing a dynamic transformation, creating a wave of opportunity for renewable energy developers. The Government's commitment to a sustainable energy future is evident in its ambitious Renewable Energy Master Plan, targeting 70% renewable energy generation by 2030. This plan encourages larger-scale projects, as seen in the recent 100 MW solar project in Siyambaladuwa and outlines the addition of over 5,700 MW of wind and solar capacity by 2030.

Further bolstering this transformation are significant reforms spearheaded by the Ministry of Finance since January 2023. The CEB is now mandated to operate profitably without Government bailouts, leading to tariff adjustments and a landmark electricity reforms bill to be tabled in Parliament. This bill will dismantle CEB's monopoly, introduce power wheeling to open the market for private power producers, and unbundle CEB into seven separate companies for greater specialisation and competition.

As the largest renewable energy producer in Sri Lanka, WindForce welcomes this evolving landscape. We are actively partnering with other stakeholders, strategically positioning ourselves to capitalise on these opportunities and contribute to a cleaner, more sustainable energy ecosystem.

A Shared Success: Thank You to Our Stakeholders

The unwavering dedication of our employees is the foundation of our success. Our team continued to demonstrate exceptional commitment, working together to turn our vision into reality. I extend my heartfelt gratitude to each one of you for your hard work and unwavering dedication. I would also like to acknowledge the invaluable support and guidance provided by our Chairman and Board of Directors during the year.

Our achievements would not be possible without the collaborative efforts of our stakeholders. We are grateful for the assistance and cooperation extended by the Ceylon Electricity Board, the Sri Lanka Sustainable Energy Authority, and the regulatory bodies, and utilities in each country where we operate.

Finally, I wish to express my sincere appreciation to our shareholders for your continued trust and investment in WindForce. We invite you to join us on this exciting journey as we propel the company to new heights in the coming year.



Manjula Perera

Managing Director

Executive, Non-Independent Director

30th May, 2024





1. Ranil Pathirana

Chairman, Non-Executive Non-Independent Director

Mr. Ranil Pathirana serves as the Non-Executive Chairman of WindForce PLC. He holds a Bachelor of Commerce Degree from the University of Sri

Jayewardenepura and is a Fellow Member of the Chartered Institute of Management Accountants, UK (FCMA - UK). Mr. Pathirana brings extensive industry experience from his role as Director of the Hirdaramani Group, which includes Apparel, Leisure & Investment Holding Companies, and as Managing Director

for Hirdaramani International Exports (Pvt) Limited, with apparel manufacturing facilities across Sri Lanka, Bangladesh, Vietnam, and Ethiopia.

In addition to his leadership at WindForce, Mr. Pathirana holds Non-Executive Director roles in multiple listed entities, including



Hemas Holdings PLC, BPPL Holdings PLC, Dankotuwa Porcelain PLC, Ceylon Hotels Corporation PLC, and ODEL PLC. His broad expertise in corporate governance and strategic management significantly contributes to guiding WindForce PLC's growth and operational excellence.

2. Asgi Akbarally

Deputy Chairman, Executive Non-Independent Director

Mr. Ali Asghar (Asgi) Akbarally, Executive Deputy Chairman of WindForce PLC, holds a BSc in Industrial Engineering from California State University and is a Fellow of the Institute of Certified Professional

Managers. His extensive leadership roles include serving as Chairman of Amana Bank PLC, Hermitage Resorts (Pvt) Ltd, Uthurumaafaru Holding (Pvt) Ltd Maldives, Lhaviyani Holdings (Pvt) Ltd, and Cocoon Investments (Pvt) Ltd Maldives, as well as Director of Alumex PLC.

Mr. Akbarally is an Executive Director at Akbar Brothers (Pvt) Ltd, a leader in Sri Lanka's tea export industry, overseeing numerous subsidiaries within the Akbar Group. He also holds the position of Honorary Consulate of the Hashemite Kingdom of Jordan. An avid classic car enthusiast, Mr. Akbarally has authored a book titled "Classic and Vintage Automobiles of Ceylon" and serves as the Patron of the Classic Car Club of Ceylon.

3. Manjula Perera

Managing Director, Executive Non-Independent Director

Mr. Manjula Perera, holding the position of Managing Director and Executive Non-Independent Director at WindForce PLC, plays a pivotal role in the company's leadership. A distinguished Fellow of the Institute of Engineering and Technology, UK, Mr. Perera earned his first-class honours degree in Electrical Engineering from the University of Moratuwa and a MEng from the same institution.

His professional journey commenced at Lanka Transformers Limited, Sri Lanka's premier private sector power generation entity, where he garnered extensive experience over a decade, ascending from Design Engineer to Group Business Development Manager.

In 2008, Mr. Perera embarked on his entrepreneurial path within the power generation sector. Collaborating with local investment firms, he spearheaded the development of mini hydro power plants before pioneering the establishment of Sri Lanka's inaugural and largest wind power plant at that time, significantly bolstering the National Grid.

4. Huzefa Akbarally

Non-Executive Non-Independent Director

Mr. Huzefa Akbarally holds the position of Non-Executive, Non-Independent Director within the company. He holds a Bachelor of Science Degree in Computer Science, a Bachelor of Engineering Degree in Electrical and Computer Systems Engineering, and a Master of Engineering Science Degree by Research in Electrical and Computer Systems Engineering from Monash University Australia.

Apart from his role in WindForce PLC, he serves on the board of Akbar Brothers and holds the position of Chief Executive Officer at CleanCo Lanka Limited. Akbar Brothers, renowned as Sri Lanka's premier exporter of Ceylon tea, has diversified business interests spanning mini hydro, wind power generation, and pharmaceuticals.

5. Hussain Akbarally

Executive, Non-Independent Director

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

Mr. Hussain Akbarally, holding a Science degree from the University of Melbourne and an MBA from Harvard Business School, is an Executive Director at Akbar Brothers (Pvt) Ltd, Sri Lanka's largest exporter of Ceylon Tea. His strategic leadership has been pivotal in diversifying the company's interests into sectors such as renewable energy, hospitality, and agriculture. For his significant contributions to the renewable energy sector, he was recognised as one of the New Energy Leaders by the Asian Development Bank in 2018. Mr. Akbarally's extensive experience and innovative vision significantly contribute to the strategic direction of WindForce PLC.

6. Moiz Najmudeen

Non-Executive Non-Independent Director

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

Mr. Najmudeen is an accomplished entrepreneur and the Founder, Chairman, and CEO of The Debug Group of Companies, which includes entities in technology and energy. Since founding Debug Computer Peripherals (Pvt) Ltd in 1989, he has expanded the group into the energy sector with Debug Investments, now the largest entity in the group, focusing on mini hydro, solar, and wind power investments.

Additionally, Mr. Najmudeen has ventured into hospitality and leisure, founding the Marina Leisure Club and Amber Collection, and co-owning The Palm Stone Retreat, a luxury hotel in Kithulgala. His diverse business interests and entrepreneurial spirit bring valuable insights and experience to the WindForce PLC Board.

7. Vinod Hirdaramani

Non-Executive Non-Independent Director

Mr. Vinod Hirdaramani, a respected member of the WindForce PLC Board as a Non-Executive Non-Independent Director, brings a wealth of experience and expertise to the table. Educated at Harrow School in the UK and holding a BA from Northwestern University in the USA, Mr. Hirdaramani is also an esteemed alumnus of Harvard Business School.

Since joining the Board of Directors of the Hirdaramani Group in 1993, Mr. Hirdaramani has played a pivotal role in overseeing the operations of the Group's Knit facilities in Sri Lanka and Vietnam. His keen focus and strategic involvement in the Group's investments in the renewable energy sector align closely with WindForce PLC's mission and objectives in sustainable energy.

In addition to his duties with WindForce, Mr. Hirdaramani holds directorial positions in several subsidiary companies within the Hirdaramani Group, which operates 38 facilities across Sri Lanka, Bangladesh, Vietnam, and Ethiopia. His global perspective and business acumen are further enhanced by his active participation in the Young Presidents' Organization, where he has notably served as the past Chapter Chair for the Sri Lanka Chapter.

Mr. Hirdaramani's extensive experience and strategic insights in international business and renewable energy investments are invaluable to our Board's governance and forward-looking initiatives.

8. Dilshan Hettiaratchi

Non-Executive Independent Director

Mr. Dilshan Hettiaratchi is a seasoned finance professional with over 30 years of experience in the finance and banking sectors, specialising in capital markets and renewable energy. He holds a CFA Charter, an ACMA qualification, and an MBA from the University of Colombo. Mr. Hettiaratchi also completed a high-performance leadership programme at Said Business School, University of Oxford.

He is the Managing Director of Faber Capital Limited, a Dubai-based investment banking firm, and serves on the boards of Amana Bank PLC and Asset Trust Management Limited. Previously, he was the Head of Debt Capital Markets for MENA and Pakistan at Standard Chartered Bank and has been a key figure in the development of Sri Lanka's first Utility Scale Solar PV project. He was also a Steering Committee member of the Gulf Bond and Sukuk Association (GBSA), and the Chair of the Government Bond issuance committee in 2011. His in-depth expertise in financial strategy and commitment to renewable energy greatly enhance the governance and strategic direction of WindForce PLC.

9. Saumya Amarasekera

Non-Executive Independent Director

Mrs. Saumya Amarasekera, Attorney-at-Law, counts over 35 years in active legal practice mainly in Civil Law practising in the Original, Appellate and the Supreme Court. Her extensive knowledge and practice centres on Property Law, Family Law, Testamentary Law, and Trust and Condominium Law. Additionally, she has wide exposure and practice in handling litigation on behalf of Finance Companies and Banks, in respect of money recovery cases. She has also participated in many arbitrations both local and international, as a Counsel as well as an Arbitrator.

She holds a degree in Master-of-Laws (LLM) from the University of Pennsylvania with particular emphasis on Insurance Law and the law of Defamation and Privacy.

Mrs. Amarasekera was appointed a President's Counsel in 2018.

She served as a Non-Independent, Non-Executive Director on the Board of Sampath Bank PLC and was thereafter appointed as its Deputy Chairperson and served as such until her retirement from Sampath Bank PLC in June 2020.

Mrs. Amarasekera presently serves as the Chairperson of the Advisory Committee appointed by the Ministry of Justice, for the review of the Registration of Title Act. She is currently serving as an Independent Non-executive Director on the Board of Hayleys Fibre PLC, Hayleys Fabric PLC, Kelani Valley Plantations PLC, and as a Member of the Board of the Data Protection Authority of Sri Lanka.

10. Savantha De Saram

Non-Executive Independent Director

Mr. Savantha De Saram brings a wealth of legal expertise to the WindForce PLC Board as a Non-Executive, Independent Director. He is the Managing Partner at M/s D. L. & F. De Saram, one of the premier legal firms specialising in infrastructure

projects, mergers and acquisitions, cross-border financing including project financing, and corporate and commercial law. With over two decades of experience in the legal field, Mr. De Saram has established himself as an authority in navigating complex legal and corporate landscapes.

In addition to his role at WindForce PLC, Mr. De Saram also contributes his expertise as a Non-Executive Director to BPPL Holdings PLC and Hunter & Company PLC. His extensive experience and profound knowledge of legal aspects enhance the governance and strategic legal insights provided to the Board, ensuring robust oversight and guidance in corporate affairs.

11. Harin Udeshi

Non-Executive Nevertheless-Independent Director

Mr. Harin Udeshi serves as a Non-Executive, *Nevertheless-Independent* Director on the Board of WindForce PLC. He holds a Bachelor of Science in Electrical and Electronic Engineering from the University of London and a Master of Business Administration in Finance and Banking from the University of San Francisco.

Since 1996, Mr. Udeshi has been the Managing Director of Mona Exports (Pvt) Ltd, where he has been instrumental in expanding the company's scale tenfold. His strategic implementation of Lean Manufacturing techniques has significantly reduced costs and enhanced operational efficiencies across the board. Mr. Udeshi also holds the prestigious role of Chairman at Asha Securities (Pvt) Ltd, leveraging his extensive experience in the financial services industry to guide the firm.

Mr. Udeshi's diverse expertise in engineering and finance, coupled with his proven track record in business leadership, continues to bring valuable insights to the strategic operations of WindForce PLC.



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



Samantha Epa
General Manager – Solar



Ahadha Hassan
Executive Secretary



Sanjeewa Dharmapriya
Deputy General Manager – Solar



Mervyn Francis
Deputy General Manager – Finance & Compliance



Lalith Hewagama
Deputy General Manager – Corporate Finance



Rajkumar Kanagaratnam
Deputy General Manager – Wind



Aravinda Karunaratne
Deputy General Manager – Research and Development



Neena Silva
Manager – Reporting and Investor Relations



Waruna Edirisinghe
Assistant Manager – Operational Services

RAYS OF ENERGY TO RAYS OF HOPE

The Strategic Report





Our Inputs



Financial Capital

(Refer pages 77 to 81)

- Shareholders' Funds – Rs. 22.9 Bn.
- Non-Controlling Interest - Rs. 2.5 Bn.
- Debt Capital – Rs. 9.9 Bn.



Human Capital

(Refer pages 91 to 100)

- 190 Employees
- Diverse Board
- Continuous learning and development



Manufactured Capital

(Refer pages 106 to 109)

- Rs. 11.8 Bn. fixed assets additions
- TPM Process
- EPC Process



Intellectual Capital

(Refer pages 101 to 105)

- Systems and processes
- Brand reputation
- Certifications
- Knowledge-based assets
- Best practices



Social and Relationship Capital

(Refer pages 82 to 90)

- Relations with governing bodies
- Procurement Practices
- 119 Suppliers
- 32 Mn. Community Investment



Natural Capital

(Refer pages 110 to 115)

- Energy 11.3 GWh
- Water 14,175 m³
- Sustainable use of resources
- Waste management

Our Core Functions and Enablers

Vision

Strategic Priorities



Progressive
Growth



Operational
Excellence



A Great
Place to
Work



Contribution
to National
Development

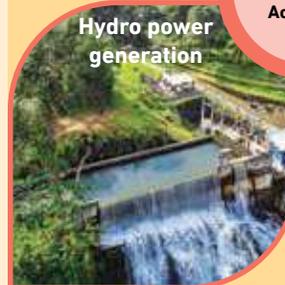
Driven by Business Activities



Wind power
generation



Solar power
generation



Hydro power
generation



Automobile

Driven by
Business
Activities

Enabled by

Finance

Human
Resources

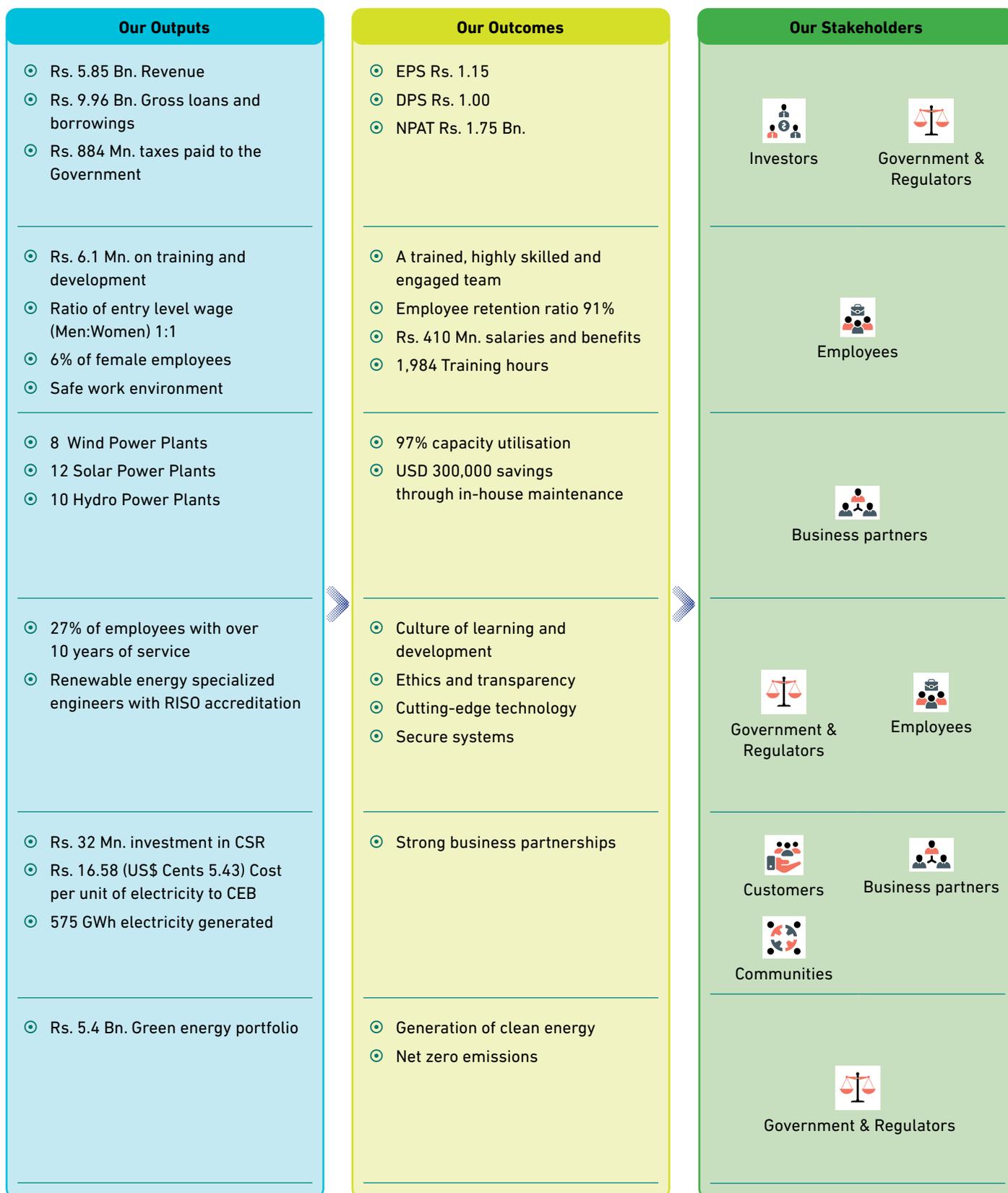
Engineering and
Procurement

Supported by

Strong governance and ethics

Risk Management

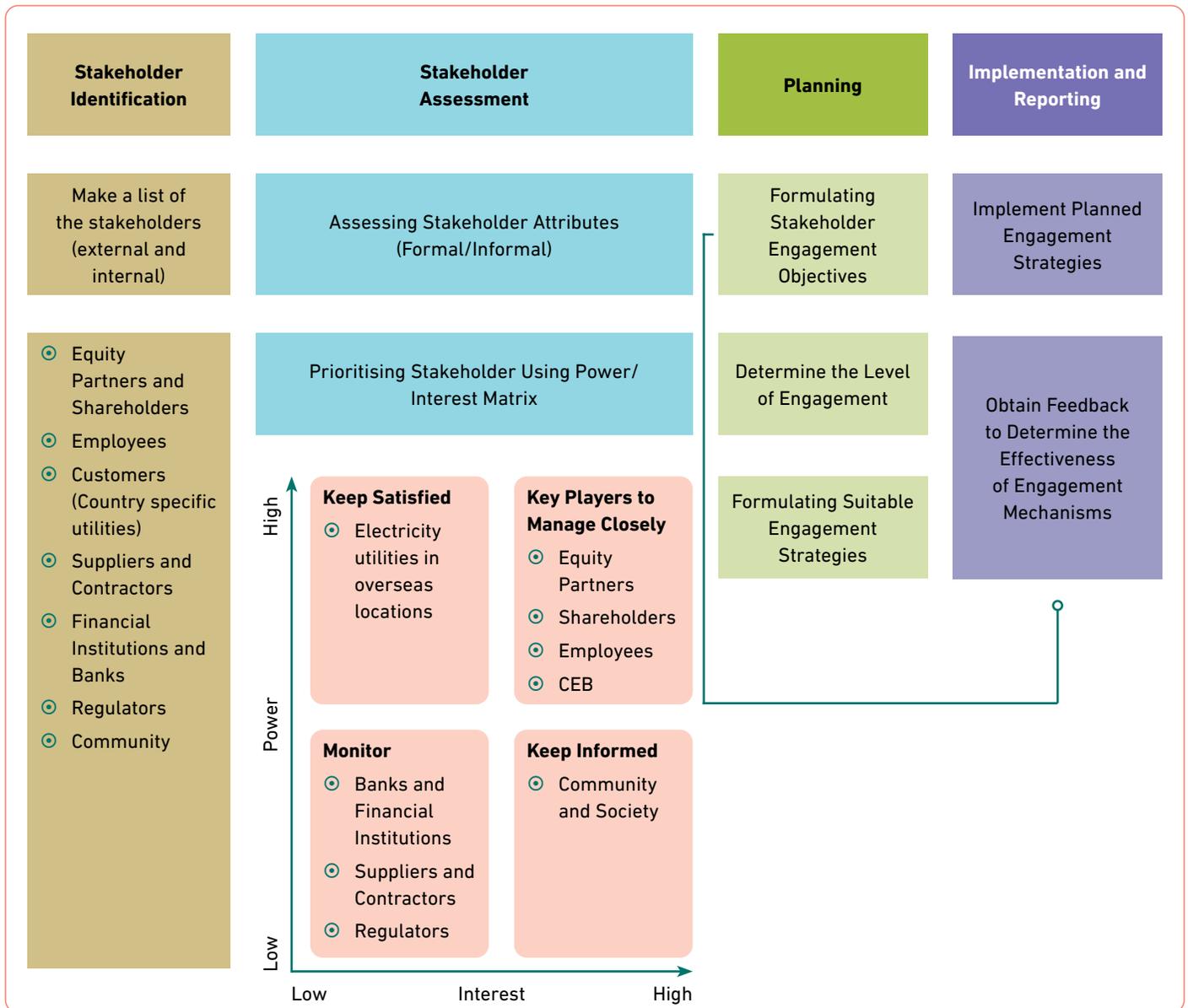
Focus on sustainability



We recognise the importance of maintaining ongoing dialogue with our stakeholders to nurture strong relationships within the communities in which we operate. This engagement not only benefits our Company by enabling us to identify, assess, and mitigate potential risks in our environment but also serves as a conduit for ongoing improvement and collaboration. The stakeholder engagement serves as both a means and an end, aligning with the objectives outlined in the ESG Guidelines and the GRI Standards.

Stakeholder Engagement Process

Our stakeholder engagement process is given below:



Given below are the stakeholder mechanisms, their concerns and our response during the year.

Stakeholder Group	Engagement Mechanisms	Frequency	Stakeholder Concerns	Our Strategic Response/ Value Proposition	Relevant Capital/ Stakeholder	Relevant SDGs
Customers (Electrical utility in the relevant countries)	<ul style="list-style-type: none"> One-to-one meetings 	<ul style="list-style-type: none"> As required 	<ul style="list-style-type: none"> Taxes Project commissioning and grid interconnection 	<ul style="list-style-type: none"> Submitting relevant information as mentioned in the SPPAs Adhering to the regulations Determined by the customer in the relevant countries 	 	 
Suppliers and Contractors	<ul style="list-style-type: none"> Meetings Company/Site visits 	<ul style="list-style-type: none"> Project related 	<ul style="list-style-type: none"> Timely payments Prices Quality Credit period Transparency Terms of contract 	<ul style="list-style-type: none"> Appointment of a special procurement team Preparation of a dedicated procurement plan 	 	
Community/ Society/ Environment	<ul style="list-style-type: none"> On-site visits Meeting with community appointed leader 	<ul style="list-style-type: none"> Quarterly 	<ul style="list-style-type: none"> CSR Community needs and requirements 	<ul style="list-style-type: none"> Community investment programme 	 	     
Equity Partners and Shareholders	<ul style="list-style-type: none"> Quarterly and annual Financial Statements Annual General Meeting Board Meetings Announcements on the CSE and WindForce's digital platform 	<ul style="list-style-type: none"> Quarterly Annually As required 	<ul style="list-style-type: none"> Brand positioning Business conduct Corporate governance and risk management 	<ul style="list-style-type: none"> Risk management Brand Positioning Business conduct 		 
Employees	<ul style="list-style-type: none"> Management meetings Internal communication One to one discussion Performance reviews 	<ul style="list-style-type: none"> Continuous and ongoing 	<ul style="list-style-type: none"> Job security Opportunities for training and development Remuneration 	<ul style="list-style-type: none"> Compliance and best practices HR governance and policy framework Employee value proposition 	 	 

Stakeholder Group	Engagement Mechanisms	Frequency	Stakeholder Concerns	Our Strategic Response/ Value Proposition	Relevant Capital/ Stakeholder	Relevant SDGs
Government Institutions	<ul style="list-style-type: none"> Meetings WindForce website Networking events Press releases 	<ul style="list-style-type: none"> Project Related 	<ul style="list-style-type: none"> Ensuring compliance with all relevant laws and regulations Contribution towards creating a conducive industry environment Job creation and community development Sustainable business practices Health and safety mechanisms 	<ul style="list-style-type: none"> Compliance to laws and regulations Ensure health and safety mechanisms Engage in community development and job creation 		  
Financial Institutes and Banks	<ul style="list-style-type: none"> Progress reports Announcements and financial publications on the CSE website 	<ul style="list-style-type: none"> Quarterly/ annually As needed 	<ul style="list-style-type: none"> Business performance Project financing 	<ul style="list-style-type: none"> Corporate governance framework Business conduct 		



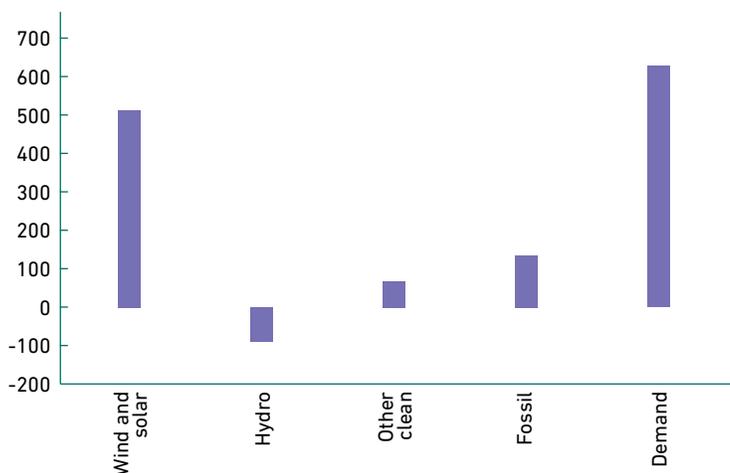
Global Renewable Energy Market

A New Era: Renewables Lead the Decline of Fossil Fuel Generation

The world has made a significant leap towards a cleaner energy future, with renewables providing over 30% of global electricity for the first time in 2023. This growth, driven by solar and wind energy, represents a major shift from 19% in 2000. China led the way, contributing over half of new global solar and wind generation. The combined power of renewables and nuclear now generates nearly 40% of global electricity, resulting in a record low CO2 intensity for global power generation, 12% lower than its peak in 2007.

The global expansion of wind and solar power continued its rapid pace in 2023, reaching a record 13.4% of global electricity generation. China played a pivotal role, contributing over half of new global solar and wind installations. China, the EU, the US, and Brazil collectively accounted for 81% of global solar power growth in 2023, demonstrating the growing global importance of these renewable energy sources.

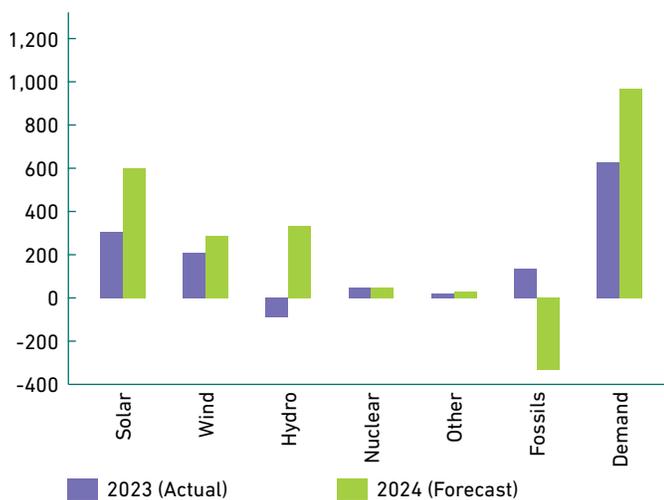
Annual Change in Electricity Generation (TWh) - 2023



Solar power continues to lead the energy revolution, adding more than twice as much new electricity as coal in 2023. This marks the 19th consecutive year of solar's fastest growth in electricity generation. In 2023, global solar generation increased by 307 TWh (23%), outpacing wind growth (206 TWh, 9.8%) for the second consecutive year.

Global hydropower generation reached a five-year low of 4,210 TWh in 2023, following a record annual decline of 88 TWh. Despite remaining the largest source of clean power globally, its share of the world's electricity mix dropped to 14.3%, its lowest level since at least 2000, and only 1 percentage point above wind and solar.

Electricity Generation (TWh)



Nuclear provided 9.1% of global electricity in 2023, unchanged from the previous year and the global nuclear power generation increased by a marginal 46 TWh.

Global bioenergy electricity generation increased by 21 TWh (+3.1%), mainly due to growth in China, while in OECD countries it fell by 8.9 TWh in 2023.

Global Electricity Demand Surges

Global electricity demand reached a record high in 2023, rising by 627 TWh. However, the 2.2% growth was below recent averages, due to a decline in OECD countries. China's rapid growth (+6.9%) countered this trend, accounting for the entire global demand increase. Five technologies – EVs, heat pumps, electrolysers, air conditioning, and data centres – drove more than half of the

Source: Ember Global Electricity Review 2024

electricity demand rise, indicating a future of rapid growth. While this will increase overall electricity demand, it will lead to a decrease in overall energy demand as electrification is more efficient than fossil fuels.

Clean Power Capacity Surpasses Demand Growth

Clean power capacity growth reached a critical point in 2023, surpassing typical demand growth for the first time and leading to a potential for emissions reduction. However, emissions rose slightly in 2023 due to the shortfall in hydro generation.

Global Power Sector Emissions Rise in 2023, Driven by Asia and Coal in China

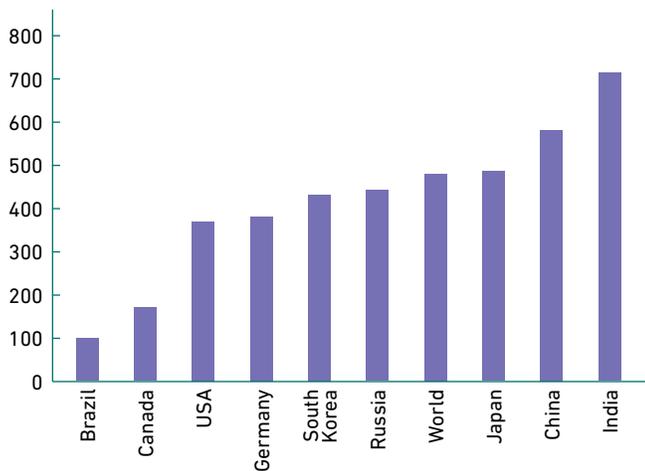
Global power sector emissions rose slightly in 2023, increasing by 1% to 14,153 million tonnes of CO₂. Asia accounted for the largest share of emissions (63%), with China being the biggest emitter at 5,491 MtCO₂ (39% of global emissions). Notably, 95% of China's power sector emissions come from burning coal. The US was the second largest emitter, followed by India. Despite individual contributions below 2%, smaller economies collectively accounted for 28% of global power sector emissions.

Outlook

The outlook for the power sector is optimistic, with a projected decline in fossil fuel use and a surge in clean energy generation.

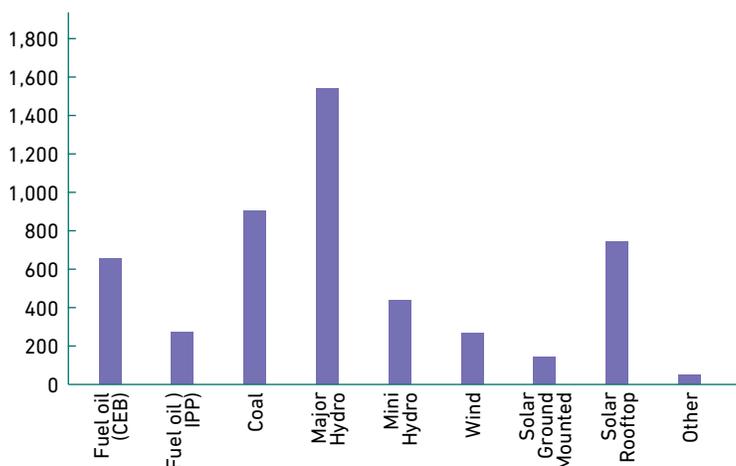
- Fossil fuel decline: Fossil fuel generation is expected to fall in 2024 and continue to decrease in subsequent years.
- Clean energy dominance: Clean energy additions, particularly solar and wind, are projected to outpace demand growth throughout the coming decade, leading to a permanent decline in fossil fuel use globally.
- COP28 agreements: The historic agreements reached at COP28, including tripling global renewables capacity by 2030 and doubling energy efficiency improvements, will accelerate the energy transition and put the world on a pathway towards achieving the 1.5C climate goal.
- Continued emissions reduction: The continued expansion of solar and wind energy is expected to lead to ongoing reductions in power sector emissions, even in scenarios of high electricity demand growth.

Emission intensity of Top Electricity Consumers in 2023 (gCO₂/kWh)



Source: Ember Global Electricity Review 2024

Capacity (Mw)



Source: Ministry of Power and Energy

Sri Lanka's Renewable Energy Market

Sri Lanka's renewable energy capacity currently stands at 3,167 MW, with hydropower dominating at 1,972 MW. Of this, 49% comes from major hydro plants and 14% from mini hydro facilities. The remaining 38% of the country's renewable energy capacity is made up of other sources like solar, wind, and bioenergy.

While most major hydropower plants are owned and operated by the Ceylon Electricity Board (CEB), the private sector largely dominates the Other Renewable Energy (ORE) market. A few key players hold a significant market share, accounting for over 50% of the total ORE capacity.

Outlook

Sri Lanka's energy sector is set for significant growth, creating a robust renewable energy market, and attracting local and foreign investment due to the following factors:

- ⦿ Growing energy demand: Sri Lanka's energy demand is expected to grow significantly in the coming years, further fueling the renewable energy market.
- ⦿ Ambitious Government targets: The Sri Lankan Government has set ambitious targets, aiming for 70% renewable energy generation by 2030 and carbon neutrality by 2050.
- ⦿ Regulatory changes: To facilitate investment in meeting these targets, the Government has introduced favourable regulations, such as a US\$-based tariff scheme for solar power projects.
- ⦿ Increased market participation: Both local and foreign players are increasingly participating in the renewable energy sector, driven by the potential opportunities.
- ⦿ Foreign dominance anticipated: Foreign competitors are expected to gain a significant foothold in the market due to their capacity to undertake large-scale projects.

PESTEL Analysis of Sri Lanka's Renewable Energy Sector

PESTEL	Opportunities/Threats
Political	<p>Sri Lanka's political landscape generally supports renewable energy, with incentives and policies encouraging its development. The Government's ambitious targets for renewable energy demonstrate their commitment.</p> <p>However, past political instability highlights the need for a stable environment to secure long-term investments. Bureaucratic obstacles and potential political interference during tendering processes could hinder investment.</p>
Economic	<p>Financing and investment play a critical role in the development of Sri Lanka's renewable energy sector. While international loans, grants, and subsidies can significantly boost the growth of renewable energy companies, delays in securing these funds could hinder their development.</p> <p>However, potential future currency fluctuations and rising global raw material prices could increase initial investment costs for ongoing projects and delay the initiation of new ones, presenting challenges for the sector's growth.</p>
Social	<p>Growing public awareness and support for sustainable and clean energy are driving demand for renewable energy solutions. Social movements and consumer preferences for green energy are significantly influencing market opportunities.</p> <p>The higher costs and negative environmental impacts associated with non-renewable energy resources are further fueling the demand for cleaner alternatives, creating a strong market for renewable energy solutions.</p>
Technological	<p>Investing in advanced energy infrastructure like smart grids and energy storage is essential for integrating renewable energy sources into the national grid.</p> <p>However, the significant upfront costs and complexities associated with developing these systems could potentially slow down the growth of renewable energy adoption.</p>
Environmental	<p>As an island nation, Sri Lanka faces heightened vulnerability to climate change. Sri Lanka possesses a favourable geographic location and climate for various forms of renewable energy, including solar, wind, and hydro, providing a solid foundation for developing this industry. The Government can leverage these natural resources and create a favourable regulatory environment to encourage investments and accelerate the transition to clean energy.</p>
Legal	<p>The regulatory environment surrounding renewable energy, including policies like feed-in tariffs, net metering, and renewable energy mandates, significantly shapes the operational landscape of companies in this sector.</p> <p>Strong intellectual property protection is also crucial, safeguarding the investments made by companies in research and development of innovative renewable energy technologies.</p>

At WindForce, we are committed to driving positive change through our comprehensive strategy, which prioritises progressive growth, operational excellence, employee empowerment, and societal impact. By staying true to our

core values and leveraging our strengths, we aim to lead the renewable energy sector towards a more sustainable and prosperous future for all.

Accordingly, we use a combination of short-, medium- and long-term planning cycles to enable us to realise our strategic

intent, while striking the right balance to safeguard stakeholder interests.

Following are the 4 strategic pillars that guide our resource allocation.

- ⦿ Progressive Growth
- ⦿ Operational Excellence
- ⦿ A Great Place to Work
- ⦿ Contribution to National Development

	Progressive Growth	Operational Excellence	A Great Place to Work	Contribution to National Development
Objectives	<ul style="list-style-type: none"> ⦿ Maintain a strong renewable energy mix ⦿ Maintain an optimal split between local and overseas project exposure ⦿ Maintain overall gearing ratio at 25%-50% ⦿ Strengthen competitive position through strategic partnerships and alliances 	<ul style="list-style-type: none"> ⦿ Aim for 97% or above plant availability ⦿ Ensure optimal energy generation at all plants ⦿ Minimise operational costs ⦿ Ensure infrastructure reliability and quality ⦿ Continuously improve processes 	<ul style="list-style-type: none"> ⦿ Ensure employee satisfaction ⦿ Reduce employee turnover ⦿ Promote employee well-being and work-life balance ⦿ Ensure zero fatalities and accidents 	<ul style="list-style-type: none"> ⦿ Support Sri Lanka's goal of achieving 70% renewable energy generation by 2030 and becoming carbon neutral by 2050 ⦿ Support national sustainable development goals ⦿ Generate social and economic benefits for communities ⦿ Advocate for supportive policies and regulations ⦿ Educate and raise awareness about renewable energy
Strategic drivers	<ul style="list-style-type: none"> ⦿ Continuously expand the project pipeline to maintain a diversified portfolio of renewable energy assets, including wind, solar, hydro, and alternative clean energy ⦿ Gain first mover advantage in overseas markets ⦿ Maintain an optimal balance between equity and debt to safeguard the balance sheet ⦿ Seek out value adding partnerships to support value creation 	<ul style="list-style-type: none"> ⦿ Adoption of the latest renewable energy technology for wind, solar, hydro energy ⦿ Implementation of globally recognised management systems in projects in quality, environmental, health, and safety (EHS) and risk management activities ⦿ Engineering-Procurement-Construction (EPC) Process ⦿ Strengthen tacit knowledge of employees ⦿ Encourage innovation among teams 	<ul style="list-style-type: none"> ⦿ Adaptation of ISO 45001 - Occupational Health and Safety Management Standards ⦿ Diversity and inclusion initiatives ⦿ Work-life balance policies ⦿ Recognition and rewards programmes. 	<ul style="list-style-type: none"> ⦿ Continue to be the largest private sector renewable energy company contributing to the national grid ⦿ Contribute to SDG 7, 9 and 17 through the core business ⦿ Community investment to drive SDG 1, 2, 4, 6, 8,10,13 and 15 ⦿ Policy advocacy ⦿ Public awareness through social media and campaigns

	Progressive Growth	Operational Excellence	A Great Place to Work	Contribution to National Development
Impact from the operating environment	<ul style="list-style-type: none"> Regulatory frameworks affecting market entry and expansion Technological advancements impacting product development and competitiveness Economic conditions influencing investment decisions 	<ul style="list-style-type: none"> Technological advancements Energy market dynamics Regulatory requirements 	<ul style="list-style-type: none"> Labour market conditions Social and cultural factors Regulatory requirements 	<ul style="list-style-type: none"> Government policies and regulations Socio-economic conditions Public perception
Key activities	<ul style="list-style-type: none"> Market research and analysis R&D investment and product development Partnership and alliance negotiations Applying for tenders with competitive tariffs 	<ul style="list-style-type: none"> Implementation of advanced technologies for wind, solar, hydro energy Process optimisation initiatives Quality assurance programmes Employee training and development 	<ul style="list-style-type: none"> Recruitment and talent acquisition Activities to ensure work life balance such as in-house gym, yoga, swimming etc. Implementation of flexible work policies Recognition and rewards initiatives 	<ul style="list-style-type: none"> Community Investment programmes Advocacy efforts Educational workshops Public awareness campaigns
Measuring progress	<ul style="list-style-type: none"> Commissioned the Hiruras 15 MW Wind Power Plant in Mannar Commenced the largest 100 MW solar power project in Siyambalanduwa in partnership with Lakdhanavi Ltd and The Blue Circle Pte Ltd from Singapore Commenced a 10 MW solar power project in Kebitigollewa 	<ul style="list-style-type: none"> In house management of O&M activities in 95% of our plants Training hours - 1,984 hours in FY 23/24 Employee satisfaction surveys 	<ul style="list-style-type: none"> Employee retention rate of 92% Total monetary benefits distributed to employees Rs. 410 Mn. Granting increments/ bonuses to support overcome country's economic crisis 	<ul style="list-style-type: none"> WindForce has installed 60% of its 245 MW capacity in Sri Lanka Total community investment of Rs. 32 Mn. 32,000+ CSR Beneficiaries

Sustainability is the driving force behind everything we do. As a leading renewable energy company, we recognise the significant impact our operations can have on the planet. Therefore, we have made a strong commitment to embed sustainability into every aspect of our business. From project inception to ongoing operation and maintenance, we have prioritised minimising our environmental footprint. We invest in state-of-the-art technologies and innovative solutions to harness renewable energy sources efficiently and responsibly.

Furthermore, we are committed to instilling a culture of sustainability

within our organisation and among our stakeholders. Through training programmes, awareness campaigns, and partnerships with local communities, we empower individuals to embrace sustainable practices in their daily lives.

Our dedication transcends mere compliance with regulations to actively seeking opportunities to lead the transition to a low-carbon future. Through continuous evaluation and improvement of our processes, advocacy for renewable energy policies, and collaboration with industry peers, we aspire to catalyse positive change on a global scale.

We are currently undertaking a comprehensive review of our Environmental, Social, and Governance (ESG) strategy to ensure it is robust, impactful, and aligned with emerging best practices. This process involves a thorough evaluation of our current initiatives, identification of areas for improvement, and development of a refined roadmap for the future. We anticipate completing this reassessment within the next fiscal year, at which time we will provide a detailed report outlining our enhanced ESG commitments and implementation plan.

Our ESG Framework



Our Approach to ESG

By embedding Environmental, Social, and Governance (ESG) considerations into our business operations, we embrace responsibility for addressing the societal and environmental challenges confronting our world today. In doing so, we not only secure the future of our Organisation but also generate long-term value, thereby playing a pivotal role in advancing the global transition towards a net-zero emissions future.





Environment

Specialising in renewable energy production, our business inherently embodies sustainability. The energy sector is pivotal to every nation's economy, propelling global economic development and expansion. Commitment to decarbonise economies is expected to spur demand for clean energy, thereby phasing out fossil fuels and significantly mitigating climate change while safeguarding our environment. We are committed to expanding our current portfolio to align with the increasing electricity demand, in line with the Government's goal of fulfilling 70% of electricity needs through renewable energy by 2030.



Social

Enable socio-economic progress: Improving the quality of life and quality work-life balance of all our employees to achieve sustained performance with a 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.

Our ESG model supports improved care, quality of life, and knowledge management, linking corporate effectiveness with community expectations. We emphasise the social aspects of our ESG framework to boost employee satisfaction and attract top talent. A motivated and content workforce is dedicated, productive, and loyal, contributing to our organisation's long-term sustainability, stability, and profitability.



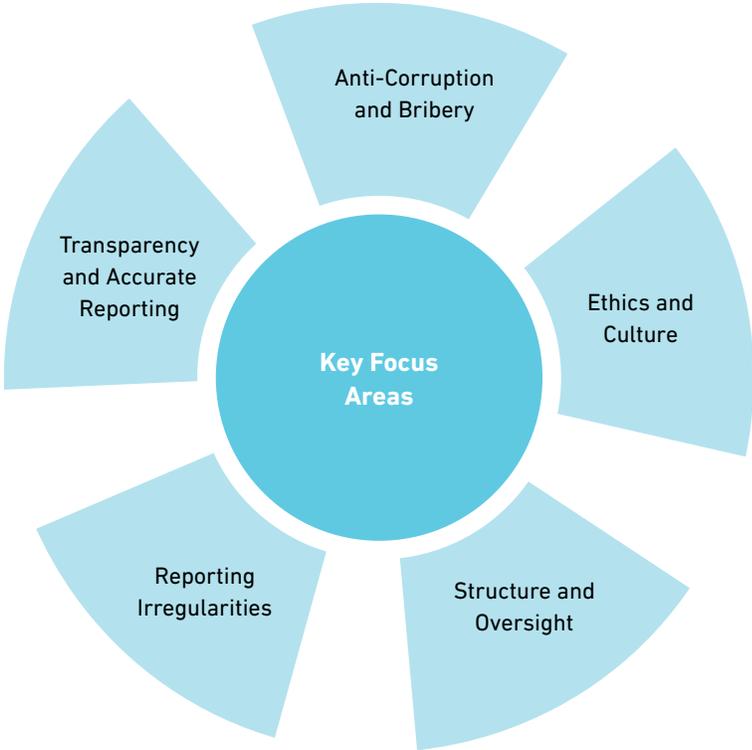
Governance

Ensure Responsible Business Practices: To foster good corporate governance to increase investor confidence, and to see policies that support shareholder involvement.

Our governance aspects encompass compliance with relevant regulations and policies, and the distribution of rights and responsibilities among stakeholders including the Board of Directors, Management, and others. Furthermore, it includes investors assessing our governance practices alongside environmental and social aspects.

Transparent and accurate financial and non-financial reporting, compliance and with international norms and regulations are crucial aspects of good governance. As a company listed in the Colombo Stock Exchange (CSE), we produce quarterly and annual reports for shareholders, adhering to the required accounting and auditing standards. A Related Party Transaction Review Committee oversees related party transactions to ensure fairness and prevent biased behaviour. Our Management team is expected to adhere to these guidelines consistently.





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 195



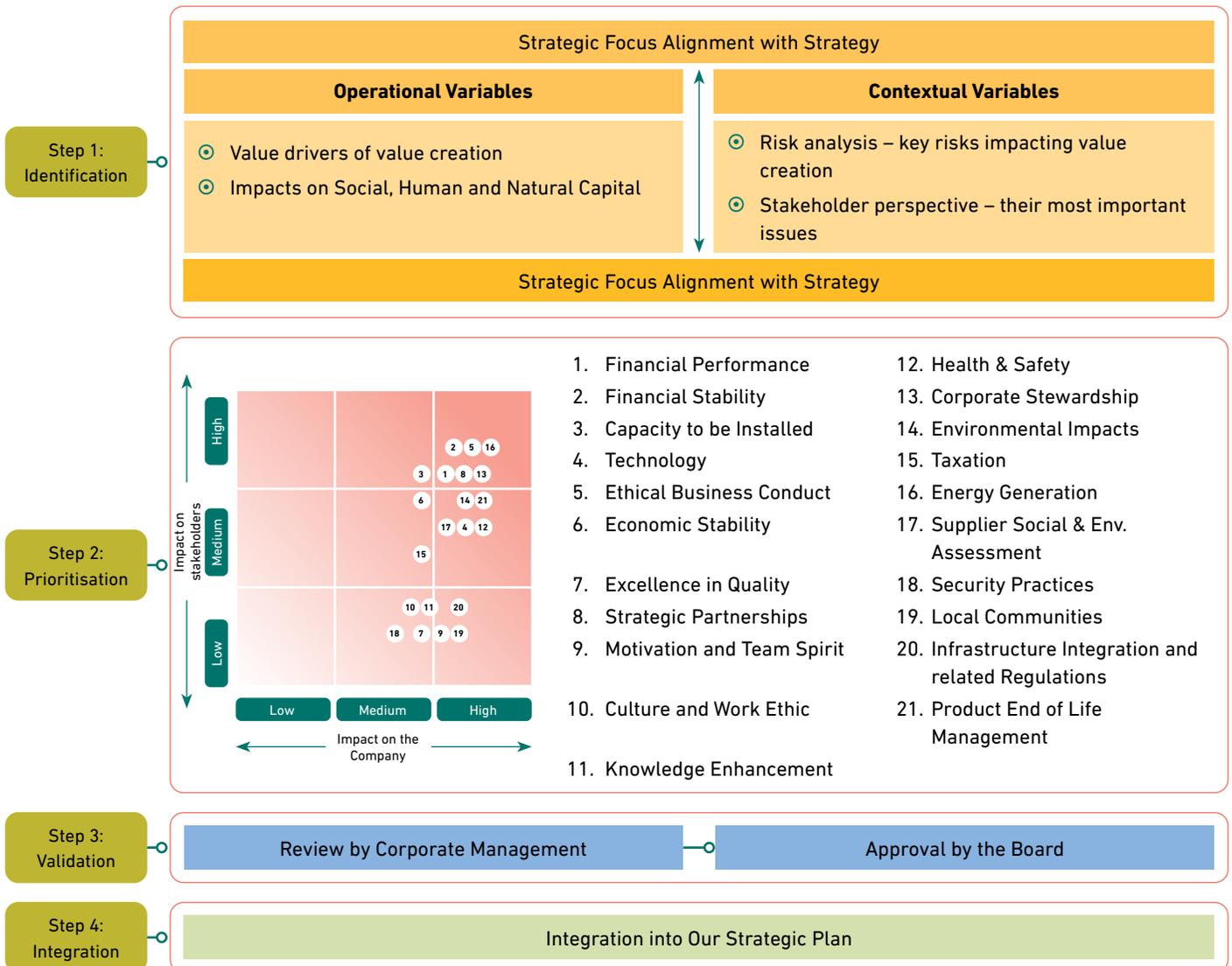
GRI 3-1, 2

Materiality

Our material topics encompass the most notable impacts on the organisation, and the stakeholders. These material issues offer valuable insights into the operating trends, business risks, and opportunities that significantly impact our capacity to generate value. Consequently, they hold a pivotal role in our strategic planning and reporting aspects.

Materiality Assessment Process

Our four-step materiality assessment process is given below.



Material Topic	Topic Boundary (Internal/ External)	Reason for Materiality	Change in Level of Importance (INC/DEC/ SAME)	Affected Stakeholder/s	Capital Impacted	Strategic Pillar	Management Approach	Metrics to Evaluate the Management Approach	SDG
Financial Performance	Internal	Improves shareholder returns and strengthens brand equity	SAME				Financial Capital (page 77)	<ul style="list-style-type: none"> NPBT NPAT ROE Credit rating No. of new projects 	8
Financial Stability	Internal	Enhance investor confidence	SAME				Financial Capital (page 77)	<ul style="list-style-type: none"> Liquidity ratio Debt: equity ratio 	8
Capacity to be Installed	Internal	Supports business and national objectives	NEW				Manufactured Capital (page 106)		9, 11
Technology	Internal	Improves efficiency and performance	INC				Intellectual Capital (page 101)		
Ethical business conduct	Internal	Enhances customer and investor confidence	INC				Intellectual Capital (page 101)	<ul style="list-style-type: none"> Incidents of non compliance Brand awards Plant availability 	
Economic Stability	External	Enhance investor confidence and strategic planning	NEW				Financial Capital (page 77)		
Excellence in quality	Internal	Increases customer and investor confidence	SAME				Intellectual Capital (page 101)		
Strategic Partnerships	Internal	Business expansion	INC				Social and Relationship Capital (page 82)		17
Motivation and team spirit	Internal	Achieve corporate with goals	SAME				Human Capital (page 91)	<ul style="list-style-type: none"> Employee satisfaction level Employee attrition rate 	8
Culture and work ethic	Internal	Enhances brand reputation and stakeholder confidence	INC				Human Capital (page 91)		8

Material Topic	Topic Boundary (Internal/ External)	Reason for Materiality	Change in Level of Importance (INC/DEC/ SAME)	Affected Stakeholder/s	Capital Impacted	Strategic Pillar	Management Approach	Metrics to Evaluate the Management Approach	SDG
Knowledge enhancement	Internal	Achieve corporate with goals	INC				Human Capital (page 91)		
Health & Safety	Internal	Improves employee confidence	SAME				Human Capital (page 91)	Safety track record	3
Corporate Stewardship	Internal	Strengthen brand reputation	INC				Social and Relationship Capital (page 82)	<ul style="list-style-type: none"> Direct contribution to Communities No. of beneficiaries 	
Environmental impacts	External	Supports national goals	INC				Natural Capital (page 110)	<ul style="list-style-type: none"> Incidents of non compliance Contribution to the national renewable energy mix 	6, 7, 9, 11, 12, 13, 14, 15
Taxation		Supports economic growth	NEW				Financial Capital (page 77)		
Energy Generation	Internal	Supports national goals	NEW				Manufactured Capital (page 106)		12
Supplier Social & Env Assessment	Internal	Strengthen sustainability	NEW				Social and Relationship Capital (page 82)		
Security Practices	Internal	Strengthens resilience and privacy	NEW				Intellectual Capital (page 101)		
Local Communities	External	Secure license to operate	NEW				Social and Relationship Capital (page 82)		11, 12
Infrastructure integration and related regulations	External	Strengthen compliance	NEW				Social and Relationship Capital (page 82)		9, 12
Product end of life management	Internal	Focus on environmental stewardship and responsible business practice	NEW				Natural Capital (page 110)		12

CELLS OF POWER TO CELLS OF GROWTH

Review of Business Operations



We made steady progress on the operational front with all plants operating consistently throughout the year. Overall generation volumes increased by 10% in FY 2023/24 compared to the previous year. As of 31 March 2024, we operate 30 power plants with a cumulative installed capacity of 245MW and an effective capacity of 147MW. Over the past 13 years we have aggressively expanded our local footprint, with 60% of our total installed capacity based in Sri Lanka. We expanded our operations into the international market through partnerships with renowned brands in the global renewable energy generation space.

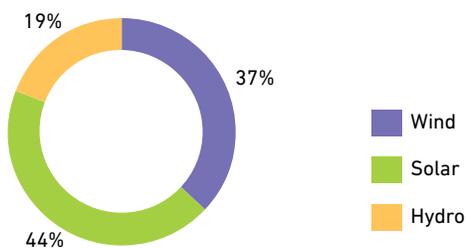
Our Portfolio

Wind Power	Solar Power	Hydropower	Total Power Supplied to the National Grid
 222GWh	 241GWh	 112GWh	575GWh

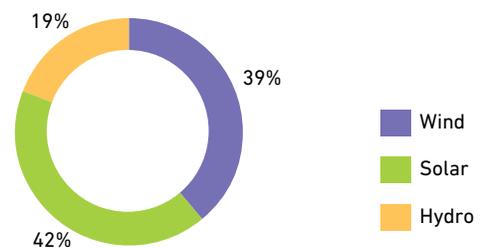
No. of plants

Local			Overseas		
Wind	Solar	Hydro	Wind	Solar	Hydro
8	8	8	0	4	2
24			6		

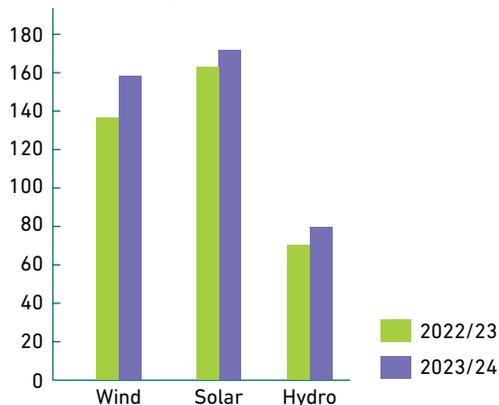
Energy Generation Mix FY 2022/23



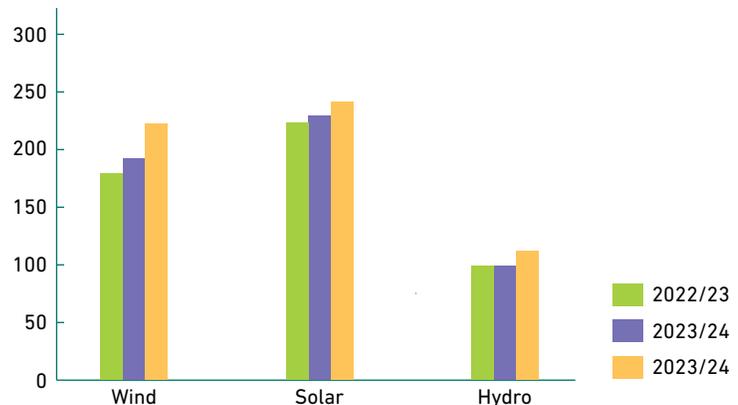
Energy Generation Mix FY 2023/24



CO₂ Savings



Plant Performance



Wind Power Generation

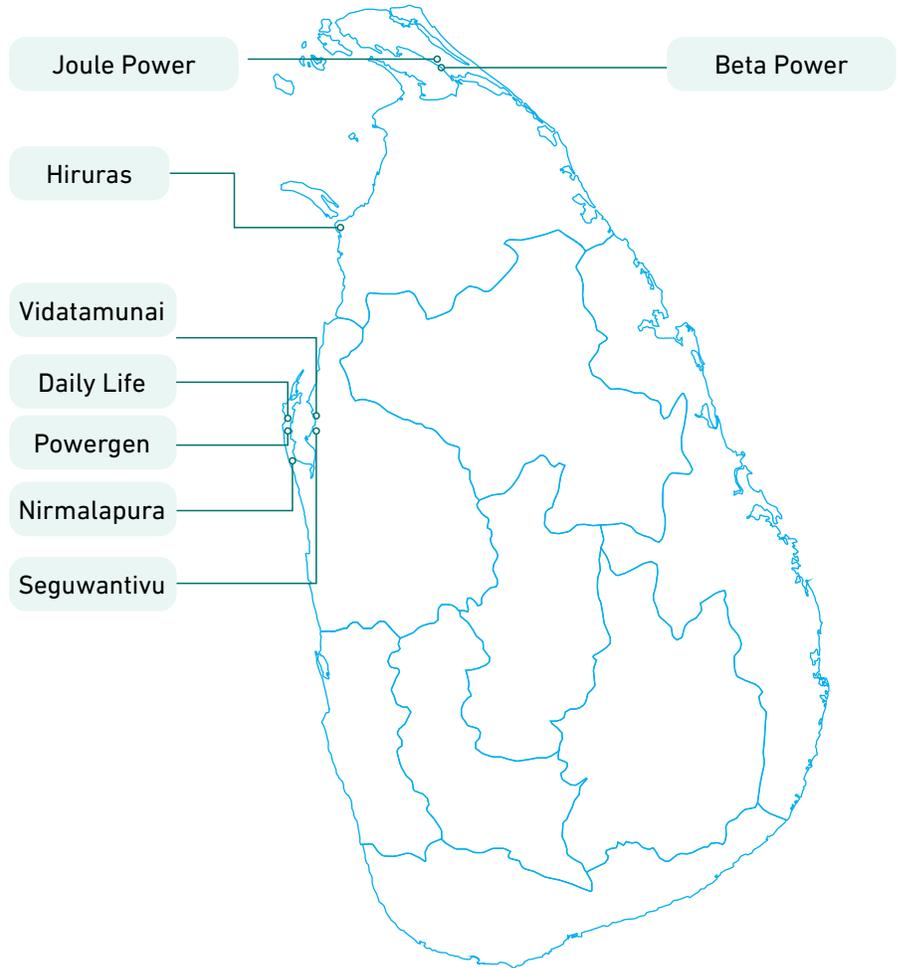
Having spearheaded wind power generation in Sri Lanka, we are positioned as a trailblazer in the industry. As a first mover, we have the strategic advantage of negotiating favourable tariff rates. Our wind power plants are set up in regions with high wind density.

Performance

Our overall wind power generation increased YoY by 16 % in FY 2023/24, with the addition of Hiruras 15MW plant during the year.

Out of the eight wind power plants, three have a capacity of 12 MW. Our capacity generation was limited to 10 MW; however, with the Government’s initiative in FY 2023/24, we can expand our installed capacity in 2024/25 by utilising available spare resources. During the year under review, we commissioned the 15 MW Hiruras wind power project in Mannar, increasing our total installed capacity to 245.1 MW. The project, comprising 10 MW and 5 MW phases, was completed amidst the economic crisis of 2021. Despite obstacles, we showcased resilience, adhering to safety protocols and completing the project ahead of schedule, reflecting our dedication and adaptability.

Our dedicated team oversaw all project phases in-house, from initial assessment to completion, ensuring efficiency and sustainability. It was our expertise in Engineering, Procurement, and Construction (EPC) that led to the construction of this state-of-the-art wind power facility. We were the only company developing power plants amid multiple crises over the past two years. In recognition of our dedication, the Ministry of Power and Energy awarded us two additional renewable energy projects – a 10 MW solar project and a 15 MW wind project – in the same locations in Mannar.



Key Highlights

8

Wind Power Plants

84.2 MW

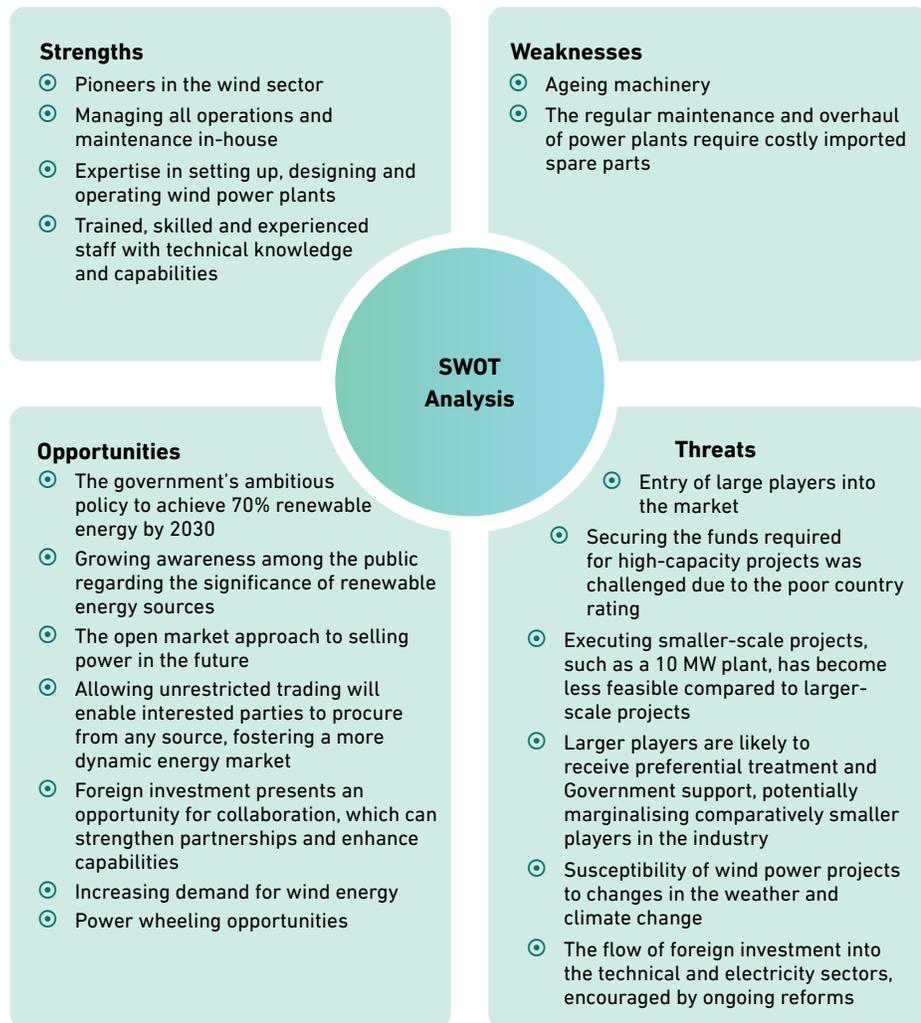
Installed Capacity

15MW

Wind Power Project
Commissioned

Expertise in EPC

Operating Dynamics During FY 2023/24



Future Focus

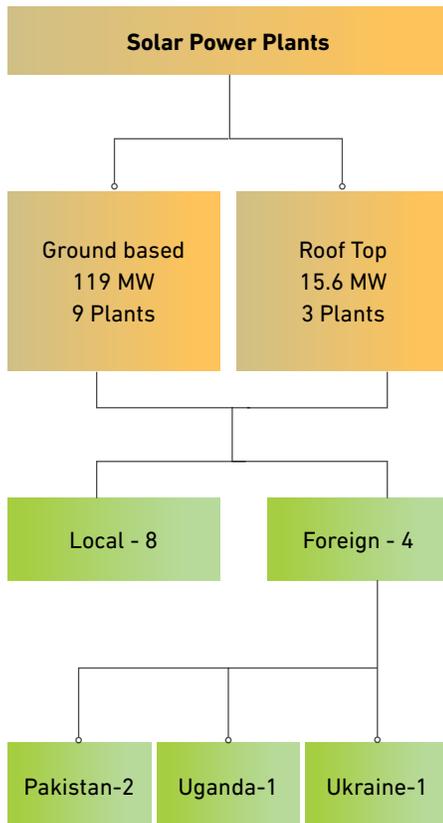
As the Government emphasises competitive bidding processes, we aim to participate in all tenders, particularly in the upcoming 50 MW Wind Power (WP) project in Mannar. Furthermore, we are securing approval for the 20 MW extension to the Hiruras Power project, while being shortlisted for a 54 MW Wind Power Plant (WPP) in Hambantota.

We encountered challenges with our wind turbines due to rapid advancements in technology, rendering many turbines obsolete with no replacements available from manufacturers. To address this, we established an in-house repair facility and implemented new repair technologies to ensure optimal functionality and efficiency. Our engineers successfully repaired three generators, restoring them to full operation. Going forward, we will continue to implement this operation.



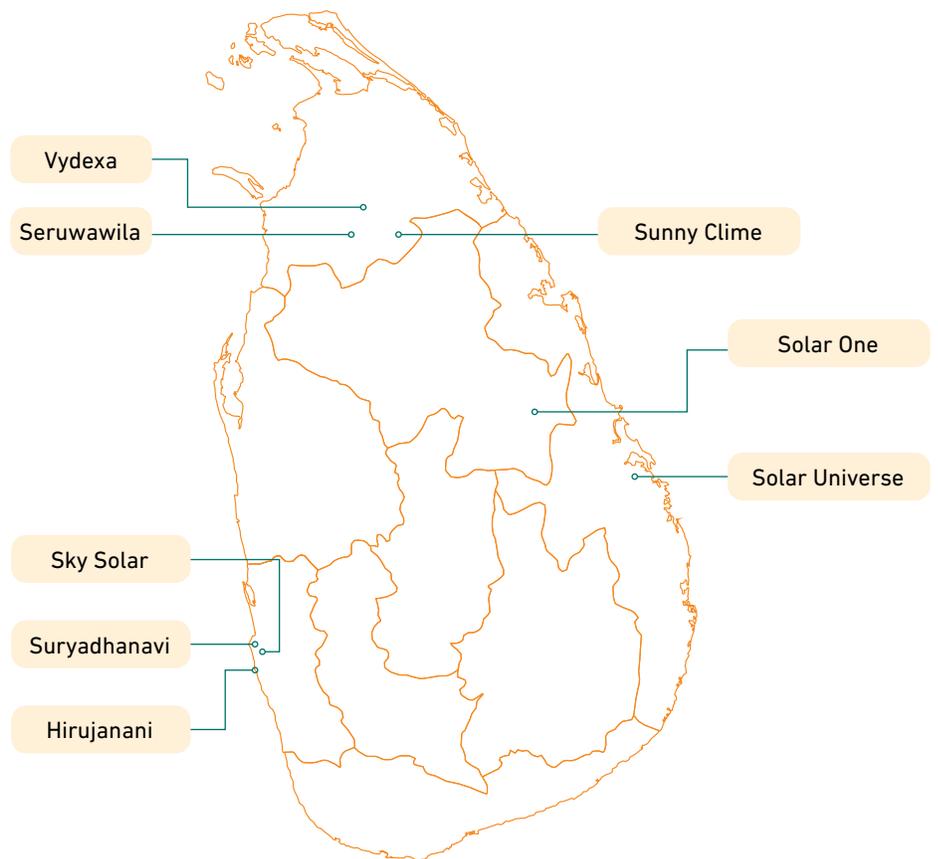
Solar Power Projects

Profile of our Ground-based Ground-Mounted Solar Plants



Our Strategy

Our solar plants are strategically located in regions with the highest Annual Average Global Horizontal Irradiance (GHI), which has led to an elevated plant load factor.



Our Performance

With the project costing Rs. 1.9 Bn., we invested in developing a 10 MW solar power plant in Kebitigollewa within the Anuradhapura District by securing a 92% equity stake in Kebitigollewa Solar Power (Private) Limited. The project which is under construction is scheduled for completion in July 2024.

Furthermore, we embarked on our largest solar power project to date – the Siyambalanda 100 MW project during FY 2023/24. This is also Sri Lanka’s largest private-sector renewable energy project and is a tripartite collaboration with WindForce PLC, Lakdhanavi Ltd. and The Blue Circle Pte Ltd. With a total investment of USD 133 million, this landmark venture represents a significant milestone in Sri Lanka’s transition towards clean energy. Scheduled for completion by April 2026, the project will not only enhance our installed capacity by 30% but also highlight our expertise and commitment to expanding our renewable energy portfolio and contributing to Sri Lanka’s sustainable development goals.



Key Highlights

12
Solar Plants
(8 in Sri Lanka and 4 overseas)

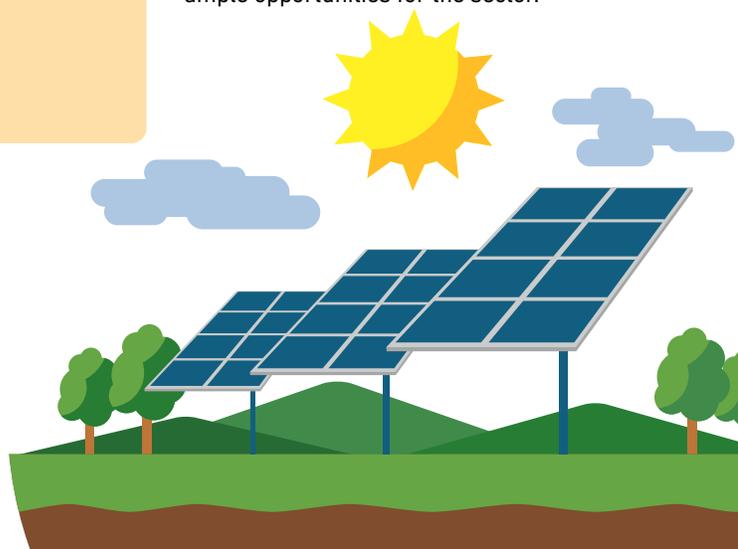
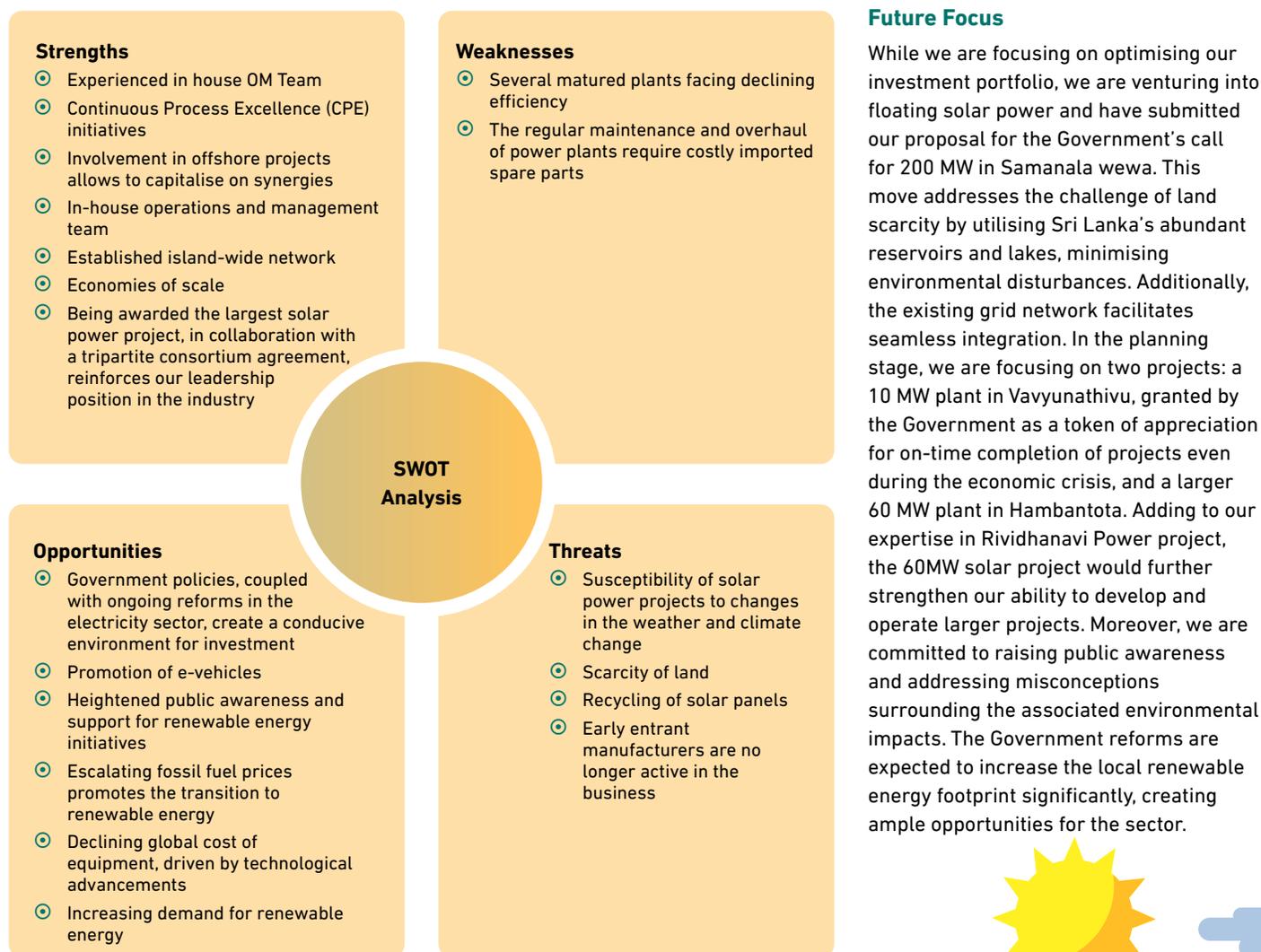
Embarked on the Largest ever 100 MW project

First-ever Agrivoltaics Solar Plants

The solar power sector generated a commendable performance during the year.

Agrivoltaics Solar plants

Challenge	Response
Acquiring the necessary land for solar panel installation	Developing Agrivoltaic plants by collaborating with local farmers. This has already been successfully implemented by Solar Universe and Vydexa in Vavuniya.



Hydro Performance

Power generation improved compared to the previous year due to excess rainfall from June to December. However, the Terraqua Kokawita mini hydro plant experienced a closure for almost 2 months, from September to October 2023. Despite this, we achieved 99.8% of the plant availability together with overseas plants. No new projects were initiated in Sri Lanka, but we are exploring the possibility of establishing hydro projects in Africa.

Marking the end of the initial 20-year term, the energy reclamation will end on 14 April 2024. However, we have secured approval from the Cabinet for a reasonable tariff of 12.17 for the next 15 years under the Energy Reclamation Power Plant PPA extension, signifying a noteworthy accomplishment. This is a good precedent for our future project which is nearing the PPA term. Furthermore, the Cabinet has sanctioned a 45% tariff increment, underscoring the significance of this development.

Operating Dynamics During FY 2023/24

Future Focus

We will focus on expanding our presence into East Africa, specifically in Malawi and Zambia which presents promising prospects. In particular, we will explore the

Strengths

- Expertise in setting up, designing and operating hydropower plants
- Trained, skilled and experienced staff with technical knowledge and capabilities

Weaknesses

- Ageing machinery
- The regular maintenance and overhaul of power plants require costly imported spare parts

SWOT Analysis

Opportunities

- Opportunities for overseas expansion
- The World Bank has allocated funds to aid renewable energy initiatives in Africa
- Increasing demand for renewable energy

Threats

- Susceptibility of hydropower projects to changes in the weather and climate change
- Market saturation

opportunities provided by the World Bank allocating funds for African renewable energy initiatives which provides a solid foundation for growth and collaboration. Furthermore, we plan to restructure our portfolio by increasing our stake in existing projects, both local and foreign, in projects operating below 5MW capacity.

At Ziba Limited, we will focus on protecting vital ecosystems such as our tree planting project in Uganda aimed at preserving the catchment area.

Key Highlights



10

Hydropower Plants
(8 local and 2 in Uganda)

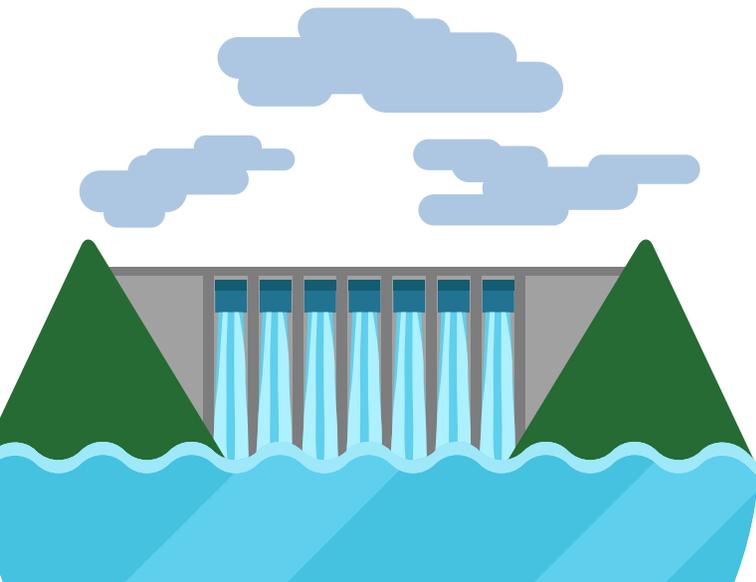
99.8%

Overall plant availability

12.17

Tariff extension for 15 years under the Energy Reclamation Power Plant PPA

Overseas expansion



Automobile Sector

We made investments in the electric vehicle (EV) sector through two ventures: Satva Automotive Pvt. Ltd and Bluesky EV Pvt. Ltd., aiming to promote sustainable mobility. However, the current market conditions in the country have not been favourable for the e-wheeler business. As a result, our e-wheeler initiatives are temporarily on hold until market conditions improve. Despite this, we observed a slight improvement in e-bike sales during the year.

Future Focus

With the improving market conditions, we will gradually scale up our sales of e-bikes islandwide.





PRUDENT AND DISCIPLINED FINANCIAL MANAGEMENT ENABLED US TO STRENGTHEN OUR FINANCIAL CAPITAL IN FY 2023/24, SUPPORTING OUR GROWTH INITIATIVES AND POSITIONING US FOR FUTURE OPPORTUNITIES.

Highlights	Stakeholders	Material Topics	SDGs
<ul style="list-style-type: none"> 18% YoY growth in revenue 25% YoY increase in EBIT 5% increase in EPS 24% increase ROCE 	 Employees  Customers  Government & Regulators  Business partners  Investors  Communities	<ul style="list-style-type: none"> Financial stability Financial performance Economic stability Taxation 	 

Benefits to Other Capital GRI 3-3

Management Approach

We utilise a combination of shareholder equity and debt financing to cover the costs of providing renewable energy to the national grid. Our commitment is to manage this Financial Capital efficiently and effectively, maximising value for shareholders while fulfilling our financial obligations and contributing positively to society. This commitment is realised through a comprehensive financial capital management programme based on three key pillars: profitability, asset management, liquidity, and solvency.

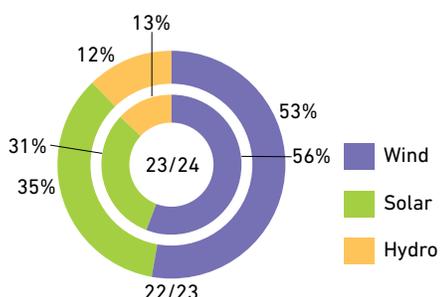
Natural Capital	Investing in renewable energy generation improves Natural Capital
Social and Relationship Capital	Investments in community development and payments to suppliers on time build social and relationship Capital
Intellectual Capital	Investments to augment the Company's competitive advantage and enhance brand position
Human Capital	Investing in training and staff benefits nurtures a motivated and skilled workforce, building valuable Human Capital
Manufactured Capital	Facilitate continuous investments in capacity expansion to strengthen the asset base

Financial Performance

Revenue

WindForce PLC achieved a consolidated revenue of Rs. 5.85 Bn. for the year ended 31st March 2024, representing an 18% increase from the previous year's Rs. 4.95 Bn. While this growth is positive, it is important to note that 93% of the Group's revenue is derived from the supply of electricity. The remaining 7% is generated from a diverse range of activities including Operations and Maintenance fees, management fees, carbon credit sales, and income from the Automotive sector.

Revenue Breakdown for Supply of Electricity



Wind Sector Revenue

The Wind sector recorded a 23% growth in revenue for the year ended 31 March 2024, primarily driven by the addition of the Hiruras plant (1,158 Mn). However,

this growth was partially offset by a decline of approximately 480 Mn due to reduced tariffs for Joule and Beta plants during November and December 2022, as they transitioned into their second tier of operations. Additionally, generation from SEG and VID plants decreased by 16% and 23% respectively due to gearbox and main bearing failures.

Solar Sector Revenue

The Solar sector achieved a 2% increase in revenue for the year ending 31 March 2024 compared to the previous year. While rooftop solar plants experienced disruptions due to power outages last year, these impacts are no longer present, leading to increased generation from Suryadhanavi, Hirujanani, and Sky Solar. However, Tororo experienced a 3% decline in revenue due to currency translation losses, despite a 7% increase in generation compared to the previous year.

Hydro Sector Revenue

The Hydro sector generation increased from Melanka and ENREC plants compared to the previous financial year. This positive performance can be attributed to favourable extreme weather conditions that increased plant output. Additionally, the inclusion of the Mahoma plant as a subsidiary from January 2024 contributed an additional Rs. 88 Mn. to Hydro revenue.

Automotive Sector

The Automotive sector generated Rs.197 Mn revenue this financial year.

Cost of Sales and Gross Profit

The cost of sales increased by Rs. 699 Mn. representing a year-on-year (YoY) growth of 36%. This increase is primarily driven by two factors: 41% of the increment is attributed to additional depreciation from the new Hiruras wind power plant, while 37% is due to higher operational and maintenance costs, spare parts, and plant repairs, influenced by the current inflationary environment. However, on a positive note, billing under standard power purchase agreement due to delayed payments by the Ceylon Electricity Board to renewable energy operators resulted in Rs. 664 Mn. Hence despite the cost pressures, the Group achieved a Gross Profit of Rs. 3.86 Bn. for FY 23/24, marking a 21% YoY growth compared to Rs.3 Bn. recorded in FY 22/23.

Administration Expenses

Administration Expenses increased by 37% YoY mainly due to the addition of the new Hiruras wind power plant, accounting for 23% of the increase. Additionally, Employee Benefits expenses increased significantly, reflecting our commitment to supporting our employees, whom we consider our most valuable asset,

particularly amidst the current challenging economic climate.

Selling and Distribution Expenses

Selling and Distribution expenses increased by 152% compared to the previous financial year. This surge is largely due to the integration of SATVA E-Motor Bikes into our Group during FY 22/23. As a new company, SATVA's focus is on aggressive marketing initiatives to expand its reach and capture market share for its E-Motor Bikes, leading to a significant increase in selling and distribution expenses.

Finance Costs

Group finance costs rose by 13% in FY 23/24 compared to the previous year. However, when excluding the additional borrowing costs associated with the new Hiruras wind power plant, finance costs decreased by 30%. This reduction is attributed to the repayment of a significant portion of the Group's project loans, facilitated by the Ceylon Electricity Board settling most of their outstanding payments, along with declining Average Weighted Prime Lending Rates (AWPLR) during FY 23/24.

Share of Results from Equity-Accounted Investees

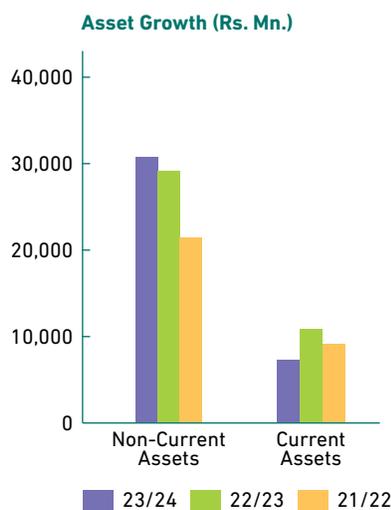
The share of results from equity-accounted investees increased by 19% during FY 23/24. This increase is primarily driven by the Solar Universe plant, commissioned in FY 22/23, which contributed 87% to the overall growth. Additionally, the local Solar One plant contributed 29% to the increase, and the Pakistan-based Ghara plant also performed well during the year. However, the Uganda-based Mahoma plant, now a subsidiary of the Group since January 2024 following the acquisition of management control, saw a 22% decline in its contribution to the increase.

Income Tax

Income tax payments in FY 23/24 surged by 317% compared to the previous year, primarily driven by Rs. 421 Mn. dividend tax payment. This dividend payout, absent in the prior year due to low cash flow resulting from unpaid dues by the Ceylon Electricity Board (CEB), significantly impacted the tax increase. Excluding this dividend tax, the income tax expense still rose by 52%. This increase can be attributed to the revised corporate income tax rates, effective from October 1, 2022, under the Inland Revenue (Amendment) Act, No. 45 of 2022. The tax rate for project company business income (excluding concessionary schemes) increased from 14% to 30%, while the holding company's tax rate rose from 12% to 30%. Furthermore, the deferred tax provision decreased by 66% due to a significantly higher provision in the previous year resulting from the increased tax rates.

Asset Growth

The Group's non-current assets expanded by 6% in FY 23/24, primarily driven by the investment in the Kebitigollewa Solar Power Plant. Conversely, current assets recorded a 32% decline, attributed to dividend payments at both the group and subsidiary levels, as well as the capital investment in the Kebitigollewa project.



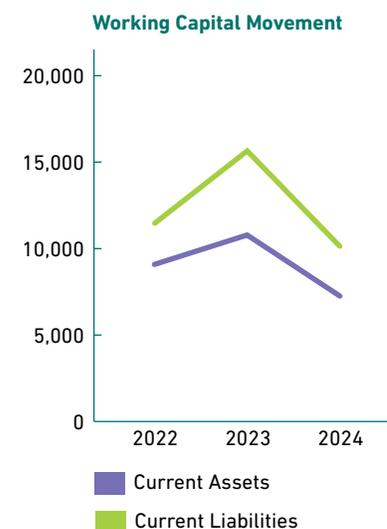
Capital Structure

WindForce, having navigated challenging economic conditions with a conservative capital structure, is now strategically shifting towards a higher gearing to optimise its capital structure, boost return on equity (ROE), and fuel its aggressive expansion plans. This move underscores the Company's confidence in future growth prospects and its commitment to enhancing shareholder value.

Working Capital

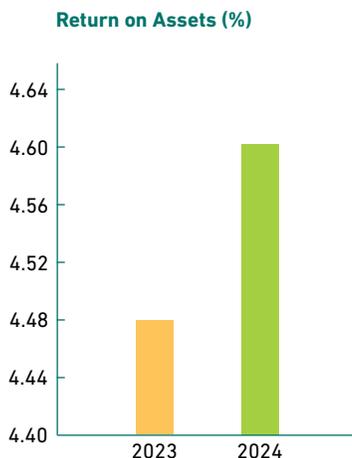
The settlement of outstanding payments by the Ceylon Electricity Board (CEB) resulted in a significant 68% decrease in trade receivables during FY 23/24. This improved the Group's liquidity position, enabling the repayment of bank working capital facilities from the previous year.

The working capital position indicated a positive downward trend, driven by the successful implementation of Total Productivity Management (TPM) strategies across its operations. This efficiency initiative has resulted in a smooth decline in working capital, which is crucial for maximising returns as excessive working capital can negatively impact profitability. The Company remains committed to further reducing its working capital requirements, enabling optimised investments, and maximising shareholder wealth.

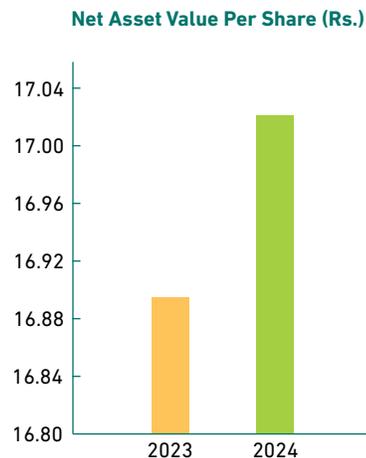


Cash and Cash Equivalents

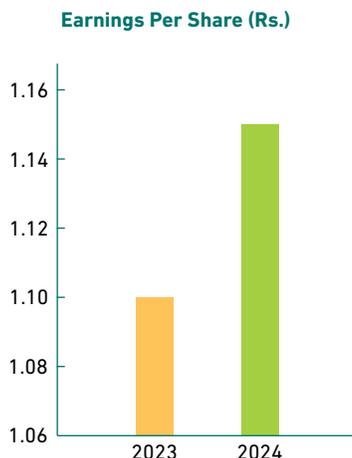
Cash and cash equivalents surged by 177% compared to the previous financial year, despite dividend payments, primarily driven by settlements received from the Ceylon Electricity Board. Simultaneously, bank overdrafts decreased due to positive cash inflows. This improved cash position will be strategically allocated to meet the capital commitments of the new projects in the Company's pipeline.



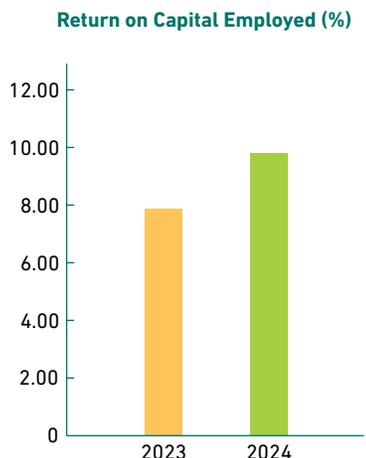
Return on Assets (ROA) increased by 3% in 2023/24, indicating a more efficient use of assets compared to the previous year.



Net Assets per Share (NAPS) rose from Rs. 16.89 to Rs. 17.02 in 2023/24, driven by investments in the Kebitigollewa Solar plant and Hiruras Wind Power plant.

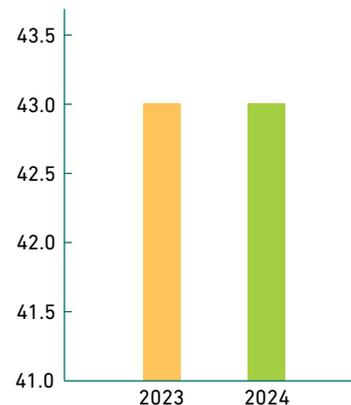


EPS grew by 5% in 2023/24, driven by a 5% increase in profit attributable to equity holders. This growth was fueled by increased profits from recently commissioned projects.



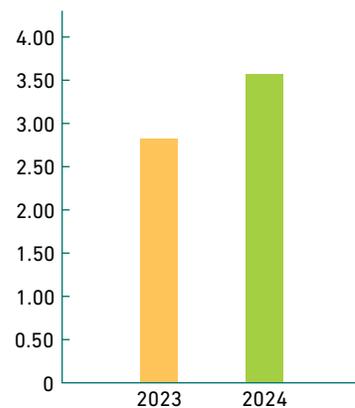
ROCE increased from 7.82% to 9.73%, a 25% improvement, primarily driven by a 25% increase in earnings before interest and tax (EBIT). The EBIT growth was fueled by increased revenue from the Hiruras Wind Power plant and billing under a standard power purchase agreement despite delays in payments from the CEB.

Debt to Equity Ratio (%)



Gearing remained stable compared to the previous year. While project loan repayments reduced debt in recent years, new project investments in 2023/24 have offset this decrease, suggesting potential for further leverage at competitive rates.

Interest Cover (Times)



Interest cover declined from 3.55 times to 2.79 times in the current year, primarily due to a 129% increase in borrowing costs associated with new debt taken on for the Hiruras plant and the upcoming Kebitigollewa project. While the Kebitigollewa project is yet to be commissioned and generate revenue, the increased interest expense has been partially offset by revenue growth from the Hiruras plant.

Outlook for FY 2024/25 and Beyond

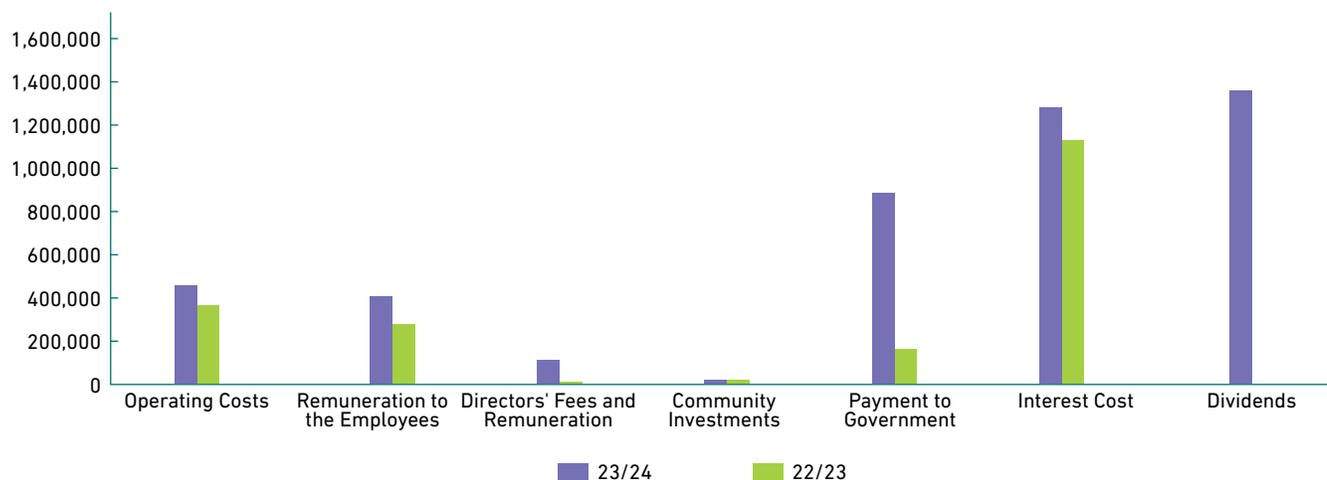
We are committed to augmenting our Financial Capital through strategic project expansion. This will drive revenue growth and create value for all stakeholders.

Direct Economic Value Generated and Distributed

GRI 201-1

Value Created	2023/24	2022/23
Gross Revenue	6,516,258	4,953,490
(-) Cost of Goods and Services (Excluding depreciation and remuneration to employees)	(1,258,082)	(789,663)
Value added from operations	5,258,176	4,163,827
Other Income	277,591	380,862
Finance Income	205,268	417,718
Total Value Created	5,741,035	4,962,407
Value Distributed		
Operating Costs	476,954	370,550
Remuneration to the Employees	410,007	286,627
Directors' Fees and Remuneration	122,638	24,019
Community Investments	32,458	30,140
Payment to Government	884,270	165,767
Interest Cost	1,276,622	1,128,747
Dividends	1,350,769	-
Total Value Distributed	4,553,718	2,005,850
Total Value Retained	1,187,317	2,956,557

Value Distributed (Rs.'000)





OUR SOCIAL AND RELATIONSHIP CAPITAL INCLUDES STAKEHOLDER RELATIONSHIPS NURTURED OVER TIME, ENCOMPASSING OUR CUSTOMERS, SUPPLIERS, AND COMMUNITIES. THESE RELATIONSHIPS FORM THE CORNERSTONE OF OUR CORE BUSINESS OPERATIONS AND EFFECTIVELY SIGNIFY OUR SOCIAL LICENSE TO OPERATE BOTH AT PRESENT AND IN THE

FUTURE. BY PRIORITISING STAKEHOLDER INTERESTS, WE FOSTER A CLIMATE OF TRUST, ENSURING THAT THEY MAINTAIN A VESTED INTEREST IN OUR PROGRESS OVER THE LONG TERM.

Highlights 2023/24	Stakeholders	Material Topics	SDGs
119 Suppliers	Customers 	<ul style="list-style-type: none"> Strategic partnerships 	 
Dedicated Project Liaison Officers to handle community concerns	Business Partners 	<ul style="list-style-type: none"> Supplier Social & Environmental Assessment 	 
Rs. 32 Mn. investment in community upliftment	Community 	<ul style="list-style-type: none"> Local Communities 	 
575 GWh of renewable energy generated	Government & Regulators 	<ul style="list-style-type: none"> Infrastructure integration and related regulations 	 
			 

How Social and Relationship Capital Impacts Other Capitals

Financial Capital	Investments in customers, suppliers, and communities help to nurture stronger relationships
Human Capital	Employees deliver value to the customers, community, and business partners by executing the corporate strategy
Intellectual Capital	Improved brand value through a strong brand reputation
Manufactured Capital	Strong relationships with the suppliers enable to build Manufactured Capital
Natural Capital	Supplier screening and community engagement foster a sustainable value chain

Management Approach

We foster a culture of trust by placing the interests of our stakeholders at the forefront. This ensures their ongoing commitment to our long-term sustainability and growth. Our focus areas include allocating resources to address specific needs within our communities, expanding opportunities for entrepreneurship and employment, meeting evolving customer requirements by investing in innovation and technology, maintaining ongoing communication with our business partners, and strengthening the resilience of our supply chain.

Customer Capital

Customer Health and Safety

GRI 3-3 **GRI 416-1** **GRI 416-2**

As a producer of renewable energy, our primary customers are the utility companies within the regions we operate. Our supply of electricity adheres to the quality standards outlined in the Grid Codes specified within the long-term power purchase agreements between us and the utility partners.

Therefore, our primary responsibility concerning our product is to consistently meet the grid code requirements throughout the power purchase agreement, guaranteeing an uninterrupted supply of electricity. To achieve this objective, we employ TPM (Total

Productive Maintenance) protocols in operating and maintaining our plants. These protocols are designed to enhance team productivity and foster innovation by emphasising proactive and preventative techniques to enhance the efficiency and reliability of our plant and equipment. As a result of these efforts, we have consistently achieved a plant availability rate exceeding 97%.

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

As a producer of electricity, we do not engage in direct sales to retail consumers. Therefore, ensuring safety for the end consumer is outside our direct control. However, within our plants, we have strengthened safety for our workforce by implementing a comprehensive safety manual and adhering to its protocols. Our commitment to safety is further reinforced through annual safety training conducted by certified trainers across all our plants.

During the year under review, there were no incidents of non-compliance concerning the health and safety impacts of products and services.

Customer Relationship Management

We maintain clear and transparent communication with our customers. Our dedicated liaison officers maintain regular communication with customers, while the top Management, including the Managing Director, Chief Executive Officer, and Chief Operating Officer, formally engage with customers several times a year to address any concerns. These interactions provide a platform for customers to raise complaints and discuss mutual issues.

Furthermore, customers have the option to submit written complaints via email or phone calls. To ensure efficient resolution, we educate our employees about our complaint resolution procedure and empower them to address issues as they arise proactively.

In FY 2023/24, there were no complaints reported in relation to non-compliance of Grid Codes, product safety or any other regulatory compliance requirements.

Regulatory Compliance

Our operations are subject to oversight by multiple regulatory bodies, both domestically and internationally. Our primary objective is to uphold positive relationships with these regulatory entities by strictly adhering to all relevant regulations throughout our plants' construction and operation phases. For instance, in Uganda, we are obligated to provide annual techno-financial reports to the regulatory authority.

Sri Lanka	
Board of Investments of Sri Lanka (BOI) Forest Department Department of Archaeology Civil Aviation Authority of Sri Lanka	At the construction stage
Sri Lanka Sustainable Energy Authority (SEA) Public Utilities Commission of Sri Lanka (PUCSL) Ceylon Electricity Board (CEB)	Running of operational plants
Pakistan	
National Electric Power Regulatory Authority (NEPRA) K-Electric Limited (KE) Sindh Environmental Protection Agency (SEPA) Central Power Purchasing Agency (CPPA-G) Environment Protection Agency (EPA) Private Power & Infrastructure Board (PPIB)	At the construction stage
National Electric Power Regulatory Authority (NEPRA) K-Electric Limited (KE) Central Power Purchasing Agency (CPPA-G) Federal Board of Revenue (FBR) Securities and Exchange Commission of Pakistan (SECP)	At the operational stage
Ukraine	Uganda
Energomarket The National Commission for State Regulation of Energy and Public Utilities, National Energy and Utilities Regulatory Commission (NEURC) State Fiscal Service (Ukraine)	Electricity Regulatory Authority (ERA) Uganda Electricity Transmission Company Limited (UETCL) Uganda Revenue Authority (URA) Ministry of Energy & Mineral Development State Ministry for Energy National Environment Management Authority (NEMA) Directorate of Water Resource Management (DWRM)

Customer Complaint Management **GRI 2-25**

Customer feedback and complaints are important learning tools that enable us to continuously refine our systems and processes to better meet evolving customer needs.

Our seven-point customer-compliant resolution procedure is illustrated below:

Listen to the Complaint	Thank the customer, apologise, take ownership, and remain courteous without blaming others for the issue.
Record details of the complaint	Review the complaint thoroughly to grasp the problem. Maintain a centralised record of all complaints.
Get all the facts	Ensure accurate complaint details. Clarify with questions if needed to confirm understanding and record.
Discuss options for fixing the problem	Inquire about desired response: rectification, refund, or apology; assess reasonableness of the request.
Act quickly	Aim to resolve the complaint quickly.
Keep our promises	Inform customer promptly of any delays in resolving their request.
Follow up	Follow up with customer for satisfaction and explain preventive measures taken.

Business Partner Capital

We consider all our suppliers to be equally important contributors to our value chain and nurture long-term, mutually beneficial relationships. Our strategy is based on open and transparent communication, trust and mutual respect facilitating amicable issue resolution and adaptive realignment.

Our Supply Chain

- GRI 3-3
- GRI 414-1
- GRI 414-2
- GRI 204-1
- GRI 308-1
- GRI 308-2

We follow global best practices for the selection and onboarding of our suppliers. Local suppliers are chosen based on project requirements outlined in our project plan. Our suppliers are assessed on various criteria including product quality, performance history, compliance with standards, certifications, competitiveness, adherence to timelines, adaptability to climate, spare parts availability, labour, and environmental compliance.

As the final stage of the evaluation process, a comparative assessment among peers is carried out before shortlisting candidates. Shortlisted

suppliers undergo review and final approval by our top management. Approved suppliers are then contracted for a specified duration. Once the project suppliers have been mobilised, a procurement plan is devised, ensuring seamless interface management of products and services and establishing a clear work division among suppliers.

The selection of local O&M suppliers is done using our vendor database, which enables fast and efficient selection of suppliers to meet the daily operational requirements at our plants. The vendor database is reviewed and updated annually by the top management.

Our Original Equipment Manufacturers (OEM) supplier base is limited globally, leading us to rely primarily on a select few reputable suppliers. We procure from suppliers who adhere to regulatory compliance and have a commendable track record. We don't accept equipment or machinery that are detrimental to the environment or community.

We always prioritise sourcing from local suppliers. If the required equipment or machinery is not available locally, we source from global suppliers. We spend approximately 54% of the average annual procurement on local suppliers. 119 new suppliers were screened during the year using social criteria.

Our Suppliers

Project Related Suppliers	Operational and Maintenance (O&M) Related Suppliers
<ul style="list-style-type: none"> ⦿ Local contractors/service providers facilitating new project construction requirements such as piling, civil construction, erection, logistics, heavy lifting, transport, etc. 	<ul style="list-style-type: none"> ⦿ Suppliers providing requirements for the day-to-day running of plant operations. ⦿ Local suppliers provide services and consumables for operations and maintenance needs. ⦿ Spare parts are sourced internationally from OEM or recommended suppliers.

Strengthening Our Supply Chain

Key Challenges	
Market fragmentation	Compared to traditional sectors, the renewable energy sector is young and fragmented, with limited suppliers specialising in solar, wind, hydro, and biomass. This fragmentation poses in finding suitable suppliers to source the required machinery and equipment.
Specialised equipment and components	Renewable energy projects require specific components and finding competitive suppliers, especially for niche technologies, can be challenging due to their scarcity.
Global supply chain dynamics	Renewable energy projects depend on global supply chains that are subject to geopolitical tensions, trade disputes, and transportation disruptions, affecting procurement.
Limited competition	Limited suppliers in the renewable energy industry reduce competition, potentially resulting in higher prices or longer lead times for procurement.
Quality and reliability concerns	Quality and reliability of renewable energy equipment are crucial for project success. Limited suppliers pose challenges in finding proven providers.
Regulatory compliance	Renewable energy projects face complex regulatory requirements at national and international levels. Sourcing compliant equipment from diverse regulatory environments presents challenges.

Our Strategic Responses	
Quality and Reliability	Evaluating supplier quality and reliability by considering their track record in delivering products or services that meet industry standards.
Financial Stability	Verifying suppliers' financial stability for long-term commitments by conducting due diligence on their financial health, liquidity, and market resilience.
Technology and Innovation	Selecting suppliers who embrace technological advancements in renewable energy, offering innovative solutions, and advanced technologies, and engaging in continuous R&D efforts.
Cost Competitiveness	Evaluating supplier cost competitiveness alongside quality and reliability by comparing pricing, terms, and value to ensure the best deal without compromising quality or sustainability.
Supplier Relationships	Nurturing strong supplier relationships based on trust, communication, and collaboration. Encouraging open dialogue, proactive issue resolution, and continuous improvement efforts.
Risk Management	Identifying and evaluating supplier risks such as supply chain disruptions, geopolitical issues, or regulatory changes. Developing mitigation strategies and contingency plans.

Community Capital

Community Engagement Management

We are focused on creating a meaningful impact for our communities, maintaining ongoing engagement to build trust, and investing in CSR activities.

Assessing Our Community Impact

GRI 3-3 GRI 203-2 GRI 413-2 GRI 419-1

Our operations in Uganda adhere to IFC standards, which encompass social compliance. An annual social audit is conducted including obtaining community feedback to ensure social upliftment of the communities.

In Sri Lanka, the community concerns are addressed during project construction. A mandatory environmental and social impact assessment overseen by the Central Environmental Authority is conducted before the commencement of every project. Necessary steps are taken to mitigate any adverse effects on surrounding communities and ecosystems. We respond to the findings by taking action to minimise our community impact and prevent any deterioration in their quality of life. When necessary, we have offered compensation and have relocated communities, providing housing and farmland previously.

Throughout the construction stage, we have complied with the applicable social and environmental compliance requirements. During the operational phase, the issues have been minor, and they have been promptly addressed.

There were incidents of non-compliance with laws and regulations in the social and economic areas during the year under review.

Community Engagement

We maintain ongoing engagement with the community to build trust. A liaison officer has been appointed for each project to handle community relations. Moreover, we

have designated an informal community leader as a spokesperson to collaborate with the liaison officer in addressing any concerns. The Chief Engineers of the relevant sectors offer oversight and guidance to liaison officers and step into resolving escalated issues, which are further addressed by sector General Managers as needed. The liaison officers are tasked with maintaining regular communication with the community spokesperson, to identify and propose projects aligned with the Company's five-point CSR strategy. These projects are subject to review and approval by the top Management before being included in the annual CSR plan and budget.

Community Investment

GRI 203-1

GRI 413-1

Our five-point community investment strategy is guided by the UN Sustainable Development Goals (SDGs) and showcases our efforts to create a meaningful impact for under-served communities. Our five-point strategy applies to all our locations. During the FY 2023/24, 32,000 + individuals benefited from our CSR projects and our total community investment amounted to Rs. 32 Mn.

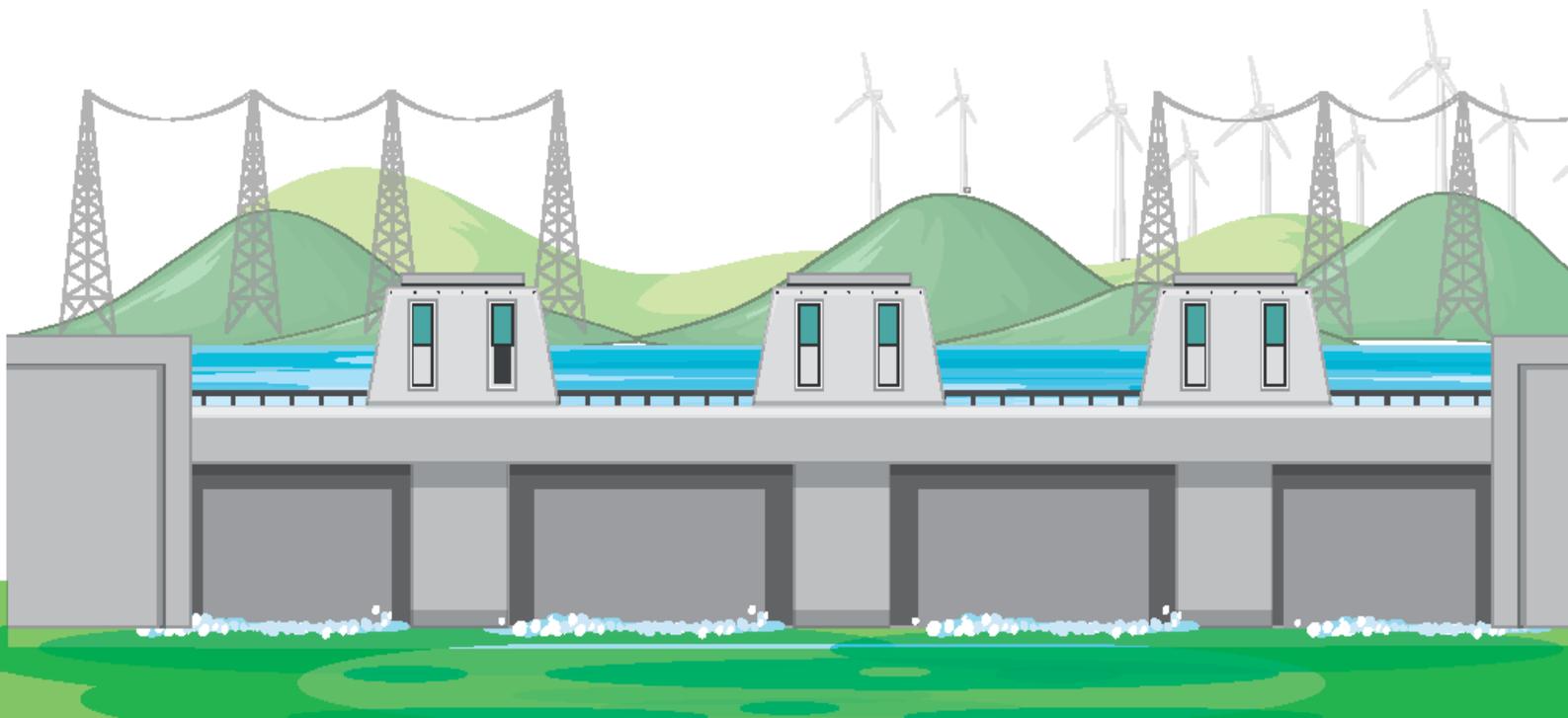
CSR Programme	Description of the CSR Activity	Location	Photo Gallery
"Sahana" Community and Livelihood Development	Donation to Northern Provincial Council for construction of a children's park, renovation of playground and other proposed projects	Jaffna	
	Rehabilitation of the Fishery Harbour Road	Nanattan	
	Supply of electricity to low-income families	Naruvilikulam	
	Renovation of the Fishery Community Centre	Nanattan	
	Road rehabilitation project	Puttalam	
	Donation of a three-in-one computer accessory set including a printer, scanner, and photocopier to the Local Administration Unit	Tororo, Uganda	
	Donation to Divisional Secretariat Puttalam for Mullipuram Road Development	Mullipuram	
Drinking water project	Kodayana		



CSR Programme	Description of the CSR Activity	Location	Photo Gallery
"Harithahuruwa" Environmental Conservation	Distribution of a plant nursery	Tororo, Uganda	
	As per the requirement of the Pakistan Environment Protection Authority and under its CSR programme, almost 150 trees were planted during the operation phase	Gharo, Pakistan	
"Sipsathara" Education and Childhood Development	Donation of washing machines to the Ceylon German Technical Training School	Colombo	
	Donation to an inter-school sports meet	Haldumulla	
	Donation of sports equipment to Kalawana Gamini Central College	Kalawana	
	Student scholarship programme for low-income families	Nanattan	
	Donation of school supplies to students	Naruvilikulam	
	Providing grid connection to a government-aided primary school	Tororo, Uganda	
	Donation of school supplies	Tororo, Uganda	
	Donation of disposable sanitary pads to students	Tororo, Uganda	



CSR Programme	Description of the CSR Activity	Location	Photo Gallery
"Athahitha" Pure Hands for Emergency Relief	Distribution of dry rations to elderly mothers	Kalawana	 
	Installed a drinking water chiller plant for the community	Gharo, Pakistan	
	Distributed food/ration packets during Ramadan and other events	Gharo, Pakistan	
	Offered employment to 37 members of the local community	Harappa, Pakistan	
"Suvadiri" Health Care	Conducting a community health camp	Tororo, Uganda	 
	Sponsored the construction and annual operations of a medical clinic in the vicinity of the project area	Harappa, Pakistan	 



Outlook for FY 2024/25 and beyond

We aim to deepen our engagement with the local communities in the localities of our projects. This entails organising public forums, participating in community events, and establishing transparent channels of communication to address concerns and solicit feedback.

Building strong relationships with key stakeholders, including Government agencies, environmental organisations, and industry partners will continue to be prioritised. These collaborations would yield mutually beneficial outcomes, such as policy advocacy, access to resources, and the sharing of expertise. Moreover, we will cultivate enduring relationships by investing in sustained partnerships. These would enable to accrue greater Social and Relationship Capital over time, fostering mutual trust and collaboration.

In our commitment to transparency, we will continue to provide clear and comprehensive information about our operations, encompassing environmental impact assessments, project timelines, and community benefits. By demonstrating accountability, we aim to foster trust and credibility among our stakeholders.

Furthermore, through ongoing investments in educational initiatives, we will increase awareness of renewable energy and its numerous benefits. This includes a range of activities, from school-based programmes and workshops to comprehensive public awareness campaigns, all designed to foster understanding and acceptance of renewable energy technologies.

Moreover, beyond focusing on short-term transactions, our emphasis is on nurturing enduring relationships. Investing in sustained partnerships enables to accrue greater Social and Relationship Capital over time, fostering mutual trust and collaboration.

Additionally, we will prioritise listening to feedback from stakeholders and demonstrate our willingness to adapt our strategies accordingly. This responsiveness to the community reinforces our commitment to effective engagement and collaboration, fostering goodwill and strengthening relationships.





OUR EMPLOYEES ARE THE MOST VALUABLE ASSET OF OUR ORGANISATION. THEIR UNWAVERING COMMITMENT, KNOWLEDGE, AND EXPERTISE UNDERPIN OUR SUCCESS ACROSS EVERY FACET OF OUR OPERATIONS.

Highlights	Stakeholders	Material Topics	SDGs
190 Employees	 Employees	<ul style="list-style-type: none"> Motivation and team spirit Culture and work ethic 	 
6% Female employees		<ul style="list-style-type: none"> Knowledge enhancement 	 
3 Females in leadership positions	 Customers	<ul style="list-style-type: none"> Health & Safety 	
Rs. 6 Mn. invested in training and development	 Government & Regulators		
1,984 Hours of training	 Business partners		
Rs. 410 Mn. payment to employees as remuneration and benefits			
91% Retention rate	 Shareholders		

How Human Capital Impacts Other Capitals

Financial Capital	Strengthen the Company's ability to drive long-term sustained earnings
Social and Relationship Capital	To build trust and confidence among customers, business partners, and the broader community
Intellectual Capital	To augment our competitive advantage and enhance our brand position
Manufactured Capital	To ensure effective and efficient use of the Company assets
Intellectual Capital	Enhances our reputation and brand value

Management Approach GRI 3-3

Our approach to Human Capital development is rooted in our distinctive culture, which emphasises both work commitment and family. We foster collaboration, autonomy, and teamwork to fuel personal growth. By upholding these principles, we strive to nurture high employee engagement and motivation, contributing to the Company's success.

HR Governance

GRI 3-3 GRI 403-9 GRI 403-10 GRI 408-1 GRI 409-1

Our HR activities are managed centrally under the guidance of our Chief Executive Officer (CEO), who oversees the Company's Human Capital Management functions. The CEO ensures the execution of the Board-approved HR policy framework. Additionally, the Company's senior management participates in strategic HR processes, including cadre planning, onboarding, performance management, and employee relations.

Compliance

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

HR Policy Framework

Recruitment Protocol
On-boarding Protocol
Safety Policy
Conduct Policies
Employee Handbook



Best Practices

ISO 45000 Occupational Health and Safety Standard
Equal opportunity and nondiscriminatory employment
No child labour
No forced or compulsory labour

Our Track Record

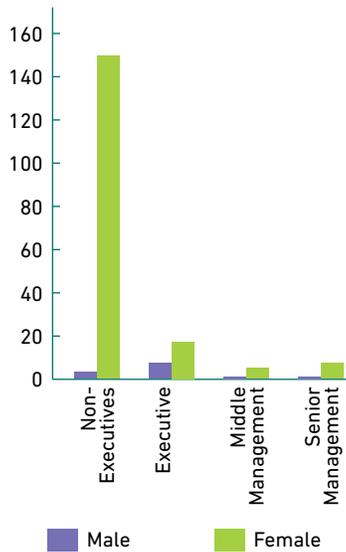
- 9% Attrition rate
- Zero incidents of discrimination
- Zero incidents of child labour
- Zero fatalities
- Zero incidents of forced or compulsory labour
- Zero major fatalities

Employee Profile

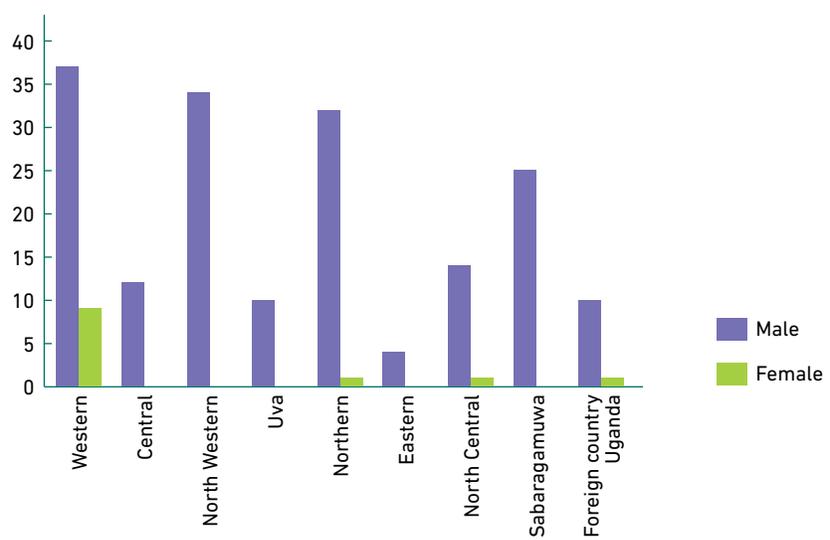
GRI 2-7, 2-8

Our organisation comprises 190 employees who drive our strategic goals and create value across our diverse sectors. We attract, nurture, and retain top talent within our Group, fostering equal opportunity. The profile of our team is presented below:

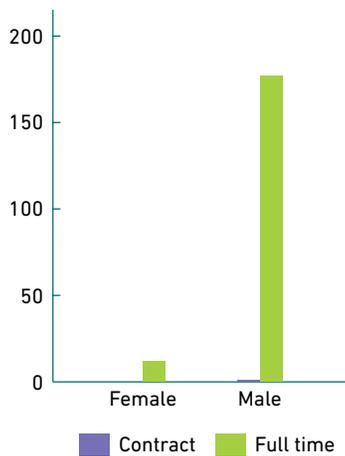
By Employment Category and Gender (Nos.)



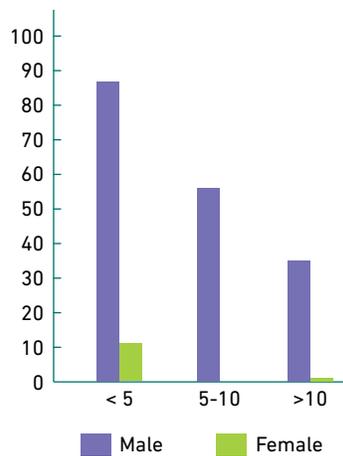
By Gender and Region (Nos.)



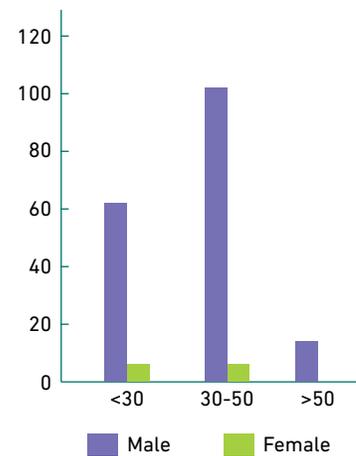
By Contract and Gender (Nos.)



By Years of Service (Nos.)



Age Analysis Based on Gender (Nos.)



Cadre Planning

The cadre planning exercise is conducted alongside the annual budgeting cycle, where heads of departments work closely with the CEO and the Managing Director to determine the cadre requirements for the forthcoming financial year, giving due consideration to the corporate strategy and business plan.

Movement in Our Human Resources

GRI 202-1, 401- 1

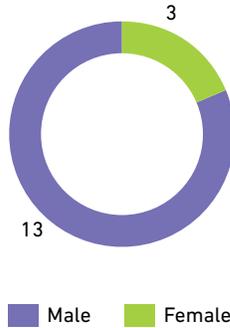
We give emphasis to internal promotions to fill available vacancies. If there are no suitable internal candidates, we proceed to advertise the vacancy externally to recruit new talent.

Moreover, we consider onboarding to be the first strategic lever in helping recruits absorb our unique culture and work ethics. Our approach to onboarding is employee-specific and is geared to empower each recruit through tailor-made training programmes/work assignments relating to their specific job role. Recruits for senior roles, including engineers and managerial positions are mentored by members of our Corporate Management as part of their onboarding process.

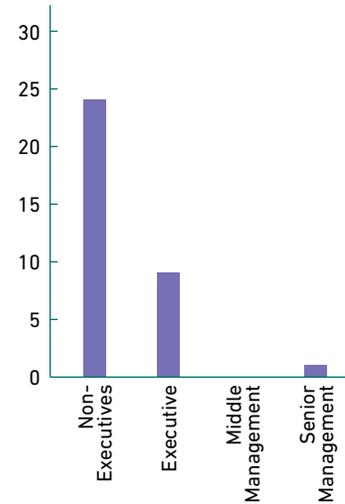
All recruitments for the Senior Management positions are recruited from Sri Lanka. The lead engineer is dispatched from Sri Lanka to oversee operations at our international plants.

During the year under review 16 employees left the Company.

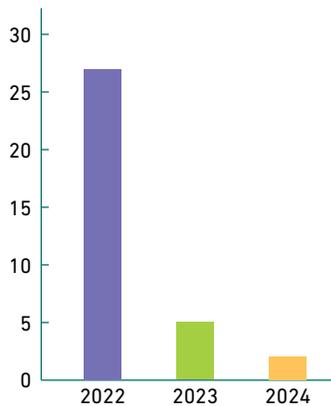
Turnover by Gender (Nos.)



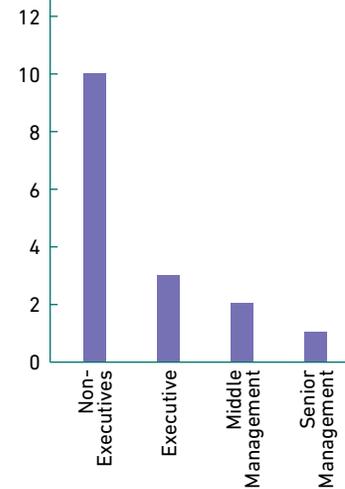
Recruitment by Employment Category



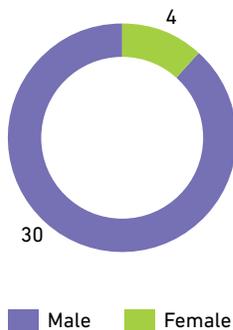
Recruitment by Age Category (Nos.)



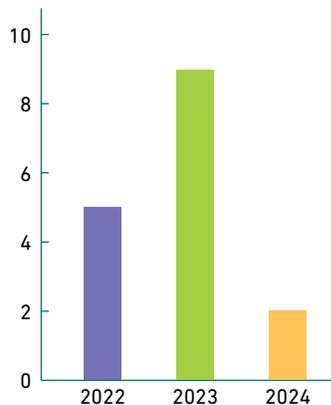
Turnover by Employment Category (Nos.)



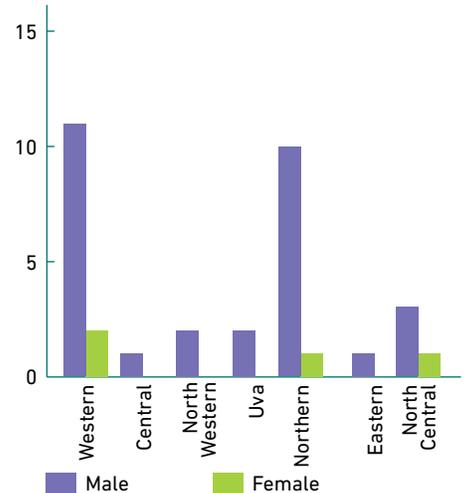
Recruitments by Gender



Turnover by Age (Nos.)



Recruitment by Province (Nos.)



Our Employee Value Proposition



requirements. Additionally, we enforce a policy requiring all our employees to utilise a minimum of 70% of their annual leave throughout the year. Furthermore, to strengthen employee engagement we organise an annual staff trip, Sinhala Tamil new year celebrations and Christmas events. Additionally, we provide an in-house gymnasium with professional trainers and facilities for various sports including swimming, basketball, and yoga.



Fully equipped gym for our employees

Work-Life Balance

Our work-life balance initiatives give due consideration to employees' family commitments. Administrative employees enjoy a standard 40-hour workweek with weekends off, and top management refrains from contacting them after 5 pm unless urgent. Plant teams operate on a roster-based system, ensuring a healthy work-life balance with 12-hour shifts. While administrative staff benefit from flexible working hours, this option is not extended to project and plant teams due to operational



WindForce Annual Trip - 2024



'Bakmaha Ulela' - 2023



International Women's Day - 2024

Performance Management

GRI 404-3

To maintain our competitiveness in the dynamic renewable energy sector, our employees must stay performance driven. To achieve this, we have instituted a two-pronged performance management system. This enables all permanent employees to undergo performance assessments at least once annually.

The performance of plant employees is continuously monitored by their respective plant managers to assess how they operate individually and as part of the team. The plant managers are tasked with engaging in ongoing discussions with employees to address performance gaps and pinpoint training requirements. The findings are formally reviewed by the cluster General Manager jointly with the Plant Manager bi-annually in the presence of the employee and at the end of the financial year.

The performance of administrative and managerial-level employees is evaluated through direct one-on-one discussions with the MD/CEO. Additionally, the Management team, including the CEO, COO, CFO, and CDO, monitors the performance of managerial-level staff throughout the year, ensuring alignment with assigned tasks. Furthermore, all our employees are encouraged to schedule meetings with the MD and CEO at their convenience to address any concerns they may have. All permanent employees underwent appraisal this year, and performance-

related bonuses are determined based on these evaluations. Moving forward, we will introduce a structured appraisal form to streamline and improve our evaluation processes.

Training and Development

GRI 3-3 GRI 404-1 GRI 404-2

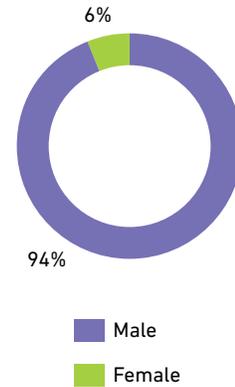
We strive to provide our employees with high-quality learning opportunities to enhance their skills, align with company objectives, and foster career advancement. The training needs of each employee is identified either during the performance review process or through recommendations from plant managers and department heads.

Moreover, our TPM challenge creates a platform creates a platform for continuous learning among our plant teams, propelling them to innovate and explore new techniques to drive overall plant efficiency.

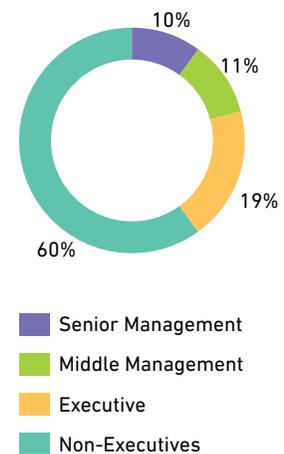
During the year Rs. 4.1 Mn. was invested in training and development with an average of 10.1 training hours per employee.



Avg. Training Hours by Gender



Avg. Training Hours by Employment Category



Diversity and Inclusion, and Equal Opportunity

GRI 3-3 GRI 405-1 GRI 406-1

As an equal opportunity employer, we uphold equity and reject discrimination based on gender, race, religion, or ethnicity. Our commitment is to cultivate a diverse and inclusive workforce that embraces and celebrates all forms of diversity. We maintain a zero-tolerance policy against any discrimination. There were no reported incidents of discrimination during the year.

Gender Parity Indicators	2023/24 (%)	2022/23 (%)
Female representation at Board level	9%	10%
Female representation at Senior Management level	12.5%	12.5%
Female representation at Middle Management	17%	22%
Female representation at Executive level	29%	29%
Female representation at Non-Executive level	2%	0%
Female recruits	12%	22%

Remuneration and Benefits

GRI 3-3 **GRI 201-3** **GRI 202-1** **GRI 401-2** **GRI 405-2**

We offer competitive remuneration and benefits that align with industry standards. Our merit-based approach ensures employees receive appropriate compensation commensurate with their capabilities for their respective roles. As an equal opportunity employer, we provide both men and women in similar positions identical remuneration and benefits across all employee categories, spanning from entry-level positions to top management. This commitment is underscored by our adherence to a 1:1 salary ratio between genders. The CEO is entrusted with the responsibility of reviewing our company's remuneration and benefits structure periodically to ensure its competitiveness in the market. Any recommendations arising from these reviews are subject to approval by the Remuneration Committee ensuring that our employees continue to receive fair and equitable compensation.

The following benefits are given to all permanent employees:

Life and Surgical Insurance cover	Annual bonus linked to Company profitability
Medical insurance covering OPD expenses	Compulsory annual/blocked leave
Death donation plans	Education assistance

Benefits Paid to Employees

(Rs. Mn.)	2023/24	2022/23	2021/22
Remuneration	349	237	213
Contribution to EPF & ETF	42	31	28
Contribution to the Gratuity Fund	19	-3	13
Total	410	265	254

Maternity Leave

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

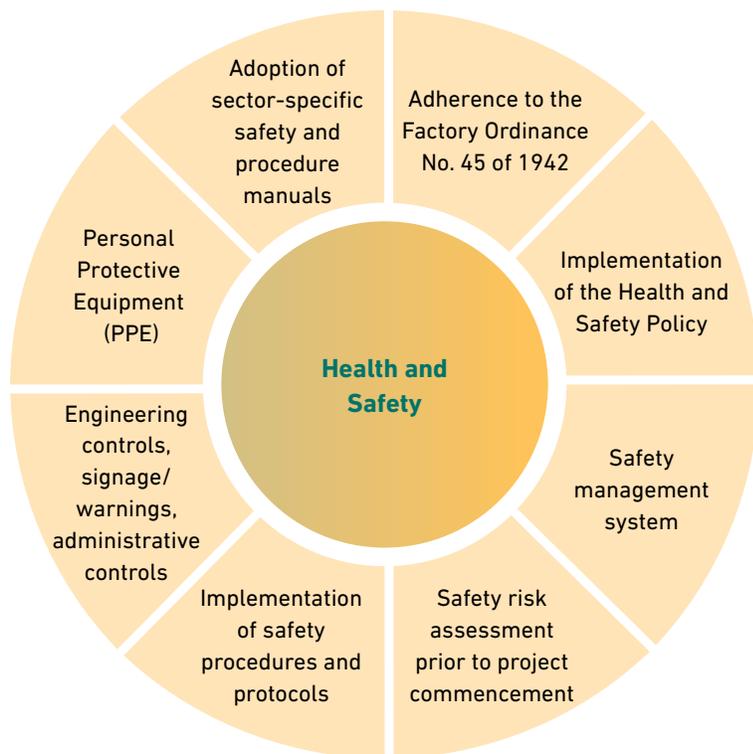
Grievance Handling **GRI 2-26**

We maintain an open-door policy where anyone can approach the CEO at any time. Any grievances are initially addressed with the immediate supervisor. If not resolved satisfactorily, the matter is escalated to the Management and ultimately to the CEO.

Health and Safety

GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8

SASB IF-EU 320a.1



Employee health and safety are paramount concerns for us, and we maintain strong commitment to compliance with all relevant safety regulations. In Sri Lanka, our operations adhere to the Factory Ordinance No. 45 of 1942, the primary legislative framework governing Occupational Health and Safety. Similarly, across our global operations, we adhere to the applicable safety regulations in each respective jurisdiction.

Our safety commitment extends beyond compliance. Our Board-approved Health and Safety Policy has established core safety principles and articulates the Company’s safety

goals. These are put into practice through our organisation’s safety management system, aligned with the latest version of the ISO 45001 Occupational Health and Safety Standard. This system addresses safety aspects inherent in the construction, operation, and maintenance of wind, solar, and hydropower plants. All our employees are mandated to abide by the stipulates safety protocols.

Prior to commencing any new project, we conduct a thorough safety risk assessment during the planning stage to identify potential risks inherent to the project’s nature and complexity. Following this, we establish appropriate procedures and protocols, with a focus on eliminating or substituting high-risk activities. Additionally, we emphasise engineering controls, signage/warnings, administrative controls, and the use of personal protective equipment to mitigate risks effectively.

Moreover, under the guidance of the Plant Manager, we have developed and implemented sector-specific safety and procedure manuals to address safety concerns inherent in day-to-day plant operations. These manuals encompass all potential safety risks to employees. Furthermore, subcontractors, visitors, and any other parties present at our project sites or power plants also adhere to these safety protocols and standards.

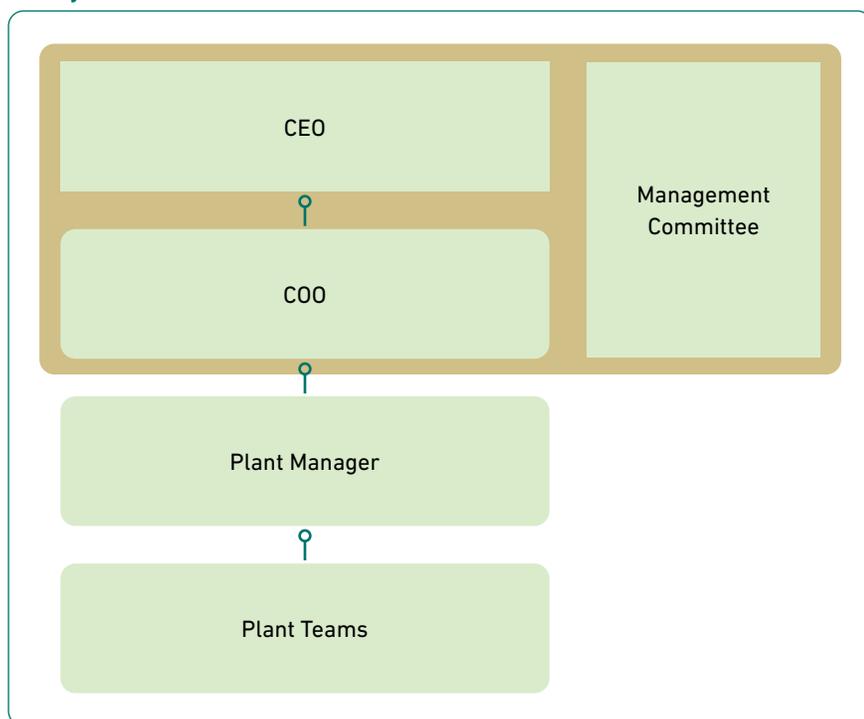
Potential Safety Risks and Mitigating Measures

New Project Construction		Operational Plants	
Identified Safety Risk	Mitigating Action	Identified Safety Risk	Mitigating Action
Burn risk due to high voltage hazard	Isolation procedures lockout and tag-out procedures	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	Injuries caused due to Uncalibrated or defective lifting tools/ equipment	Load testing of lifting equipment and constant inspection of all tools/ equipment

Common Safety Risks (New Project Construction + Operational Plants)

Identified Safety Risk	Mitigating Action
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 on all H&S procedures and equipment.
Injuries caused by falling objects	Wearing safety helmets and hard boots are mandatory
Entrapment and ergonomic failure hazards	Proper training to relevant employees on safe work practices and rescue operations Safety signs and adequate safety systems in place

Safety Governance Structure



We place high value on the input of our employees in enhancing our safety aspects. Therefore, we hold daily 'Toolbox' meetings at all operational plants to discuss and pinpoint potential hazards and risks associated with ongoing work. Accident reports and statistics are documented and presented by respective plant managers at monthly Management meetings with the Management Committee. During these meetings, necessary improvements and corrective actions are determined. Additionally, the Management Committee conducts bi-annual safety audits at operational plants and conducts random spot checks at construction sites to identify hazards. Furthermore, the COO conducts formal annual safety audits for all sites.

Moreover, safety training is a significant aspect of our safety management programme. A total of 448 hours of training was allocated for safety training. Moreover, we conduct special training sessions covering various safety-related topics as needed.

Strengthening Employee Relations

GRI 3-3 **GRI 402-1**

We foster a sense of belonging among our employees, emphasising the significance of each individual's contribution to the overall success of the Company. From the outset of their journey with us, we aim to earn the trust and respect of our employees. Our tailored onboarding initiatives aim to cultivate a culture of transparency and continuous communication between employees and the leadership.

Upholding an open-door policy enables our employees to reach out to any member of the top Management. All employees including plant teams, have the opportunity for one-on-one meetings with the MD and CEO to discuss performance and address grievances, bi-annually.

Through the weekly stand-up meetings, we facilitate direct communication between heads of departments/clusters and the Management Committee. Additionally, at the plant level, plant managers engage with their teams through daily toolbox meetings. The channels such as toolbox and stand-up meetings, enable to inform plant teams and administrative employees about operational changes, ensuring a minimum of two weeks' notice prior to implementation. By emphasising upfront and frequent communication with our employees, we have successfully maintained a harmonious relationship.



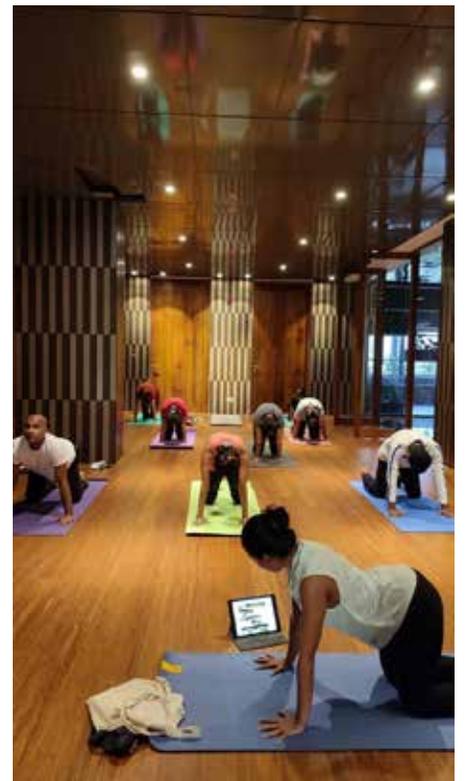
Safety Harness for Fall Protection

Outlook for FY 2024/25 and Beyond

We aim to enhance employee welfare by expanding the range of non-financial benefits. We also focus on streamlining our performance appraisal procedures. Furthermore, we will implement structured training programmes to further strengthen and equip our human resources with the required skills and foster an ESG-focused mindset.



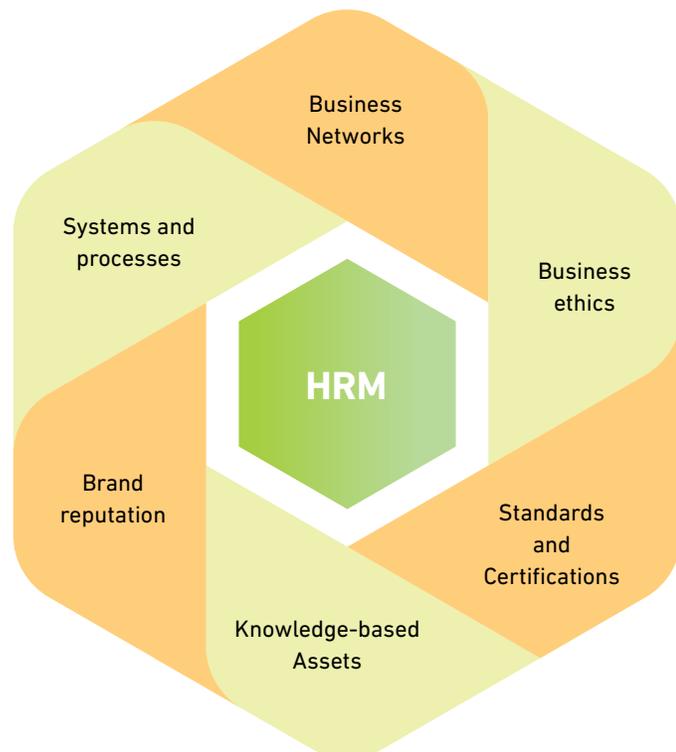
Fire Training at Hydro Plant



Corporate Yoga Sessions for Employees



OUR INTELLECTUAL CAPITAL ENCOMPASSES INTANGIBLE ASSETS THAT DEFINE OUR UNIQUE IDENTITY AND DIFFERENTIATE US FROM OUR PEERS. THESE ASSETS ARE PIVOTAL DRIVERS OF OUR FINANCIAL PERFORMANCE AND OVERALL VALUE CREATION. IN TODAY'S CORPORATE LANDSCAPE, INTELLECTUAL CAPITAL STANDS AS A CRUCIAL COMPONENT, FOSTERING ORGANISATIONAL GROWTH AND PROVIDING A COMPETITIVE EDGE.



Highlights	Stakeholders	Material Topics	SDGs
<p>Largest independent renewable energy power producer in Sri Lanka</p> <p>Pioneer in wind energy generation</p>	<p> Employees</p> <p> Customers</p> <p> Government & Regulators</p> <p> Business partners</p>	<ul style="list-style-type: none"> Technology Ethical business conduct Excellence in quality Strategic partnerships Culture and work ethics Knowledge enhancement Infrastructure integration and related regulations 	  

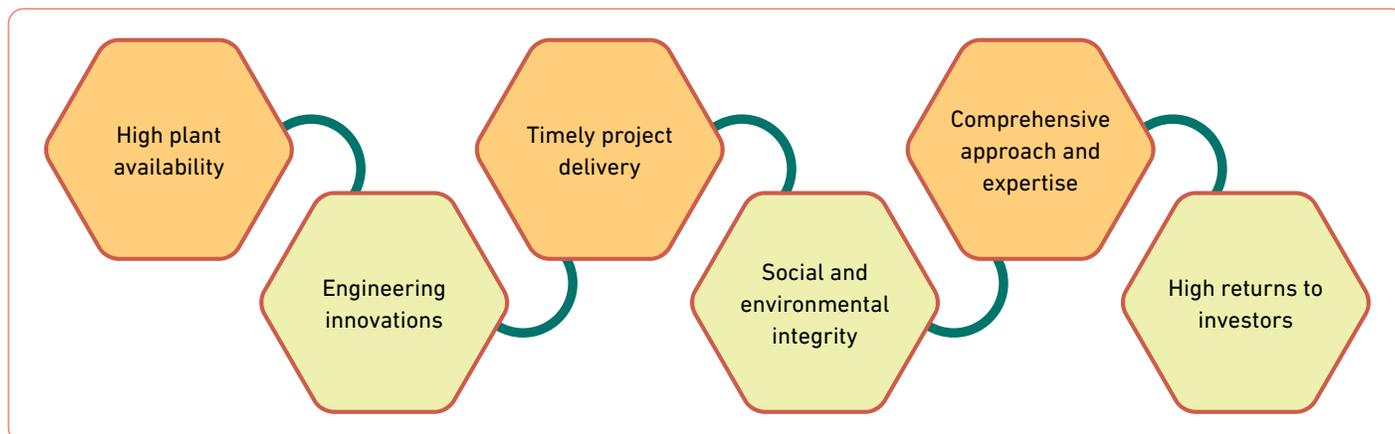
How Intellectual Capital Impacts Other Capitals

Financial Capital	Strong brand credentials facilitate new strategic partnerships that enable us to secure revenue and market share. It also helps in business expansion and entry into new overseas markets
Social and Relationship Capital	Commitment to quality, excellence and ethics delivers exceptional customer value and cultivates strong relationships with our business partners and communities
Human Capital	Develop and enhance employees' knowledge and expertise to deliver an exceptional service
Manufactured Capital	Innovation improves the efficiency of our Manufactured Capital

Management Approach

We strive to enhance the Intellectual Capital base by strengthening our brand reputation, enhancing the knowledge and competencies of our team, and investing in cutting-edge technology and systems to improve plant efficiency. In particular, we have directed our staff to obtain the PMI certificate, the initial certification to become a Chartered Project Management Professional.

Brand Reputation

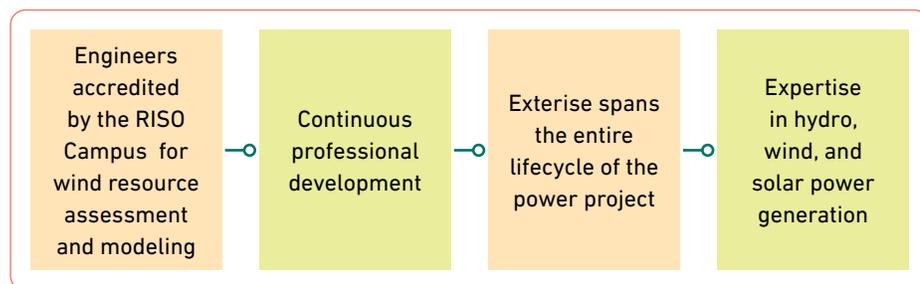


We are the largest independent renewable energy power producer in the renewable energy generation sector in Sri Lanka. Our journey commenced in 2010 with investments in two 10 MW wind power plants in Puttalam. These initial investments played a crucial role in accelerating Sri Lanka's progress towards decarbonisation. Since then, we have maintained a 100% clean energy portfolio, setting the standard for sustainability. Expanding across wind, solar, and hydropower, we continue to lead the local renewable energy sector.

From the outset, our approach has been marked by responsibility, covering financing, design, construction, commissioning, and maintenance of all our energy plants. This comprehensive approach has earned us recognition as the most preferred renewable energy developer in Sri Lanka. This is attributed to our track record of timely project delivery and consistent performance.

Our efforts have earned us numerous awards across various domains, including industry excellence, management systems, engineering prowess, quality standards, and financial performance.

Knowledge-Based Assets



We rely heavily on our knowledge-based assets for daily operations, combining special competencies obtained through licenses and accreditations with the practical expertise gained by our teams through hands-on experience.

Our professional, experienced, and versatile engineering team is one of the core strengths of our Company. Our entrepreneurial and unique management culture that promotes innovation, agility, and technical competence has enabled our engineering team to stand out as an all-rounder in the industry. Having expertise and experience in conducting Feasibility Studies, Design and Engineering Management, Procurement, Commissioning, Construction, Erection, Operation and Maintenance of power plants has enabled us to be present in the entire life cycle of a power project.

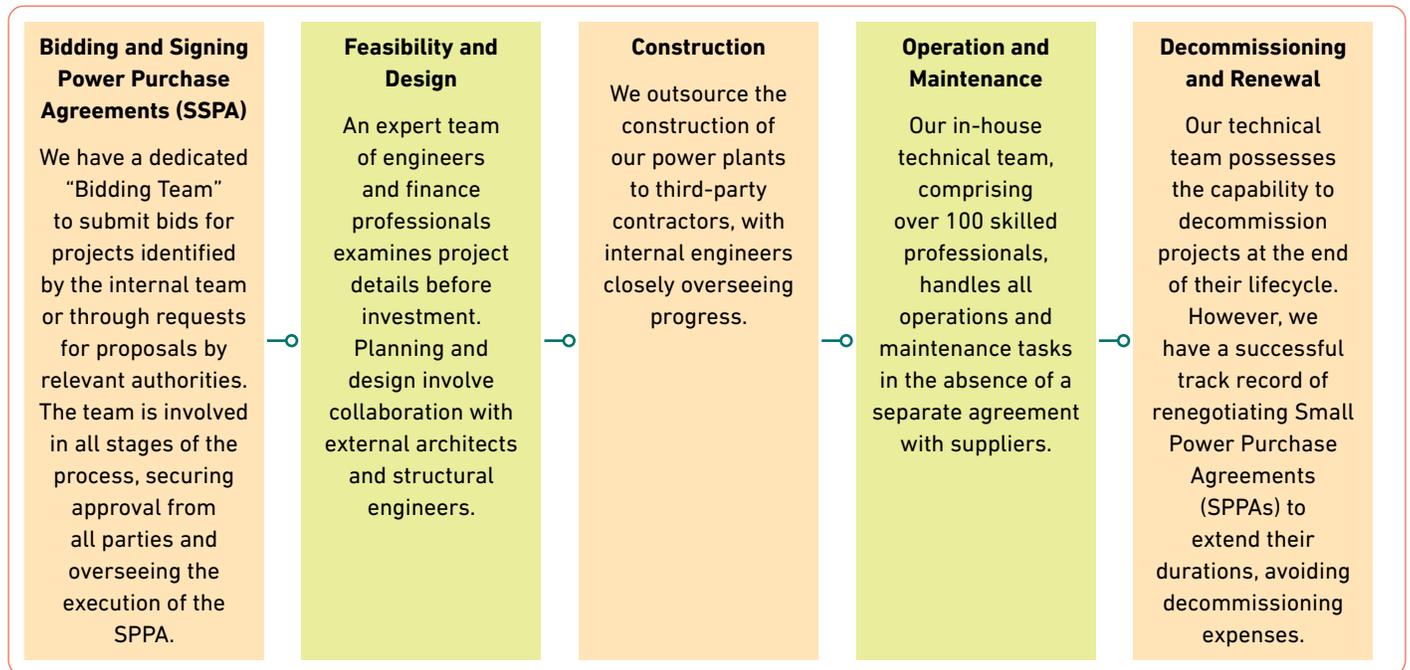
Our engineers are accredited by the RISO Campus of the Technical University of Denmark (DTU) for Wind Resource Assessment and Modelling, reflecting our commitment to continuous improvement. Notably, we are the sole certified user of the Wind Resource Assessment system in Sri Lanka. We invest in enhancing our internal capabilities and recruiting qualified engineers from leading institutions with proven track records in renewable energy projects. Continuous professional development is encouraged to ensure our engineers remain abreast of the latest advancements in global renewable energy. Additionally, our technical officers are equipped with the necessary skills to complement our business operations. With years of experience and adeptness with

advanced technologies, our team excels in diverse geographical conditions. Their expertise spans feasibility studies, engineering management, procurement, construction, and maintenance of power plants, consistently delivering sustainable and eco-friendly solutions on par with international standards.

Our IT systems form a robust ecosystem crucial for uninterrupted operations. We only source licensed software from reputable global vendors to meet our business needs. Microsoft's Dynamics NAV and Oracle's FCCS, both cloud-based, manage our financial system, while MiHCM HR software handles human resource management. Our information security is ensured by state-of-the-art firewalls and multiple layers of network protection. Our engineers have developed Supervisory Control and Data Acquisition (SCADA) systems for most of our solar power plants, tailored to local climatic conditions. This approach not only results in significant internal cost savings but also prevents foreign currency outflow from the country. Moreover, we are the only company in Sri Lanka to forecast solar irradiance levels using the predictive irradiance model – by the University of Moratuwa. Powered by AI technology, these predictions enable to optimise energy generation and seamlessly activate alternative energy sources as needed.

Moreover, we are developing IT systems and integrating AI technology into the renewable energy sector in Sri Lanka. To address the inherent cybersecurity risks we employ a multifaceted approach, incorporating firewalls and conducting user training to mitigate potential threats. We have also introduced robust measures such as FortiGate and backup systems to counter possible ransomware and other emerging threats.

Our Involvement in a Power Project Lifecycle



Research and Innovation

Each year, we provide specialised training to 30 engineers and engineering executives within our plants, nurturing a skilled workforce capable of meeting industry demands. Additionally, we engage in collaborative research and development initiatives with local universities, fostering innovation and advancing sustainable practices within our community.

In addition, every year we consult the R&D department to identify areas of development. Our staff members propose areas for development based on alignment with our corporate objectives. The top five projects are selected based on an internal ranking system and developed. Moreover, our R&D efforts extend to adapting imported equipment to local conditions. We also research cloud detection and energy prediction to support the national grid.

Business Networks

GRI 2-28

Being a renewable energy producer, our business networks play a vital role in supporting our operations. Strategic partnerships offer opportunities for knowledge enrichment and facilitate business growth and diversification. We have established long-term collaborations with Norsk Solar, a leading global provider of integrated renewable energy solutions, and Frontier Energy, a significant investor in African renewable energy projects. This year we partnered with Blue Circle Pte Ltd., a distinguished renewable energy company based in Singapore and Lakdhanavi Ltd., a leading independent power producer in Sri Lanka to undertake Sri Lanka’s largest private sector renewable energy project.

Sri Lanka is aggressively pursuing to achieve renewable energy goals and the government is promoting large-scale projects. Identifying this as an opportunity, the Management is partnering with prominent global renewable energy

developers to participate in tendering for these projects.

Furthermore, as an approved training partner for the Institute of Engineers - Sri Lanka (IESL), we gain access to top engineering talent and provide career development for engineers to fulfil their requirement of becoming a Chartered engineer. Moreover, we are a registered training partner for the Chartered Institute of Management Accountants (CIMA) as well. In addition, we have partnered with all universities and engineering institutions in Sri Lanka to provide training to their undergraduates.

We have entered into a carbon credit programme with the United Nations Framework Convention on Climate Change (UNFCCC). Currently, we have registered four projects on the normal trading platform and two projects under the UNFCC Gold standard. Moreover, we are a participant recognised in the Joint Crediting Mechanism (JCM) between the Governments of Sri Lanka and Japan.

Business Ethics

GRI 2-27, 205-1, 205-2, 205-3

Responsible business ethics are at the core of our commitment to delivering integrated renewable energy solutions. Ensuring regulatory compliance forms the foundation of our ethical framework. We strictly enforce a zero-tolerance policy against any violations of regulatory requirements, including those on socio-economic and environmental aspects relevant to our business operations.

Our commitment to ethical conduct is evident in our Conduct Policies, which detail the expected behaviours of our employees, and our Disciplinary and Termination Policy, which addresses allegations of bribery, corruption, and other ethics violations. These policies are communicated to all directors, employees, and internal security teams. Employees are enabled to seek guidance on ethical issues from the Managing Director or the Chief Executive Officer (CEO) and discuss any concerns or grievances. To reinforce our dedication to ethics, we have established core values including Dedication, Team Spirit, Mutual Respect, Achievement, Dynamism, Integrity, Responsibility, and Innovation. During the year under review, two policies covering anti-bribery and corruption and whistleblowing were formulated to strengthen our governance aspects further. Our operations are resilient against corruption, with no reported instances in the current financial year.

Moreover, there were no incidents of non-compliance with socioeconomic or environmental regulations reported in the current financial year.

Standards and Certifications

Adhering to standards and obtaining certifications enriches our knowledge base and enhances the credibility of our operations. We select standards and

certifications that bring value to our business, and we adopt 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

Awards and Recognition

We have garnered the following awards during the year.



The Bronze Trophy of Commendation for Vydexa Solar Power Project at the Presidential Environment Awards



Joint Bronze Award at SAFA Best Presented Annual Report Awards, Integrated Reporting Awards under the Power and Energy Sector



The Bronze Award in the Emerging Listed Companies Sector at the TAGS Awards 2023



Certificate of Compliance under the Power and Energy Sector

Outlook for FY 2024/25 and Beyond

Moving forward, we aim to obtain the relevant ISO standard certification for our plants to augment our quality standards. We will invest in enhancing the knowledge and expertise of our staff and nurture a culture of innovation by encouraging idea generation focused on improving processes and systems. Moreover, we will invest in research and development to be the benchmark renewable energy developer in Sri Lanka. We are working on introducing floating solar technology to Sri Lanka. As part of this initiative, we are in the process of conducting comprehensive assessments.



MANUFACTURED CAPITAL COMPRISING OUR CUTTING-EDGED POWER PLANTS, MACHINERY, AND EQUIPMENT PROVIDES US WITH A COMPETITIVE EDGE, FACILITATING REVENUE GENERATION, AND VALUE CREATION.

Highlights	Stakeholders	Material Topics	SDGs
97% Capacity utilisation	 Employees	<ul style="list-style-type: none"> Capacity installed 	 
USD 300,000 savings through in-house maintenance	 Customers	<ul style="list-style-type: none"> Infrastructure integration and related regulations 	
Rs. 38 Bn. Assets	 Government & Regulators		
Rs. 11.8 Bn. Fixed assets additions	 Business partners		

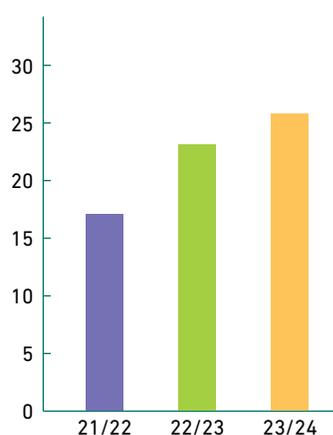
How Manufactured Capital Impacts Other Capitals

Financial Capital	Strengthens the Company's Financial Capital through income generation, thereby enhancing long-term sustainability
Social and Relationship Capital	Ensures eco-friendly, reliable, and uninterrupted electricity generation for customers
Human Capital	Creates opportunities for employee learning and development and enhances their experience
Natural Capital	Contributes to environmentally friendly energy generation
Intellectual Capital	Enhances our reputation and brand value

Management Approach

We strengthen our manufactured capital base by developing advanced facilities and conducting the required upgrades and maintenance according to a planned schedule, strengthening the in-house operations and maintenance capabilities, adopting the latest technology, and ensuring compliance with globally recognised standards and certifications to maintain the quality and efficiency of our facilities. Furthermore, we invest in research and innovation to ensure our facilities operate efficiently and are cutting-edge. Moreover, our manufactured assets enhance the environmental sustainability of our operations.

Cost of the Assets (Rs. Mn)



Plant Infrastructure

As the largest renewable energy developer in Sri Lanka with a global presence, our portfolio comprises eight wind power plants, twelve solar power plants, and ten hydropower plants in Sri Lanka and overseas.

	No. of power plants		
	Wind	Solar	Hydro
Sri Lanka	8	8	8
Ukraine	-	1	-
Pakistan	-	2	-
Uganda	-	1	2

Rs. Mn.

	2023/24	2022/23	2021/22
Cost of the Assets	34.19	30.67	22.66
Additions	11.81	6.59	0.48
Value of Asset Base as at the End of the Year	23.02	21.49	14.63

Location Strategy

The effectiveness of our plants throughout their lifespan is significantly influenced by their strategic location selection. We meticulously analyse weather data alongside geographical and topographical profiles to pinpoint optimal plant locations. This approach ensures that our plants are positioned to maximise their efficiency and performance over time.

Our in-house team conducts resource assessments across all three categories: wind, solar, and hydro. For wind projects, we measure wind data and install wind masts to gather at least one year’s data. In the case of solar projects, we utilise satellite data to assess irradiation levels and estimate annual power generation potential.

Hydro projects undergo comprehensive hydrology studies, examining factors such as rainfall patterns, catchment area, and annual water volume. We collaborate closely with the Irrigation and Meteorology Departments to gather relevant data.

Based on these assessments, our team designs the power plant over a period of 2-3 months. This process involves determining the appropriate capacity, technology, land utilisation, and acreage requirements. We also ensure proper spacing for wind turbines and assess accessibility to the transmission grid to facilitate efficient power distribution.

The required land for our projects is primarily obtained through a long-term lease from the Government or private parties on freehold or leasehold basis.

Operations and Maintenance (O&M)

We offer a comprehensive suite of services beyond plant construction, including equipment handling, project commissioning, and subcontracted plant construction supervision.

We implement a comprehensive maintenance strategy encompassing scheduled, preventive, and predictive maintenance protocols to ensure optimal performance of our assets. In addition to manufacturer guidelines, three general managers, each overseeing a specific sector and possessing extensive senior engineering expertise, are supervised by the Chief Operating Officer (COO).

Our O&M programme is a cohesive framework encompassing business, management, budgeting, and maintenance procedures, seamlessly integrated to ensure the efficient functioning of our Company. It encompasses routine business operations essential for smooth functioning facilitating the timely completion of all employee tasks. Our dedicated technical team comprises over five senior engineers who are highly experienced with over 25 years of experience. They lead the operation and maintenance (O&M) activities, adhering to Total Productive Maintenance (TPM) principles to achieve a consistent 97% plant availability.

We also prioritise investing in cutting-edge technology from reputable global suppliers to enhance operational efficiency and ensure alignment with the latest industry standards.

During the year under review, we achieved a substantial annual saving of USD 300,000 per 10 MW capacity through our in-house maintenance operations.

Technology and Innovation

Embracing cutting-edge technology is pivotal to enhancing operational efficiency and mitigating risks associated with human error. It also drives the sustainability of our plant operations. We invest in state-of-the-art technology, procuring systems from reputable global suppliers renowned for their track record and long-term service support. This commitment ensures that our plant infrastructure remains at the forefront of technological advancements, aligning with global standards.

High-tech Equipment Installed in Our Facilities

Wind power plants	Solar power plants	Hydropower plants
<ul style="list-style-type: none"> ⦿ Type AE59 wind turbine generators ⦿ Vensys 82 wind energy converters ⦿ Goldwind GW 121 wind turbines 	<ul style="list-style-type: none"> ⦿ Bifacial solar modules with string inverter technology ⦿ Single-axis tracking system ⦿ Agrivoltaic technology – installed in our latest ground solar project in Vavunathivu, making this Sri Lanka’s inaugural implementation of this innovative approach ⦿ N-TYPE solar modules at the Kebetigollewa plant ⦿ Inverters from Huawei, the world’s leading string inverter manufacturer 	<ul style="list-style-type: none"> ⦿ Equipment sourced from world-renowned European specialists such as Global Hydro GmbH, Repros, GmbH, and Kolektor Turbointitut d.o.o

Engineering-Procurement-Construction Process (EPC)

We provide end-to-end services covering every phase from concept to completion, ensuring the seamless execution of projects. Our team of engineers collaborates with finance professionals to define project specifications. Then, in partnership with external architects and structural engineers, we engage in meticulous planning, design, and construction.

The Engineering, Procurement, and Construction (EPC) process is critical in upholding the quality and long-term sustainability of our infrastructure. Accordingly, we manage the entire EPC process internally, leveraging our industry-leading team of experts. They oversee all facets, including design, technology planning, risk management, quality assurance, and occupational health and safety (OHS) planning. Moreover, our experts handle budgeting, procurement planning, and implementation.

Project management is entrusted to engineers specialising in various fields such as wind, solar, and hydro. While civil construction work is outsourced, it is strictly supervised by appointed project managers. These managers benefit from internal support services including finance, logistics, and design & engineering.

Our Chief Development Officer (CDO) ensures stringent governance and oversight across all EPC activities. Each project manager reports directly to the CDO throughout the project lifecycle, ensuring adherence to the highest standards of execution and delivery.



Engineering

Our engineering capabilities are fully internalised, covering everything from resource assessment to power plant design.



Procurement

We rigorously vet suppliers, prioritising those with strong references, test reports, and adherence to industry standards like International Electrotechnical Commission and local grid codes. We also emphasise factors such as spare parts availability, long-term sustainability, and comprehensive warranties, ensuring only top-tier suppliers are selected through our meticulous evaluation process.



Construction

Our skilled supervision and engineering teams manage the construction process. While we primarily employ in-house staff for operations and maintenance, the construction activities are outsourced ensuring they adhere to the highest standards of quality and safety.

Insurance Coverage

All assets of our Company are adequately covered by insurance against natural disasters and potential risks. In FY 2023/24, our insurance premiums amounted to Rs. 75.9 Mn.

Outlook for FY 2024/25 and Beyond

We are currently engaged in two extension projects aimed at enhancing the efficiency and resilience of our power plants. Through ongoing research and development initiatives, we are committed to continuously improving the operation of our plants. This relentless focus on innovation ensures that our facilities operate at optimal efficiency and enhances the resilience of the power plants.



AS AN ENVIRONMENTALLY CONSCIOUS ORGANISATION, WE ARE COMMITTED TO GENERATING CLEAN ENERGY AND MINIMISING OUR USE OF NATURAL RESOURCES THROUGH EFFICIENCY IMPROVEMENT AND ADOPTION OF MODERN TECHNOLOGY.

Highlights	Stakeholders	Material Topics	SDGs
Zero emissions from core business	 Employees	<ul style="list-style-type: none"> Environmental impacts 	 
142,539 units of carbon credits to be sold	 Customers	<ul style="list-style-type: none"> Energy 	 
Water treatment and reusing process	 Government & Regulators	<ul style="list-style-type: none"> Supplier social and environmental assessment 	 
Setup Sri Lanka's first Agrovoltaic Project	 Business partners		 

Benefits to Other Capital

Financial Capital	Investment in sustainable energy and other initiatives require a significant outlay of financial resources but would generate cost savings in the long term and access to sustainable finance opportunities
Social and Relationship Capital	Climate action promotes community well-being, improves brand reputation and strengthens stakeholder relationships
Intellectual Capital	Research and development and expertise in renewable energy generation help to promote clean energy in Sri Lanka and globally
Human Capital	Creates employment opportunities and improved work environments
Manufactured Capital	Investment in energy-efficient plants and technology builds Manufactured Capital

Management Approach

Our management approach prioritises environmental protection and the creation of value for natural resources. Our power plants require a large extent of land and we are mindful in minimising any adverse impact on the environment by adopting robust environmental management processes. Accordingly, we aim to make a positive contribution towards managing the impacts of climate change over time and achieve sustained net positive contributions. Our environmental focus areas include Land, Energy, Water, Climate Action, Waste, and Biodiversity, and we adhere to global best practices. Our measures are designed to protect natural resources, align with ESG (Environmental, Social, and Governance) frameworks, and positively contribute to the environment. By focusing on long-term sustainability and governance, we demonstrate our commitment to environmental stewardship and responsible business practices.

Risks and Opportunities due to Climate Change

GRI 201-2

SASB IF-EU-140a.3

SASB IF-EU-110a.2

	Risks	Opportunities	Mitigating measures
Wind Power	Natural disasters that occur due to climate change e.g.: lightning storms, floods, and hurricanes may affect our installations if the threshold levels exceed the design parameters.	<p>Sri Lanka's geographical location and climate are conducive to renewable energy, such as solar, wind, and hydro. These natural resources provide a strong foundation for the renewable energy industry.</p> <p>Growing demand for low-carbon energy</p> <p>Deployment of new technology</p>	<p>We apply the precautionary principle to ensure all our assets are covered by insurance against natural disasters and all foreseeable eventualities while our operations are covered under business interruption risk to safeguard our financial position against such events.</p> <p>As a renewable energy producer, we have the opportunity to contribute to reversing the impacts of climate change. By generating renewable energy to replace energy generated through non-renewable fossil fuels, we are effectively supporting the reduction of global Greenhouse Gas (GHG) emissions which are the main contributory factor to climate change.</p>

	Risks	Opportunities	Mitigating measures
Solar Power	<p>Irradiance variation stemming from unpredictable weather patterns typically being a tropical country surrounded by sea.</p> <p>Excessive rainfall poses challenges to the grid and transmission network, hindering the transmission of solar energy produced.</p> <p>Earth faults, caused by electricity leakage due to rain, further exacerbate these issues.</p> <p>Excessive heat negatively impacts solar power generation due to the nature of the electronics</p> <p>Natural disasters that occur due to climate change may affect our installations if the threshold levels exceed the design parameters.</p>		As opposed to the extensive air and water pollutants emitted by coal and natural gas plants, our renewable energy operating plants emit no GHG to the environment and as such do not have a detrimental impact on the surrounding environment or to community life.
Hydro Energy	<p>Our hydro plants shut down to align with the period of reduced rainfall. Sri Lanka's rainfall patterns change approximately every five years, with the alarming decline in forest cover from 72% to 29% over the last three decades, indicating rampant deforestation.</p> <p>Rainwater retention in Sri Lanka's main catchment areas has decreased significantly as a result of accelerated deforestation in recent years. This has adversely impacted harnessing the maximum power of the hydropower plants.</p>		
Other	Changes in demand patterns and in public policies to reduce emissions and impact on corporate reputation		

Environmental Compliance

As a renewable energy producer, our operations are subject to specific environmental regulations. These regulations encompass the National Environmental Act No. 47 of 1980 and its subsequent amendments, including No. 56:1988 and 53:2000, alongside project-specific environmental conditions stipulated during the approval process.

We have continued to diligently adhere to all relevant environmental regulations. There have been no instances of non-compliance reported in the current fiscal year or any preceding years since our inception.

Environmental Management System (EMS)

We set the standard in environmental management by embracing global best practices across our operational plants. To achieve this, we secure all necessary approvals from relevant environmental authorities, tailored to the specific plant type and location. At times, this process may necessitate procedural adjustments in accordance with guidelines provided by governing bodies. Internally, we establish environmental performance objectives and targets, complemented by continuous monitoring to foster the ongoing enhancement of our environmental performance.

Waste Management

- GRI 3-3 GRI 306-1
- GRI 306-2 GRI 306-3
- GRI 306-4 GRI 306-5

We have established waste segregation practices at our facilities and plants to effectively dispose of waste in a responsible and environment-friendly manner. The trash collected from riverbanks near our power plants is segregated. The polythene and non-biodegradable materials are disposed of through a registered recycler of the municipal council. The degradable waste is used to generate compost which is distributed to the community.

Solar Panel Repurposing Damaged solar panels are repaired and reused for internal purposes, minimising waste and maximising resource utilisation. Furthermore, this internal repair process reduces reliance on new panel procurement, contributing to cost savings and environmental sustainability.

Electronic Circuit Board Repair – A dedicated in-house workshop has been established to repair electronic circuit boards under expert supervision. This initiative serves a dual purpose of conserving foreign exchange and contributing to national economic stability whilst repairing and extending the lifespan of circuit boards minimising electronic waste generation, aligning with our commitment to environmental responsibility.

Our efforts to minimise paper usage include raising awareness among staff about paper reuse and implementing online payment systems.

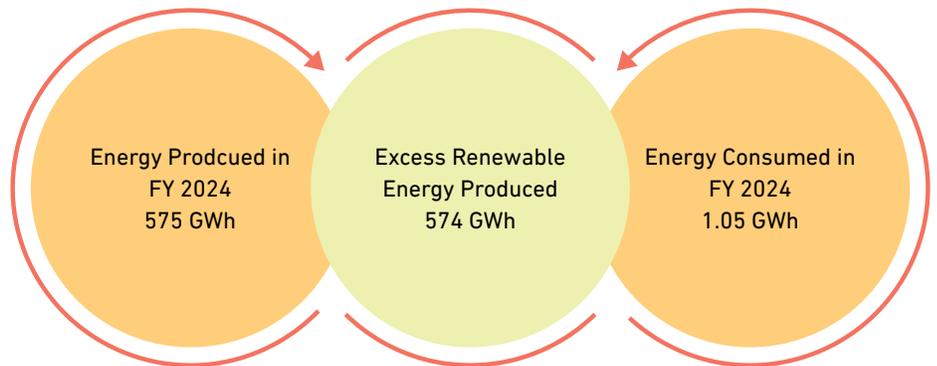


Solid waste separation to dispose responsibly

Energy Management

- GRI 3-3, 302-1, 302-4

We use sustainable energy solutions to enhance operational efficiency and to reduce energy intensive operations. Due to these efforts, we are at Net Zero and we expect to maintain this trend in the future.



Electricity is the primary energy source utilised to operate electromechanical equipment at our power plants daily. The plant managers oversee energy usage in alignment with Environmental Management System (EMS) targets and are encouraged to explore innovative methods to enhance the energy efficiency of equipment. Our technical staff continually evaluate equipment efficiency, recommending any necessary modifications to improve energy efficiency to the Corporate Management Team. During the project's construction phase, our engineering teams, responsible for design, procurement, and operations, ensure that all purchased electromechanical equipment meets energy efficiency standards. The technical guidelines are established to support these initiatives.

Total Energy Consumed
1.05 GWh

Solar Universe (Agrovoltaic Project)

The Solar Universe 10 MW agrovoltaic project is a groundbreaking initiative, being the first ground-mounted solar power station and agrovoltaic plant of its kind in both our Company’s portfolio and Sri Lanka. Located in Vavunathivu, this innovative project involves allocating plots of land to local farmers, enabling them to cultivate crops and generate additional income by selling their harvests. By integrating agriculture with solar power production, this plant not only promotes renewable energy usage but also fosters sustainable environmental practices. Furthermore, the investment in this project contributes to boosting food production and creating livelihood opportunities for local communities.



Cultivation at the Solar Universe Agrovoltaic Plant



Cultivation at the Solar Universe Agrovoltaic Plant

Carbon Emission Reduction (CER) Issuer Status

We are the first local renewable energy producer in Sri Lanka authorised to issue “Carbon Emission Reduction (CER)” certificates. These certificates are issued by us to organisations that are keen to purchase carbon credits. These CER certificates recognise the purchasing organisations’ efforts to mitigate climate change by reducing carbon dioxide emissions through supporting sustainable practices. During the year 2023/24, we had 142,539 units of carbon credits to be sold.

Water Management

GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5

SASB IF-EU-140a.1 SASB IF-EU-140a.2

Water is primarily used for cleaning and maintaining the infrastructure of our solar power plants. Deep tube wells have been dug at the majority of our ground-mounted solar PV power plants to fulfil the specific water requirements of each facility. The runoff generated from washing and cleaning dust from solar PV panels is free of chemicals and is therefore repurposed for on-site irrigation purposes.

In our rooftop solar projects, the water utilised for cleaning originates from the same source as the respective factory. Depending on the location, this water source could be groundwater or pipe-borne water sourced from the municipal council.

No non-compliance incidents were associated with water quality permits, standards and regulations during the reporting year.

Water Consumption by Source for FY 2023/24

Source	Volume
National Water	1,967m ³
Borehole Water	9,595m ³
River Water	2,614m ³

Biodiversity Conservation

GRI 3-3 GRI 304-1 GRI 304-2
GRI 304-3 GRI 304-4

- Our operational sites are strategically located near protected areas and areas of high biodiversity value, both within and outside designated zones. We prioritise environmental stewardship by conducting thorough assessments during feasibility studies. These assessments evaluate rare, threatened, and endemic fauna and flora, classifying them according to IUCN Red List categories (Critically Endangered, Endangered, Vulnerable, Near Threatened). We comply with all environmental regulations, including conducting Initial Environmental Examinations (IEEs) for every project. These IEEs, which are preliminary assessments of potential environmental impacts, guide us in identifying and implementing mitigation measures. All projects have

received the necessary approvals, and those exceeding 3 MW have obtained license renewals through rigorous environmental evaluations, ensuring our operations remain environmentally responsible.

- ⦿ We manage the environmental flows to minimise downstream effects on river health. The plant staff are trained to ensure proper release of environmental flow and suspend generation during dry seasons, diverting water for human needs. Furthermore, continuous monitoring guarantees uninterrupted environmental releases.
- ⦿ Glass-reinforced fibre pipes (CCGRP) have been introduced in several hydro plants such as Bulathwatte, Kokawita, Kyambura, and Dambuluoya. These pipes are buried underground, preserving animal crossing routes and their natural activities post-project implementation.
- ⦿ Cover slabs have been installed along the headrace to facilitate animal passage.
- ⦿ The annual aquatic monitoring ensures the health, functionality, and viability of aquatic and terrestrial ecosystems.
- ⦿ Annual Environmental Audits are conducted to promote the adoption of international best practices in biodiversity management. This supports project developers in identifying and managing biodiversity impacts effectively.
- ⦿ Post-commissioning, the project area is properly landscaped and replanted.
- ⦿ At Bulathwatte MHPP, an 11km length of 33kV ABC bundle conductor has been utilised to minimise tree removal in the transmission line.
- ⦿ A tree planting programme is implemented in the catchment area to enhance environmental sustainability.

- ⦿ In addition, since environmental audits are done only in the Ugandan hydro plants, we have implemented a guideline for our local plant practice themed 'HARITHA Huruwa.'

Managing Ecological Impacts from Our Solar Operations

To mitigate ecological impacts resulting from our solar operations, we actively engage the community in collaborative efforts. Through initiatives like agrivoltaics, we involve local residents in cultivating areas within and around the plant. This approach not only helps minimise environmental effects but also fosters a sense of ownership and sustainability within the community.

Our objective is to maintain a steady energy supply through effective operations and maintenance (O&M) techniques. While certain factors such as low irradiance are beyond our control, we prioritise managing elements within our influence, primarily through efficient O&M practices. By leveraging state-of-the-art techniques and tools, we ensure a continuous energy supply, maximising our control over key factors.

Management of Energy Infrastructure Integration & Related Regulations

Solar power generation is impacted by irradiation levels. During periods of low irradiation, the solar power generation is low and therefore the energy supplied to the national grid is also low. To mitigate this risk, the Government should establish alternative power generation sources. This includes a diversified mix of energy sources such as wind, hydro, and fossil fuels like charcoal and diesel. As part of the country's energy management strategy, it is imperative to ensure a reliable and sustainable energy supply. Our mandate, outlined in the Power

Purchase Agreement (PPA), necessitates continuous generation of the agreed-upon energy capacity, reinforcing the importance of a robust and diverse energy generation infrastructure.

Outlook for FY 2024/25 and Beyond

We will continue our reforestation efforts to restore balance to large areas of land. Additionally, we will intensify our agricultural initiatives to encompass all types of plants. Furthermore, the potential for generating solar power is significantly greater on surface water. To conserve land and optimise its use for agriculture, we are exploring the installation of floating solar panels. This innovative approach allows us to preserve valuable land for cultivation while harnessing renewable energy. Through these efforts, we aim to both save and preserve land for sustainable agricultural practices.



CURRENTS OF TEAMWORK TO CURRENTS OF PRODUCTIVITY

Stewardship



Chairman's Statement on Corporate Governance

Dear Shareholders,
Sound corporate governance is essential to maintain effective oversight of the geographically and technologically diverse operations of WindForce PLC. Accordingly, the Board has adopted a governance framework that ensures compliance with legal and regulatory requirements as well as best practice to ensure that our governance systems are fit for purpose in a dynamic business environment.

The reporting year saw significant changes to standards of corporate governance reflecting a widening of the scope of the Board's mandate. The Colombo Stock Exchange also introduced Listing Rule 9 to improve governance and require formal policies and processes. This was followed by the revision of the Code of Best Practice on Corporate Governance with changes focusing on sustainability reporting,

reflecting its growing importance. The year also witnessed the issue of IFRS Sustainability Standards and their subsequent adoption in Sri Lanka. As it becomes mandatory for the top 100 listed companies by market capitalisation for reporting periods beginning 1st January 2025 which includes WindForce, we observe the need to comply with the significantly broader mandate.

WindForce has reviewed the regulatory requirements and has a road map for compliance with the same by the dates specified in the CSE Listing Rule #9 and the current status of compliance is set out in this Corporate Governance Report.

It is also aiming to apply the IFRS Sustainability Standards by the next financial year. WindForce will also move towards readiness for compliance with the SLFRS Sustainability Reporting

Standards by the due date which will be for the financial year commencing 1st April 2025. We also note the many positives in enhancing our systems to capture the increased information requirements which will support decision making, supporting value creation in the short, medium and long term through effective resource allocation.

The Board of WindForce is committed to strengthening governance to ensure that the organisation has the necessary guard rails to steer through an increasingly complex business landscape.



Ranil Pathirana
Chairman
30th May, 2024

A Framework for Governance

The Board of Directors of WindForce PLC has set in place a governance framework that aims to comply with the following regulatory requirements as well as voluntary standards that support our social licence to operate.

Legal & Regulatory

- ⦿ Companies Act No.7 of 2007
- ⦿ CSE Listing Rules
- ⦿ 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
- ⦿ Business-specific regulations
- ⦿ Inland Revenue Act No.24 of 2017

Voluntary Standards & Codes

- ⦿ Code of Best Practice, on Corporate Governance 2023
- ⦿ 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

Internal Documents

- ⦿ 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

Composition

GRI 2-9

The Board comprises 11 Directors whose profiles are given on page 44 and their collective strengths are summarised below. There are three Executive Directors including the Deputy Chairman and the Managing Director. There are eight Non-Executive Directors of whom four are independent with our newest Board member who is 'Nevertheless Independent'. This accounts for 1/3rd of the Board in accordance with section 9.8.2 of the CSE Listing Rule on Corporate Governance.

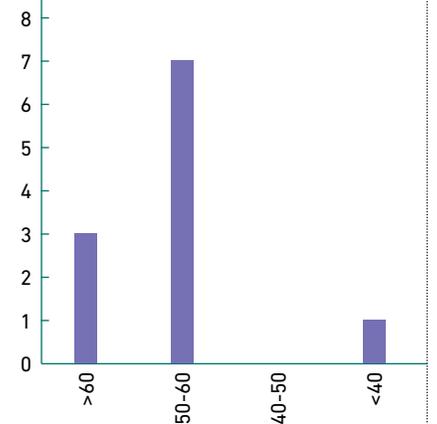
The mix of skills, experience and perspectives ensures that matters set before the Board are considered through multiple lenses, paving the way for objective decision making.

A Balanced Board GRI 2-17

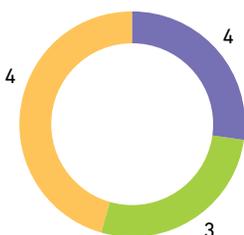
Executive Directors (including Chairman and MD)



Age Diversity

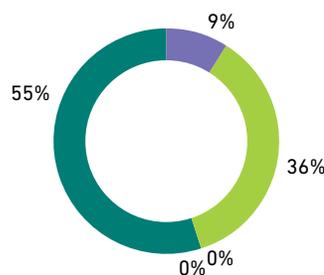


Board Composition



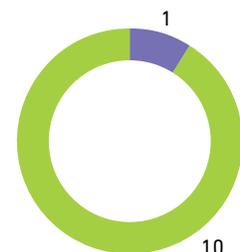
Independent Non-Executive Directors
 Non-independent Executive Directors
 Non-independent Non-Executive Directors

Tenure of Services



<3
 3-5
 5-7
 7-9
 7-9

Board Gender Diversity



Female
 Male

Board Skills and Expertise

	Current Profile	Competencies and Experience
Mr. Ranil Pathirana	Chairman, Non-Executive, Non-Independent Director	
Mr. Asgi Akbarally	Deputy Chairman, Executive Non-Independent Director	
Mr. Manjula Perera	Managing Director, Executive Non-Independent Director	
Mr. Huzefa Akbarally	Non-Executive, Non-Independent Director	
Mr. Hussain Akbarally	Executive, Non-Independent Director	
Mr. Moiz Najmudeen	Non-Executive Non-Independent Director	
Mr. Vinod Hirdaramani	Non-Executive Non-Independent Director	
Mr. Dilshan Hettiaratchi	Non-Executive Independent Director	
Mrs. Saumya Amarasekera	Non-Executive Independent Director	
Mr. Savantha De Saram	Non-Executive Independent Director	
Mr. Harin Udeshi	Non-Executive Nevertheless Independent Director	

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

Nomination & Selection**GRI 2-10**

The Board finds suitable candidates as needed and evaluates the potential nominees' skills, competencies, experience and attributes, as well as the Board's overall composition and diversity. The main objective is to select the best person for the Company's business needs who also meets the Board's independence and diversity standards.

The Board will appoint a Nominations & Governance Committee to assist the Board in the nomination process in the year that has commenced with a broader mandate of also ensuring that effective governance structures and processes are in place.

Determining Independence

The criteria set out in the CSE Continued Listing Rules is used to determine the independence of Directors and all Independent Directors met the required criteria.

Appointment, Retirement and Resignations

Directors are appointed by the shareholders at the Annual General Meeting and the Board of Directors recommended suitable candidates. Following details of new Directors are disclosed on their appointment to the Colombo Stock Exchange and selected newspapers.

- A brief resume of the Director
- The nature of his expertise in relevant functional areas

- The names of companies in which the Director holds directorships or memberships in Board Committees; and
- Whether such Director can be considered 'Independent' in accordance with the CSE Listing Rules

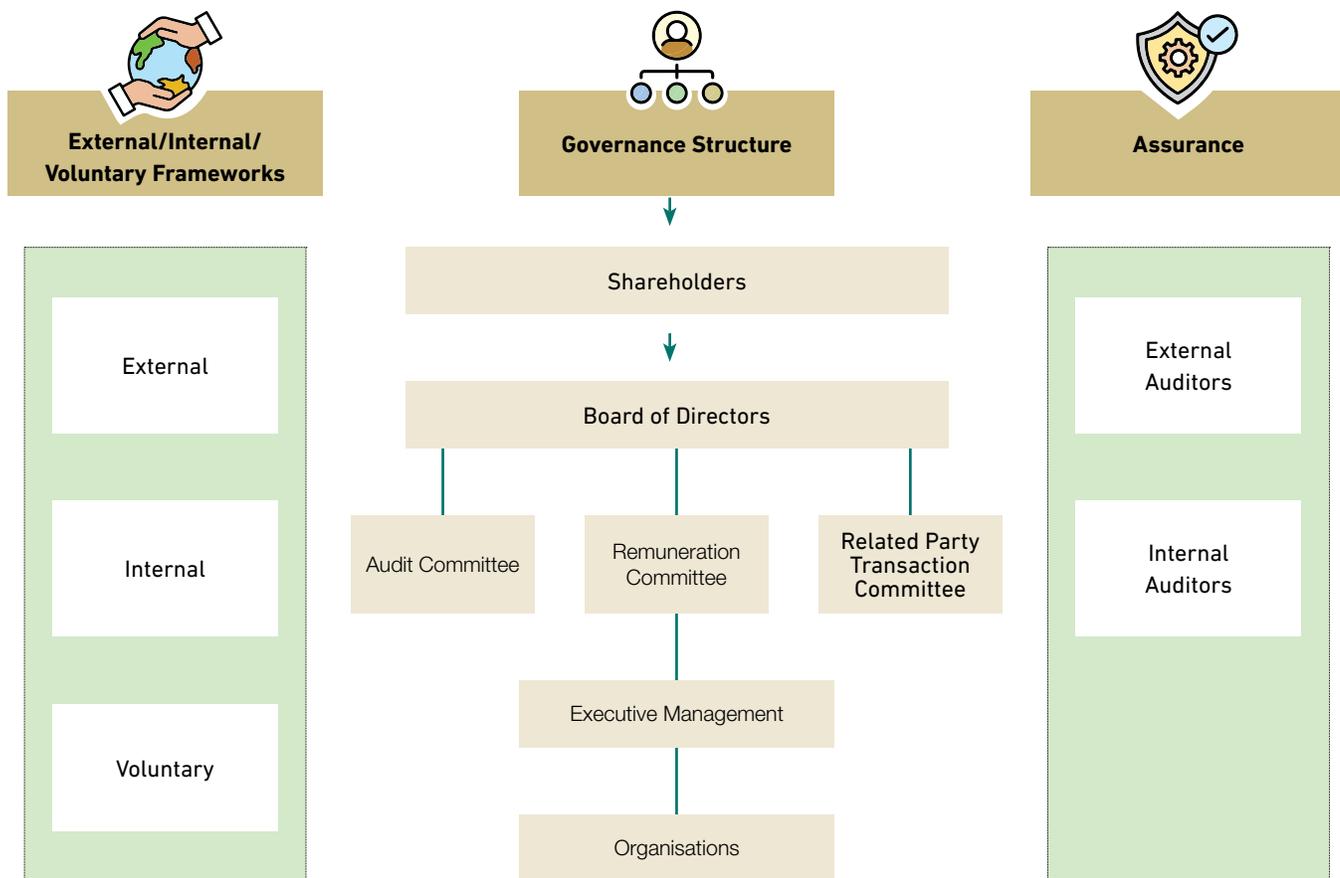
The Board has the power to appoint directors to fill any casual vacancies that may arise during the year. The Articles of Association require that Directors appointed in this manner hold office until the next Annual General Meeting and seek election by the shareholders at that meeting ensuring shareholder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

One third (1/3) of the Directors in office retire at each Annual General Meeting by rotation with the directors who have served for the longest period since their

appointment/re-appointment retiring first. Retiring Directors are generally eligible for re-election. The names of Directors submitted for election or re-election are accompanied or disseminated to the CSE by a resume to enable shareholders to make an informed decision on their election. Provisions of the Articles of the Company do not require retirement by rotation for Executive Directors who serve for the duration of their employment contract.

Governance Structure

The Group has 23 subsidiaries and seven associates engaged in power generation. two subsidiaries and two associates are located overseas. Exercising oversight over operations of these companies requires a sound corporate governance structure that is fit for purpose.



Roles & Responsibilities

Chairman

GRI 2-11

Leads the Board, preserving good corporate governance and ensuring that the Board works ethically and effectively.

Responsibilities:

- ⦿ Setting the ethical tone for the Board and Company;
- ⦿ Setting the Board’s annual work plan and the agendas, in consultation with the Company secretary and the MD
- ⦿ Building and maintaining stakeholder trust and confidence;
- ⦿ Ensuring effective participation of all Board members during Board meetings.
- ⦿ Facilitating and encouraging discussions amongst all Directors of matters set before the Board and ensuring a balance of power is maintained between Executive and Non Executive Directors (NED).
- ⦿ Monitoring the effectiveness of the Board.

Managing Director/Chief Executive Officer

Accountable for implementation of strategy and driving performance.

Responsibilities:

- ⦿ Appointing a corporate management team, ensuring succession planning and assessing their performance;
- ⦿ Developing the Company’s strategy for consideration and approval by the Board;
- ⦿ Developing and recommending to the Board budgets supporting the Company’s long-term strategy.
- ⦿ Monitoring and reporting to the Board on the performance of the Company and its compliance with applicable laws and Corporate Governance principles.
- ⦿ Establishing an organisational structure for the Company which is appropriate for the execution of strategy;
- ⦿ Ensuring a culture that is based on the Company’s values;
- ⦿ Ensuring that the Company operates within the approved risk appetite.

Company Secretaries

The office of the Company Secretary is integral to the effective functioning of the Board. Secretarial services to the Board are provided by Nexia Corporate Consultants (Pvt) Ltd. The Company Secretary guides the Board on discharging its duties and responsibilities, promoting best practices in Corporate Governance. Appointment and removal of the Company Secretary is a matter for the Board as a whole. The responsibilities of the Company Secretaries include;

Responsibilities:

- ⦿ Ensuring the conduct of Board and General Meetings in accordance with the Articles of Association and relevant legislation.
- ⦿ Maintaining statutory registers and the minutes of Board Meetings.
- ⦿ Prompt communication to regulators and shareholders.
- ⦿ Filing statutory returns and facilitating access to legal advice in consultation with the Board, where necessary.
- ⦿ All Directors have access to the advice and services of this group function as necessary.

Sub-Committees of the Board **GRI 2-13**

The Board has appointed an Audit Committee with oversight responsibility for financial reporting, risk management, internal controls and reviewing work of external and internal auditors including independence of external auditors. The composition and roles of these committees are summarised below.

Board Committee	Areas of Oversight	Composition	Further Information
Audit Committee	Financial Reporting Internal Controls Internal Audit External Audit	<ul style="list-style-type: none"> ⦿ Mr. Dilshan Hettiaratchi - Chairman ⦿ Mr. Savantha De Saram ⦿ Mr. Moiz Najmudeen 	Report of the Audit Committee on page 150
Remuneration Committee	Remuneration policy for Key Management Personnel Goals and targets for Key Management Personnel Performance evaluation	<ul style="list-style-type: none"> ⦿ Mr. Ranil Pathirana – Former Chairman ⦿ Mr. Savantha De Saram - Current Chairman ⦿ Mr. Dilshan Hettiaratchi 	Report of the Remuneration Committee on page 151
Related Party Transactions Review Committee	Review of related party transactions	<ul style="list-style-type: none"> ⦿ Mrs. Saumya Amarasekera - Chairman ⦿ Mr. Savantha De Saram ⦿ Mr. Huzefa Akbarally 	Report of Related Party Transactions Review Committee on page 152

Conflict of Interest

GRI 2-15

A Director or Key Management Personnel (KMP) is prohibited from using his or her position, or confidential or price sensitive information, for personal benefit or benefit of any third party, whether financially or otherwise. Directors notify the Board promptly of any conflicts of interest they may have in relation to particular items of business or other Directorships. Directors do not participate in and excuse themselves from the meeting when the Board considers matters in which a conflict may arise.

Meetings, Minutes & Information

GRI 2-16

Board meetings are held quarterly with provision for additional meetings as and when required. An annual calendar is prepared by the Company Secretaries

and dates and times are agreed at the commencement of the financial year. Meeting agendas are set by the Chairman in consultation with the MD and the Company Secretary. These are made available to the Directors seven days before the meeting together with the relevant papers, allowing members sufficient time to review the papers and seek clarification in preparation for the meeting. Regular agenda items include performance review, risk management and approval of Financial Statements besides other matters.

Board papers are uploaded on to a secure electronic platform which enables directors to access papers relevant to the current meeting as well as those prior to it. KMP attend Board meetings on invitation to make presentations and update the Board on internal and external developments that impact the business. Management is open and transparent with

the Board and Directors are encouraged to seek further information or clarification as may be required to make an effective contribution.

All Board minutes are circulated to members within two weeks of the Board meeting and formally approved at the subsequent Board meeting. Directors' concerns regarding matters which are not resolved unanimously are recorded in the minutes. All Directors have access to the past Board papers and minutes via electronic means.

Resolutions concerning business matters may be passed by circulation, within regulations. However, if a single Director deems it necessary that such resolution must be decided at a Board meeting not by circulation, the Chairman shall put the resolution to be decided in a meeting.

Attendance

Attendance of Directors at meetings is given below:

FY 2023/24	Committee Meetings			
	Board Meetings	Remuneration Committee	Audit Committee	Related Party Transaction Review Committee
Mr. Ranil Pathirana	4/4	1/1	Not a Member	Not a Member
Mr. Asgi Akbarally	4/4	Not a Member	Not a Member	Not a Member
Mr. Manjula Perera	4/4	Not a Member	Not a Member	Not a Member
Mr. Huzefa Akbarally	4/4	Not a Member	Not a Member	4/4
Mr. Hussain Akbarally	4/4	Not a Member	Not a Member	Not a Member
Mr. Moiz Najmudeen	3/4	Not a Member	4/4	Not a Member
Mr. Vinod Hirdaramani	4/4	Not a Member	Not a Member	Not a Member
Mr. Dilshan Hettiaratchi	3/4	1/1	4/4	Not a Member
Mrs. Saumya Amarasekera	4/4	Not a Member	Not a Member	4/4
Mr. Savantha De Saram	4/4	1/1	4/4	4/4
Mr. Harin Udeshi (New Appointment)	1/4	Not a Member	Not a Member	Not a Member

Induction & Training for Directors

On appointment, Directors are provided with an orientation pack with all relevant external and internal regulation documents and a tour of a plant. Directors are kept abreast of applicable legislation and regulation, relevant sector developments and changes in the risk and general business environment on an on going basis. Directors undertake training and professional development in their personal capacity.

Appraisal of MD/CEO

The Board assesses the performance of the MD/CEO annually in line with goals agreed at the beginning of the year with the Board. These goals encompass the Board's expectations in the short, medium and long term. Performance is reviewed at the end of the financial year taking into account the performance of the Group, operating environment and constructive feedback is provided. The outcome of the performance appraisal is linked to the annual increments for the fixed remuneration and determines the variable pay.

Remuneration

GRI 2-19

The Board is assisted by the Remuneration Committee of the parent company in determining remuneration of Executive Directors, Non-Executive Directors, KMP and others. The Remuneration Policy and schemes are designed to attract and retain the skills, capabilities and experience required to pursue business objectives.

Remuneration Policy **GRI 2-24**

Remuneration of KMP and Executive Directors is linked to sustainable value creation objectives in line with WindForce's strategy which are agreed with the parent company by the Managing Director/CEO and cascaded to direct reports and others below. Please refer page 151 for the Report of the Remuneration Committee.

The remuneration of the NEDs comprise a fee for being a Director of the Board and additional fee for being a member of a committee. Remuneration for Non-Executive Directors reflects the time commitment and responsibilities of their role, taking into consideration market practices. They do not receive any performance related/incentive payments. Services of HR professionals are sought when required, by the Board and Related Party Transactions Review Committee in discharging their responsibilities.

Level and Make Up of Remuneration

GRI 2-20

The Remuneration packages of Executive Directors are designed to attract eminent professionals as directors with the requisite skills and experience. Remuneration of Executive Directors are compliant with the provisions of Schedule E of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka in 2023 and comprises fixed and variable components with the variable component linked to performance. No special early termination clauses are included in the contract of employment of Executive Directors that would entitle them to extra compensation. However, such compensation, if any, would be determined by the Board of Directors. Please refer page 183 for the total Directors' Remuneration.

Accountability & Audit

GRI 2-14

This report provides a balanced assessment of the Company's financial position, performance and prospects in compliance with applicable laws and voluntarily adopted reporting standards, codes and frameworks set out on page 6. The Company's position and prospects have been discussed in sufficient depth in the following sections of this annual report.

- ⦿ Chairman's Message pages 38 to 39
- ⦿ Managing Director's Message pages 40 to 42
- ⦿ Annual Report of the Board of Directors on the Affairs of the Company on pages 144 to 146
- ⦿ Directors' Statement on Internal Controls on page 148
- ⦿ Risk Management on pages 141 to 143
- ⦿ Capital Reports on pages 76 to 115

The Board approved the quarterly reports prior to publication and dissemination to the public through the CSE and the

corporate website within 45 days of the first three quarters and within two months of the last quarter. The Audit Committee reviewed and recommended the Financial Statements for approval to the Board. Price sensitive information, which may have an impact on the shares of the company, has been disclosed in a comprehensive but concise manner to the Colombo Stock Exchange on a timely basis. Reports required by regulators including the Department of Inland Revenue, Sri Lanka Accounting & Auditing Standards Monitory Board, and the Colombo Stock Exchange have been filed in a timely manner in compliance with specified requirements. The following reports set out further information required by the Code:

- ⦿ Managing Director's, Chief Executive Officer's and Chief Financial Officer's Responsibility Statement on page 153 (including the declaration that the company is a going concern)
- ⦿ The Statement of Directors' Responsibility on page 149
- ⦿ Independent Auditors' report on page 155.

External Auditor

The External Auditor is appointed by the shareholders at the Annual General Meeting in line with the provisions of the Companies Act. The Board makes recommendations in consultation with the Audit Committee in this regard. The Audit Committee monitors and reviews the External Auditor's independence, objectivity and the effectiveness of the audit process considering relevant professional and regulatory requirements.

Assignment of non-audit services to External Auditors is reviewed by the Audit Committee to determine the whether the potential impairment of independence and objectivity of the External Auditor in carrying out his duties and responsibilities.

Shareholders approved the appointment of Messrs. Ernst & Young (Chartered Accountants) as the External Auditor for

2023/24 at the AGM held on 28th June 2023. In compliance with Section 163 (3) of the Companies Act No. 07 of 2007, the External Auditors submit a statement annually confirming their independence in relation to the external audit.

Whistle Blowing /Grievance Mechanism

Mechanisms are in place for employees and other stakeholders to seek advice or report concerns about unethical or unlawful behaviour including corruption and bribery. The Company's Group Whistle-blower policy enables anonymous

reporting of matters of concern regarding possible inappropriate financial reporting, internal controls or other issues that may require internal investigation. An Independent Non-Executive Director, was appointed by the Board to handle whistle blowing matters. Information on accessibility, anonymity, processes and the policy relating to the whistle-blowing service is communicated to all employees.

Information Technology & Cyber Security Governance

IT is an agenda item of the monthly Group Management Committee meetings with matters escalated to the WindForce Board where deemed necessary considering risk,

impact and other prudential measures.

Sustainability Governance

WindForce has a business model that seeks to replace environment degrading technologies for power generation with environmentally friendly technologies. Environment impact studies are done prior to the implementation of wind, solar or hydro projects to ensure that projects are sustainable. More information is provided in the Manufactured Capital and Natural Capital reports.

Environmental, Social and Governance (ESG) metrics are included in the relevant sections of the Annual Report as set out below:

Economic Sustainability	Financial Capital	page 77
Environment	Natural Capital	page 110
Labour Practices	Human Capital	page 91
Society	Social and Relationship Capital	page 82
Product Responsibility	Social and Relationship Capital	page 82
Shareholder Identification, Engagement and Effective Communication	Investor Relations	page 145

Relations with Shareholders

The Board is accountable to shareholders and is committed to reporting performance and other regulatory matters in a timely manner with sufficient information to provide a clear understanding on the subject.

Communication with Shareholders

WindForce communicates with its shareholders through various channels, such as the Annual General Meeting (AGM), Annual Report, interim Financial Statements, a specialised investor relations page on the Company's website and announcements of major events to the CSE that are made public through the CSE's website. Shareholders can also ask questions, comment or make suggestions to the Board through the Company Secretaries and at the Annual General Meeting. The Board considers all significant issues and concerns of Shareholders with the input of the Management.

Constructive use of Annual General Meeting (AGM)

The Board encourages the active participation of shareholders at the AGM and make arrangements accordingly. The Chairman, Board members and Chairpersons of Board Sub-committees are available for discussion at the AGM and respond to questions directed to them by the Chairman. Additionally, KMPs of the Group are also present assist the Directors in this regard.

The AGM Notice, the Annual Report and Accounts, and any other resolution with the relevant information that may be presented to the shareholders at the AGM are published on the Company website and in national newspapers in all three main languages at least 15 days before the AGM. This enables all shareholders to examine the documents and take part in the AGM in an effective way. Each item of business has a separate resolution, allowing shareholders to vote on each of them individually. The voting methods at the AGM are shared with the shareholders beforehand.

The Company encourages all shareholders to use their voting rights. The Company has a reliable system to register and tally all proxy votes cast for each resolution. If there is a large number of votes against a resolution, the Board will seek to comprehend the reasons for the vote results and decide on any actions needed. The Company informs the CSE of the result of the vote on each resolution, soon after the AGM ends.

GRI 2-12, 2-18, 2-23

Reference to CASL code	Requirement	Compliance	Details of Compliance
<i>Section 1: The Company</i>			
A. Directors			
Principle: A.1 The Board			
As of the end of the year under review, the Board comprised 11 Directors: eight Non-Executive Directors, including the Chairman, and three Executive Directors. The Board's diverse skills and expertise effectively drive the Group's strategic plan.			
This year, the Board evaluated its skills mix and confirmed that the current composition and expertise adequately meet the Group's needs. The Non-Executive Directors bring a wealth of knowledge and experience from their service in various public and private organisations.			
Detailed profiles of the Directors are available on pages 44 to 47 of this Annual Report. Information on Directors' shareholdings in WindForce can be found in the Investor Information section on pages 222, 223 and 224.			
A.1.1	Board Meetings	Complied	<p>The Board meets quarterly, with additional meetings convened as necessary. During the year under review, the Board met four times. Details of these meetings and member attendance are provided on page 123 of this Report.</p> <p>To ensure the Board can effectively discharge its duties, it is provided with structured and regular information.</p> <p>This includes:</p> <ul style="list-style-type: none"> ⊙ Quarterly financial and operational results, including variance analysis ⊙ Financial performance compared to previous periods and budgets ⊙ Impact of risk factors on financial and operational results, with mitigation actions ⊙ Compliance with laws and regulations, including any non-compliances ⊙ Internal control reviews ⊙ Share trading activities of the Company and related party transactions involving Key Management Personnel ⊙ Any other relevant matters for the Board's attention ⊙ Minutes of the previous Board meeting and the above information are distributed to members well in advance of each meeting.

Reference to CASL code	Requirement	Compliance	Details of Compliance
A.1.2	Responsibilities of the Board	Complied	<p>The Board Charter outlines the responsibilities of the Board. The Board is accountable to the shareholders for creating and delivering long-term sustainable shareholder value through entrepreneurial leadership.</p> <p>The Board is responsible to:</p> <ul style="list-style-type: none"> ⊙ Providing direction and guidance in formulating high-level medium and long-term strategies to promote the Company's sustainable long-term success. ⊙ Appointing and reviewing the performance of the Chairman and Managing Director. ⊙ Ensuring that Executive Directors and the key management team possess the necessary skills, experience, and knowledge to implement strategies effectively, with appropriate succession plans in place. ⊙ Reviewing, approving, and monitoring the annual budget and capital expenditure. ⊙ Reviewing and approving major acquisitions, disposals, and investments within Management's limits of authority. ⊙ Ensuring effective systems are in place to secure the integrity of information, internal controls, business continuity, and risk management. ⊙ Ensuring compliance with laws, regulations, and ethical standards. ⊙ Adopting Integrated Reporting since 2021 and embedding sustainability in corporate strategy, decisions, and activities. ⊙ Setting and communicating the Company's values and standards, paying adequate attention to accounting policies and practices, and fostering compliance with financial regulations. ⊙ Reviewing the adequacy and integrity of internal control systems over financial reporting and management information systems through the Board/Audit Committee. ⊙ Ensuring the publication of quarterly Financial Statements and the Annual Report at the end of the financial year. ⊙ Determining any changes to the discretions and authorities delegated from the Board to the key Management team.
A.1.3	Compliance with the laws of the country and agreed to obtain independent professional advice	Complied	<p>The Board, both collectively and individually, recognises its duty to comply with all applicable laws. It ensures that the Company has procedures and processes in place to maintain compliance with these laws and regulations. Directors are empowered to obtain independent professional advice at the Company's expense to fulfill their duties, coordinated through the Board.</p>
A.1.4	Access to the advice and services of the Company Secretary	Complied	<p>The services and advice of the Company Secretary are available to all the Directors.</p> <p>The Company Secretary ensures that Board procedures and all applicable rules and regulation are complied with.</p> <p>The removal of the Secretary is a matter for the Board as a whole.</p>
A.1.5	Independent judgment of the Directors	Complied	<p>The Non-Executive Directors are independent of management and free from any business or other relationships. Additionally, no Directors are related to each other. This independence allows all Board members to exercise impartial judgment on matters of strategy, performance, resources, and standards of business conduct.</p>

Reference to CASL code	Requirement	Compliance	Details of Compliance
A.1.6	Dedication of adequate time and effort of the Directors	Complied	The Board of Directors dedicates ample time and effort before each meeting to review Board papers, request additional information and clarification, and follow up on arising issues. This process ensures that Directors are well-informed of all significant developments affecting the Group, including business changes, operations, risks, and controls, enabling them to effectively fulfill their duties and responsibilities to the Company.
A.1.7	Calls for resolutions	Complied	Any Director may request that a resolution be presented to the Board if deemed necessary.
A.1.8	Training for new and existing Directors	Complied	The Board of Directors acknowledges the importance of ongoing training and knowledge expansion. Accordingly, they engage in professional development activities as deemed necessary to enhance their capabilities in fulfilling their roles as Directors.

Principle: A.2 Chairman and Chief Executive Officer (CEO)

A distinct division of responsibility is maintained between the Board and executive leadership, ensuring a balanced distribution of power and authority, thus preventing any individual from possessing unchecked powers. The Chairman is tasked with overseeing the conduct of the Board's business, while the Managing Director/CEO holds executive responsibility for managing the Company's operations.

A.2.1	Division of responsibilities of Chairman and CEO	Complied	The Chairman and CEO roles within the Company are distinctly separated, each with well-defined authority and responsibilities. The authority of the CEO is vested in the Managing Director. This clear segregation ensures a balanced distribution of power and authority, fostering effective governance within the Company.
-------	--	----------	---

Principle: 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 the effective discharge of Board functions.

A.3.1	Conduct of Board Meetings	Complied	<p>The Chairman ensures the following:</p> <ul style="list-style-type: none"> ⦿ Approve meeting agendas in consultation with the Managing Director and Company Secretary, considering strategy, performance, resource allocation, risk management, and compliance. ⦿ Provide detailed agenda information to Directors promptly. ⦿ Ensure all Directors understand their duties and responsibilities. ⦿ Encourage all Directors to contribute effectively within their capabilities for the Company's benefit. ⦿ Encourage Directors to seek necessary information and propose corporate concerns for agenda inclusion. ⦿ Maintain a balance of power between Executive and Non-Executive Directors. ⦿ Ascertain Directors' views on matters under consideration. ⦿ Ensure the Board is fully in control of the company's affairs and mindful of obligations to shareholders and stakeholders.
-------	---------------------------	----------	---

Principle: A.4 Financial Acumen

The Board should ensure the availability within it, of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.

A.4.1	Financial acumen	Complied	The Board has sufficient financial acumen and knowledge to offer guidance on matters of finance. The chairman of the Audit Committee holds a CFA Charter and an ACMA qualification.
-------	------------------	----------	---

Reference to CASL code	Requirement	Compliance	Details of Compliance
Principle: A.5 Board Balance			
It is preferable for the Board to have a balance of Executive and Non-Executive Directors such that no individual or small group of individuals can dominate the Board's decision making.			
A.5.1	Non-Executive Directors	Complied	Eight out of 11 Directors on the Board are Non-Executive Directors. The composition of the Executive and Non-Executive Directors (the latter are over one-third of the total number of Directors), satisfies the requirements laid down in the Listing Rules of the Colombo Stock Exchange. The Chairman and the Managing Director is not the same person.
A.5.2	Independence of Non- Executive Directors	Complied	Four out of eight Non-Executive Directors are independent. The Board has determined that four Non-Executive Directors satisfy the criteria for "independence" set out in the Listing Rules, one out of which is a Nevertheless Independent Director who do not exert control over the Company and is capable of exercising his judgement in an impartial and independent manner, determined that they are nevertheless independent.
A.5.3	Independence of Non-Executive Directors	Complied	Non-Executive Directors' profiles reflect their calibre and industry insights and their contribution towards enhancing the depth of Board deliberations. Each one is independent of management and free from any relationship that can interfere with independent judgment. The balance of Executive, Non-Executive and Independent Non-Executive Directors on the Board ensures that no individual Director or small group of Directors dominates Board discussion and decision making.
A.5.4	Annual declaration of independence- Non-Executive Directors	Complied	Each Non-Executive Director has submitted a declaration stating the independence or Non-independence in a prescribed format. This information is made available to the Board.
A.5.5	Board determination of independence of Non-Executive Directors and disclosure in Annual Report	Complied	The Board considered the declaration of independence submitted by each Non-Executive Director with the basis for determination given in Code of Best Practices as a fair representation and will continue to evaluate their independence on this basis annually.
A5.6	Alternative Directors	Not Applicable	None of the Directors have appointed alternate directors.
A.5.7	Requirement to appoint Senior Independent Director	Complied	WindForce has not appointed a Senior Independent Director
A.5.8	Senior Independent Director	Complied	WindForce has not appointed a Senior Independent Director
A.5.9	Chairman's meetings with Non-Executive Directors	Non-Compliant	We will immediately make arrangements for Chairman to hold meetings with Non-Executive Directors only, at least once a year and when necessary

Reference to CASL code	Requirement	Compliance	Details of Compliance
A.5.10	Record in the Board minutes of concerns not unanimously resolved	Complied	All Company matters are documented in Board minutes with sufficient detail to thoroughly assess deliberations and decisions. Dissenting views, if any, are clearly recorded.
Principle: A.6 Supply of information			
A.6.1	Timely information to the Board	Complied	Directors are provided with quarterly performance reports and variance analysis reports which are deemed necessary. The Chairman ensures all Directors are adequately briefed on issues arising at meetings.
A.6.2	Information provided in advance to the Board meetings	Complied	The Board meeting dates are arranged at the beginning of the year and informed to all Directors. The Directors are provided the Agenda, Minutes, and Board papers well in advance giving adequate time to prepare and discuss matters at the meetings.
Principle: A.7 Appointments to the Board			
A.7.1, A.7.2	Appointment to the Board	Complied	Refer governance structure in the Corporate Governance Report on page 121
A.7.4	Disclosure of new appointments	Complied	A brief resume of the Director, nature of his/her experience and names of the companies he/she holds the directorship and the independence is informed to the Colombo Stock Exchange and disclosed in the Annual Report on pages 44 to 47
A.7.5	Nomination Committee	Not Applicable	Nomination and Governance Committee was appointed on the 29th of May 2024. Hence a report will not be presented for the year under review.
Principle: A.8 Re-election			
A.8.1, A.8.2	Re-election of Directors	Complied	The provisions of the Company's Articles require a Director appointed by the Board to hold office until the next Annual General Meeting, and seek re-election by the shareholders at that meeting. The Articles call for one-third of the Directors in office to retire at each Annual General Meeting. The Directors who retire are those who have served for the longest period after their appointment/re-appointment. Retiring Directors are generally eligible for re-election. The Managing Director does not retire by rotation and is not counted in the number of Directors who have to retire.
Principle: A.9 Appraisal of Board Performance			
A.9.1, A.9.2, A.9.3	Appraisal of Board Performance	Complied	Annually, the Board conducts reviews and evaluations of its performance, the Chairman, and board committees, addressing any arising matters accordingly.
Principle: A.10 Disclosure of Information in respect of Directors			
A.10.1	Disclosures about Directors	Complied	Name, qualification, brief profile, and nature of expertise are given in the pages 44 to 47 of this Annual Report. The number of Board meetings attended by the Directors is available in the page 123 of this Report. The shares in WindForce held by each Director is available under Investor Information in page 223

Reference to CASL code	Requirement	Compliance	Details of Compliance
Principle: A.11 Appraisal of Chief Executive Officer			
A.11.1, A.11.2	Evaluation the performance of the CEO/MD	Complied	At the beginning of each fiscal year, short, medium, and long-term objectives, including financial and non-financial targets, are established for the CEO/ Managing Director. The Board conducts an annual evaluation to determine whether these targets have been met or if the achievement is reasonable given the prevailing circumstances.
B. Directors Remuneration			
Principle: B.1 Remuneration procedure			
B.1.1, B.1.2, B.1.3, B.1.4, B.1.5	Establishment of a Remuneration Committee.	Complied	Refer Governance structure in the Corporate Governance Report on page 121. Payment of remuneration to Directors is disclosed in page 183 of this report. No Director is involved in deciding his own remuneration.
Principle: B.2 The level and make up of remuneration			
B.2.1, B.2.2, B.2.3, B.2.4	Levels of remuneration	Complied	The Remuneration Committee determined remuneration structures with the objective of attracting, retaining and motivating skilled Directors who can drive the Company's strategic agenda. The remuneration levels relative to other companies and performance of the Directors are taken into account when considering the remuneration levels of the Directors.
Principle: B.3 Disclosure of the remuneration			
B.3.1	Disclosure of the remuneration	Complied	Please refer the Remuneration Committee Report on page 151 The Remuneration Policy aims to attract and retain a skilled workforce, foster a performance-driven culture, and align rewards with industry standards. Compensation packages are tailored to each business unit within the Group, reflecting individual expertise, contribution, and business performance, while also considering shareholder return.
C. Relations with Shareholders			
Principle: C.1 Constructive use of the AGM and conduct of General Meetings			
C.1.1	Notice of AGM	Complied	The notice of the Annual General Meeting is published in national newspapers in three main languages, 15 working days prior to the meeting. The circular to the shareholders on the AGM is published on the Company's website and the CSE website. The Annual Report is published on the Company's website and CSE website.
C.1.2	Separate resolution for substantially separate items	Complied	A separate resolution is proposed at an Annual General Meeting on each substantially separate item. A form of Proxy is provided with the Annual Report to all shareholders to direct their Proxy to vote.
C.1.3	Votes and use of proxy	Complied	The Company ensures that all proxy votes are properly recorded and counted. The number of proxies lodged on each resolution is conveyed to the Chairman.
C.1.4	Answer questions at the Annual General Meeting (AGM)	Complied	The Board arranges the Chairman of the Audit Committee to be available to answer queries at the AGM when necessary.

Reference to CASL code	Requirement	Compliance	Details of Compliance
Principle: C.2 Communication with shareholders			
C.2.1,C.2.2	Channel to reach all shareholders of the Company	Complied	<p>The modes of communication between the Company and the shareholders are the Annual Reports, Interim Reports, announcements made through the Colombo Stock Exchange, other press releases and Annual/Extraordinary General Meetings.</p> <p>Shareholders may raise concerns they have, with the Chairman, the Managing Director or the Secretaries, as appropriate. The website will also publish circulars for shareholders.</p> <p>The active participation of shareholders at the Annual General Meeting is encouraged. The Board believes the AGM is a means of continuing effective dialogue with shareholders.</p> <p>The Board offers clarifications and responds to concerns shareholders have over the content of the Annual Report as well as other matters which are important to them.</p>
C.2.3	Implementation of the policy and methodology for communication with shareholders	Complied	<p>The Annual Report and Financial Statements of the Company are available on the website enabling all shareholders to access the Annual Report and Financial Statements.</p> <p>A copy of the interim Financial Statements are released to the Colombo Stock Exchange and posted on their website. Copies of all public announcements are made available to the CSE for dissemination to the public.</p>
C.2.4	Disclosure of contact person	Complied	Shareholders can forward their inquiries via electronic media (e-mail, telephone call or in writing) to the relevant person to raise queries. The contact person for such communication is the Company Secretary.
C.2.5	Major issues and concerns of shareholders	Complied	All the major issues relating to shareholders are brought to the attention of the Board.
C.2.6	Person to be contacted with regard to shareholders matters	Complied	The Company Secretary holds the responsibility to be contacted in relation to shareholders matters.
C.2.7	Process for responding to shareholders matters	Complied	<p>The Chairman and the Directors answer all the queries raised by the shareholders at the AGM and General Meetings.</p> <p>The Board in conjunction with the Company Secretary formulates the process for addressing shareholders matters.</p>
Principle: C.3 Major Material Transactions			
C.3.1/ C.3.2	Disclosure of Major Transactions to shareholders	Complied	There have been no transactions during the year under review which fell within the definition of "Major Transactions" as set out in the Companies Act No 7 of 2007.
D. Accountability and Audit			
Principle: D.1 Financial and Business Reporting			
D.1.1/ D.1.2	Balance and understandable information to shareholders	Complied	The Company has presented balanced and understandable Financial Statements which give a true and fair view of the performance and financial position on a quarterly and annual basis. In the preparation of Financial Statements, the Company has complied with the requirements of the Companies Act No 07 of 2007 and requirement of Sri Lanka Accounting Standards and Securities and Exchange Commission. Price sensitive public reports and reports for statutory requirements are also presented in a balanced and understandable manner.

Reference to CASL code	Requirement	Compliance	Details of Compliance
D.1.3	CEO's & CFO's approval on financial Statements prior to Board approval	Complied	The Chief Financial Officer and two other Directors have signed the Financial Statements on behalf of the Board. Responsibilities of Board of Directors and Directors' statement on internal controls are given on page 122 and page 148 respectively.
D.1.4	The Directors' Report	Complied	The Annual Report of the Board of Directors on the affairs of the Company is given on pages 144 of this Annual Report which contains the following: <ul style="list-style-type: none"> ⊙ Declaration that the Company has not engaged in activities that contravene laws and regulations of Sri Lanka. ⊙ Equitable treatment to shareholders. ⊙ Compliance with best practices of corporate governance. ⊙ Information relating to PPE has been given in Notes 14 to the Financial statements. ⊙ Review of internal controls, risk management and reasonable assurance of effectiveness and adherence. ⊙ Going concern of the business.
D.1.5	Statement of Directors' Responsibility and statement on internal controls and Auditors' Report	Complied	The Statement of Directors Responsibilities for the Financial Statements is given on page 149 and Directors' statement on internal controls is given on page 148. The Auditors' Report is available on pages 155 to 157.
D.1.6	Management Discussion Analysis	Complied	The Annual Report include the following sections as stipulated by the code. <ul style="list-style-type: none"> ⊙ Business model ⊙ Industry structure and developments ⊙ Opportunities and threats ⊙ Risk management ⊙ Internal control systems and their adequacy ⊙ Corporate and enterprise governance ⊙ Stakeholder relationships ⊙ Social and environmental governance activities carried out by the Company ⊙ Financial performance ⊙ Investment in physical and intellectual capital ⊙ Human resource management ⊙ Prospects for the future
D.1.7	Summon an EGM to notify serious loss of capital	Complied	In the event the net assets of the Company fall below 50% of the value of the Company's Stated Capital, the Directors will forthwith summon an Extraordinary General Meeting to notify shareholders of the remedial action being taken. However, such an event has not taken place since the adoption of the Companies Act No 07 of 2007.

Reference to CASL code	Requirement	Compliance	Details of Compliance
Principle: D.2 Risk Management and Internal Control			
D.2.1, D.2.2, D.2.3, D.2.4.	Monitoring sound system of internal control	Complied	<p>The Board oversees the Group's internal control and its effectiveness, focusing on safeguarding assets, ensuring accurate and timely information, and enhancing decision-making discipline. This encompasses financial, operational, and compliance controls, as well as risk management. It's important to note that while systems aim to prevent or detect errors and irregularities, they can provide only reasonable, not absolute, assurance.</p> <p>The important procedures in place to discharge this responsibility are as follows:</p> <ul style="list-style-type: none"> ⦿ The Directors are responsible for the establishment and monitoring of financial controls appropriate for the operation within the overall Group policies. ⦿ Annual budgeting and regular forecasting processes are in place and the Directors review performance. ⦿ The Group is subjected to regular internal audits (outsourced) and system reviews. ⦿ The Audit Committee reviews the plans and activities of the internal audits and the management letters of External Auditors. ⦿ The Group carefully selects and trains employees and provides appropriate channels of communication to foster a control conscious environment. ⦿ The Board has reviewed the effectiveness of the system of financial control for the period up to the date of signing the accounts. The Directors' Responsibilities for the Financial Statements are described on page 149.
Principle: D.3 Audit Committee			
D.3.1	Composition of Audit Committee	Complied	<p>An Audit Committee was established in 2021. The Committee consists of two Independent Non-Executive Directors and one Non-independent Non-Executive Director.</p> <p>The Chairman of the Audit Committee is an Independent Non-Executive Director, an ACMA member, and a CFA Charter holder.</p> <p>The Company Secretary serves as the Committee Secretary.</p> <p>The Chairman of the Audit committee and the members, Managing Director, Chief Financial Officer and Chief Executive Officer of WindForce PLC are invited to attend the Meetings, and the other Directors are invited as required. The input of the External Auditors is obtained where necessary.</p> <p>The Audit Committee helps the Group achieve a balance between conformance and performance.</p> <p>Refer to the Audit Committee Report on page 150 of this Annual Report for further information.</p>

Reference to CASL code	Requirement	Compliance	Details of Compliance
D.3.2	Committees' purpose, duties and responsibilities	Complied	<p>The Committee is empowered to examine any matters relating to the Financial Reporting systems of WindForce PLC, and its external and internal audits. Its duties include the detailed review of Financial Statements, internal control procedures and risk management framework, accounting policies and compliance with applicable accounting standards and other rules & regulations.</p> <p>It reviews the adequacy of systems in place for compliance with relevant legal, regulatory and ethical requirements and Company policies.</p> <p>The Audit Committee makes recommendations to the Board pertaining to appointment, re-appointment of External Auditors after assessing the independence and performance and approves the remuneration and terms of engagement of the External Auditors.</p>
D.3.3	Disclosures of names of the members of Audit Committee	Complied	During the year under review the committee met on four occasions, the attendance at these meetings are reported in the Audit Committee Report on page 150 of this report.
D4	Risk Committee	Complied	The scope of the Audit Committee has been widened to include risk management duties. Refer to the Audit Committee Report on page 150 of this Annual Report for further information.
Principle: D.5 Related Party Transactions Review Committee			
D.5.1	Related Party Transactions Review Committee	Complied	The Company established the Related Party Transactions Review Committee (RPTRC) in 2021.
D.5.2	Composition of Related Party Transactions Review Committee	Complied	Refer Related Party Transactions Review Committee Report on page 152.
D.5.3	Terms of Reference	Complied	Related Party Transactions Review Committee has written terms of reference dealing with its authority and duties. RPT review committee report describing the duties, task and attendance of the committee appear on page 152.
Principle: D. 6 Code of Business Conduct & Ethics			
D. 6.1	Disclosure on presence of Code of Business Conduct & Ethics	Complied	Wind Force PLC is committed to maintaining the highest standards of business conduct and ethics. This Internal Code of Business Conduct and Ethics ("the Code") applies to all Directors and employees, including officers and staff at all levels, and outlines the principles and guidelines that must be followed in the course of our business activities.
D.6.2	Process to identify and report price sensitive information	Complied	The Company has a process in place to ensure that material and price sensitive information is promptly identified and reported.
D.6.3	Shares purchased by Directors and Key Management Personnel	Complied	The Company has a policy and a process for monitoring, and disclosure of shares purchased by any Director and Key Management Personnel. Details of Directors' shareholdings are given on page 223 of the Annual Report of Board of Directors on the affairs of the Company.

Reference to CASL code	Requirement	Compliance	Details of Compliance
D. 6.4	Code of Business Conduct Affirmation of Code in the Annual Report by the Chairman	Complied	The Company has a procedure to deal with complaints received from whistleblowers as employees, customers and other parties. Training is given to new employees on the Internal Code of Business Conduct and Ethics. The Chairman affirms that he is not aware of any violation of any of the provisions of the Internal Code of Business Conduct and Ethics.
Principle: D.7 Corporate Governance Disclosures			
D.7.1	Disclosure of adherence to Corporate Governance	Complied	<p>The extent to which the Company adheres to established principles and practices of good Corporate Governance is disclosed from pages 118 to 140 of this report.</p> <p>IT Governance Strategic emphasis is placed on enhancing the Company's IT capabilities to align with operations, processes, and capacity improvements. Dedicated staff support this initiative. IT investment spans both centrally operated and factory/estate-deployed resources. Most business operations have access to ERP systems, internet, and email services.</p> <p>IT value and alignment IT investments are carefully chosen based on their suitability for related projects. Considerations include cost savings, timely information provision, and achieving a balance between costs and benefits/needs.</p> <p>IT Risk Management IT risks are evaluated within the risk management process. Practices include using licensed software, closely monitoring internet usage for policy compliance, overseeing mail server operations, and employing anti-virus and firewall software.</p>
SECTION 2: SHAREHOLDERS			
E. Institutional Investors			
Principle: E.1. Shareholder Voting, E.2. Evaluation of Governance Disclosures			
E.1, E.2	Dialogue with shareholders and Evaluation of governance disclosure	Complied	All investors are notified via the national newspapers regarding the Annual General Meeting. Their views, comments and suggestions are encouraged and the Company maintains continuous dialogue with institutional investors. Impartiality is maintained on shareholder votes at the AGM based on individual holding and weightage.
F. Other Investors			
Principle: F.1. Investing/Divesting Decisions, F.2. Shareholders Voting			
F.1, F.2	Adequate analysis for investment/divestment decisions and usage of voting right	Complied	All shareholders are urged to engage actively in the AGM, with full independence to use their votes as they see fit. The company trusts that rational investors will maintain their investment without divestment. There are no restrictions on investing in or divesting from Company shares.
Principle: G. Internet of Things and Cyber security			
G.1	Cyber security risk of sending and receiving information	Complied	A Disaster Recovery plan is implemented with hardware infrastructure. All the data backups are maintained by Group IT. Investments are also made in cyber security systems and frameworks which are updated on a regular basis.

Reference to CASL code	Requirement	Compliance	Details of Compliance
Principle: H. Environment, Society and Governance (ESG)			
H.1.1	Provide sufficient information relating to ESG risks	Complied	The Company's material ESG risks are identified through the materiality assessment. The Annual Report complies with the Integrated Reporting Framework and the GRI . Establishment and Maintenance of Policies Standards for Sustainability Reporting. The Report also contains sufficient and relevant information of ESG The impact of ESG issues are disclosed in the Risk Management Report on pages 141 to 143.
Principle I. Establishment and maintenance of Policies			
I.1	Policies	Complied	The Company has established a Policy on Whistleblowing, Policy on Anti-Bribery and Corruption, Policy on Board Committees, Policy on Board Charter, Policy on Internal Code of Business Conduct and Ethics, Policy on Relations with Shareholders and Investors, and Policy on Corporate Disclosures. The Company is in the process of establishing and adopting other regulatory policies.

Compliance with CSE Continuing Listing Rules – Section 7.6

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Page Reference
7.6 (i), (ii)	Names of persons who during the financial year were Directors and principal activities during the year	Compliant	Board of Directors page 44 Corporate Governance page 118
7.6 (iii), (iv)	Twenty largest shareholders, float adjusted market capitalisation, public holding percentage, no. of public shareholders and minimum required public shareholding	Compliant	Investor Information page 222
7.6 (v)	Directors' and CEO's holding in shares	Compliant	Investor Information page 222
7.6.(vi)	Material foreseeable risk factors of the entity	Compliant	Risk Management on page 141
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Compliant	Human Capital on page 91
7.6 (viii)	Extents, locations, valuations, number of buildings	Not Applicable	
7.6 (ix)	Number of shares representing the Entity's stated capital	Compliant	Investor Information page 222
7.6 (x)	Shareholder Distribution Schedule including percentage of total holding in given categories	Compliant	Investor Information page 222
7.6 (xi)	Ratios and Market Price Information		Refer pages 34 to 35
7.6(xii)	Changes in Entity's and subsidiaries fixed assets and market value of land	Compliant	Please refer Notes to the Financial Statements No. 14 page 186
7.6 (xiii)	If during the financial year the entity has raised funds either through a public issue, rights issue or private placement.	Not Applicable	
7.6(xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes	Not Applicable	
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Compliant	Corporate Governance Report page 118
7.6 (xvi)	Related party transactions exceeding 10% of Equity or 5% of total assets of the Entity as per audited Financial Statements, whichever is lower	Compliant	Refer Note 34 - Related Party Transactions

Compliance With CSE Continuing Listing Rules

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Extent of Adoption
9.2.1	Policies	Compliant	The Company has established a Policy on Whistleblowing, Anti-Bribery and Corruption, Board Committees, Board Charter, Internal Code of Business Conduct and Ethics, Policy on Relations with Shareholders and Investors, and Corporate Disclosures. The Company is in the process of establishing and adopting other regulatory policies. The policies are yet to be published on the Company website.
9.3	Board Committees	Compliant	The Audit Committee met 4 times during the year, the Remuneration Committee met 1 time during the year and the Related Party Transactions Review Committee met 4 times during the year. The Nominations and Governance Committee was appointed on 29th of May 2024.
9.3.3	Chairperson of Board Committees	Compliant	Made necessary changes to be compliant and the Chairperson of Board Committees is not the Chairperson of the Board.
9.4.1	Meeting Procedures	Complaint	The Company maintains records of all resolutions passed at General Meetings.
9.4.2	Communication and Relations with shareholders	Complaint	The Company has a Policy on Relations with Shareholders and Investors. The Company is in the process of reviewing the policy to include a process whereby Directors are informed of major issues and concerns of shareholders.
9.5.	Policy on matters relating to the Board of Directors	Complaint	The Company is in the process of drafting a Policy on Matters relating to the Board of Directors.
9.6. 2	Chairperson and CEO	Complaint	The Chairperson and the CEO/MD of the Company is not the same person.
9.6.3	Senior Independent Director	Not Applicable	The Company has not appointed a Senior Independent Director.
9.7.1	Fitness of Directors and CEO	Complaint	The Company ensures that the Board of Directors fulfill the assessment criteria set out in the Listing Rules
9.7.4	Fitness of Directors and CEO	Complaint	The Directors and the MD has provided the declaration confirming that they satisfy the Fit and Proper Assessment Criteria during the year.
9.7.5	Disclosure in the Annual Report	Compliant	All Directors and the CEO met the fit and proper assessment criteria stipulated in the listing rule of the CSE as of 01st April 2024.
9.8.1	Minimum number of Directors	Compliant	The Board consisted of 10 Directors up to 08th November 2023. On this day, an additional Independent Director was appointed. Now the Board consist of 11 Directors.
9.8.2	Independent Directors	Compliant	Four Directors are Independent out of which one is a Nevertheless Independent Director. Company will appoint another Independent Director by the effective date as per the rule.
9.8.3	Independent Directors	Compliant	All NEDs have submitted their confirmations on Independence as per the criteria set by the Company, which is in line with the regulatory requirements.
9.8.5	Disclosure relating to Directors	Compliant	Each Independent Director signed and submitted a declaration regarding his/her independence. The Board assessed the independence declared by the Director.
9.9	Alternate Directors	Not Applicable	None of the Directors have appointed Alternate Directors.
9.10.1	Disclosure relating to Directors	Not Applicable	

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Extent of Adoption
9.10.2	Disclosure relating to Directors	Compliant	Disclosed the appointments of new Directors to the Colombo Stock Exchange, together with a brief resume of Director, capacity of directorship and if they hold any relevant interest in shares of the Listed Entity. Please refer pages 44 to 47 for the brief resume of each Director.
9.10.3	Disclosure relating to Directors	Compliant	All changes to Board Committees were immediately informed to the Colombo Stock Exchange.
9.10.4	Disclosure relating to Directors	Compliant	Corporate Governance, pages 118 to 140 of the Annual Report contains the relevant information.
9.11.1-3	Nominations and Governance Committee	Compliant	With effect from 29th May 2024, the committee was established.
9.11.4	Composition of the Nominations and Governance Committee	Compliant	The Nominations and Governance Committee of the Company comprises two Independent Non-Executive Directors and one Non-Independent Non-Executive Director.
9.11.5	Functions of the Nominations and Governance Committee	Compliant	The functions of the Nominations and Governance Committee are currently being drafted.
9.11.6	Disclosures in Annual Report	Not Applicable	
9.12. 1	Remuneration Committee	Compliant	Refer the Remuneration Committee Report on page 151.
9.12.6	Composition of the Remuneration Committee	Compliant	The Remuneration Committee of the Company comprises two Independent Non-Executive Directors and one Non-independent Non-Executive Director.
9.12.7	Functions of Remuneration Committee	Compliant	Refer the Remuneration Committee Report on page 151.
9.12.8	Disclosure in the Annual Report relating to the Remuneration Committee	Compliant	
9.13.1	Composition of Audit Committee	Compliant	Refer Audit Committee Report on page 150.
9.13.4	Audit Committee Functions	Compliant	
9.13.5	Disclosure in the Annual Report relating to the Audit Committee	Compliant	
9.14. 2	Composition of the Related Party Transactions Review Committee (RPTRC)	Compliant	The Related Party Transactions Review Committee (RPTRC) of the Company comprises two Independent Non-Executive Directors and one Non-independent Non-Executive Director.
9.14.3	Functions of RPTRC	Compliant	Please refer the Report of the RPTRC on page 152.
9.14.4	RPTRC Meetings	Compliant	RPTRC met 4 times during the year.
9.14.7	Immediate Disclosures	Not Applicable	Please refer Note 34-Related Party Disclosures, of the Notes to the Financial Statements on pages 209 to 215
9.14.7	Disclosure of Non-Recurrent and Re-current Related Party Transactions	Not Applicable	Please refer Note 34-Related Party Disclosures, of the Notes to the Financial Statements on pages 209 to 215
9.14.8	The Report by the Related Party Transaction Review Committee	Compliant	Please refer the Report of the Related Party Transaction Review Committee on page 152
9.14.8 (4)	An affirmative declaration by the Board of Directors	Compliant	Please refer the Annual Report of Board of Directors on affairs of the Company for an affirmative statement of compliance of the Board on pages 144 to 146
9.16	Additional Disclosures	Compliant	Please refer the Board of Directors Report on Internal Controls on page 148

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 1.3 page 164
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 158 to 220
168 (1) (c)	Auditors' Report on Financial Statements of the Group and the Company	Independent Auditors' Report pages 155 to 157
168 (1) (d)	Accounting Policies and any changes therein	Notes to the Financial Statements Note 3, page 166
168 (1) (e)	Particulars of the entries made in the Interests Register during the accounting period	Annual Report of the Board of Directors on the Affairs of the Company pages 144 to 146
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Notes to the Financial Statements Note 10 on page 183
168 (1) (g)	Corporate Donations made by the Company and its subsidiaries during the accounting period	Notes to the Financial Statements Not Applicable
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 10 on page 183
168 (1) (j)	Auditors' relationship or any interest with the Company and its subsidiaries	Annual Report of the Board of Directors on the Affairs of the Company page 144 Audit Committee Report page 150
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board	Annual Report of the Board of Directors on the Affairs of the Company page 144 to 146

Managing Risks

Effective risk management is critical to our success, given the dynamic nature of our operating environment. Accordingly, we have implemented a comprehensive risk management framework grounded in the principles of Governance, Direction, and Culture to achieve the following objectives:

- Identifying and Proactively Managing Key Risks: We identify key risks specific to our organisation and continuously re-evaluate them considering internal and external changes, ensuring our risk frameworks remain aligned with our evolving business strategy.
- Robust Controls: We implement comprehensive controls to effectively manage key risks throughout our daily operations.
- A Culture of Risk Awareness: We cultivate a strong risk management culture through a three-pronged approach encompassing governance, direction, and culture, fostering a proactive and responsible mindset across the organisation.

Risk Governance

Robust risk management starts with a strong foundation of risk governance. The Board of Directors, acting as the ultimate authority, provides strategic oversight for risk management, ensuring alignment with the Company's overall objectives. To effectively manage risk, the Board has established a comprehensive Risk Governance Structure built upon the well-established three lines of defence principle. This framework defines risk management duties and responsibilities across the Organisation, fostering a culture of accountability and proactive risk mitigation.



- Board Audit Committee/the External Auditor

The Board Audit Committee, working closely with the independent External Auditor, plays a critical role in overseeing the Company's risk management framework. They independently assess the effectiveness and sufficiency of implemented risk controls, ensuring their robustness and alignment with the company's risk appetite. This rigorous examination fosters a culture of continuous improvement and risk mitigation. The Committee and Auditor actively recommend enhancements to the risk management programme, further strengthening the company's ability to identify, manage, and mitigate potential risks.

Risk Direction

The Board of Directors sets the strategic direction for risk management by defining acceptable risk tolerance limits for each key risk area. These limits are translated into clear, Board-approved policies, standards, and procedures that serve as a practical guide for operational teams in their daily activities. This ensures that risk considerations are embedded throughout the organisation.

Risk Culture GRI 207-2

A proactive risk culture is paramount to the effective implementation of the three lines of defence framework. The Board actively fosters a strong risk awareness culture by promoting appropriate values and behaviours that influence the risk-related decisions of both management and employees. This alignment with the Company's risk management objectives creates a culture where individuals at all levels understand and embrace their responsibility for identifying, mitigating, and managing risk.

Risk Category	Risk Description	Risk Impact	Assessment		Mitigation Strategies
 Strategic	Climate change and seasonality of wind conditions	Loss of revenue	Impact	High	Evaluating wind speed and airflow patterns during the feasibility stage is crucial for wind farm projects. This process helps ensure that the wind plant is built in a location with the ideal wind resources for maximising power generation.
			Likelihood	High	
			Assessment	High	
	Reduced energy generation due to changes/ fluctuations in solar irradiance	Loss of revenue	Impact	High	Using bi-facial solar panels: These panels capture sunlight from both sides, increasing energy yield. Integrating battery storage facilities: This enables energy storage, improving grid stability and allowing for energy dispatch even when solar irradiance is low.
		Likelihood	High		
		Assessment	High		
Reduced energy generation due to erratic rainfall and prolonged drought conditions	Loss of revenue	Impact	High	During the feasibility stage, the Company engages hydrologists to assess the viability of potential hydropower sites. This analysis encompasses the historical flow and duration curve, historical water flow data, rainfall pattern analysis and optimal site selection.	
		Likelihood	Medium		
		Assessment	Medium		
Disruption of natural water flows that could potentially harm surrounding ecosystems and agricultural zones	Negative perceptions among the community	Impact	High	Our hydropower plants are designed with a commitment to sustainability, prioritising both the uninterrupted natural flow of water and the needs of all stakeholders who rely on this vital resource.	
		Likelihood	Low		
		Assessment	Low		

Risk Category	Risk Description	Risk Impact	Assessment		Mitigation Strategies			
 Operational	Health and safety of people	Lost days due to injuries could impact project completion deadlines	Impact	High	Adoption of global best practices for health and safety management at construction sites and operational plants			
			Likelihood	Low				
			Assessment	Low		Conducting health and safety training		
	Team expertise	Inability to achieve plant productivity and quality targets due to a lack of skilled employees	Impact	high	Adopting a team-based work ethic to promote continuous learning			
Likelihood			medium					
Assessment			Medium	Adopting structured retention and growth plans for internal career development				
 Economic	Project costs could have the possibility of exceeding the budget due to uncontrollable factors		Impact	High	Conducting sensitivity/scenario based analysis Entering into dollar-pegged tariff systems Entering into contracts with suppliers for fixed pricing Using of financial hedging instruments Entering into fixed-interest loans Implementing Export Credit Arrangements (ECA) arrangements and Letter of Credit (LC) discounting			
			Likelihood	Low				
			Assessment	Medium				
			Challenges in securing required finance to undertake projects			Impact	High	Obtaining services from financial advisors
						Likelihood	Low	
						Assessment	Low	
	Vulnerability to foreign currency risk	Impacts Company's topline, dampens margins and impedes expansions both locally and overseas	Impact	High	Natural hedging-Using foreign currency dividends to pay foreign currency debt			
			Assessment	High		Financial hedging-Entering into forward contracts		
	Increased taxation	Impacts the bottom line	Impact	High	Tax planning and structuring			
			Likelihood	Low				
Assessment			Medium	Obtaining tax concessions through the BOI Act to ensure certainty				
 Environment	Potential impact from environmental hazards	Costly repairs and a reduction in profitability	Impact	High	Taken measures in plant design and construction to make the structures withstand natural impacts			
			Likelihood	High				
			Assessment	High		Insurance coverage		

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

The Board of Directors of WindForce PLC takes pleasure in presenting its Report on the Affairs of the Company together with the Financial Statements for the year ended 31 March 2024, 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 on 22nd April 2021.

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

Group Structure and Principal Business Activities

The group structure can be found on page 8.

WindForce PLC was established to lead and manage all aspects of renewable energy development. Through strategic investments, we have become Sri Lanka's largest Independent Power Producer (IPP) in the renewable energy sector, with a global reach. Our expertise covers the entire power project lifecycle, including feasibility studies, design and engineering, procurement, commissioning, construction, and ongoing operation and maintenance of power plants.

In the year 2022/23, we launched our new business ventures focusing on E-motorbikes and EV conversions.

Review of Performance

A review of the Company's performance and that of its subsidiaries for the Financial Year 2023/24 together with the future outlook is available in the Chairman's Message, Managing Director's Message on pages 38 to 42 and also in Review of Business Operations on pages 68 to 75.

Financial Statements

The Financial Statements of the Company for the year ended 31st March 2024 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 158 of this Annual Report.

Summarised Financial Statements

	Group		Company	
	2023/2024 Rs. '000	2022/2023 Rs. '000	2023/2024 Rs. '000	2022/2023 Rs. '000
Revenue	5,851,800	4,953,490	523,610	419,319
Profit/(Loss) Before Tax	2,555,104	2,358,936	2,459,010	479,072
Income Tax Reversal/ (Expenses)	(804,509)	(576,078)	22,344	(52,827)
Profit/(Loss) After Tax	1,750,594	1,782,857	2,481,354	426,245

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 166 to 178.

Directors' Responsibility for Financial Reporting

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

Please refer page 149 for Statement of Directors' Responsibility.

Board of Directors

As at 31st March 2024, the Directorate of WindForce PLC consisted of 11 Directors with wide financial commercial knowledge and experience. The details, qualifications and experience of the Board of Directors are provided on page 118 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 Remuneration Committee, to ensure oversight and control over certain affairs of the Company.

In compliance with the amendments to Rule 7.10 and Section 9 of the Colombo Stock Exchange listing rules, WindForce is in the process of forming the Nominations and Governance Committee and will be compliant by October 1, 2024.

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 34.2 to the Financial Statements on page 215.

Directors' Remuneration

The Directors' Remuneration is disclosed in Note 10 to the Financial Statements on page 183.

Directors' Shareholding

The Directors' individual shareholdings in the Company as at 31st March 2024 are given on page 223 of this Annual Report.

Corporate Governance

The Board is committed to maintaining high standards of governance in the process by which the Company is directed and managed. The Board of Directors is of the view that it has put in place the resources and processes to ensure that the Company is substantially compliant with the code of best practices on corporate governance issued by the Institute of Chartered Accountants of Sri Lanka, the Securities and Exchange Commission of Sri Lanka and the Colombo Stock Exchange. The Corporate Governance Report is given on pages 118 to 140 of the Annual Report.

Compliance with the Corporate Governance Rules of Colombo Stock Exchange

The Board of Directors confirms compliance with the Corporate Governance

Rules of the Colombo Stock Exchange as at the date of this Annual Report.

Investor Relations

Annual Report of the Company, Quarterly Reports and the Annual General Meetings are the principal means of communications with the shareholders. The Board is ready to answer any questions raised at the Annual General Meetings. Shareholders may direct any questions or seek clarifications requests for publicly available information by contacting the Company Secretary.

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 2022/23 were considered, and suitable steps were taken to incorporate them where applicable during the financial year 2023/24.

According to the Internal Audit Framework, the independent internal audit for 2023/24 is still in progress, and the results have not yet been presented to the Audit Committee. Further, necessary actions will be taken to address the concerns of the Internal Audit Report. The Report of the Audit Committee is contained on page 150 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 Risk Management on page 141 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 11 to the Financial Statements on page 183.

Property, Plant and Equipment

The movement in property, plant and equipment of the Company are given in Note 14 to the Financial Statements.

Employment

The collective manpower strength of the Company and the Group as at 31st March 2024 was 190. Further information of the Company's workforce can be found in the section Human Capital on pages 91 to 100 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 2024 was Rs. 18 Billion represented by 1,350,768,942 fully paid Ordinary Shares.

Reserves

The reserves of the Company as at 31st March, 2024 stand at Rs. 4.18 Billion (2022/23 – Rs. 3.95 Billion) comprising total revenue reserves.

Share Information

Information relating to shareholding, market value of shares, public shareholding and top twenty shareholders are available under the title 'Investor information'.

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 2024, 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 34 on page 209.

The members of the Board 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

An Interim Dividend amounting to Rs. 1.35 Bn. was paid during the year.

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 2024 have been audited by Messrs. Ernst & Young, Chartered Accountants and the Independent Auditors' Report thereon is given on page 155 of the Annual Report as required by the Section 168 (1) (c) of the Companies Act No. 07 of 2007.

A sum of Rs. 6.5 million was paid to them as audit fee during the period under review. Based on the Independent Auditor's Report by Messrs. Ernst & Young, Chartered Accountants and as far as the Directors are aware, the Auditors do not

have any relationship or interest in the Company other than that disclosed herein.

In accordance with the Companies Act No. 07 of 2007 a resolution proposing the re-appointment of Messrs. 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 2024. The notice of the Annual General Meeting appears on page 236.

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.

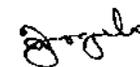
This Annual Report is signed for and on behalf of the Board of Directors.



Ranil Pathirana
Chairman



Manjula Perera
Managing Director



Nexia Corporate Consultants (Private) Limited
Secretaries

Colombo
30th May 2024



BOARD OF DIRECTORS' STATEMENT ON INTERNAL CONTROLS

The Board of Directors presents this Statement on Internal Controls in accordance with principle D.1.5 of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission, of Sri Lanka.

Responsibility

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The Board's policy is to have systems in place that optimise the company's ability to manage risk in an effective and appropriate manner.

Currently the Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company and this process includes the system of Internal Control over Financial Reporting. The process is regularly reviewed by the Board.

However, this internal control system is designed to manage the Company's key areas of risk within an acceptable risk profile, rather than to eliminate the risk of failure to achieve the business objectives. Therefore, the System of Internal Controls can only provide reasonable and not absolute assurance on the successful management of risks, financial losses, or frauds.

The Board is of the view that the system of Internal Control over financial reporting in place is sound and adequate to provide reasonable assurance regarding the reliability of financial reporting and that the preparation of financial statements for external purposes is in accordance with relevant accounting principles and regulatory requirements.

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

The Group has outsourced the Internal Audit function which provides comfort on the efficiency and effectiveness of the Internal Control System of the Group and Company. Independent auditors' comments on the internal control system during the financial year 2022/23 were considered during the financial year 2023/24, and suitable steps were taken to incorporate them where applicable. 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 150.

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
30th May 2024

STATEMENT OF DIRECTORS' RESPONSIBILITY ON FINANCIAL REPORTING

The Directors are responsible under Sections 150 (1), 151, 152 (1) and 153 of the Companies Act No. 07 of 2007 ('the Companies Act'), to ensure compliance with the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit and loss of the Company and the Group for the financial year.

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

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

They also confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards, the Companies Act and the Listing Rules of the Colombo Stock Exchange. The Directors are of the opinion, based on their knowledge of the Company and the Group, key operations and specific inquiries, that adequate resources exist to support the Company and the Group, on a going concern basis over the next year. These Financial Statements have been prepared on that basis.

The Directors have taken proper and sufficient measures to safeguard the assets of the Group and, in that context, have instituted appropriate systems of internal control and accounting records to prevent and detect frauds and other irregularities. These have been reviewed, evaluated and updated on an ongoing basis.

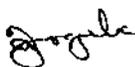
The Directors have confirmed that the Company satisfies the solvency test requirement under Section 56 of the Company's Act No. 07 of 2007 for interim dividends paid during the financial year.

The external Auditors, Messrs. Ernst & Young, Chartered Accountants who were appointed in terms of Section 158 of the Companies Act were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The Report of the Auditors, shown on pages 155 to 157 sets out their responsibilities in relation to the Financial Statements.

Compliance Report

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the Government that were due in respect of the Company and the Group, and its Subsidiaries as at the Balance Sheet date have been paid or provided where relevant.

by order of the Board,



**Nexia Corporate Consultants (Private)
Limited**

Secretaries
30th May 2024

The Audit Committee was appointed to assist the Board of Directors to oversee the Company's Financial Reporting Function, 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.

The Company constituted the Audit Committee with effect from 04th March 2021.

The Audit Committee consists of the following Non-Executive Directors.

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

Meetings

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

The Committee convened four times during the financial year 2023/2024. The attendance of members at these meetings is detailed above. The Chairman, Committee members, Managing Director/ Chief Executive Officer, and Chief Financial Officer were invited as permanent attendees.

The Committee consists of members with varying experience and expertise, who have the required experience and expertise to carry out the responsibilities of the Audit Committee. The Company's Secretaries, Nexia Corporate Consultants (Private) Limited function as the Secretaries to the Audit Committee.

The Committee's responsibilities include monitoring and reviewing the following.

- The integrity of the Group's Financial Statements and the significant reporting judgements contained in them.
- The effectiveness of the external audit process and making recommendations to the Board of Directors on the appointment of the External Auditors.
- The activities and effectiveness of the internal audit function.
- The effectiveness of the Group's internal control and risk management systems.
- The appropriateness of the Group's relationship with the External Auditors, including auditor independence, fees and provision of non-audit services.

Financial Reporting

The Audit Committee reviewed the Financial Statements periodically to ensure that they were representative of the performance of the company. They also reviewed areas such as assumptions used in the preparation of Financial Statements, key points of disclosure and presentation to ensure adequacy, clarity and completeness in the Interim and Final Financial Statements.

External Auditors

The Audit Committee is responsible for the development, implementation and monitoring of the Company's policy with regards to the External Auditors. The policy is designed to maintain the objectivity and independence of the external auditors during the annual audit process. It also monitors the process followed when using External Auditors for non-audit related assignments.

The Audit Committee, having evaluated the performance of the External Auditors, has decided to recommend to the Board of WindForce PLC, the re-appointment of Messrs. Ernst and Young, Chartered Accountants as auditors of the Company for the financial year ending 31st March 2025, subject to the approval of the shareholders at the Annual General Meeting. Details of the fees payable to the External Auditors for FY2023/2024 are included in Note 10 to the financial statements.

Conclusion

The Audit Committee is of the view that adequate controls are in place to safeguard the Company's assets and that the financial position and the results disclosed in the audited Financial Statements substantially represent the Company's financial position.



Dilshan Hettiaratchi
Chairperson – Audit Committee
Colombo
30th May 2024

The Remuneration 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.

The Remuneration Committee determines the Company's Remuneration Policy of Executive Directors, considering Company performance standards and industry practices. No Executive Director is involved in deciding his/her own remuneration package.

Composition of the Committee

Mr. Ranil Pathirana	Non-Executive Non-Independent (served as the Chairman to the Committee from 13th January, 2021 and will resign from the post with effect from 29th May 2024)
Mr. Dilshan Hettiaratchi	Non-Executive Independent-Director
Mr. Savantha De Saram	Non-Executive Independent-Director (will be appointed as the Chairman to the Committee with effect from 29th May 2024)

Meetings

Name	Membership Position	Attendance
Ranil Pathirana	Chairman	1/1
Dilshan Hettiaratchi	Member	1/1
Savantha De Saram	Member	1/1

The Committee convened once during the financial year 2023/2024, in compliance with SEC and CA Sri Lanka Corporate Governance Guidelines. The attendance of members at this meeting is detailed above.

Functions of the Remuneration Committee

Functions performed by the Committee for the last financial year includes:

- ⦿ Reviewing the Remuneration Policy and incentive framework (including equity Incentive awards, terminal benefits and pension plans) and its application to the CEO, Executive Directors and the KMPs
- ⦿ Determining remuneration and all incentive awards of the CEO, any other Executive Directors, and KMPs.
- ⦿ Evaluating the performance of the CEO, management development plans and succession planning;
- ⦿ Reviewing and monitoring evaluation of performance of KMP, their management development, and succession planning
- ⦿ Effective communication with shareholders on the Remuneration Policy and its work on behalf of the Board through a Remuneration Committee Report
- ⦿ Recommending and ensuring that appropriate service contracts are available for Executive Directors
- ⦿ Determining the terms of any compensation package in the event of early termination of the contract of any Executive Director.
- ⦿ Reviewing the ongoing appropriateness and relevance of the Remuneration Policy.

Directors' Emoluments

The Directors' Emoluments are disclosed on page 183.

Conclusions

The Committee is satisfied that it has performed the responsibilities that were delegated to it by the Board and the necessary objectives were achieved for the year under review.

Adoption of the revisions of the Listing Rule Number 9.3.3 published on 11th September 2024 by the Colombo Stock Exchange.

(Rule No: 9.3.3 (ix) The Chairperson of the Board shall not be the Chairperson of the Board Committees.)

Considering the revisions of the Listing Rules introduced by the Colombo Stock Exchange, Mr. Savantha De Saram will be appointed as the Chairman of the Remuneration Committee with effect from 29th May, 2024.



R. P. Pathirana
Chairman – Remuneration Committee
Colombo
30th May 2024

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee (RPTRC) was formed to ensure that the Company complies with the requirements of the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.

The objective of above related party transaction rules is to ensure that the interests of shareholders as a whole are taken into account when entering into related party transactions by the Company. The Committee specifies a process to capture related party transactions and to report to the Board of Directors of WindForce PLC as per the Code of Best Practices on Related Party Transactions.

Composition of the Related Party Review Committee

The Company established the Related Party Transactions Review Committee in March 2021 as a subcommittee of the WindForce PLC Board.

RPTRC comprises the following members;

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

During the financial year 2023/2024, the Committee convened four meetings to review information related to each quarter. The Finance Division presented a comprehensive report on related party transactions at each meeting. The attendance of Committee members for these meetings is documented above. Any concerns raised by the Committee were promptly reported to the Board of Directors on an ongoing basis. The Committee meets quarterly to monitor, review and report on matters concerning related party transactions to the Board.

Scope of the Committee

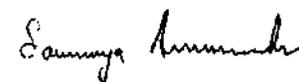
- ⦿ The Committee recognises that managing relationships with Related Parties are important to the business of the Company and that the Committee's policies and procedures should be structured to uphold good governance and the best interests of the Company.
- ⦿ In furtherance of this goal, the Committee shall provide independent review, approval and oversight of RPTs on the terms set forth in greater detail in the RPT Policy.
- ⦿ The Committee shall review the Charter and the RPT Policy at least annually and recommend amendments to the Charter and the RPT Policy to the Board as and when determined to be appropriate by the Committee.

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 in to 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 9.14.5 or in the Annual Report under section 9.14.8

Conclusion

The Committee confirms that all applicable rules in the Code of Best Practice on Related Party Transactions and Section 9 of CSE Listing Rules have been complied with by the Group in the year under review.



Saumya Amarasekera
Chairperson – Related Party Transactions Review Committee

Colombo
30th May 2024

MANAGING DIRECTOR'S, CHIEF EXECUTIVE OFFICER'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT

The Financial Statements of WindForce PLC and the Consolidated Financial Statements of the Group as at 31 March, 2024 are prepared and presented in compliance with the requirements of the following.

- ⦿ Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka;
- ⦿ Companies Act No. 07 of 2007;
- ⦿ Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995;
- ⦿ Listing Rules of the Colombo Stock Exchange; and
- ⦿ Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka.
- ⦿ Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.

We confirm that the significant accounting policies used in the preparation of the Financial Statements are appropriate and are constantly applied, as described in the notes to the Financial Statements. The significant accounting policies and estimates that involved a high degree of judgment and complexity were discussed with the Audit Committee and our External Auditors.

We have taken measures in installing systems of internal control and accounting records, to safeguard assets, and to prevent and detect fraud as well as other irregularities. These have been reviewed, evaluated and updated on an ongoing basis.

The Audit Committee of the Company meets quarterly and additionally if required with the Independent Auditors to review the effectiveness of the audits, and to discuss auditing, internal control and financial reporting issues. The Independent Auditors and the Internal Auditors (outsourced) have full and free access to the Audit Committee to discuss any matter of substance.

The Financial Statements were audited by Messrs. Ernst & Young, Chartered Accountants, the Independent External Auditors. Their report is given from pages 155 to 157 of the Annual Report. The Audit Committee reviews the audit and non-audit services provided by the External Auditor, in order to ensure that the provision of such services does not impair their independence.

We confirm that:

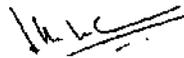
- ⦿ The Company and its subsidiaries have complied with all applicable laws, regulations and prudential requirements:
- ⦿ There are no non-compliances: and
- ⦿ There is no material litigation that is pending against the Group.

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



Lasith Wimalasena
Chief Executive Officer



Rusiri Cooray
Chief Financial Officer

Colombo
30th May 2024

Financial Calendar

Interim Financial Statements	Year 2023/24
1st Quarter - 30th June 2023	14th August 2023
2nd Quarter - 30th September 2023	10th November 2023
3rd Quarter - 31st December 2023	08th February 2024
4th Quarter - 31st March 2024	29th May 2024
Annual Report for the year ended 31st March 2023	04th June 2024
Annual General Meeting	28th June 2024



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

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

CAY/VM/WAD/KJF

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 31 March 2024, and the 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 material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as

at 31 March 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Other Matters of Paragraph

The financial statements of the company year ended 31 March 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 17th of May 2023.

Key Audit Matters

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

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

Key audit matter	How our audit addressed the key audit matter
<p>Impairment of Goodwill</p> <p>The Group's Statement of Financial Position includes an amount of Rs.2,386 Mn relating to Goodwill, as disclosed in Note 19.4 to the financial Statements.</p> <p>The CGU with Goodwill is tested annually for impairment based on its recoverable amount. The recoverable amount is estimated using value in use (VIU) computations prepared by Management based on discounted future cash-flows.</p> <p>Assessment of impairment of CGU with Goodwill was a key audit matter due to the degree of assumptions, judgements and estimates associated with deriving the estimated future cash-flows used for value in use calculations considering current economic conditions.</p> <p>As disclosed in note 19.4 key areas of significant judgements, estimates and assumptions included key inputs and assumptions related to the growth rate, discount rate and consideration of the agreed tariff rates, remaining periods and renewal options included in power purchase agreements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ⊙ We gained an understanding of how management has forecast its discounted future cash flows. Our procedures included understanding how management has considered agreed tariff rates, remaining periods and renewal options included in power purchase agreement in forecasting the cash flows. ⊙ We checked the calculations of the discounted future cash flows and cross checked the data used by management to tariff rate, power purchase agreements and other relevant accounting records, to evaluate their completeness and accuracy. ⊙ Based on the best available information up to the date of our report, we assessed the reasonableness of significant assumptions, judgments and estimates used by the Group, in particular those relating to the growth rates and discount rate of the estimated future cash flows. <p>We assessed the adequacy of the disclosures made in Note 19.4 in the financial statements</p>

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

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

A member firm of Ernst & Young Global Limited



Other Information included in the 2024 Annual Report

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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



- ◉ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◉ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

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

The Institute of Chartered Accountants of Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 7752.

30 May 2024
Colombo

STATEMENT OF PROFIT OR LOSS

WindForce PLC
Annual Report 2023/24
158

Year Ended 31 March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Revenue	5	5,851,799,675	4,953,490,297	523,610,531	419,319,225
Billing under the Standardized Power Purchase Agreement	5.1	664,458,692	-	-	-
Cost of Sales	6	(2,651,715,457)	(1,952,262,479)	(97,270,369)	(51,369,402)
Gross Profit		3,864,542,910	3,001,227,818	426,340,162	367,949,823
Other Operating Income	7	68,311,200	39,567,481	9,982,805	20,819,481
Administration Expenses		(1,062,824,049)	(776,507,905)	(640,078,465)	(441,353,511)
Selling and Distribution Expenses		(14,191,734)	(5,628,411)	-	-
Profit from Operating Activities		2,855,838,327	2,258,658,983	(203,755,498)	(52,584,207)
Finance Income	8	414,547,503	759,012,154	3,015,046,528	1,009,119,945
Finance Cost	9	(1,276,622,150)	(1,128,746,862)	(352,280,800)	(477,463,877)
Net finance Cost		(862,074,647)	(369,734,708)	2,662,765,728	531,656,068
Share of Results of Equity Accounted Investee	17	561,339,988	470,011,278	-	-
Profit before Taxation	10	2,555,103,667	2,358,935,553	2,459,010,231	479,071,861
Current Year Tax Expense	11	(383,694,810)	(576,078,154)	22,344,007	(52,826,539)
Dividend Tax	11.1	(420,814,495)	-	-	-
Profit after Taxation		1,750,594,362	1,782,857,399	2,481,354,237	426,245,322
Attributable to:					
Equity Holders of the Parent		1,549,546,103	1,479,943,972	-	-
Non-Controlling Interest		201,048,259	302,913,426	-	-
		1,750,594,362	1,782,857,399	-	-
Basic Earnings Per Share	12	1.15	1.10	1.84	0.32
Dividend Per Share	13	1.00	-	1.00	-

The Accounting Policies and Notes on Pages 164 to 220 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

WindForce PLC
Annual Report 2023/24
159

	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Net Profit for the Year		1,750,594,362	1,782,857,399	2,481,354,237	426,245,322
Other Comprehensive Income					
Items that will not be reclassified subsequently to the Statement of Profit or Loss					
Actuarial Gain/(Loss) on Defined Benefit Plans	30	(9,374,429)	16,777,112	(9,374,429)	16,777,112
Deferred Tax Impact on Actuarial Gain/(Loss)	21	2,812,329	(5,033,134)	2,812,329	(5,033,134)
		(6,562,100)	11,743,978	(6,562,100)	11,743,978
Items that will be reclassified subsequently to the Statement of Profit or Loss					
Net Exchange Differences on Translation of Foreign Operations		(146,843,145)	584,960,040	-	-
Net Loss on Cash Flow Hedges		89,660,002	(97,972,538)	89,660,002	(97,972,538)
Total Comprehensive Income for the Year, Net of Tax		1,686,849,119	2,281,588,879	2,564,452,139	340,016,762
Total Comprehensive Income for the Year Attributable to:					
Attributable to:					
Equity Holders of the Parent		1,485,800,860	1,825,271,104	-	-
Non-Controlling Interest		201,048,259	456,317,776	-	-
		1,686,849,119	2,281,588,880	-	-

The Accounting Policies and Notes on Pages 164 to 220 form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

WindForce PLC
Annual Report 2023/24
160

As at 31 March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
ASSETS					
Non-Current assets					
Property, Plant & Equipment	14	23,017,694,969	21,491,328,136	41,740,932	71,152,254
Right of Use Assets	15	120,012,224	142,384,127	5,117,287	10,234,564
Investments in Subsidiaries	16	-	-	16,078,074,117	14,779,290,804
Investments in Equity Accounted Investees	17	4,800,283,018	4,586,040,193	2,360,092,000	2,210,092,000
Other Non-Current Financial Assets	18	223,660,000	223,660,000	223,660,000	223,660,000
Intangible Assets	19	2,618,865,381	2,636,384,752	1,491,666	-
Inter Company Loan Receivables	20	-	-	-	76,000,000
Deferred Tax Asset	21	-	-	16,538,965	5,142,605
Total Non-Current Assets		30,780,515,592	29,079,797,208	18,726,714,967	17,375,572,227
Current assets					
Inventory	22	681,734,713	757,693,787	2,404,393	-
Other Non-Financial Assets	18	14,605,777	14,605,777	-	-
Trade and Other Receivables	23	2,489,759,541	5,328,356,071	273,012,608	363,334,781
Inter Company Loan Receivables	20	104,545,715	950,138,202	104,545,715	1,002,138,202
Amounts due from Related Parties	24	62,228,820	39,174,322	136,263,381	770,309,526
Income Tax Receivables	25	63,280,431	-	80,414,447	-
Short Term Financial Assets	26	2,087,181,530	2,997,306,626	2,022,506,601	2,987,228,797
Cash and Cash Equivalents	27	1,758,008,479	635,165,958	347,725,473	257,096,100
Total Current Assets		7,261,345,006	10,722,440,743	2,966,872,618	5,380,107,406
Total Assets		38,041,860,597	39,802,237,951	21,693,587,581	22,755,679,633
Equity and liabilities					
Stated Capital	28	18,226,455,904	18,226,455,904	18,226,455,904	18,226,455,904
Retained Earnings		4,178,500,475	3,947,846,715	2,135,127,209	1,011,104,014
Cash Flow Hedge Reserve		(8,312,536)	(97,972,538)	(8,312,536)	(97,972,538)
Foreign Exchange Reserve		597,540,085	744,383,231	-	-
Equity Attributable to Equity Holders of the Company		22,994,183,928	22,820,713,312	20,353,270,577	19,139,587,380
Non-Controlling Interest		2,465,349,887	2,378,607,359	-	-
Total Equity		25,459,533,816	25,199,320,671	20,353,270,577	19,139,587,380
Non Current Liabilities					
Interest Bearing Loans and Borrowings	29.1	7,542,629,214	7,723,538,330	403,844,914	662,555,934
Retirement Benefit Obligations	30	85,231,461	61,765,074	85,231,461	61,765,074
Deferred Tax Liability	21	1,930,248,533	1,789,917,400	-	-
Lease Liabilities	31	95,766,227	116,179,581	-	2,222,675
Total Non Current Liabilities		9,653,875,436	9,691,400,385	489,076,375	726,543,683

As at 31 March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Current Liabilities					
Interest Bearing Loans and Borrowings	29.2	2,418,039,792	2,003,855,891	496,126,837	645,893,193
Lease Liabilities	31	8,428,368	15,682,374	3,707,796	6,363,162
Trade and Other Payables	32	444,270,036	1,040,065,865	138,198,048	236,151,729
Amounts due to Related Parties	33	6,716,864	31,009,970	213,207,948	233,173,942
Income Tax Liability	25	-	80,820,059	-	47,928,233
Bank Overdraft	27	50,996,286	1,740,082,737	-	1,720,038,311
Total Current Liabilities		2,928,451,345	4,911,516,896	851,240,628	2,889,548,570
Total Equity and Liabilities		38,041,860,597	39,802,237,951	21,693,587,581	22,755,679,633
Net Asset Value Per Share (NAV)		17.02	16.89	15.07	14.17

These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



Rusiri Cooray
Chief Financial Officer

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by.



Ranil Pathirana
Director



Manjula Perera
Director

The Accounting Policies and Notes on Pages 164 to 220 form an integral part of the Financial Statements.

30th May 2024
Colombo

STATEMENT OF CHANGES IN EQUITY

WindForce PLC
Annual Report 2023/24
162

Group	Stated Capital	Retained Earnings	Cash Flow Hedge Reserve	Foreign Exchange Reserve	Total	Non Controlling Interest	Total Equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
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
Balance As at 01st April 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
Adjustment on Correction of Error	-	38,438,701	-	-	38,438,701	(38,438,701)	-
Net Profit for the Year	-	1,549,546,103	-	-	1,549,546,103	201,048,259	1,750,594,362
Net Gain Loss on Cash Flow Hedges	-	-	89,660,002	-	89,660,002	-	89,660,002
Actuarial Gain/(Loss) on Defined Benefit Plans	-	(6,562,100)	-	-	(6,562,100)	-	(6,562,100)
Acquisition of Non Controlling Interest	-	-	-	-	-	647,073,617	647,073,617
Foreign Currency Translation Reserve	-	-	-	(146,843,145)	(146,843,145)	-	(146,843,145)
Dividends - Ordinary Shares	-	(1,350,768,944)	-	-	(1,350,768,944)	(722,940,647)	(2,073,709,591)
Balance As At 31st March 2024	18,226,455,904	4,178,500,475	(8,312,536)	597,540,085	22,994,183,928	2,465,349,887	25,459,533,816
Company	Stated Capital	Retained Earnings	Cash Flow Hedge Reserve	Total Equity			
	Rs.	Rs.	Rs.	Rs.			
Balance as at 01st April 2022	18,226,455,904	573,114,715	-	18,799,570,619			
Net Profit for the Year	-	426,245,322	-	426,245,322			
Net Gain Loss on Cash Flow Hedges	-	-	(97,972,538)	(97,972,538)			
Actuarial Gain/Loss	-	11,743,978	-	11,743,978			
Balance as at 31st March 2023	18,226,455,904	1,011,104,014	(97,972,538)	19,139,587,380			
Balance as at 01st April 2023	18,226,455,904	1,011,104,014	(97,972,538)	19,139,587,380			
Net Profit for the Year	-	2,481,354,237	-	2,481,354,237			
Net Gain Loss on Cash Flow Hedges	-	-	89,660,002	89,660,002			
Actuarial Gain/Loss	-	(6,562,100)	-	(6,562,100)			
Dividends - Ordinary Shares	-	(1,350,768,942)	-	(1,350,768,942)			
Balance as at 31st March 2024	18,226,455,904	2,135,127,209	(8,312,536)	20,353,270,577			

The Accounting Policies and Notes on Pages 164 to 220 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

WindForce PLC
Annual Report 2023/24
163

As at 31 March	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cash Flows From / (Used in) Operating Activities					
Net Profit Before Tax		2,555,103,667	2,358,935,553	2,459,010,231	479,071,861
Adjustments for					
Share of Results of Equity Accounted Investee	17	(561,339,988)	(470,011,278)	-	-
Depreciation	14	2,160,123,147	1,158,035,469	34,873,852	24,364,095
Amortization	14	39,891,274	34,325,740	6,068,737	5,117,282
Loss/ (Gain) on Fixed Asset Disposal	7	(15,750,785)	33,222,400	(7,745)	-
Inventory Cost Adjustment		25,924,054	-	-	-
Currency Translation Gain/Loss		146,843,145	(584,960,040)	-	-
Interest Costs	9	1,240,412,826	809,757,246	352,280,800	477,463,876
Gratuity Provision	30	18,882,869	(2,518,875)	18,882,869	(2,518,875)
Dividend Income	8	(40,166,024)	(60,280,243)	(2,571,780,096)	(229,654,337)
Esc Written Off	25	21,732	24,783,818	-	77,219
Wht Written Off	25	3,573,895	-	-	-
Revaluation of Assets and Loans	9	570,307,377	(277,234,363)	(2,480,709)	(256,308,649)
Interest Income	8	(374,381,480)	(481,777,791)	(413,220,798)	(523,156,959)
Operating Profit/(Loss) Before Working Capital Changes		5,769,445,709	2,542,277,636	(116,372,860)	(25,544,487)
(Increase)/ Decrease in Trade and Other Receivables	23	2,838,596,530	(1,620,487,996)	90,407,573	(115,752,157)
(Increase)/ Decrease in Inventories	22	50,035,020	(217,609,133)	(2,404,393)	-
(Increase)/Decrease in Amounts Due from Related Parties	24	(23,054,498)	52,554,724	620,293,187	(1,713,583,056)
Increase/(Decrease) in Amounts Due to Related Parties	33	(24,293,106)	16,838,229	(19,965,994)	208,294,182
Increase /(Decrease) in Trade and Other Payables	32	(595,795,829)	652,683,142	(97,953,681)	38,742,586
		2,245,488,117	(1,116,021,034)	590,376,691	(1,582,298,445)
Cash Generated from /(used in) Operating Activities		8,014,933,826	1,426,256,602	474,003,831	(1,607,842,932)
Finance Costs Paid	9	(1,240,412,826)	(809,757,246)	(352,280,800)	(477,463,877)
WHT Paid	8	-	-	(9,814,478)	-
Dividend Tax Paid		(420,814,495)	-	-	-
Income Tax Paid	25	(388,255,782)	(33,565,601)	(107,554,448)	(5,659,004)
Retirement Benefits Obligations Paid	30	(4,790,911)	(143,718)	(4,790,911)	(143,718)
		(2,054,274,015)	(843,466,565)	(474,440,637)	(483,266,599)
Net Cash from/(Used in) Operating Activities		5,960,659,811	582,790,037	(436,806)	(2,091,109,531)
Cash Flows from / (Used in) Investing Activities					
Interest Income	8	374,381,480	481,777,791	413,220,798	523,156,959
Dividend Income Equity Investors		314,956,360	-	2,571,780,096	229,654,337
Dividend Income other Non Current Financial Assets	8	40,166,024	60,280,243	-	-
Acquisition of Property, Plant & Equipment	14	(4,242,898,394)	(6,592,796,485)	(1,645,724)	(35,910,929)
Disposal of Property, Plant & Equipment	14	864,023,265	-	4,831,997	-
Investment in Subsidiaries		-	-	(1,298,783,313)	-
Investment in Associates	17	(150,000,000)	(144,013,838)	(150,000,000)	(144,013,838)
Short term Investments - Fixed Deposits	26	910,125,096	318,232,757	964,722,196	300,276,259
Net Cash Flows from/(Used in) Investing Activities		(1,889,246,170)	(5,876,519,532)	2,504,126,050	873,162,788
Cash Flows from /(Used in) Financing Activities					
Dividend Paid for Equity Holders of Parent		(1,350,768,944)	-	(1,350,768,942)	-
Dividend Paid for Non Controlling Interest		(722,940,647)	(38,438,701)	-	-
Proceeds of Long Term Loans	29	2,169,715,290	6,187,108,671	200,000,000	64,907,500
Repayments of Interest Bearing Borrowings	29	(2,181,657,351)	(1,426,179,787)	(508,602,424)	(432,739,949)
Intercompany Loan Settlement	20	845,592,487	(950,138,202)	973,592,487	-
Lease Paid	31	(19,425,503)	(7,242,725)	(7,242,682)	-
Net Cash Flows from/(Used in) Financing Activities		(1,259,484,668)	3,765,111,256	(693,021,560)	(367,832,449)
Net Increase/(Decrease) in Cash and Cash Equivalents		2,811,928,972	(1,528,618,239)	1,810,667,684	(1,585,779,192)
Cash and Cash Equivalents at the Beginning of the Year (Note A)		(1,104,916,779)	423,701,460	(1,462,942,211)	122,836,981
Cash and Cash Equivalents at the end of the Year (Note B)		1,707,012,193	(1,104,916,779)	347,725,473	(1,462,942,211)
Analysis of cash and cash equivalents					
Cash at Bank - Favourable	27	1,758,008,479	635,165,957	347,725,473	257,096,101
Bank Overdrafts	27	(50,996,286)	(1,740,082,737)	-	(1,720,038,312)
		1,707,012,193	(1,104,916,779)	347,725,473	(1,462,942,211)

The Accounting Policies and Notes on Pages 164 to 220 form an integral part of the Financial Statements.

1. CORPORATE INFORMATION

1.1 General

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 is 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 2024 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 2024 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	Owns & Manages Renewable energy (Solar, Wind & Hydro) generation plants Supply of EPC and O&M Services Manages own investments in EV sector.
Renewgen Private Limited	Owns & Manages Renewable energy (Solar, Wind & Hydro) generation plants
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 Company 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	
Mahoma Uganda Limited	Generates Electricity using Hydro Power and sells electricity to the Uganda Electricity Transmission Company Limited.
Blusky 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 electric vehicles, 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 31 March 2024 was authorized for issue in accordance with a resolution of the Board of Directors on 30 May 2024.

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.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

2.1 BASIS OF PREPARATION

2.1.1 Statement of Compliance

The Consolidated Financial Statement of the Group and the separated Financial Statement of the Company, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Financial Statements have been prepared and presented in accordance with Sri Lanka Accounting Standards (SLFRSs) laid down by the Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act No 7 of 2007.

2.1.2 Basis of Measurement

The consolidated financial statements have been prepared on an accrual basis and the historical cost basis, except financial instruments at fair value through profit or loss that have been measured at fair value and defined benefit obligations is recognised as the present value of the defined benefit obligation.

2.1.3 New Accounting Standards, Interpretations and Amendments Adopted by the Group

There are several Interpretations and amendments which are effective for the current financial year. However, Group does not have significant impact from them.

2.1.4 Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Company. Therefore, the Financial Statements continue to be prepared on the going concern basis.

2.1.5 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 Company Limited	Uganda	Ugandan shilling (UGX)
Mahoma Uganda Limited	Uganda	Ugandan shilling (UGX)
Gharo Solar (Private) Ltd	Pakistan	Pakistan Rupees (PKR)

2.1.6 Financial Year

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

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

2.1.7 Materiality and Aggregation

In compliance with Sri Lanka Accounting Standard - LKAS 01, (Presentation of Financial Statements), each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or functions too are presented separately unless they are immaterial.

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable 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 liability simultaneously. Income and expenses are not offset in the Statement of Comprehensive Income unless required or permitted by an Accounting Standard.

2.1.8 Comparative Information

The comparative information is restated or reclassified wherever necessary to confirm to the current year's presentation.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements of the Group in conformity with Sri Lanka Accounting Standards (SLFRSs) requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in 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 uncertainty.

(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 uncertainty.

(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.

(f) IFRIC 23 Uncertainty over income tax treatments

The IFRIC 23 interpretation on Uncertainty over income tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes specifically determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. It does not apply to taxes or levies outside the scope of LKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments

and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below are consistent with those used in the previous year. The Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

3.1 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Due to changes in the shareholder agreement the associate status of Mahoma Uganda Limited was revised to subsidiary states with effect from the 01/01/2024. Although no consideration was made for the increase in control, via the shareholder agreement the company was able to establish control through the display of majority voting rights.

Specifically, the Group controls an investee if, and only if, the Group has:

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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less or more 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 with the other vote holders of the investee
- ⦿ Rights arising from other contractual arrangements.
- ⦿ The Group's voting rights and potential voting rights.

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

3.1.1 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.

Consolidation of Subsidiaries with Different Accounting Periods

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 of 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 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.

Associates (Equity Accounted Investees) and Joint Ventures

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.

3.2 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.

3.3 Fair Value Measurement

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.

3.3.1 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.

3.3.2 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.

3.4 Foreign Currency

3.4.1 Foreign Currency Translation

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.

3.4.2 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

3.5 Property, Plant and Equipment

3.5.1 Measurement

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.

3.5.2 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.

3.5.3 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;

Items	Years
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 & Telecommunication Accessories	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.

3.5.4 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.

3.6 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.

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.

3.7 Borrowing Costs

Borrowing costs are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.8 Other Project Investments

The Group's investments in the development of various power generating projects are included under this category. Other Project Investments are stated at cost or lower of management's estimation of realizable value. The Group assesses the viability of the projects at each reporting date for any indications of impairment. Any impairment recognized will be charged to the statement of comprehensive income.

3.9 Impairment of Non Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for individual assets, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Whereby, the carrying amount of an asset exceeds its recoverable amount, the asset is

considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to assets. In determining fair value less costs to sell, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired assets, except for property previously revalued where the revaluation was taken to equity. In this case, impairment is also recognized in equity up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the carrying amount of the asset is increased to its recoverable amount.

The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation. Had no impairment loss been recognized for the asset in prior years such reversal is recognized in the statement of comprehensive income unless the asset is carried at the revalued amount, in which case the reversal is treated as a revaluation increase.

3.10 Financial Instruments – Initial Recognition and Subsequent Measurement

3.10.1 Financial Assets

Initial Recognition and Measurement

Financial assets within the scope of SLFRS 9 are classified as 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. This assessment is referred to as the Solely Payment of Principal and Interest (SPPI) test and is performed at an instrument level. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in income statement.

The Group's financial assets include cash and cash equivalents, short-term investments and 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 derecognition (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 SPPI on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the Effective Interest Rate (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 and other receivables, amounts due from related parties, and deposits.

b) Financial assets at fair value through OCI (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 derecognition, 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 at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument- by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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

d) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified

as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

Financial Assets at fair value through profit or loss comprise of equity investments in non-listed companies.

De-recognition

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

- ⦿ The rights to receive cash flows from the asset have expired, or
- ⦿ The Group has transferred its rights to receive cash flows from the asset and the Group has transferred substantially all the risks and rewards of the ownership.

Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual

cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

3.10.2 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 recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings, financial guarantee contracts.

Subsequent Measurement

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

Finance Payables

After initial recognition, finance payable is subsequently measured at amortised cost

using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

De-recognition

A financial liability is derecognised 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

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 37.

3.11 Inventories

Inventories are valued at the lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The costs incurred in bringing the inventories to its present location and the conditions are accounted as follows:-

Raw Materials - At actual cost on first-in, first-out basis (FIFO)

3.12 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.

3.13 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits, and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

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.

3.14 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.

3.15 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.

3.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.

3.17 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 postemployment 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 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.

	2024 as per the actuarial valuation	2023 as per the actuarial valuation
Discount Rate	12.25%	18%
Expected Salary Increment Rate	Eng & Office Staff 10%-12% Technical Staff 11%	Eng & Office Staff 12%-15% Technical Staff 18%
Retirement Age	60 Years	60 Years

3.18 Share-Based Payments

Employees of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity settled transactions). In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment transaction and the fair value of any identifiable goods or services received at the grant date.

The Group applies SLFRS 2, Share based payments in accounting for employee remuneration in the form of shares.

3.19 STATEMENT OF PROFIT or LOSS

3.19.1 Revenue Recognition

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

The following specific criteria are used for the purpose of recognition of revenue.

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.

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material are aggregated, reported and presented on a net basis.

3.19.2 Expenditure Recognition

- a) Expenses are recognized in the income statement on the basis of direct association between the cost incurred and the earning of specific item of income. All expenditure incurred in the running of the business and the maintenance of the property plant & equipment in a state of efficiency has been charged to income in arriving at the profit for the year.
- b) For the purpose of presentation of Statement of comprehensive income, the Directors are of the opinion that function of expenses method presents fairly the elements of the Group's performance, and hence such presentation method is adopted.

- c) Finance expenses are recognized in the statement of comprehensive income on effective interest cost basis.

3.20 Taxation

3.20.1 Current Taxes GRI 3-3, 207-1

Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax law used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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.

Where a company is exempted from the Inland Revenue (Amendment) Bill, to amend the Inland Revenue Act, No.45 of 2022 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 11 to the financial statements.

3.20.2 Deferred Taxation

Deferred income tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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.

3.21 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relating to transactions with any of the Group's other components.

3.22 Net Asset Per Share

The Net Asset Per Share is arrived by dividing the net asset attributable to the equity holders of the Company by the number of shares of the company.

3.23 Earnings Per Share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing

the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.24 Dividend Per Share

The Company presents its dividend per share (DPS) for its ordinary shares. The DPS is calculated by dividing the total dividend by the number of ordinary shares.

3.25 Statement of Cash Flows

The Statement of Cash Flow has been prepared using the 'indirect method'. Interest paid is classified as operating cash flows, while dividends paid are classified as financing cash flows, for the purpose of presenting the Statement of Cash Flow.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued up to the date of issuance of the Group's consolidated financial statements but are not effective for the current annual reporting period are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable when they become effective.

4.1 Classification of Liabilities as Current or Non-current - Amendment to LKAS 1

Amendments to LKAS 1 relate to classification of liabilities with covenants as current or non-current. The amendments clarify that if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period ("future covenants"), the

entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. The requirements apply only to liabilities arising from loan arrangements.

The amendments are effective for annual periods beginning on or after 1 January 2024. The amendments are not expected to have a material impact on the Group financial statement.

4.2 Disclosures: Supplier Finance Arrangements – Amendments to LKAS 7 and SLFRS 7

The amendments clarify the characteristics of supplier finance arrangements and require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements.

The amendments are effective for annual periods beginning on or after 1 January 2024. The amendments are not expected to have a material impact on the Group financial statement.

4.3 Lease Liability in a Sale and Leaseback - Amendment to SLFRS 16

The amendments to SLFRS 16 Leases specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. A seller-lessee applies the amendment retrospectively in accordance with LKAS 8 to sale and leaseback transactions entered after the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2024. The amendments are not expected to have a material impact on the Group financial statement.

4.4 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 SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. 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. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

- ⦿ A specific adaptation for contracts with direct participation features (the variable fee approach)
- ⦿ A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17. The amendments are not expected to have a material impact on the Group.

4.5 International Tax Reform—Pillar Two Model Rule - Amendments to LKAS 12

The amendments to LKAS 12 introduce a mandatory exception in LKAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to disclose that it has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments are effective for annual periods beginning on or after 1 January 2024. The amendments are not expected to have a material impact on the Group financial statement.

5. REVENUE

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Supply of Electricity	5,421,809,904	4,681,547,918	-	-
Management Fees	44,478,969	47,346,071	188,102,352	149,087,112
Operation & Maintenance Fees	93,473,306	63,735,037	243,100,781	187,500,003
Carbon Credit Income	-	82,732,110	-	82,732,110
Automobile	197,194,255	21,555,085	-	-
EPC and Others	94,843,241	56,574,076	92,407,398	-
	5,851,799,675	4,953,490,297	523,610,531	419,319,225

5.1 Billing Under The Standardized Power Purchase Agreement

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Billing Under the Standardized Power Purchase Agreement	664,458,692	-	-	-
	664,458,692	-	-	-

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
HPD Power (Pvt) Ltd	82,004,679	-	-	-
Vidatamunai Wind Power (Pvt) Ltd	99,957,715	-	-	-
Peak Power Delta (Pvt) Ltd	44,742,547	-	-	-
Sunny Clime (Pvt) Ltd	11,177,722	-	-	-
Vydexa Lanka Corporation (Pvt) Ltd	177,464,831	-	-	-
Melanka Power (Pvt) Ltd	36,809,052	-	-	-
Daily Life Renewable Energy (Pvt) Ltd	157,966,915	-	-	-
Powergen Lanka (Pvt) Ltd	54,335,231	-	-	-
	664,458,692	-	-	-

The companies have recorded the additional payment received up to May 9th 2024 from CEB as **“Billing under the Standardized Power Purchase Agreement”**, which were recorded & billed as per the provisions of Standardized Power Purchase Agreement with Ceylon Electricity Board.

5.2 Segmental Information

The Group has delineated its business into several key segments: hydropower, solar energy, wind energy, overseas operations, automotive, and holdings. The subsequent information is presented with these principal segments as the foundation.

	Wind	Hydro	Solar	Holding	Oversease	Automotive
Revenue	3,375,182,501	759,342,248	1,129,087,700	230,359,049	825,092,614	197,194,255
Direct Cost	(1,718,729,154)	(131,047,381)	(260,676,205)	(96,785,123)	(190,510,894)	(253,966,700)
Gross Profit	1,656,453,347	628,294,867	868,411,495	133,573,927	634,581,720	(56,772,445)
Other Income	51,677,785	2,366,520	5,669,656	9,540,305	(2,073,548)	1,130,480
Administration Expenses	(218,575,204)	(21,636,589)	(28,662,694)	(641,150,312)	(106,006,266)	(46,792,984)
Selling & Distribution Expenses	-	-	-	-	-	(14,191,734)
Net Finance cost	(468,819,322)	(46,352,827)	(163,025,770)	116,102,037	(292,279,180)	(7,699,584)
Profit from Operating Activities	1,020,736,606	562,671,971	682,392,686	(381,934,043)	234,222,726	(124,326,266)
Associate profit	(736,702)	23,859,049	150,906,454	-	387,311,188	-
Profit before Tax of the Group	1,019,999,903	586,531,021	833,299,140	(381,934,043)	621,533,914	(124,326,266)

6. COST OF SALES

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Depreciation - Plant	1,393,633,467	1,162,599,298	-	-
Plant O & M Cost	389,761,752	42,454,271	37,754,181	(18,952,892)
Crane Hiring Expenses	143,380,017	175,148,013	-	-
Deductions on Transmission Loss	-	692,084	-	-
Site - Insurance	75,936,430	80,583,073	-	-
Plant Repairs & Maintenance	245,973,375	333,077,943	2,732,979	-
MASL Royalty	30,327,044	29,348,923	-	-
Electricity	62,112,166	38,343,009	-	-
Carbon Credit Buying Expense	580,280	35,597,143	580,280	70,322,294
Battery Pack Expenses	-	23,092,724	-	-
Electric Three Wheel Expenses	226,335,232	3,517,958	-	-
Electric Motor Bike Expenses	27,472,765	13,666,290	-	-
Inventory Devalued Difference	-	14,141,750	-	-
Cost of Sales - EPC	56,202,929	-	56,202,929	-
	2,651,715,457	1,952,262,479	97,270,369	51,369,402

7. OTHER OPERATING INCOME

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Profit on Other Project	689,740	11,148,000	-	-
Gain on Sales of Assets	15,750,785	-	7,745	-
Income from Carbon Credit	-	-	-	-
Income from Liquidity Damages	14,567,452	-	8,897,794	-
Rental Income	30,219,996	7,624,000	442,500	24,000
Creditors Written Back	-	7,389,001	-	7,389,001
Sales of Goods	634,766	13,406,480	634,766	13,406,480
Scrap Sales	2,873,460	-	-	-
Blade Hiring Charges	3,500,000	-	-	-
Insurance Claim	75,000	-	-	-
	68,311,200	39,567,481	9,982,805	20,819,481

8. FINANCE INCOME

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Interest on Deposits	205,267,564	417,717,581	185,415,257	421,270,881
Dividends Income	40,166,024	60,280,243	2,571,780,096	229,654,337
Interest Income on Inter Company	149,525,021	3,779,967	208,216,646	101,886,078
Exchange Gain	-	277,234,363	30,045,634	256,308,649
Interest Income on Repo	6,822,445	-	6,822,445	-
Interest Income from Treasury Bills	12,766,450	-	12,766,450	-
	414,547,503	759,012,154	3,015,046,528	1,009,119,945

9. FINANCE COST

Year ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Bank Over Draft Interest	177,414,049	307,890,594	170,063,188	150,175,595
Lease Interest	6,165,837	32,782,284	2,036,896	4,074,235
Interest on Bank Loans	1,045,635,147	460,579,285	93,251,338	78,097,931
Bank Charges	4,016,024	8,216,180	4,832,256	4,110,704
Bank Charges on Guarantee	7,181,768	150,408	387,115	-
Exchange Loss	36,209,324	318,989,616	42,764,333	232,004,019
LC Commission & Amendment Charge	-	12,000	-	12,000
Other	-	126,495	-	-
Intercompany Loan Interest	-	-	38,945,674	8,989,393
	1,276,622,150	1,128,746,862	352,280,800	477,463,877

10. PROFIT/(LOSS) BEFORE TAXATION

For the Year Ended 31 March Stated after Charging / (Crediting):	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Directors' Remuneration	122,637,738	24,018,818	122,637,738	24,018,818
Audit Fees	6,524,323	6,264,006	806,318	1,302,712
Staff Costs	349,312,014	256,291,499	301,539,303	227,517,662
EPF	33,935,544	26,814,400	29,046,018	23,727,212
ETF	7,929,578	6,183,619	7,261,505	5,931,778
Depreciation & Amortization	2,200,014,421	1,192,361,209	40,942,589	29,481,377

11. INCOME TAX EXPENSES

11.1 Statement of Profit or Loss

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
(I) Current Tax Expense				
Income Tax Expense/(Reversal) on Current Year Profit	240,559,666	158,693,802	(13,759,976)	53,863,717
Dividend Tax	420,814,495	-	-	-
	661,374,161	158,693,802	(13,759,976)	53,863,717
(II) Deferred Tax Expense				
Origination/ (Reversal) of Temporary Differences	143,135,144	417,384,352	(8,584,031)	(1,037,178)
Net Tax Charge or (Reversal) Reported in Statement of Profit or Loss	804,509,305	576,078,154	(22,344,007)	52,826,539

11.2 Statement of Comprehensive Income

Tax Effect on Actuarial Gain/(Loss) on Retirement Benefit Obligations	(2,812,329)	(5,033,133)	(2,812,329)	(5,033,133)
Tax Charged Directly to Comprehensive Income	(2,812,329)	(5,033,133)	(2,812,329)	(5,033,133)

11.3 Reconciliation of Accounting Profit to Taxable Income

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Accounting Profit Before Tax	2,555,103,667	2,358,935,553	2,459,010,231	479,071,861
Income Which Does Not Form Part of the Business	32,586,516	(30,761,115)	-	-
Add: Disallowable Expenses	1,512,911,453	1,149,747,613	64,962,153	50,032,046
Less: Allowable Expenses	(5,416,533,384)	(1,288,994,776)	(3,036,429,638)	(638,411,231)
Profit/(Loss) from Business	(1,315,931,747)	2,188,927,275	(512,457,254)	(109,307,324)
Business Income	(1,348,518,263)	674,552,554	-	-
Investment Income	499,024,418	403,147,889	-	392,202,403
Loss Claimed	(5,970,190)	(110,399,470)	-	(109,307,325)
Tax Exempt Income	(497,139,054)	(19,815,629)	11,983,463	-
Assessable Income	(1,352,603,089)	947,485,344	11,983,463	282,895,078

11.4 Current Taxation

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

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

Companies exempt from income tax

Company	Remaining Period	Tax Holiday Period
Beta Power (Pvt) Ltd	4 Years	Tax Holiday From 2016 /2017 to 2027/2028
Joule Power (Pvt) Ltd	4 Years	Tax Holiday From 2016 /2017 to 2027/2028
HPD Power (Pvt) Ltd	2 Years	Tax Holiday From 2016/2017 to 2025/2026

11.6 Following Companies Exempt from Income Tax/Liable to Tax at Concessionary Rates

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
Vydexa Lanka Corporation (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

11.6 Following Companies Exempt from Income Tax/Liable to Tax at Concessionary Rates contd.

Companies Liable to Tax at IRD Rates

Company	IRD Rates
WindForce PLC	30% p.a
Renewgen (Pvt) Ltd	30% p.a
Peak Power Delta (Pvt) Ltd.	30% p.a
Melanka Power Moraketiya (Pvt) Ltd.	30% p.a
Energy Reclamation (Pvt) Ltd.	30% p.a
BlueSky EV (Pvt) Ltd	30% p.a
Satva Automotive (Pvt) Ltd	30% p.a
Sunny Clime Lanka (Pvt) Ltd.	30% p.a
Seruwawila Photovoltaic (Pvt) Ltd.	30% p.a
Suryadhanavi (Pvt) Ltd.	30% p.a
Hirujanani (Pvt) Ltd.	30% p.a
Sky Solar (Pvt) Ltd	30% p.a
Hiruras Power (Pvt) Ltd.	30% p.a
Kebitigollewa Solar Power (Pvt) Ltd	30% p.a
Solar Universe (Pvt) Ltd	30% p.a

12. EARNINGS PER SHARE

Basic earnings / (loss) 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.

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Net Profit Attributable to Ordinary Shareholders (Rs.)	1,549,546,103	1,479,943,973	2,481,354,237	426,245,322
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 (Rs.)	1.15	1.10	1.84	0.32

13. DIVIDEND PER SHARE

Year ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Dividend Paid During the Year (Rs)	1,350,768,942	-	1,350,768,942	-
Weighted Average Number of Shares Outstanding During The Year (Nos)	1,350,768,942	-	1,350,768,942	-
Dividend Per Share (Rs.)	1.00	-	1.00	-

14. PROPERTY, PLANT & EQUIPMENT

	Group				Balance As at 31.03.2024 Rs.
	Balance As at 01.04.2023 Rs.	Exchange Difference Rs.	Additions for the Year Rs.	Disposals/ Transfers Rs.	
Freehold Assets					
At Cost					
Land	11,349,794	(86,900)	-	-	11,262,894
Plant & Machinery	22,145,769,413	(408,446,664)	9,486,964,549	(167,826,680)	31,056,460,618
Development Cost	638,661,573	(83,916,771)	52,394,666	-	607,139,468
Scada Building	784,515,066	(28,861,150)	71,383,671	-	827,037,586
Engineering Quarters	54,660,781	-	-	(490,209)	54,170,572
Office Equipment	8,328,367	(26,410)	1,664,004	(2,826,343)	7,139,618
Furniture & Fittings	39,646,274	(761,891)	3,442,260	(151,959)	42,174,685
Computer Software	13,495,123	-	133,740	(10,549,206)	3,079,657
Computers & Related Equipment	22,069,498	(99,817)	9,194,891	(4,360,594)	26,803,978
Other Civil Structures	26,610,797	-	-	(2,247,051)	24,363,746
Sodar Unit	12,052,683	-	-	-	12,052,683
Site Equipment	106,035,820	(396,624)	59,885,573	(866,410)	164,658,359
Motor Bikes	15,653,263	-	3,021,922	(533,500)	18,141,685
Motor Vehicles	110,665,887	(1,477,438)	85,058,850	(17,374,500)	176,872,799
Total	23,989,514,339	(524,073,665)	9,773,144,126	(207,226,452)	33,031,358,348

	Group				Balance As at 31.03.2024 Rs.
	Balance As at 01.04.2023 Rs.	Exchange Difference Rs.	Additions for the Year Rs.	Disposals/ Transfers Rs.	
Leasehold Assets					
Motor Vehicles	45,050,000	-	150,000	(10,600,000)	34,600,000
Land	17,529,395	-	952,600	(17,529,395)	952,600
	62,579,395		1,102,600	(28,129,395)	35,552,600
Capital Work in Progress					
Plant & Machinery	6,622,773,753	-	2,031,295,131	(7,534,514,068)	1,119,554,817
	6,622,773,753	-	2,031,295,131	(7,534,514,068)	1,119,554,817

14. PROPERTY, PLANT & EQUIPMENT CONTD.

	Group				
	Balance As at 01.04.2023 Rs.	Exchange Difference Rs.	Charge for the year/ Transfers Rs.	Disposals/ Transfers Rs.	Balance As at 31.03.2024 Rs.
Depreciation					
At Cost					
Plant & Machinery	8,531,935,222	(97,000,135)	1,947,716,304	-	10,382,651,392
Development Cost	122,087,397	(13,534,108)	47,823,510	-	156,376,799
SCADA Building	213,543,334	(4,447,318)	42,353,050	-	251,449,066
Engineering Quarters	16,847,123	-	4,451,794	-	21,298,917
Office Equipment	5,613,167	(26,410)	978,136	(1,467,137)	5,097,756
Furniture & Fittings	31,508,817	(280,451)	3,560,124	(50,653)	34,737,837
Computer Software	9,756,790	-	-	(9,756,790)	-
Computers & Related Equipment	15,983,444	(38,369)	4,364,246	(1,429,767)	18,879,554
Other Civil Structures	22,840,581	-	1,217,613	(16,235,597)	7,822,597
SODAR Unit	11,690,232	-	241,634	-	11,931,866
Site Equipment	79,707,362	(200,831)	52,235,367	(192,463)	131,549,435
Motor Bikes	4,894,725	-	3,324,553	-	8,219,278
Motor Vehicles	75,426,266	(1,444,741)	51,856,817	(14,398,708)	111,439,634
Total	9,141,834,460	(116,972,363)	2,160,123,147	(43,531,115)	11,141,454,129
Leasehold Assets					
Motor Vehicles	41,704,891	-	3,760,000	(18,148,224)	27,316,667
	41,704,891	-	3,760,000	(18,148,224)	27,316,667
Carrying Amount	21,491,328,136				23,017,694,969

14.1 PROPERTY, PLANT & EQUIPMENT (Contd...)

Year Ended 31 March	Company			Balance As at 31.03.2024 Rs.
	Balance As at 01.04.2023 Rs.	Additions for the Year Rs.	(Disposals)/ Transfers Rs.	
Gross Carrying Amounts				
At Cost				
Office Equipment	4,043,397	425,000	(1,242,647)	3,225,750
Furniture & Fittings	19,586,642	201,000	-	19,787,642
Computers & Related Equipment	9,273,851	4,504,546	(194,350)	13,584,047
Sodar Unit	12,052,685	-	-	12,052,685
Site Equipment	18,797,556	6,250,231	-	25,047,787
Bicycle & Motor Cycle	341,000		-	341,000
Motor Vehicles	46,793,580	19,577,458	(3,395,000)	62,976,038
Computer Software	10,549,206		(10,549,206)	-
	121,437,917	30,958,235	(15,381,203)	137,014,949
Leasehold Assets				
Motor Vehicles	45,050,000	150,000	(10,600,000)	34,600,000
	45,050,000	150,000	(10,600,000)	34,600,000
Capital Work in Progress				
Plant & Machinery	22,153,959	59,229,456	(81,383,415)	(0)
	22,153,959	59,229,456	(81,383,415)	(0)

Year Ended 31 March	Company			Balance As at 31.03.2024 Rs.
	Balance As at 01.04.2023 Rs.	Additions for the Year Rs.	(Disposals)/ Transfers Rs.	
Depreciation				
At Cost				
Office Equipment	2,524,272	363,981	(589,022)	2,299,232
Furniture & Fittings	17,756,328	818,478	-	18,574,806
Computers & Related Equipment	5,986,155	2,681,719	(160,383)	8,507,491
Sodar Unit	11,690,232	241,634	-	11,931,866
Site Equipment	9,506,758	4,375,260	-	13,882,018
Bicycle & Motor Cycle	227,334	85,250	-	312,584
Motor Vehicles	21,480,577	26,307,530	(738,750)	47,049,358
Computer Software	8,021,298		(8,021,298)	-
	77,192,954	34,873,852	(9,509,453)	102,557,350
Leasehold Assets				
Motor Vehicles	40,296,668	3,760,000	(16,740,001)	27,316,667
	40,296,668	3,760,000	(16,740,001)	27,316,667
Carrying Amount	71,152,254			41,740,932

15. RIGHT OF USE ASSETS

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Right of Use Asset - Land	114,894,937	122,650,570	-	-
Right of Use Asset - Building	5,117,288	19,733,557	5,117,287	10,234,564
	120,012,224	142,384,127	5,117,287	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.

15.1 Right of Use Asset - Land

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cost				
As at 1st April	148,228,378	-	-	-
Additions During the Year	-	148,228,378	-	-
As at 31st March	148,228,378	148,228,378	-	-
Amortization				
As at 1st April	25,577,808	-	-	-
Amortization Charge for the Year	7,755,633	25,577,808	-	-
As at 31st March	33,333,441	25,577,808	-	-
Written Down Value	114,894,937	122,650,570	-	-

15.2 Right of Use Asset - Building

WindForce PLC, as a lessee, resides in a property owned by Akbar Brothers (Pvt) Ltd, which was recognized as an operating lease under LKAS 17. However, with SLFRS 16 replacing LKAS 17 Leases, the Group has transitioned to SLFRS 16, applying the modified retrospective approach to this leasing agreement. Consequently, the impact on the Statement of Financial Position and the building's amortization up to March 31, 2024, is outlined below:

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cost				
As at 01st April				
Adjustment on Reassessment of Lease Liability at 01st April	26,750,637	26,750,637	15,351,846	15,351,846
Disposals	(11,398,791)	-	-	-
As at 31st March	15,351,847	26,750,637	15,351,846	15,351,846
Amortization				
As at 1st April	7,017,080	-	5,117,282	-
Amortization Charge for the Year	8,120,184	7,017,080	5,117,277	5,117,282
Disposals	(4,902,705)	-	-	-
As at 31st March	10,234,559	7,017,080	10,234,559	5,117,282
Written Down Value	5,117,288	19,733,557	5,117,287	10,234,564

16. INVESTMENT IN SUBSIDIARIES

Company investments in subsidiaries

Unquoted investments

	Company					
	Effective holding %		No of shares		Value	
	2024	2023	2024	2023	2024	2023
Seguwantivu Wind Power (Pvt) Limited	100%	100%	114,285,715	114,285,715	1,232,126,194	1,232,126,194
Vidatamunai Wind Power (Pvt) Limited	100%	100%	114,285,715	114,285,715	1,579,125,663	1,579,125,663
Renewgen (Pvt) Limited	100%	100%	226,569,881	226,569,881	3,809,178,867	3,809,178,867
Powergen (Pvt) Limited	100%	100%	1,603,000	1,603,000	1,543,049,370	1,543,049,370
Energy Reclamation (Pvt) Limited	100%	100%	2,900,000	2,900,000	130,145,014	130,145,014
Sky Solar (Pvt) Ltd	100%	100%	24,959,751	24,959,751	265,000,000	265,000,000
Hirusas Power (Pvt) Ltd	100%	100%	250,000,000	154,434,546	2,500,000,000	1,855,541,028
Daily Life Renewable Energy (Pvt) Ltd	96%	96%	116,656,000	116,656,000	1,166,560,000	1,166,560,000
Sunny Clime Lanka (Pvt) Ltd	90%	90%	4,680,000	4,680,000	46,800,000	46,800,000
Seruwawila Photovoltaic (Pvt) Ltd	90%	90%	4,680,000	4,680,000	46,800,000	46,800,000
Suryadhanavi (Pvt) Ltd	88%	88%	36,000,000	36,000,000	360,000,200	360,000,200
Tororo Pv Power (Pvt) Limited	80%	80%	105,890,776	105,890,776	579,854,800	579,854,800
Satva Automotive (Pvt) Ltd	80%	80%	2,400,000	2,400,000	98,666,667	26,666,667
Blue Sky EV (Pvt) Ltd	90%	90%	90	90	30,125,243	900
Vydexa (Lanka) Power Corporation (Pvt) Ltd	76%	76%	92,385,610	92,385,610	923,856,101	923,856,101
Beta Power (Pvt) Ltd	66%	66%	59,220,000	59,220,000	580,293,000	580,293,000
Joule Power (Pvt) Ltd	66%	66%	59,220,000	59,220,000	580,293,000	580,293,000
Hirujanani (Pvt) Ltd	66%	66%	5,400,000	5,400,000	54,000,000	54,000,000
Kebitigollewa Solar Power (Pvt) Ltd	88.5%	0%	25,240,287	-	552,200,000	-
					16,078,074,117	14,779,290,804

17. INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

	Effective Holding Percentage %	Group				Company			
		2024		2023		2024		2023	
		Number of Shares	Value Rs.	Number of Shares	Value Rs.	Number of Shares	Value Rs.	Number of Shares	Value Rs.
Nirmalapura Wind Power (Pvt) Limited	49%								
Balance at the Beginning 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
Investment Made	-	-	-	-	-	-	-	-	-
Share of Net Assets Accruing to the Group	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	(129,115,000)	-	-	-	-	-	-
Profit Acquiring to the Group Net of Dividend	-	-	(736,702)	-	(12,623,120)	-	-	-	-
Balance at the End of the Year	-	49,000,000	676,117,139	49,000,000	805,968,841	49,000,000	490,000,000	49,000,000	490,000,000
Solar One Ceylon (Pvt) Ltd	50%								
Balance at the Beginning 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
Investment Made	-	-	-	-	-	-	-	-	-
Share of Net Assets Accruing to the Group	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	(62,628,424)	-	-	-	-	-	-
Profit Acquiring to the Group Net of Dividend	-	-	99,545,073	-	73,022,019	-	-	-	-
Balance at the End of the Year	-	35,085,952	791,789,373	35,085,952	754,872,724	35,085,952	490,300,000	35,085,952	490,300,000
Gharo Solar (Pvt) Ltd - Pakistan	30%								
Balance at the Beginning 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
Investment Made	-	-	-	-	-	-	-	-	-
Share of Net Assets Accruing to the Group	-	-	(152,145,474)	-	(35,821,362)	-	-	-	-
Dividend Paid	-	-	(20,795,228)	-	(75,961,049)	-	-	-	-
Profit Acquiring to the Group Net of Dividend	-	-	216,368,227	-	192,717,818	-	-	-	-
Balance at the End of the Year	-	30,061,849	1,511,054,372	30,061,849	1,467,626,847	30,061,849	969,792,000	30,061,849	969,792,000
Vidul Madugeta (Pvt) Ltd	50%								
Balance at the Beginning of the Year	-	4,500,000	344,210,488	4,500,000	334,742,044	-	-	-	-
Investment Made	-	-	-	-	-	-	-	-	-
Share of Net Assets Accruing to The Group	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	(51,637,500)	-	-	-	-	-	-
Profit Acquiring to the Group Net of Dividend	-	-	19,999,152	-	9,468,444	-	-	-	-
Balance at the End of the Year	-	4,500,000	312,572,140	4,500,000	344,210,488	-	-	-	-
Gurugoda Hydro (Pvt) Ltd	50%								
Balance at the Beginning of the Year	-	2,472,000	112,069,369	2,472,000	109,045,349	-	-	-	-
Investment Made	-	-	-	-	-	-	-	-	-
Share of Net Assets Accruing to the Group	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	(2,101,625)	-	-	-	-	-	-
Profit Acquiring to the Group Net of Dividend	-	-	3,859,900	-	3,024,020	-	-	-	-
Balance at the End of the Year	-	2,472,000	113,827,644	2,472,000	112,069,369	-	-	-	-

17. INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES CONTD.

	Effective Holding Percentage %	2024		Group 2023		2024		Company 2023	
		Number of Shares	Value Rs.						
Mahoma Uganda Limited	36%								
Balance at the Beginning of the Year	-	2,317,021	372,651,496	2,317,021	180,684,738	-	-	-	-
Investment Made	-	-	-	-	-	-	-	-	-
Share of Net Assets Accruing to the Group	-	-	(31,929,893)	-	136,018,605	-	-	-	-
Dividend Paid	-	-	(48,678,583)	-	-	-	-	-	-
Profit Acquiring to the Group Net of Dividend	-	-	35,513,593	-	55,948,153	-	-	-	-
Transfer to Subsidiary Investment	-	(2,317,021)	(327,556,613)	-	-	-	-	-	-
Balance at the End of the Year	-	-	-	2,317,021	372,651,496	-	-	-	-
Solar Universe (Pvt) Limited	33%								
Balance at the Beginning of the Year	-	500,000	230,544,773	500,000	6,400,673	21,000,000	260,000,000	500,000	7,333,667
Investment Made	-	-	150,000,000	20,500,000	252,666,333	24,000,000	150,000,000	20,500,000	252,666,333
Share of Net Assets Accruing to the Group	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-
Profit Acquiring to the Group Net of Dividend	-	-	51,361,381	-	(28,522,233)	-	-	-	-
Balance at the End of the Year	-	500,000	431,906,154	21,000,000	230,544,773	45,000,000	410,000,000	21,000,000	260,000,000
Ziba Limited - Uganda	25.5%								
Balance at the Beginning of the Year	-	-	-	-	-	-	-	-	-
Investment Made	-	516	498,095,655	516	321,119,479	-	-	-	-
Share of Net Assets Accruing to the Group	-	-	329,491,178	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	-	-
Profit Acquiring to the Group Net of Dividend	-	-	135,429,364	-	176,976,176	-	-	-	-
Balance at the End of the Year	-	516	963,016,197	516	498,095,655	-	-	-	-
Carrying Value of Equity Accounted Investee			4,800,283,018		4,586,040,193		2,360,092,000		2,210,092,000

The group recognizes its interests in joint ventures using the equity method as per LKAS 28.

17.1 Summarized financial information of equity accounted investees

	For the Year Ended 31st March 2024							
	Nirmalapura	Solar One	Vidul	Gurugoda	Gharo	Mahoma	Solar Universe	Ziba Ltd
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	330,017,052	453,811,327	102,133,930	33,239,681	1,956,394,012	320,510,710	645,564,496	1,483,467,289
Cost of Sales	(280,671,756)	(136,998,624)	(47,310,771)	(20,030,232)	(584,696,149)	(111,097,354)	(155,744,046)	(100,850,340)
Other Income/ Net Finance Cost	2,300,730	(73,934,592)	240,836	(266,733)	(456,632,639)	(94,837,162)	(265,548,403)	(464,215,290)
Administration Expense	(27,796,349)	(43,787,966)	(1,577,527)	(1,713,694)	(193,837,799)	(15,927,324)	(10,452,841)	(387,306,111)
Profit/(Loss) Before Taxation	23,849,677	199,090,145	53,486,468	11,229,023	721,227,425	98,648,870	213,819,206	531,095,547
Taxation	(25,353,150)	-	(13,488,166)	(3,509,226)	-	-	(59,719,653)	-
Profit/(Loss) After Taxation	(1,503,473)	199,090,145	39,998,302	7,719,797	721,227,425	98,648,870	154,099,553	531,095,547

	For the Year Ended 31st March 2024							
	Nirmalapura	Solar One	Vidul	Gurugoda	Gharo	Mahoma	Solar Universe	Ziba Ltd
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Non-Current Assets	831,953,417	1,254,269,717	424,116,049	99,878,385	8,020,580,296	1,469,361,185	2,235,920,423	5,228,526,535
Current Assets	315,022,029	151,857,549	50,751,006	21,350,035	1,427,714,804	275,930,974	118,368,094	1,417,705,446
Total Assets	1,146,975,447	1,406,127,266	474,867,055	121,228,420	9,448,295,100	1,745,292,159	2,354,288,517	6,646,231,981
Non-Current Liabilities	5,497,009	171,652,939	29,589,690	2,978,240	6,528,748,318	852,057,120	965,637,429	5,567,141,490
Current Liabilities	105,820,957	27,465,957	11,282,977	3,485,063	323,094,561	46,852,924	248,465,129	84,507,803
Net Assets	1,035,657,480	1,207,008,369	433,994,388	114,765,117	2,596,452,221	846,382,115	1,140,185,960	994,582,688

18. OTHER NON CURRENT FINANCIAL ASSETS

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Other Unquoted Equity Investments - Foreign	223,660,000	223,660,000	223,660,000	223,660,000
	223,660,000	223,660,000	223,660,000	223,660,000

18.1 Other Unquoted Equity Investments - Foreign

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
East Africa Concrete Products Ltd - Uganda	13,290,000	13,290,000	13,290,000	13,290,000
Harappa Solar (Private) Ltd - Pakistan	109,350,000	109,350,000	109,350,000	109,350,000
Semipolky Solar Limited - Ukraine	101,020,000	101,020,000	101,020,000	101,020,000
	223,660,000	223,660,000	223,660,000	223,660,000

19. INTANGIBLE ASSETS

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Computer Software	1,700,255	-	1,491,666	-
Advance for Grid Substation - Non-Current	86,264,537	100,870,313	-	-
Right to Generate Electricity from Hydro Resources	144,068,344	148,682,194	-	-
Goodwill on Business Combinations	2,386,832,245	2,386,832,245	-	-
	2,618,865,381	2,636,384,752	1,491,666	-

19.1 Computer Software

Cost				
As at 01st April	2,929,277	-	-	-
Additions /Transfers	10,687,934	-	10,432,934	-
As at 31st March	13,617,211	-	10,432,934	-
Amortization				
As at 01st April	2,380,038	-	-	-
Transfer	7,989,808	-	7,989,808	-
Amortization for the Year	1,547,111	-	951,460	-
As at 31st March	11,916,956	-	8,941,268	-
Net Book Value	1,700,255	-	1,491,666	-

19.2 Advance for Grid Substation

Cost				
As at 01st April	268,929,311	268,929,311	-	-
As at 31st March	268,929,311	268,929,311	-	-
Amortization				
As at 01st April	153,453,220	138,847,443	-	-
Amortization for the Year	14,605,777	14,605,777	-	-
As at 31st March	168,058,997	153,453,220	-	-
Net Book Value	14,605,777	14,605,777	-	-
	86,264,537	100,870,313	-	-
	100,870,314	115,476,090	-	-

19.3 Right to Generate Electricity from Hydro Resources

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
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	35,871,795	31,257,945	-	-
Charge for the Year	4,613,850	4,613,850	-	-
Total at the Year End	40,485,645	35,871,795	-	-
Net Book Value Balance as at 31st March	144,068,344	148,682,194		

19.4 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 Company 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.

20. INTERCOMPANY LOAN RECEIVABLE

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance as at 01st April	950,138,202	-	1,078,138,202	135,000,000
Loans Granted During the Year	-	950,138,202	146,624,393	950,138,202
Loan Settlement During the Year	(845,592,487)	-	(1,120,216,880)	(7,000,000)
Balance as at 31st March	104,545,715	950,138,202	104,545,715	1,078,138,202
Current	104,545,715	950,138,202	104,545,715	1,002,138,202
Non-Current	-	-	-	76,000,000
Balance as at 31st March	104,545,715	950,138,202	104,545,715	1,078,138,202
Company	Relationship			
HPD Power (Pvt) Ltd	Subsidiary	-	-	128,000,000
Solar Universe (Pvt) Ltd	Associate	104,545,715	950,138,202	950,138,202
		104,545,715	950,138,202	1,078,138,202

Entity	Loan Amount	Purpose	Interest Rate
HPD Power (Pvt) Ltd	Rs 130 Mn (approx.)	To settle the inter company balances of Renewgen (Pvt) Ltd	8 % p.a

21. Deferred Tax Assets/Liabilities

	Group				Company			
	2024		2023		2024		2023	
	Temporary Difference Rs.	Tax Effect Rs.	Temporary Difference Rs.	Tax Effect Rs.	Temporary Difference Rs.	Tax Effect Rs.	Temporary Difference Rs.	Tax Effect Rs.
As at 1 April	(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
Amount Originating During the Year	2,451,875,298	(140,331,133)	1,325,044,000	(422,417,486)	37,987,868	11,396,360	(20,935,318)	(3,995,955)
As at 31 March	(5,969,953,020)	(1,930,248,533)	(8,421,828,318)	(1,789,917,400)	55,129,882	16,538,965	17,142,014	5,142,605
Temporary Difference of Right-of-Use Asset	(5,106,155)	(1,579,479)	(22,099,880)	(6,275,016)	(5,117,287)	(1,535,186)	(10,234,564)	(3,070,369)
Temporary Difference of Property, Plant and Equipment	(6,980,706,782)	(2,343,174,646)	(9,709,544,866)	(2,172,431,448)	1,353,546	406,064	(42,974,332)	(12,892,300)
Temporary Difference of Retirement Benefit Obligation	85,231,461	25,569,438	61,765,074	18,529,522	85,231,461	25,569,438	61,765,074	18,529,522
Temporary Difference of Lease Liabilities	4,868,797	1,286,489	18,036,450	5,230,399	3,707,796	1,112,339	8,585,836	2,575,752
Carried Forward Tax Losses	944,158,045	388,386,764	1,230,014,904	365,029,143	(30,045,634)	(9,013,690)	-	-
Temporary Difference of Unrealized Exchange Difference	(18,398,386)	(737,099)	-	-	-	-	-	-
	(5,969,953,020)	(1,930,248,533)	(8,421,828,318)	(1,789,917,400)	55,129,882	16,538,965	17,142,014	5,142,605
Deferred Tax Asset	-	-	-	-	55,129,882	16,538,965	17,142,014	5,142,605
Deferred Tax Liability	5,969,953,020	1,930,248,533	8,421,828,318	1,789,917,400	-	-	-	-

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%.

22. INVENTORIES

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Spare Parts & Consumables	661,439,284	591,247,358	2,404,393	-
Raw Material	8,797,649	14,956,981	-	-
Finished Goods	-	151,489,448	-	-
Work in Progress	522,410	-	-	-
Electric Two Wheelers	31,495,976	-	-	-
Battery Packs	5,403,448	-	-	-
	707,658,767	757,693,787	2,404,393	-
Provision for Inventory Write Down	(25,924,054)	-	-	-
	681,734,713	757,693,787	2,404,393	-

23. TRADE & OTHER RECEIVABLES

Year ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trade Debtors	1,518,480,669	4,727,494,528	30,385,779	136,730,936
	1,518,480,669	4,727,494,528	30,385,779	136,730,936
Other Receivables				
Item Charge to be Assign	23,933,644	-	-	-
Refundable Deposits & Prepayments	56,261,079	161,155,363	5,207,756	3,124,731
Purchase Control	343,865,688	-	82,018,775	-
Staff Loans	8,012,939	6,770,097	8,012,939	6,770,097
Advances	2,338,307	6,707,732	2,338,307	1,272,768
Interest Receivable	27,416,555	41,413,139	16,278,054	41,408,543
Advance on Project Preliminaries	-	9,469,154	-	-
Insurance Receivable	360,180,167	94,048,149	9,302,800	-
Other Projects	138,593,141	201,579,787	109,653,720	121,309,585
Dividend Receivables	-	79,718,122	-	52,718,121
WHT Receivables	10,677,350	-	9,814,478	-
	971,278,872	600,861,543	242,626,829	226,603,845
Total	2,489,759,541	5,328,356,071	273,012,608	363,334,781

NOTES TO THE FINANCIAL STATEMENTS

24. AMOUNTS DUE FROM RELATED PARTIES

Year Ended 31 March		Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Beta Power (Pvt) Ltd	Subsidiary	-	-	6,045,229	78,018,252
Joule Power (Pvt) Ltd	Subsidiary	-	-	6,045,229	93,621,185
Vydexa (Lanka) Power Corporation (Pvt) Ltd	Subsidiary	-	-	3,347,301	11,230,923
Sunny Clime Lanka (Pvt) Ltd	Subsidiary	-	-	156,844	21,562,904
Melanka Power (Pvt) Ltd	Subsidiary	-	-	130,708	95,864,397
Seruwawila Photovoltaic (Pvt) Ltd	Subsidiary	-	-	470,542	18,650,192
Daily Life Renewable Energy (Pvt) Ltd	Subsidiary	-	-	20,830,740	98,916,385
Suryadhanavi (Pvt) Ltd	Subsidiary	-	-	1,333,219	30,775,100
Renewgen Power (Pvt) Ltd	Subsidiary	-	-	-	11,371,004
Powergen Lanka (Pvt) Ltd	Subsidiary	-	-	1,176,364	102,220,633
Hirujanani (Pvt) Ltd	Subsidiary	-	-	392,123	5,925,231
Seguwantivu Wind Power Pvt Ltd	Subsidiary	-	-	1,176,365	100,586,169
Vidatamunai Wind Power (Pvt) Ltd	Subsidiary	-	-	1,176,364	39,067,933
HPD Power (Pvt) Ltd	Subsidiary	-	-	130,708	4,698,850
Renewgen Power (Pvt) Ltd	Subsidiary	-	-	-	-
Energy Reclamation (Pvt) Ltd	Subsidiary	-	-	117,637	-
Hiruras Power (Pvt) Ltd	Subsidiary	-	-	2,388,198	-
Sky Solar (Pvt) Ltd	Subsidiary	-	-	-	-
Tororo Pv Power Company Limited	Subsidiary	-	-	-	-
Blue Sky EV (Pvt) Ltd	Subsidiary	-	-	14,127,955	31,798,097
Satva Automotive (Pvt) Ltd	Subsidiary	-	-	24,980,079	23,149,925
Kebitigollewa Solar Power (Pvt) Ltd	Subsidiary	-	-	-	-
Terraqua International (Pvt) Ltd	Subsidiary	-	-	117,637	-
Terraqua Kokawita (Pvt) Ltd	Subsidiary	-	-	117,637	-
Peak Power Delta (Pvt) Ltd	Subsidiary	-	-	130,708	-
Suryadhanavi (Pvt) Ltd	Subsidiary	-	-	-	-
ECL Uganda Limited	Affiliate	3,805,283	-	160,804	-
Kebetigollewa Solar Power (Pvt) Ltd	Subsidiary	-	-	124,210	-
Solar Universe (Pvt) Ltd	Associate	22,776,331	-	22,776,331	-
Akbar Brothers (Pvt) Ltd	Shareholder	4,890,706	3,226,515	-	-
Nirmalapura Wind Power (Pvt) Ltd	Associate	27,346,951	35,384,294	26,165,256	2,288,833
Solar One Ceylon (Pvt) Ltd	Associate	3,315,014	530,579	2,550,656	530,579
Diyaviduli (Pvt) Ltd	Affiliate	94,534	32,934	94,534	32,934
		62,228,820	39,174,322	136,263,381	770,309,526

25. INCOME TAX RECEIVABLE / (PAYABLE)

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Balance at the Beginning of the Year	(80,820,059)	71,191,543	(47,928,233)	353,699
Addition/Adjustments	19,204,937	(2,099,583)	20,788,232	-
During the Year Provisions	(240,559,666)	(158,693,802)	-	(53,863,717)
WHT Paid on Interest	7,124,375	-	-	-
ESC Written Off	(21,732)	(24,783,817)	-	(77,219)
WHT Written Off	(3,573,895)	-	-	-
Income Tax Payments	361,926,471	33,565,600	107,554,448	5,659,004
Balance at the End of the Year	63,280,431	(80,820,059)	80,414,447	(47,928,233)
Income Tax Payable	-	80,820,059	-	47,928,233
Income Tax Receivable	63,280,431	-	80,414,447	-

26. SHORT TERM FINANCIAL ASSETS

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Investments in Fixed Deposits	2,087,181,530	2,997,306,626	2,022,506,601	2,987,228,797
Investment in Treasury Bills	-	-	-	-
Investment in Repo	-	-	-	-
	2,087,181,530	2,997,306,626	2,022,506,601	2,987,228,797

27. CASH AND CASH EQUIVALENTS

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Favorable Cash and Cash Equivalent Balances				
Cash and Bank Balances	1,751,490,390	628,699,806	347,235,473	256,386,100
Petty Cash	6,518,089	6,466,152	490,000	710,000
	1,758,008,479	635,165,958	347,725,473	257,096,100
Unfavorable Cash and Cash Equivalent Balances				
Bank Overdrafts	(50,996,286)	(1,740,082,737)	-	(1,720,038,311)
	(50,996,286)	(1,740,082,737)	-	(1,720,038,311)

28. STATED CAPITAL

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
As at 31 March				
Issued and Fully Paid Number of Shares				
Ordinary Shares	1,350,768,942	1,350,768,942	1,350,768,942	1,350,768,942
Value of Issued and Fully Paid Shares				
Ordinary Shares	18,226,455,904	18,226,455,904	18,226,455,904	18,226,455,904

29. INTEREST BEARING LOANS AND BORROWINGS

29.1 Non-Current Interest-Bearing Loans and Borrowings

Year Ended 31 March	Currency	Type	Group		Company	
			2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Sampath Bank	LKR	Loan	4,835,688,215	4,729,232,914	-	-
Hatton National Bank	LKR	Loan	1,317,149,278	1,882,768,093	-	-
DFCC Bank PLC	LKR	Loan	322,964,324	486,790,557	-	-
Seylan Bank	LKR	Loan	39,810,000	42,554,000	-	-
Commercial Bank of Ceylon	LKR	Loan	4,969,300	64,907,500	4,969,300	64,907,500
Standard Chartered Bank	USD	Loan	219,021,406	80,363,020	219,021,406	160,726,188
HSBC	USD	Loan	179,854,207	435,435,128	179,854,207	435,435,128
Pan Asia Bank - Vehicle Lease	LKR	Lease	-	1,487,118	-	1,487,118
National Development Bank	LKR	Loan	623,172,484	-	-	-
			7,542,629,214	7,723,538,330	403,844,914	662,555,934

29.2 Current Interest Bearing Loans and Borrowings

Year ended 31 March	Currency	Type	Group		Company	
			2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
National Development Bank	LKR	Loan	-	-	-	-
Sampath Bank	LKR	Loan	558,094,800	620,673,759	-	-
Hatton National Bank	LKR	Loan	456,461,618	493,826,200	-	-
DFCC Bank PLC	LKR	Loan	94,526,142	126,979,572	-	-
Seylan Bank	LKR	Loan	11,112,000	36,120,000	-	-
Standard Chartered Bank	USD	Loan	146,051,378	482,177,657	146,051,378	401,814,489
HSBC loan	USD	Loan	215,825,060	237,510,076	215,825,060	237,510,076
Hatton National Bank - FCBU	USD	Loan	-	-	-	-
DFCC Bank - Lease	LKR	Lease	-	-	-	-
Pan Asia Bank - Vehicle Lease	LKR	Lease	-	5,479,910	-	5,479,910
Commercial Bank of Ceylon - Vehicle Loan	LKR	Lease	34,250,400	1,088,717	-	1,088,718
Commercial Bank of Ceylon	LKR	Loan	100,000,000	-	34,250,400	-
Amana Bank	LKR	Loan	603,511,699	-	100,000,000	-
Union Bank	LKR	Loan	63,901,651	-	-	-
National Development Bank	LKR	Loan	134,305,044	-	-	-
			2,418,039,792	2,003,855,891	496,126,837	645,893,193

NOTES TO THE FINANCIAL STATEMENTS

WindForce PLC
Annual Report 2023/24
202

29.3 Security and Repayment Terms - Group

Company	Lender	Loan Type	Currency	Loan Outstanding (Mn)	Rate	Repayment	Purpose	Security
Daily Life Renewable Energy (Pvt) Ltd	Sampath Bank	Term Loan	LKR	41.30	AWPLR+0.5%	96 monthly installments commencing on 03 months after first disbursement	To finance the replacement cost of the generators	Loan Agreement
Vydexa (Lanka) Power Corporation (Pvt) Ltd	Hatton National Bank	Term Loan	LKR	248.10	AWPLR+1%	101 equal monthly installments after grace period of 19 months	Finance the construction and commission of 10MW solar power project at Nedunkulama, Vavuniya	Primary mortgage over all ordinary shares. Primary mortgage of project documents. (approvals, agreements, contracts, Bonds, etc.....) Letter of comfort for Es. 1.05 Billion from WindForce PLC
WindForce PLC	Commercial Bank	Lease	LKR	4.00	14.50%	60 Equal monthly Installments	Purchase of brand new Honda Vessel DAA motor vehicle	Mortgage Over Vehicle
		Lease	LKR	4.00	14.50%	60 Equal monthly Installments	Purchase of brand new Crew Cab motor vehicle	Mortgage Over Vehicle
		Lease	LKR	5.00	14.50%	60 Equal monthly Installments	Purchase of brand new Motor CRV vehicle	Mortgage Over Vehicle
		Term Loan	LKR	39.20	AWPLR+2%	48 equal monthly installments after 12 months grace period	Importation of cranelss tools	Craneless tools
	HSBC Mauritius	Term Loan	USD	1.20	SOFRA+1.6%	72 Equal Monthly Installments after 12 months Grace Period	Gharo Equity Loan	Lien over Sri Lanka Rupee cash deposit equivalent to 110% at the loan outstanding held with HSBC Bank
	Standard Chartered Bank Mauritius	Term Loan	USD	1.20	SOFRA+1.75%	72 Equal Monthly Installments after 12 months Grace Period	Tororo Equity Loan	Lien over Sri Lanka Rupee cash deposit equivalent to 110% at the loan outstanding held with SCB Bank
	Pan Asia Bank PLC	Lease	LKR	4.25	13.25%	48 equal Monthly Installments	Audi Q2 TFSI	Mortgage Over Vehicle
Lease		LKR	14.55	13.50%	48 equal Monthly Installments	Mercedes Benz GLE 300 D Car	Mortgage Over Vehicle	

29.3 Security and Repayment Terms - Group contd..

Company	Lender	Loan Type	Currency	Loan Outstanding (Mn)	Rate	Repayment	Purpose	Security
	Amana	Short-term Loan	LKR	200.00	AWPLR+0.25%	12 Equal Monthly Installments	Working Capital	Loan Agreement
Suryadhanavi (Pvt) Ltd	DFCC Bank	Term Loan	LKR	417.00	AWPLR+1.5%	108 Equal monthly Installments after 12 months grace	To finance the establishment of 10MW of rooftop mounted solar power systems on buildings belonging to Akbar Brothers & Hidramani Group of Companies	Primary mortgage over movable machinery Corporate guarantee from WindForce PLC
Hirujanani (Pvt) Limited	HNB	Term Loan	LKR	70.00	AWPLR+1%	108 Equal monthly Installments after 12 months grace	To finance the establishment of 2.13 MW of rooftop mounted solar power systems	Primary mortgage over movable machinery Corporate guarantee from WindForce PLC
Sunny Clime (Pvt) Limited	Seylan Bank	Term Loan	LKR	25.40	12%	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.	To part finance construction of 1Mw Solar power plant in Dikwewa in Mamaduwa division of Vavuniya district	Primary mortgage for LKR 135 Mn over machinery corporate guarantee from WindForce PLC for LKR 135Mn
Seruwawila Photovoltaic (Pvt) Limited	Seylan Bank	Term Loan	LKR	25.40	12%	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.	To part finance construction of 1Mw Solar power plant in Dikwewa in Mamaduwa division of Vavuniya district	Primary mortgage for LKR 135 Mn over machinery corporate guarantee from WindForce PLC for LKR 135Mn

NOTES TO THE FINANCIAL STATEMENTS

Company	Lender	Loan Type	Currency	Loan Outstanding (Mn)	Rate	Repayment	Purpose	Security
HPD Power (Pvt) Ltd	Sampath Bank	Term Loan	LKR	69.70	AWPLR+1.5%	96 monthly installments commenced from 30.03.2017	Plant and machinery, including other equipment of the hydro power project	Primary mortgage bond for Rs. 250 Mn over shares issued by the company.
		Term Loan	LKR	39.40	AWPLR+1.5%	96 monthly installments commenced from 30.03.2017	Plant and machinery, including other equipment of the hydro power project	Primary mortgage bond for Rs. 250 Mn over shares issued by the company.
Tororo PV Power Company Limited	HNB FCBU	Term Loan	LKR	4.80	SOFRA+4%	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 %	Construction and commissioning of plant and machinery, including other equipment of the solar power project	Primary mortgage over entirety of shares & projects assets
Satva Automotive (Pvt) Ltd	Union Bank	Term Loan	LKR	140.00	AWPLR+1%	Repayment within 12 months from date granted interest rate AWPLR + 1%	To retire the existing acceptance facilities granted to the Company	Existing lien over third party fixed deposit for 150Mn along with letter from WindForce PLC to hold the deposit as a security.
Hirusas Power (Pvt) Ltd	Sampath Bank	Term Loan	LKR	2,470.00	8%	120 Monthly Installments after a 12 months Grace period	Part Finance the 15MW Wind Power Project	Primary Mortgage Over Shares / Primary Mortgage over Project Assets/ Corporate Guarantee From WindForce PLC
		Term Loan	LKR	2,282.00	AWPLR+0.75%	120 Monthly Installments after a 12 months Grace period	Part Finance the Cost overrun of 15MW Wind Power Project	Loan Agreement
		Term Loan	LKR	373.00	12.5%	120 Monthly Installments after a 12 months Grace period with a bullet settlement Option	Part Finance the Cost overrun of 15MW Wind Power Project	Loan Agreement
Mahoma Uganda Limited	NDB Bank FCBU	Term Loan	USD	2.48	SOFRA+ 5.75%	120 Monthly Installments after a 24 Months Grace period	Part Finance the construction of 2.7 MW Hydro Power Project	Primary Mortgage Over Shares / Primary Mortgage over Project Assets

30. RETIREMENT BENEFIT OBLIGATION

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
At the Beginning of the Year	61,765,074	64,427,667	61,765,074	64,427,667
Interest Cost	11,117,713	7,087,043	11,117,713	7,087,043
Current Service Cost	7,765,155	7,171,194	7,765,155	7,171,194
Payments Made During the Year	(4,790,911)	(143,718)	(4,790,911)	(143,718)
Actuarial Gain / (Loss) Due to Changes in Financial Assumptions	-	(6,620,053)	-	(6,620,053)
Net Actuarial Gain / (Loss) Due to Changes in Experience	9,374,429	(10,157,059)	9,374,429	(10,157,059)
At the End of the Year	85,231,461	61,765,074	85,231,461	61,765,074

An actuarial valuation of the retirement gratuity payable was carried out as at March 31, 2024 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".

Actuarial Assumptions

The following key assumptions were made in arriving at the above figure.

Year Ended 31 March	2024 Rs.	2023 Rs.
(i) Rate of Discount	12.25%	18% (Per Annum)
(ii) Rate of Salary Increase		
- Chief Staff	10%	12% (Per Annum)
- Engineer & Office Staff	12%	15% (Per Annum)
- Technical Staff	11%	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

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:

Year Ended 31 March	2024 Rs.	2023 Rs.
Group		
A one percentage point change in the discount rate.	+1%	-1%
As at 31 March 2024	(5,373,643)	6,018,733
As at 31 March 2023	(4,343,689)	4,923,544
A one percentage point change in the salary increment rate.	+1%	-1%
As at 31 March 2024	6,526,602	(5,914,646)
As at 31 March 2023	5,330,719	(4,767,015)
Company	Rs.	Rs.
A one percentage point change in the discount rate.	+1%	-1%
As at 31 March 2024	(5,373,643)	6,018,733
As at 31 March 2023	(4,343,689)	4,923,544
A one percentage point change in the salary increment rate.	+1%	-1%
As at 31 March 2024	6,526,602	(5,914,646)
As at 31 March 2023	5,330,719	(4,767,015)

Distribution of Employee Benefit Obligation over Future Working Lifetime

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Less than or Equal 1 year	6,003,236	4,734,201	6,003,236	4,734,201
Over 1 Year and Less than or Equal 5 Years	16,970,937	12,443,493	16,970,937	12,443,493
Over 5 Year and Less than or Equal 10 Years	41,027,028	25,110,815	41,027,028	25,110,815
Over 10 Years	21,230,260	19,476,565	21,230,260	19,476,565
	85,231,461	61,765,074	85,231,461	61,765,074

31. LEASE LIABILITIES

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Lease Liability on Right of Use Asset - Land	100,428,565	114,970,842	-	-
Lease Liability on Right of Use Asset - Building	2,280,907	16,891,112	2,222,675	8,585,836
Lease Liability on Right of Use Asset - Motor Vehicle	1,485,124		1,485,122	
	104,194,596	131,861,954	3,707,796	8,585,836
Lease Liability on Right of Use Asset - Land				
Balance at the Beginning of the Year	114,970,842	-	-	-
Reassessment of Adjustment	(12,488,341)	116,361,999	-	-
Accretion of Interest	1,269,596	981,986	-	-
Paid During the year	(3,323,531)	(2,373,143)	-	-
Transferred to Accrued Liability		-	-	-
Balance as at End of the Year	100,428,565	114,970,842	-	-
Lease Liability on Right-of-Use Asset- Building				
Balance at the Beginning of the Year	16,891,112	-	8,585,836	-
Additions During the Year	-	28,166,451	-	15,351,846
Accretion of Interest	1,977,085	2,798,643	1,364,838	2,440,390
Paid During the Year	(8,859,290)	(4,867,582)	-	-
Transferred to Accrued Liability	(7,728,000)	(9,206,400)	(7,728,000)	(9,206,400)
Balance as at End of the Year	2,280,907	16,891,112	2,222,675	8,585,836
Lease Liability on Right-of-Use Asset-Motor Vehicle				
Balance at the Beginning of the Year	8,055,746	-	8,055,746	-
Additions During the Year	-	-	-	-
Accretion of Interest	672,060	-	672,060	-
Paid During the Year	(7,242,682)	-	(7,242,682)	-
Transferred to Accrued Liability	-	-	-	-
Balance as at End of the Year	1,485,124	-	1,485,124	-
Maturity Analysis of Lease Liability as Follows,				
Less than one Year	8,428,368	15,682,374	3,707,796	6,363,162
2 to 5 Years	95,766,227	116,179,581	-	2,222,675
More than 5 Years		-	-	-
	104,194,596	131,861,955	3,707,796	8,585,837

32. TRADE AND OTHER PAYABLES

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trade Payables	235,834,884	849,611,210	109,242,520	166,079,969
	235,834,884	849,611,210	109,242,520	166,079,969

32.1 Other Payables

Year Ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Accrued Expenses	62,638,006	33,601,865	622,098	9,827,742
EPF/ETF/PAYE Payable	9,223,307	6,592,731	8,736,460	5,778,181
VAT Payable	28,107,859	47,788,302	11,081,471	47,788,302
SSCL Payable	1,639,383	-	1,639,383	-
Other Payables	62,275,800	75,902,510	-	1,654,079
Loan Interest Payable	-	11,567,343	-	-
Stamp Duty Payable	61,277	4,800	60,652	4,000
WHT Payable	371,675	435,509	143,064	47,064
Dividend Payable	40,418,699	9,265,839	5,866,082	4,265,840
Audit Fee Payable	3,699,146	5,295,756	806,318	706,552
	208,435,152	190,454,655	28,955,528	70,071,760
	444,270,036	1,040,065,865	138,198,048	236,151,729

33. AMOUNTS DUE TO RELATED PARTIES

Year Ended 31 March	Relationship	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Akbar Brothers (Pvt) Ltd	Shareholder	1,197,770	31,009,970	1,197,770	7,802,611
Peak Power Delta (Pvt) Ltd	Subsidiary	-	-	-	2,291,647
Terraqua International (Pvt) Ltd	Subsidiary	-	-	-	28,450,100
Terraqua Kokawita (Pvt) Ltd	Subsidiary	-	-	-	687,814
Tororo PV Power Company Limited	Subsidiary	-	-	-	5,679,017
Energy Reclamation (Pvt) Ltd	Subsidiary	-	-	-	6,712,136
Nsovanga Ltd	Affiliate	5,517,524	-	-	-
Sky Solar (Pvt) Ltd	Subsidiary	-	-	212,010,178	181,550,617
Daily Life Renewable Energy (Pvt) Ltd	Subsidiary	1,570	-	-	-
		6,716,864	31,009,970	213,207,948	233,173,942

34. RELATED PARTY DISCLOSURES

34.1 Key Management Personnel and Related Companies

The details of the significant related party disclosure are as follows;

According to the Sri Lankan Accounting standards (LKAS) 24 - Related party disclosure "Key Management Personnel" are those having the authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Directors (including executive and non-executive directors) have been classified as KMP of the company.

(i) Key management personnel compensation is disclosed in note 34.2 to the financial statements

Name of the Related Party	Relationship	Nature of Transaction	Value of Transaction Rs.	Group 2024	Company 2024
Akbar Brothers (Pvt) Ltd	Shareholder	Opening balance	(31,009,971)		
		Apportionment of cost	164,368		
		Rent & management fee	(14,861,560)		
		Settlements	46,904,933		
		Closing balance	1,197,770	1,197,770	1,197,770
Daily Life Renewable Energy (Pvt) Ltd	Subsidiary Company	Opening balance	98,916,387		
		Share of cost	132,726,718		
		Settlements	(574,105,304)		
		Dividend	360,933,664		
		InterCo interest	2,359,285		
		Closing balance	20,830,749		20,830,749
Beta Power (Pvt) Ltd	Subsidiary Company	Opening balance	78,018,252		
		Share of cost	81,179,458		
		Settlements	(554,841,740)		
		Dividend	401,689,260		
		Closing balance	6,045,230		6,045,230
Joule Power (Pvt) Ltd	Subsidiary Company	Opening balance	93,621,186		
		Share of cost	101,233,319		
		Settlements	(102,299,889)		
		Dividend	367,963,470		
		InterCo interest	(454,472,855)		
		Closing balance	6,045,231		6,045,231
Nirmalapura Wind Power (Pvt) Ltd	Associate Company	Opening balance	101,699,604		
		Management fee	232,131,318		
		Other Expenses	8,774,283		
		Cost of Spares	(13,835)		
		Settlements	(315,244,419)		
		Closing balance	27,346,951	27,346,951	26,165,256

34.1 Key Management Personnel and Related Companies contd..

Name of the Related Party	Relationship	Nature of Transaction	Value of Transaction Rs.	Group 2024	Company 2024
Suryadhanavi (Pvt) Limited	Subsidiary Company	Opening balance	30,775,100		
		Management fee	15,693,561		
		Settlements	(46,917,133)		
		Share of Expenses	383,425		
		InterCo interest	1,398,266		
		Closing balance	1,333,218		1,333,218
Hirujanani Pvt Ltd (Pvt) Limited	Subsidiary Company	Opening balance	5,925,231		
		Management fee	4,615,755		
		Dividend	8,721,000		
		Settlements	(18,869,864)		
		Closing balance	392,122		392,122
Sunny Clime Lanka (Pvt) Limited	Subsidiary Company	Opening balance	21,562,904		
		Share of cost	2,443,828		
		Settlements	(18,137,985)		
		Dividend Paid	(7,558,200)		
		Closing balance	(1,689,453)		(1,689,453)
Seruwawila Photovoltaic Pvt Ltd	Subsidiary Company	Opening balance	18,650,193		
		Management fee	1,846,305		
		Settlements	(37,588,467)		
		Other Expenses	12,292		
		Dividend	15,912,000		
		InterCo Interest	1,638,228		
		Closing balance	470,551		470,551

34.1 Key Management Personnel and Related Companies contd..

Name of the Related Party	Relationship	Nature of Transaction	Value of Transaction Rs.	Group 2024	Company 2024
Solar One Ceylon Pvt Ltd	Associate Company	Opening balance	(5,433,420)		
		Management fee	(18,895,680)		
		Settlements	20,966,914		
		Dividend Declared	(50,000,000)		
		Dividend Paid	50,000,000		
		Other Expenses	(2,409,679)		
		Closing balance	(5,771,865)	(5,771,865)	(2,550,656)
Powergen Lanka (Pvt) Ltd	Subsidiary Company	Opening balance	102,220,632		
		Management fee	13,847,265		
		Share of cost	15,179,639		
		Settlements	(138,548,554)		
		InterCo interest	8,477,388		
		Closing balance	1,176,371		1,176,371
Vidatamunai Wind Power (Pvt) Ltd	Subsidiary Company	Opening balance	39,067,932		
		Share of cost	8,668,917		
		Management fee	13,847,265		
		Closing balance	61,584,114		61,584,114
Seguwantivu Wind Power (Pvt) Ltd	Subsidiary Company	Opening balance	100,586,170		
		Share of cost	7,763,201		
		Management & O&M fee	13,847,265		
		Settlements	(266,743,227)		
		Dividend	139,885,715		
		InterCo interest	5,837,249		
Closing balance	1,176,374		1,176,374		

34.1 Key Management Personnel and Related Companies contd..

Name of the Related Party	Relationship	Nature of Transaction	Value of Transaction Rs.	Group 2024	Company 2024
Vydexa Lanka Power Corporation Pvt Ltd	Subsidiary Company	Opening balance	11,230,928		
		Share of cost	276,069		
		InterCo interest	437,289		
		Dividend	52,721,925		
		Settlements	(64,666,212)		
		Closing balance	-	-	-
Solar Universe (Pvt) Ltd	Associate Company	Opening balance	950,138,202		
		Share of cost	139,097,732		
		Management fee	30,302,991		
		Settlements	(992,216,880)		
		Closing balance	127,322,045	22,776,331	22,776,331
Sky Solar (Pvt) Ltd	Subsidiary Company	Opening balance	(188,249,382)		
		InterCo interest	(32,487,674)		
		Management fee	(3,077,166)		
		Settlements	8,465,465		
		Closing balance	(215,348,756)	-	(215,348,756)
Renewgen (Pvt) Ltd	Subsidiary Company	Opening balance	11,371,004		
		Settlements	(11,179,196)		
		InterCo interest	(191,808)		
		Closing balance	-		
HPD Power (Pvt) Limited	Subsidiary Company	Opening balance	4,698,852		
		InterCo interest	129,243		
		Share of Cost	261,659		
		Settlements	(6,497,636)		
		Management fee	1,538,589		
		Closing balance	130,708		130,708

34.1 Key Management Personnel and Related Companies contd..

Name of the Related Party	Relationship	Nature of Transaction	Value of Transaction Rs.	Group 2024	Company 2024
Peak Power Delta (Pvt) Ltd	Subsidiary Company	Opening balance	(2,291,645)		
		Management fees	1,538,589		
		Cash Transfer	(7,174,420)		
		Expense Incurred	174,420		
		InterCo interest	(470,802)		
		Settlements	8,354,567		
		Closing balance	130,709		130,709
Terraqua International (Pvt) Ltd	Subsidiary Company	Opening balance	(28,450,102)		
		Management fees	1,384,725		
		Settlements	31,440,320		
		Expenses incurred	38,759		
		InterCo interest	(4,296,066)		
		Closing balance	117,637		117,637
Terraqua Kokawita (Pvt) Ltd	Subsidiary Company	Opening balance	(687,813)		
		Management fees	1,384,725		
		InterCo interest	(81,304)		
		Settlements	(497,971)		
		Closing balance	117,637		117,637

34.1 Key management personnel and related companies contd..

Name of the Related Party	Relationship	Nature of Transaction	Value of Transaction Rs.	Group 2024	Company 2024
Melanka Power (Pvt) Ltd	Subsidiary Company	Opening balance	95,864,400		
		Management fees	1,538,589		
		Share of cost	87,205		
		Settlements	(109,396,354)		
		InterCo interest	12,036,868		
		Closing balance	130,708		130,708
Energy Reclamation (Pvt) Ltd	Subsidiary Company	Opening balance	(6,712,133)		
		Management fees	1,384,725		
		InterCo Interest	(1,412,411)		
		Settlements	(17,792,543)		
		Dividend Received	24,650,000		
		Closing balance	117,638		117,638
Hiruras Power (Pvt) Ltd	Subsidiary Company	Opening balance	-		
		Management fees	(28,885,846)		
		Rent Expenses	(277,800)		
		Share of cost	(5,065,126)		
		Share allotment	183,868,126		
		Settlements	(143,930,901)		
		Intercompany Interest	(8,096,650)		
		Closing balance	(2,388,197)		(2,388,197)
Blue Sky EV (Pvt) Ltd	Subsidiary Company	Opening balance	(31,798,096)		
		Share of cost	(15,575,319)		
		Intercompany Settlement	33,995,551		
		Intercompany sales	1,400,000		
		InterCo interest	(2,150,091)		
		Closing balance	(14,127,955)		(14,127,955)
Satva Automotive (Pvt) Ltd	Subsidiary Company	Opening balance	23,149,925		
		Share of cost	(86,819)		
		Intercompany Settlement	(3,420,000)		
		InterCo interest	5,336,974		
		Closing balance	24,980,080		24,980,080

34.2 Transactions Maintained with Related Entities

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

Year ended 31 March	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Short-Term Employee Benefits - Cash	122,637,738	24,018,818	122,637,738	24,018,818

35. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

35.1 Capital Commitments

Company

WindForce PLC has committed to invest LKR 678Mn as equity in Kebitigollewa Solar Power (Pvt) Ltd out of Which Rs. 504Mn already invested as at 31st March 2024.

WindForce PLC has committed to invest LKR Equivalent of USD 11.97Mn as Equity in Rividhanavi (Pvt) Ltd.

Group Companies

WindForce PLC has committed to invest LKR 678Mn as equity in Kebitigollewa Solar Power (Pvt) Ltd out of Which Rs. 504Mn already invested as at 31st March 2024.

WindForce PLC has committed to invest LKR Equivalent of USD 11.97Mn as Equity in Rividhanavi (Pvt) Ltd.

WindForce PLC has committed to Invest Euro 132,056 in Semipolki Solar project subject to country risk analysis.

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,

Year Ended 31 March 2024	Bank Name	Purpose	Currency	LC Value
Kebitigollewa Solar Power (Pvt) Ltd	Amana Bank PLC	Importation of Inverters	USD	524,809
	Amana Bank PLC	Importation of Breaker Panels	Euro	27,980

35.2 Contingent liabilities

Group Companies

There were no contingent liabilities as at 31st March, 2024 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	Rs 5.1Bn	Until the finalization of lease mortgage or Sampath Bank restructure the security requirement	Hiruras Power (Pvt) Ltd.	During the tenor of Loan

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 installment based on the valuation by the government Chief Valuer. This valuation has not been finalized and as such the Liability is unknown.

Seguwantivu 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.

36. 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.

36.1 In the board meeting held on February 7, 2024, the board members deliberated on ceasing the activities of Suryadanvai (Pvt) Ltd and Hirujanani (Pvt) Ltd. The proposed plan includes transferring ownership of the rooftop solar installations to the respective property owners. This strategy is presently under consideration and in the planning phase.

37. 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.

37.1 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.

37.2 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.

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.

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 Rs.2,087 Mn as at 31st March 2024 (2023 – Rs.2,997 Mn) which represents the maximum credit exposure on these assets.

37.3 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.

37.3 Liquidity Risk (Contd...)

The Table below summarizes the maturity profile of the Groups financial liabilities based on contractual undiscounted payments.

As at 31st March 2024	On Demand Rs.'000	Less than 3 Months Rs.'000	3 to 12 Months Rs.'000	2 to 5 years Rs.'000	>5 years Rs.'000	Total Rs.'000
Group						
Lease Liability on Right of Use Asset - Land	-	1	3	96	-	100
Lease Liability on Right of Use Asset - Building	-	2	-	-	-	2
Lease Liability on Right of Use Asset - Motor Vehicle	-	1	-	-	-	1
Interest Bearing Loans & Borrowing	-	623	1,868	7,470	-	9,961
Bank Overdraft	51	-	-	-	-	51
	51	628	1,872	7,565	-	10,116
Company						
Lease Liability on Right of Use Asset - Land	-	-	-	-	-	-
Lease Liability on Right of Use Asset - Building	-	2	-	-	-	2
Lease Liability on Right of Use Asset - Motor Vehicle	-	1	-	-	-	1
Interest Bearing Loans & Borrowing	-	142	427	331	-	900
Bank Overdraft	-	-	-	-	-	-
	-	146	427	331	-	904

37.3 Liquidity Risk (Contd...)

As at 31st March 2023	On Demand Rs.'000	Less than 3 Months Rs.'000	3 to 12 Months Rs.'000	2 to 5 years Rs.'000	>5 years Rs.'000	Total Rs.'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

37.4 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.

37.4 Market Risk contd.

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 Period
2024	100	+/- 99.60 Mn	+/- 9 Mn
2023	100	+/- 97.19 Mn	+/- 13 Mn

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

37.5 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.

Year Ended 31 March	Group		Company	
	2024 Rs. '000	2023 Rs. '000	2024 Rs. '000	2023 Rs. '000
Interest Bearing Borrowing	9,961	9,727	900	1,308
Equity	25,460	25,199	20,353	19,140
Equity & Interest - Bearing Loans and Borrowings	35,420	34,927	21,253	20,448
Gearing Ratio	28%	28%	4%	6%

FIVE YEAR SUMMARY

Summary of Income Statement	2023/2024		2022/2023		2021/2022		2020/2021		2019/2020	
	Group Rs.'000	Company Rs.'000								
Revenue	5,851,800	523,611	4,953,490	419,319	4,367,373	274,181	4,310,110	127,869	3,484,204	53,118
Billing under the Standardized Power Purchase Agreement	664,459	-								
Gross Profit	3,864,543	426,340	3,001,228	367,950	2,713,204	274,181	2,754,631	127,869	2,352,757	53,118
Net Profit/(Loss) Before Finance Cost	3,270,386	2,811,291	3,017,671	956,536	2,538,446	2,281,443	2,559,213	1,058,498	2,045,681	1,324,755
Profit/(Loss) Before Taxation	2,555,104	2,459,010	2,358,936	479,072	2,237,825	1,972,666	2,547,754	1,014,650	2,359,159	1,275,167
Taxation	-804,509	22,344	-576,078	-52,827	-285,998	-151,526	-401,505	-121,781	-462,361	-113,444
Profit/(Loss) After Tax	1,750,594	2,481,354	1,782,857	426,245	1,951,827	1,821,140	2,146,249	892,869	1,896,798	1,161,723
Profit/(Loss) Attributable to Non-Controlling Share Holders	201,048	-	302,913	-	376,893	-	396,430	-	355,883	-

Summary of Financial Position	As at 31.03.2024		As at 31.03.2023		As at 31.03.2022		As at 31.03.2021		As at 31.03.2020	
	Group Rs.'000	Company Rs.'000								

Capital and Reserves

Stated Capital	18,226,456	18,226,456	18,226,456	18,226,456	18,226,456	18,226,456	14,984,610	14,984,610	14,984,610	14,984,610
Pending Share Allotment	-	-	-	-	-	-	3,241,845	3,241,845	-	-
Retained Earnings	4,178,500	2,135,127	3,947,847	1,011,104	2,494,597	573,115	2,731,034	563,345	1,362,004	51,264
Foreign Exchange Reserve	597,540	-	744,383	-	159,423	-	1,123	-	-	-
Cash Flow Hedge Reserve	-8,313	-8,313	-97,973	-97,973	-	-	-	-	-	-
Total Equity Attributable to Equity Holders of the Company	22,994,184	20,353,271	22,820,713	19,139,587	20,880,477	18,799,571	20,958,613	18,789,801	16,346,615	15,035,875
Non Controlling Interest	2,465,350	-	2,378,607	-	1,940,457	-	1,880,602	-	1,634,602	-
Total Equity	25,459,534	20,353,271	25,199,321	19,139,587	22,820,934	18,799,571	22,839,216	18,789,801	17,981,217	15,035,875

Asset and Liabilities

Current Assets	7,261,345	2,966,873	10,722,441	5,380,107	8,991,125	4,971,710	12,409,681	8,906,796	5,713,297	2,787,538
Current Liabilities	2,928,451	851,241	4,911,517	2,889,549	2,379,572	1,303,702	5,216,096	3,898,409	3,129,006	1,251,556
Net Current Assets	4,332,894	2,115,632	5,810,924	2,490,559	6,611,553	3,668,008	7,193,585	5,008,387	2,584,290	1,535,982
Property Plant and Equipment	23,017,695	41,741	21,491,328	71,152	14,629,777	59,605	15,239,784	61,058	15,275,257	57,750
Other Non-Current Assets	7,762,821	18,684,974	7,588,469	17,304,420	6,827,043	16,236,835	6,383,982	14,805,834	6,192,624	14,690,115
Non-Current Liabilities	9,653,875	489,076	9,691,400	726,544	5,247,439	1,164,878	5,978,135	1,085,478	6,070,954	1,247,972
Net Assets	25,459,534	20,353,271	25,199,321	19,139,587	22,820,934	18,799,571	22,839,216	18,789,801	17,981,217	15,035,875

Analysis of shareholders According to the Number of Shares as at 31st March 2024

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	1,600	539,534	0.04%	4	3,500	0.00%	1,604	543,034	0.04%
1,001 to 10,000	1,080	4,845,571	0.36%	4	30,800	0.00%	1,084	4,876,371	0.36%
10,001 to 100,000	577	20,961,953	1.55%	6	218,116	0.02%	583	21,180,069	1.57%
100,001 to 1,000,000	135	33,626,438	2.49%	3	604,638	0.04%	138	34,231,076	2.53%
1,000,001 and over	29	1,188,741,426	88.01%	9	101,196,966	7.49%	38	1,289,938,392	95.50%
Total	3,421	1,248,714,922	92.45%	26	102,054,020	7.55%	3,447	1,350,768,942	100.00%

Shareholders by Category as at 31st March 2024

Categories of Shareholders	Number of Shareholders	Number of Shares
Individual	3,267	135,410,912
Institutional	180	1,215,358,030
Total	3,447	1,350,768,942

Twenty Major Shareholders

Shareholder	31st March 2024	
	Number of Shares	Holding %
1 Akbar Brothers Pvt Ltd	492,754,404	36.48%
2 Hirdaramani Private Limited	279,211,864	20.67%
3 Mona Exports (PVT) Limited	116,699,468	8.64%
4 BBH-Tundra Sustainable Frontier Fund	70,500,000	5.22%
5 Amaliya Private Limited	44,676,827	3.31%
6 Debug Investments (PVT) Ltd	44,615,357	3.30%
7 Mr. K.B.M.I. Perera	43,125,052	3.19%
8 Hirdaramani Power Private Limited	31,827,927	2.36%
9 Debug Renewable Energy Investment (Private) Limited	29,400,000	2.18%
10 Quick Tea (PVT) LTD	16,568,003	1.23%
11 Tea House (PVT) LTD	13,092,218	0.97%
12 Mr. H.M. Udeshi	12,050,000	0.89%
13 Saboor Chatoor (PVT) LTD	8,300,000	0.61%
14 Mr. M.K.T. Darwazeh	7,413,761	0.55%
15 Mr. S.K.T. Darwazeh	7,413,761	0.55%
16 Mouldex (PVT) LTD	7,401,648	0.55%
17 Employees Trust Fund Board	6,984,333	0.52%
18 Marina Blue (Private) Limited	6,969,184	0.52%
19 J.B. Cocoshell (PVT) LTD	5,611,575	0.42%
20 Falcon Trading (PVT) LTD	4,325,314	0.32%
Other Shareholders	101,828,246	7.54%
Total	1,350,768,942	100.00%

Computation % of Public Shareholding as at 31st March 2024

Related Companies

Name of Related Company	Number of Shares
Akbar Brothers Pvt Limited	492,754,404
Falcon Trading (Private) Limited	4,325,314
Quick Tea (Private) Limited	16,568,003
Rosewood (PVT) Limited	1,500,000
Hirdaramani Private Limited	279,211,864
Hirdaramani Power Private Limited	31,827,927
Debug Investments (Private) Limited	44,615,357
Debug Renewable Energy Investments (Private) Limited	29,400,000
Mona Exports (PVT) Limited	116,699,468
Mouldex (PVT) LTD	7,401,648
Total	1,024,303,985

Directors Shareholding

Name of Related Company	Number of Shares
Akbar Brothers Pvt Limited	492,754,404
Falcon Trading (Private) Limited	4,325,314
Quick Tea (Private) Limited	16,568,003
Rosewood (PVT) Limited	1,500,000
Hirdaramani Private Limited	279,211,864
Hirdaramani Power Private Limited	31,827,927
Debug Investments (Private) Limited	44,615,357
Debug Renewable Energy Investments (Private) Limited	29,400,000
Mona Exports (PVT) Limited	116,699,468
Mouldex (PVT) LTD	7,401,648
Total	1,024,303,985

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	43,125,052
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	-
Mr. H.M. Udeshi	12,050,000
Spouse, Children Under/Over 18 of Director	498,435
Total	58,654,278

Chief Executive Officer

Chief Executive Officer	Number of Shares
Mr. J. B. S. L. Wimalasena	-

Computation % of Public Shareholding as at 31st March 2024

Issued Share Capital as at 31 March 2024	1,350,768,942
Related Companies	1,024,303,985
Directors Shareholding	58,155,843
Spouse, Children Under/Over 18 of Director	498,435
Chief Executive Officer	-
Public Holding	267,810,679
Public Holding as a % of Issued Share Capital	19.83%

Share Price Information

For the year ended 31st March	2024	2023
Highest	20.40	18.70
Lowest	16.50	13.10
Closing	19.60	16.50
No. of Transactions during the year	7,417	10,372
No. of Shares traded during the year	158,762,753	69,597,697
Value of Shares Traded (Rs.)	2,984,547,830	1,096,899,232
Market Capitalisation (Rs.)	26,475,071,263	22,287,687,543

Statement of use		WindForce PLC has reported in accordance with the GRI Standards for the period 1 April 2023 to 31 March 2024.				
GRI 1 used		GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)		Not Applicable				
GRI Standard/ Other Source	Disclosure	Location	Omission Requirement(S) Omitted	Reason	Explanation	GRI Sector Standard Ref. No.
General Disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	4, 235	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organization's sustainability reporting	6				
	2-3 Reporting period, frequency and contact point	6, 7				
	2-4 Restatements of information	7				
	2-5 External assurance	6				
	2-6 Activities, value chain and other business relationships	10				
	2-7 Employees	93				
	2-8 Workers who are not employees	93				
	2-9 Governance structure and composition	119				
	2-10 Nomination and selection of the highest governance body	120				
	2-11 Chair of the highest governance body	122				
	2-12 Role of the highest governance body in overseeing the management of impacts	127				
	2-13 Delegation of responsibility for managing impacts	122				
	2-14 Role of the highest governance body in sustainability reporting	124				
	2-15 Conflicts of interest	123				
	2-16 Communication of critical concerns	123				
	2-17 Collective knowledge of the highest governance body	119				
	2-18 Evaluation of the performance of the highest governance body	130				

Statement of use		WindForce PLC has reported in accordance with the GRI Standards for the period 1 April 2023 to 31 March 2024.				
GRI 1 used		GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)		Not Applicable				
GRI Standard/ Other Source	Disclosure	Location	Omission Requirement(S) Omitted	Reason	Explanation	GRI Sector Standard Ref. No.
	2-19 Remuneration policies	124				
	2-20 Process to determine remuneration	124				
	2-21 Annual total compensation ratio		2.21(a) (b) (c)		Confidential Information	
	2-22 Statement on sustainable development strategy	39				
	2-23 Policy commitments	137				
	2-24 Embedding policy commitments	124				
	2-25 Processes to remediate negative impacts	84				
	2-26 Mechanisms for seeking advice and raising concerns	97				
	2-27 Compliance with laws and regulations	105				
	2-28 Membership associations	104				
	2-29 Approach to stakeholder engagement	54				
	2-30 Collective bargaining agreements		2-30	N/A	Company does not have bargaining agreements	
Material Topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	65	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	65				
Economic Performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	78				

Statement of use		WindForce PLC has reported in accordance with the GRI Standards for the period 1 April 2023 to 31 March 2024.				
GRI 1 used		GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)		Not Applicable				
GRI Standard/ Other Source	Disclosure	Location	Omission Requirement(S) Omitted	Reason	Explanation	GRI Sector Standard Ref. No.
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	81				
	201-2 Financial implications and other risks and opportunities due to climate change	111				
	201-3 Defined benefit plan obligations and other retirement plans	97				
	201-4 Financial assistance received from Government		201-4 (a) (b) (c)	N/A	WindForce does not received any assistance from the Government	
Market Presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	97				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	94				
	202-2 Proportion of senior management hired from the local community		202-2	N/A	We have not hired senior management from local community	
Indirect Economic Impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	86				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	87				
	203-2 Significant indirect economic impacts	86				
Procurement Practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	85				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	85				

Statement of use		WindForce PLC has reported in accordance with the GRI Standards for the period 1 April 2023 to 31 March 2024.				
GRI 1 used		GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)		Not Applicable				
GRI Standard/ Other Source	Disclosure	Location	Omission Requirement(S) Omitted	Reason	Explanation	GRI Sector Standard Ref. No.
Anti-Corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	105				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	105				
	205-2 Communication and training about anti-corruption policies and procedures	105				
	205-3 Confirmed incidents of corruption and actions taken	105				
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	177				
GRI 207: Tax 2019	207-1 Approach to tax	177				
	207-2 Tax governance, control, and risk management	142				
	207-3 Stakeholder engagement and management of concerns related to tax	54				
	207-4 Country-by-country reporting		207-4	N/A	We do not meet criteria for country by country reporting	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	113				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	113				
	302-2 Energy consumption outside of the organization		302-2	N/A	WindForce does not calculate this	
	302-3 Energy intensity		302-3	N/A	WindForce does not calculate this	
	302-4 Reduction of energy consumption	113				
	302-5 Reductions in energy requirements of products and services		302-5	N/A	WindForce does not track this information	

Statement of use		WindForce PLC has reported in accordance with the GRI Standards for the period 1 April 2023 to 31 March 2024.				
GRI 1 used		GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)		Not Applicable				
GRI Standard/ Other Source	Disclosure	Location	Omission Requirement(S) Omitted	Reason	Explanation	GRI Sector Standard Ref. No.
Water and Effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	114				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	114				
	303-2 Management of water discharge-related impacts	114				
	303-3 Water withdrawal	114				
	303-4 Water discharge	114				
	303-5 Water consumption	114				
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	114				
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	114				
	304-2 Significant impacts of activities, products and services on biodiversity	114				
	304-3 Habitats protected or restored	114				
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	114				
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	113				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	113				
	306-2 Management of significant waste-related impacts	113				
	306-3 Waste generated	113				
	306-4 Waste diverted from disposal	113				
	306-5 Waste directed to disposal	113				

Statement of use		WindForce PLC has reported in accordance with the GRI Standards for the period 1 April 2023 to 31 March 2024.				
GRI 1 used		GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)		Not Applicable				
GRI Standard/ Other Source	Disclosure	Location	Omission Requirement(S) Omitted	Reason	Explanation	GRI Sector Standard Ref. No.
Supplier Environmental Assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	85				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	85				
	308-2 Negative environmental impacts in the supply chain and actions taken	85				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	92				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	94				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	97				
	401-3 Parental leave	97				
Labor/Management Relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	99				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	99				
Occupational Health and Safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	98				

Statement of use		WindForce PLC has reported in accordance with the GRI Standards for the period 1 April 2023 to 31 March 2024.				
GRI 1 used		GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)		Not Applicable				
GRI Standard/ Other Source	Disclosure	Location	Omission	Reason	Explanation	GRI Sector Standard Ref. No.
			Requirement(S) Omitted			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	98				
	403-2 Hazard identification, risk assessment, and incident investigation	98				
	403-3 Occupational health services	98				
	403-4 Worker participation, consultation, and communication on occupational health and safety	98				
	403-5 Worker training on occupational health and safety	98				
	403-6 Promotion of worker health	98				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	98				
	403-8 Workers covered by an occupational health and safety management system	98				
	403-9 Work-related injuries	92				
	403-10 Work-related ill health	92				
Training and Education						
GRI 3: Material Topics 2021	3-3 Management of material topics	96				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	96				
	404-2 Programs for upgrading employee skills and transition assistance programs	96				
	404-3 Percentage of employees receiving regular performance and career development reviews	96				

Statement of use		WindForce PLC has reported in accordance with the GRI Standards for the period 1 April 2023 to 31 March 2024.				
GRI 1 used		GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)		Not Applicable				
GRI Standard/ Other Source	Disclosure	Location	Omission Requirement(S) Omitted	Reason	Explanation	GRI Sector Standard Ref. No.
Diversity and Equal Opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	96				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	96				
	405-2 Ratio of basic salary and remuneration of women to men	97				
Non-Discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	96				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	96				
Child Labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	92				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	92				
Forced or Compulsory Labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	92				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	92				
Local Communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	86				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	87				
	413-2 Operations with significant actual and potential negative impacts on local communities	86				

Statement of use		WindForce PLC has reported in accordance with the GRI Standards for the period 1 April 2023 to 31 March 2024.				
GRI 1 used		GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)		Not Applicable				
GRI Standard/ Other Source	Disclosure	Location	Omission Requirement(S) Omitted	Reason	Explanation	GRI Sector Standard Ref. No.
Supplier Social Assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	85				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	85				
	414-2 Negative social impacts in the supply chain and actions taken	85				
Customer Health and Safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	83				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	83				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	83				

Electric Utilities & Power Generators Standard: Sustainability Disclosure Topics & Accounting Metrics

TOPIC		UNIT OF MEASURE	CODE	DISCLOSURE/Pg. reference
Greenhouse Gas Emissions & Energy Resource Planning	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions limiting regulations and (3) emissions reporting regulations	Metric tonnes (t) CO ₂ -e, Percentage (%)	IF-EU-110a.1	N/A
	Greenhouse gas (GHG) emissions associated with power deliveries	Metric tonnes (t) CO ₂ -e	IF-EU-110a.2	Page 111
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a	IF-EU-110a.3	N/A
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) particulate matter (PM ₁₀), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	Metric tonnes (t), Percentage (%)	IF-EU-120a.1	N/A
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic metres (m ³), Percentage(%)	IF-EU-140a.1	Page 114
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Number	IF-EU-140a.2	Page 114
	Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	IF-EU-140a.3	Page 111 Water management risks are minimal as water is mainly used for cleaning and maintaining the infrastructure of our solar power plants.
Coal Ash Management	(1) Amount of coal combustion products (CCPs) generated, (2) percentage recycled	Metric tonnes (t), Percentage (%)	IF-EU-150a.1	N/A
	Description of coal combustion products (CCPs) management policies and procedures for active and inactive operations	n/a	IF-EU-150a.3	N/A
Energy Affordability	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	Rate	IF-EU-240a.1	N/A
	(1) Number of residential customer electric disconnections for non-payment, (2) percentage reconnected within 30 days ¹	Number, Percentage (%)	IF-EU-240a.3	N/A
	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	n/a	IF-EU-240a.4	N/A
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Rate	IF-EU-320a.1	Page 98
End-Use Efficiency & Demand	Percentage of electric load served by smart grid technology ²	Percentage (%) by megawatt hours (MWh)	IF-EU-420a.2	N/A
	Customer electricity savings from efficiency measures, by market ³	Megawatt hours (MWh)	IF-EU-420a.3	N/A
Nuclear Safety & Emergency Management	Total number of nuclear power units, broken down by results of most recent independent safety review	Number	IF-EU-540a.1	N/A
	Description of efforts to manage nuclear safety and emergency preparedness	n/a	IF-EU-540a.2	N/A
Grid Resiliency	Number of incidents of non-compliance with physical or cybersecurity standards or regulations	Number	IF-EU-550a.1	N/A as it is not within the control of the Group
	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days ⁴	Minutes, Number	IF-EU-550a.2	N/A as it is not within the control of the Group

ACTIVITY METRIC	UNIT OF MEASURE	CODE	DISCLOSURE/Pg. reference
Number of: (1) residential, (2) commercial, and (3) industrial customers served ⁵	Number	IF-EU-000.A	N/A
Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	Megawatt hours (MWh)	IF-EU-000.B	N/A
Length of transmission and distribution lines ⁶	Kilometres (km)	IF-EU-000.C	N/A
Total electricity generated, percentage by major energy source, percentage in regulated markets ⁷	Megawatt hours (MWh), Percentage (%)	IF-EU-000.D	Solar – 241 MWh Wind – 222 MWh Hydro – 112 MWh
Total wholesale electricity purchased ⁸	Megawatt hours (MWh)	IF-EU-000.E	N/A

GRI 2-1

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

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
Mr. H. M. Udeshi

COMPANY SECRETARY

Nexia Corporate Consultants (Private) Limited
No. 181, Nawala Road, Colombo 05.
Tel: +94 11 451 5236
Fax: +94 11 258 7490

AUDITORS TO THE COMPANY

Ernst & Young (Chartered Accountants)
Rotunda Towers, No 109, Galle Road ,
Colombo 03.
Tel: +94 11 2463500
Fax: +94 11 5578670

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)
Amana Bank PLC

NOTICE IS HEREBY GIVEN that the 14th Annual General Meeting of the shareholders of WINDFORCE PLC will be held on 28th June 2024 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.

1. Adoption of Statement of Accounts

To receive and consider the Annual Report of the Directors and the Statement of Accounts for the year ended 31st March 2024 with the Report of the Auditors thereon. (Resolution 01).

2. Election of Directors

To elect Mr. Harin Morarji Udeshi, Director appointed since the last Annual General Meeting in terms of Article No. 85 of the Articles of Association. (Resolution 2)

3. Re- Election of Directors

To re-elect Mr. Vinod Hirdaramani – 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 03).

To re-elect Mrs. Saumya Amarasekera 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 04).

To re-elect Mr. R.P. Pathirana - 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 05).

4. Re-Appointment of Auditors

To re-appoint Messrs. Ernst & Young, Chartered Accountants, who have consented to be re-appointed Auditors of the Company until the conclusion of the next annual general meeting and to authorise the Directors to determine their remuneration. (Resolution 06).

5. Donations

To authorise the Directors to determine donations for charities for the ensuing year. (Resolution 07).

6. Any other Business to Approve the Deviations of Utilization of IPO Funds

WindForce PLC has announced to the Colombo Stock Exchange (CSE) the development of a 10 MW solar power plant in Kebitigollewa, located in the Anuradhapura District.

The total investment envisaged by the Company for the acquisition and development of the project is approximately Rs. 2,709,735,234/-. The Company utilised Rs. 427,345,456/- from IPO proceeds (which were allocated for "Other Projects" in the Prospectus of the Company) and the balance from retain earnings of the Company for this project.

The market announcement relating to the aforesaid deviation has been published on the Colombo Stock Exchange Website on 27th July 2023.

Accordingly, it is proposed to consider and if thought fit to pass the following resolution by way of Ordinary Resolution, as ratification of the above deviation.

IT IS HEREBY RESOLVED THAT the deviation on utilisation of the IPO funds amounting to Rs. 427,345,456/- which was utilised for the Kebitigollewa Solar Power Project, out of the IPO funds of Rs. 931,845,456/- that was initially allocated for "Other projects" as per the prospectus, dated 01st March 2021, be hereby ratified.

(Resolution No: 08)

Special Resolutions

For the proposed amendments to the Articles of Association as mandated by the Listing Rules of Colombo Stock Exchange on Corporate Governance.

The revised Corporate Governance Rules implemented by the Colombo Stock Exchange on 01st October 2023 ("Listing Rules") has mandated that the Articles of Association of Listed Entities be amended to reflect the requirement set forth in Section 9.9 of the Listing Rules pertaining to the Board Composition, Alternate Directors.

Accordingly, if thought fit to pass the following resolutions as special resolutions.

SPECIAL RESOLUTION NO: 01 -

"IT IS HEREBY RESOLVED THAT the Articles of Association of the Company be amended by deleting the entirety of existing Article 71 and substituting the new Article 71, be and is hereby approved".

ARTICLE 71 OF THE ARTICLES OF ASSOCIATION – BOARD COMPOSITION

The number of Directors shall not be less than five (05) nor more than fifteen (15) in number.

SPECIAL RESOLUTION NO: 02

IT IS HEREBY RESOLVED THAT the Articles of Association of the Company be amended by deleting the entirety of existing Article 97 and substituting the new Article 97 (i), (ii), (iii) (iv), (v) and (vi) be and are hereby approved."

97(i) Alternate Directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment.

(ii) A person appointed to be an Alternate Director shall not in respect of such appointment be entitled to receive any remuneration from the Company nor be required to hold any share qualification but the Directors may repay the Alternate Director such reasonable expenses as he may incur in attending and returning from meetings of the Directors which he is entitled to attend or which he may otherwise properly incur in or about the business of the Company or may pay such allowances as they may think proper in respect of these expenses.

(iii) An Alternate Director shall (on his giving an address for such notices to be served upon him) be entitled to receive notices of all meetings of the Directors and to attend and vote as Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a Director in the absence of such appointor including the signing of resolutions in writing to be passed by circulation under Article 96 hereof. An Alternate Director who is also a Director in his own right shall be entitled to one vote in his own right as a Director and to an additional vote as an Alternate Director.

(iv) If an Alternate Director is appointed for a Non-Executive Director, such alternate should not be an executive of the Company.

(v) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence specified in the Listing Rules and the Company shall satisfy the requirements relating to the minimum number of Independent Directors specified in the Listing Rules. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made.

(vi) A Director shall not vote on the question of the approval of an alternate Director to act for him or on the question of the termination of the appointment of such an Alternate Director under the last foregoing sub clause of this Article, and if he do so his vote shall not be counted; nor for the purpose of any resolution for either of these purposes shall he be counted in the quorum present at the meeting.

SPECIAL RESOLUTION NO: 03

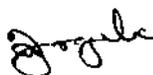
In order to facilitate broader provisions in method of sending notices to shareholders, "IT IS HEREBY RESOLVED THAT the Articles of Association of the Company be amended by deleting the entirety of existing Article 134 and substituting the new Article 134, be and is hereby approved".

ARTICLE 134 - SERVICE OF NOTICE

134. Any notice or document (including a share certificate) may be served by the Company on any Member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address or (if he has no registered address within Sri Lanka) to the address supplied by him to the Company as his address for the service of notice. Where a notice or other document is sent by post to an address within Sri Lanka, it shall be deemed to have been served at the expiration of Three (03) days after the letter containing the same is posted, and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted. Notice of General Meetings and any communications to be made to the shareholders from time to time may be displayed on the websites of the Company and the Colombo Stock Exchange (CSE), published in national newspapers

or any other method of communication as recommended by the CSE from time to time. In such situations the notices given in the aforesaid manner shall be deemed to have duly served on the shareholders of the Company.

By order of the Board,
Nexia Corporate Consultants (Private) Limited



Secretaries to WindForce PLC
03rd June 2024

Notes -

1. A shareholder who is entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote on behalf of him/her.
2. A proxy need not be a shareholder of the Company.
3. A Form of Proxy accompanies this notice.

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	or failing him
Mr. K.B.M.I. Perera	or failing him
Mr. Hussain Akbarally	or failing him
Mr. Huzeefa Akbarally	or failing him
Mr. V.K. Hirdaramani	or failing him
Mr. M. Najmudeen	or failing him
Mr. D. Hettiaratchi	or failing him
Mr. S. De Saram	or failing him
Ms. S. Amarasekara	or failing her
Mr. H.M. Udeshi	or failing him

as my/our Proxy to vote and speak for *me/us on *my/our behalf at the 14th Annual General Meeting of WINDFORCE PLC to be held at 3.30 PM, 28th June, 2024 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

Resolutions	For	Against
Resolution 01		
Resolution 02		
Resolution 03		
Resolution 04		
Resolution 05		
Resolution 06		
Resolution 07		
Resolution 08		
Special Resolutions	For	Against
Special Resolution 01		
Special Resolution 02		
Special Resolution 03		

Signed on this day of 2024.

.....
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

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.

