



VALLIBEL POWER ERATHNA PLC

INTERIM FINANCIAL STATEMENTS

Frist Quarter

for the Three months ended 30th June 2017

Statement of Financial Position

As at	Group		Company	
	30.06.2017 Rs.	31.03.2017 Rs. (Audited)	30.06.2017 Rs.	31.03.2017 Rs. (Audited)
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	2,351,183,890	2,370,671,974	863,222,621	871,304,392
Investment in Subsidiary	-	-	821,619,980	821,619,980
Intangible Assets	102,002,921	104,992,089	2,800,000	3,200,000
Deposit on Leasehold Land	4,500,000	4,500,000	-	-
Deferred Tax Asset	10,798,620	10,332,335	-	-
	2,468,485,431	2,490,496,398	1,687,642,601	1,696,124,372
Current Assets				
Trade & Other Receivables	275,552,763	72,274,406	167,420,906	39,264,659
Amounts Due from Related Parties	1,142,168	1,067,593	6,683,129	2,854,049
Short Term Investments	146,480,966	161,575,339	96,402,261	72,958,162
Cash and Bank Balances	16,919,382	19,884,034	11,836,956	13,006,567
	440,095,279	254,801,372	282,343,252	128,083,437
Total Assets	2,908,580,710	2,745,297,770	1,969,985,853	1,824,207,809
EQUITY AND LIABILITIES				
Equity Attributable to Equity Holders of the Parent				
Stated Capital	1,174,365,278	1,174,365,278	1,174,365,278	1,174,365,278
Accumulated Profit	1,088,362,653	899,422,159	655,621,084	525,444,554
	2,262,727,931	2,073,787,437	1,829,986,362	1,699,809,832
Non - Controlling Interest	171,646,942	162,694,800	-	-
Total Equity	2,434,374,873	2,236,482,237	1,829,986,362	1,699,809,832
Non-Current Liabilities				
Interest Bearing Loans & Borrowings	107,256,435	157,403,056	-	-
Retirement Benefit Obligations	18,316,997	18,785,895	12,937,207	13,929,171
Deferred Tax Liability	81,242,327	81,377,602	81,242,327	81,377,602
	206,815,759	257,566,553	94,179,534	95,306,773
Current Liabilities				
Trade and Other Payables	42,929,123	38,730,972	28,117,928	26,470,707
Interest Bearing Loans & Borrowings	206,346,666	208,320,382	-	-
Tax Payables	18,114,289	4,197,626	17,702,029	2,620,496
	267,390,078	251,248,980	45,819,957	29,091,203
Total Equity and Liabilities	2,908,580,710	2,745,297,770	1,969,985,853	1,824,207,809
Net Asset Per Share	3.03	2.78	2.45	2.28

These Financial Statements are in compliance with the requirements of the Companies Act, No. 7 of 2007.

Sgd
Sajithra Thanoj
 Accountant

Sgd
Russell De Zilva
 Jt.CEO

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

Signed for and on behalf of the Board by.

Sgd
S.H.Amarasekara
 Director
 July 28, 2017 / Colombo

Sgd
H.Somashantha
 Director

Statement of Profit or Loss

For the Three months ended 30th June	Group			Company		
	Three Months			Three Months		
	2017 Rs.	2016 Rs.	Change %	2017 Rs.	2016 Rs.	Change %
Revenue	285,669,108	363,291,476	(21)	171,204,519	193,207,454	(11)
Cost of Sales	(35,750,420)	(37,597,656)	(5)	(12,201,447)	(13,304,117)	(8)
Gross Profit	249,918,688	325,693,820	(23)	159,003,072	179,903,337	(12)
Administration Expenses	(27,043,571)	(25,852,820)	5	(13,339,241)	(12,145,802)	10
Other Operating Expenses	(345,922)	(1,111,226)	(69)	(265,222)	(817,159)	(68)
Finance Cost	(11,634,082)	(15,385,027)	(24)	(74,326)	(18,907)	293
Finance Income	4,788,798	8,699,343	(45)	2,456,863	3,143,924	(22)
Profit/(Loss) Before Tax	215,683,911	292,044,090	(26)	147,781,146	170,065,393	(13)
Income Tax Expenses	(17,791,274)	(21,138,561)	(16)	(17,604,616)	(20,010,467)	(12)
Net Profit/(Loss) For the Period	197,892,637	270,905,529	(27)	130,176,530	150,054,926	(13)
Attributable to:						
Equity Holders of the Parent	188,940,495	255,152,172	(26)	130,176,530	150,054,926	(13)
Non Controlling Interest	8,952,142	15,753,357	(43)	-	-	-
	197,892,637	270,905,529	(27)	130,176,530	150,054,926	(13)
Basic Earnings Per Share	0.25	0.34		0.17	0.20	

Statement of Comprehensive Income

For the Three months ended 30th June	Group			Company		
	Three Months			Three Months		
	2017 Rs.	2016 Rs.	Change %	2017 Rs.	2016 Rs.	Change %
Net Profit/(Loss) for the Period	197,892,637	270,905,529	(27)	130,176,530	150,054,926	(13)
Other Comprehensive Income / (Loss)	-	-	-	-	-	-
Total Comprehensive Income/(Loss) for the period, net of Tax	197,892,637	270,905,529	(27)	130,176,530	150,054,926	(13)
Attributable to:						
Equity Holders of the Parent	188,940,495	255,152,172	(26)	130,176,530	150,054,926	(13)
Non Controlling Interest	8,952,142	15,753,357	(43)	-	-	-
	197,892,637	270,905,529	(27)	130,176,530	150,054,926	(13)

Statement of Cash Flows

For the Three months ended 30th June	Group		Company	
	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.
Cash Flows from/(Used in) Operating Activities				
Net Profit Before Income Tax Expense	215,683,911	292,044,090	147,781,146	170,065,393
Adjustments for				
Amortization of Intangible Assets	2,989,167	2,989,167	400,000	400,000
Depreciation	19,690,088	20,246,957	8,108,422	8,188,181
Provision for Retirement Benefit Obligations	1,018,067	594,000	495,000	300,000
(Profit)/Loss on disposal of Property, Plant & Equipment	-	14,681	-	-
Interest Income	(4,788,798)	(8,699,343)	(2,456,863)	(3,143,924)
Finance Cost	11,634,082	15,385,027	74,326	18,907
Operating Profit Before Working Capital Changes	246,226,516	322,574,579	154,402,031	175,828,556
(Increase)/ Decrease in Trade and Other Receivables	(201,183,564)	(297,459,178)	(126,081,858)	(164,480,505)
(Increase)/ Decrease in Amounts Due from Related Parties	(74,575)	(1,487,544)	(3,829,080)	(3,632,569)
Increase / (Decrease) in Trade and Other Payables	4,271,889	(31,074,972)	1,647,217	(26,518,380)
Cash Generated from /(used in) Operating Activities	49,240,266	(7,447,115)	26,138,310	(18,802,897)
Finance Cost Paid	(11,707,804)	(15,440,000)	(74,326)	(18,907)
Interest Received	2,693,985	8,042,334	382,476	1,702,802
Retirement Benefit Obligations Paid	(1,486,964)	-	(1,486,964)	-
Taxes Paid	(4,476,168)	(19,461,277)	(2,658,359)	(17,336,001)
Net Cash from / (used in) Operating Activities	34,263,315	(34,306,058)	22,301,137	(34,455,004)
Cash Flows From / (Used in) Investing Activities				
Acquisitions of Property, Plant & Equipments	(206,368)	(110,722)	(26,650)	(25,822)
Proceeds from disposal of property, plant & equipment	4,364	-	-	-
Proceeds /(Investments) of Fixed Deposits (net)	(14,919,054)	(1,685,848)	(19,944,098)	2,805,956
Net Cash Flow from / (Used In) Investing Activities	(15,121,058)	(1,796,570)	(19,970,748)	2,780,134
Cash Flows from /(Used in) Financing Activities				
Repayments of Interest Bearing Loans & Borrowings	(51,586,686)	(51,586,685)	-	-
Dividends Paid	-	(2,700)	-	(2,700)
Net Cash Flows From / (Used In) Financing Activities	(51,586,686)	(51,589,385)	-	(2,700)
Net Increase / (Decrease) In Cash & Cash Equivalents	(32,444,429)	(87,692,013)	2,330,389	(31,677,570)
Cash and Cash Equivalents at the Beginning of the Period (Note A)	66,238,065	135,147,368	19,006,567	39,168,001
Cash and Cash Equivalents at the End of the Period (Note B)	33,793,636	47,455,355	21,336,956	7,490,431
Note A				
Cash and Cash Equivalents at the Beginning of the Period				
Cash in Hand & at Bank / (Bank Overdraft)	19,350,384	28,394,389	13,006,567	8,068,001
Savings Accounts & REPO	46,887,681	106,752,979	6,000,000	31,100,000
	66,238,065	135,147,368	19,006,567	39,168,001
Note B				
Cash and Cash Equivalents at the End of the Period				
Cash in Hand & at Bank / (Bank Overdraft)	16,919,382	8,990,992	11,836,956	5,990,431
Savings Accounts & REPO	16,874,254	38,464,363	9,500,000	1,500,000
	33,793,636	47,455,355	21,336,956	7,490,431

Statement of Changes in Equity

Group

	Stated Capital Rs.	Accumulated Profit Rs.	Non Controlling Interest Rs.	Total Equity Rs.
Balance as at 01 st April 2016	1,174,365,278	1,001,587,474	165,859,338	2,341,812,090
Net Profit for the Period	-	255,152,172	15,753,357	270,905,529
Balance as at 30th June 2016	1,174,365,278	1,256,739,646	181,612,695	2,612,717,619
Balance as at 01 st April 2017	1,174,365,278	899,422,159	162,694,800	2,236,482,237
Net Profit for the Period	-	188,940,495	8,952,142	197,892,637
Balance as at 30th June 2017	1,174,365,278	1,088,362,653	171,646,942	2,434,374,873

Company

	Stated Capital Rs.	Accumulated Profit Rs.	Total Equity Rs.
Balance as at 01 st April 2016	1,174,365,278	597,096,745	1,771,462,023
Net Profit for the Period	-	150,054,926	150,054,926
Balance as at 30th June 2016	1,174,365,278	747,151,671	1,921,516,949
Balance as at 01 st April 2017	1,174,365,278	525,444,554	1,699,809,832
Net Profit for the Period	-	130,176,530	130,176,530
Balance as at 30th June 2017	1,174,365,278	655,621,084	1,829,986,362

Notes to the Interim Financial Statements

- The above figures are provisional & subject to audit unless otherwise stated.
- The interim financial statements of the Group and the Company for the Three months Ended 30th June 2017 were authorised for issue by the Board of Directors on 28th July 2017.
- The financial statements for the period ended 30th June 2017, includes “the Company” referring to Vallibel Power Erathna PLC as the Holding Company and “the Subsidiary” referring to Country Energy (Private) Limited whose accounts have been consolidated therein.
- The Interim Financial Statements have been prepared in accordance with the accounting policies set out in the Annual report for the year ended 31st March 2017 and comply with the Sri Lanka Accounting Standards (SLFRS/LKAS). These Interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 31st March 2017. They also provide the information required by the Colombo Stock Exchange and LKAS 34.
- The number of shares representing the stated capital is 747,109,731.
- The Group had no significant contingent liabilities outstanding as at the reporting date.
- No other circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the Financial Statements.
- Figures in brackets indicate deductions.
- Operating Segment Information**

For the Three months ended 30th June 2017

		Erathna MHPP	Denawaka Ganga MHPP	Kiriwaneliya MHPP	Group
Power Generation	kWh	11,790,816	4,234,271	3,628,978	19,654,065
Revenue	Rs.	171,204,519	62,423,403	52,041,186	285,669,108
Gross Profit	Rs.	159,003,072	49,390,933	43,747,182	249,918,688
Profit After Tax	Rs.	130,176,530	33,009,452	36,929,155	197,892,637
Total Assets	Rs.	1,969,985,853	896,554,763	784,076,799	2,908,580,710
Total Liabilities	Rs.	139,999,493	226,811,192	112,956,475	474,205,837

For the Three months ended 30th June 2016

		Erathna MHPP	Denawaka Ganga MHPP	Kiriwaneliya MHPP	Group
Power Generation	kWh	12,547,729	6,629,837	4,409,235	23,586,801
Revenue	Rs.	193,207,454	102,572,876	67,511,146	363,291,476
Gross Profit	Rs.	179,903,337	88,680,546	59,332,438	325,693,820
Profit After Tax	Rs.	150,054,926	72,520,145	50,552,959	270,905,529
Total Assets	Rs.	2,067,122,335	1,092,342,886	866,959,759	3,294,758,714
Total Liabilities	Rs.	145,605,386	357,446,348	183,070,243	682,041,095

10. Related Party Transactions with the Company

For the Period Ended	30-06-2017 Rs.	30-06-2016 Rs.
10.1 Key Management Personal (KMP)		
Directors Remuneration	(900,000)	(1,050,000)
Key Management Compensation	(1,437,474)	(1,306,709)
Close Family Members of KMP	Nil	Nil
10.2 Country Energy (Pvt) Ltd - Subsidiary		
Net operating expenses incurred on behalf of the Subsidiary	(7,962,847)	(8,146,123)
Reimbursement of operating expenses by the Subsidiary	4,187,995	5,693,358
10.3 Other Related companies		
10.3.1 Alternate Power Systems (Pvt) Ltd (APSL)		
Net operating expenses incurred on behalf of APSL	(4,409,474)	(4,532,684)
Reimbursement of operating expenses by APSL	4,363,249	3,166,371
10.3.2 Vallibel Finance PLC		
Investments in Fixed Deposit	(23,066,565)	(31,199,517)
Withdrawal of Fixed Deposits	3,000,000	34,005,473
FD Interest Received	122, 467	1,332,798
10.3.3 Greener Water Limited (GWL)		
Net operating expenses incurred on behalf of GWL	(1,947,380)	Nil
Reimbursement of operating expenses by GWL	1,939,376	Nil

11. The public share holding percentage as at 30th June 2017 was 40.413%, comprising of 4,204 shareholders.

12. **Market price per share**

For the quarter ended	30-06-2017 Rs.	30-06-2016 Rs.
Market Price – Highest	8.90	8.90
Market Price – Lowest	7.10	8.00
Market Price – Last Traded	7.50	8.40

13. **Directors' share holding as at 30th June 2017**

Director	No. of Shares
Mr. K D.D Perera	144,812,225
Mr. S H Amarasekera	30
Mr. P K Sumanasekera	150,000
Mr. H Somashantha	15,000
Mr. S Shanmuganathan	Nil
Mr. C V Cabraal	Nil

14. **Major Shareholders as at 30th June 2017**

Shareholder	No. of Shares	Percentage (%)
1. Vallibel Power Limited	299,425,830	40.078
2. Mr. K.D.D.Perera	144,812,225	19.383
3. Seylan Bank PLC / Dr. T. Senthilverl	85,706,402	11.472
4. Sampath Bank PLC/Dr. T. Senthilver	54,024,835	7.231
5. Mr. K.D.A.Perera	18,750,000	2.510
6. Mr. K.D.H.Perera	18,750,000	2.510
7. Commercial Bank of Ceylon PLC / Metrocrop (Pvt) Ltd.	9,636,723	1.290
8. Ms. K.D.C. Samanthi	9,375,000	1.255
9. Employees Trust Fund Board	5,197,715	0.696
10. Mr. P P Subasinghe	4,303,869	0.576
11. Ayenka Holdings Private Limited	3,596,190	0.481
12. Mr. B.C. Tay	3,000,000	0.402
13. Seylan Bank PLC/Lasantha Chandika Ranaweera Pathirana	2,762,586	0.370
14. HINL-UBS AG Zurich – Mr Capital Management Ltd	2,664,500	0.357
15. DFCC Bank PLC A/C No.1	2,400,000	0.321
16. Mr. D. D. Gunaratne	2,050,000	0.274
17. Dr T Senthilverl	2,033,300	0.272
18. Deutsche Bank AG as Trustee to Candor Opportunities Fund	2,000,000	0.268
19. Perera and Sons (Bakers) Ltd	1,900,000	0.254
20. Mr. M F Hashim	1,666,154	0.223

Corporate Information

Name of Company

Vallibel Power Erathna PLC

Legal Form

A Public quoted company with limited liability incorporated under the Provisions of the Companies Act, No. 07 of 2007.

Date of Incorporation

07 th November 2001

Company Registration Number

P.Q. 103

Nature of the Business

Generate and Supply Electric Power to the National Grid.

Board of Directors

Mr. K D D Perera – Chairman
Mr. S H Amarasekera
Mr. P K Sumanasekera
Mr. H Somashantha
Mr. S Shanmuganathan
Mr. C V Cabraal

Head Office and Registered Office

27-2, East Tower, World Trade Center
Echelon Square, Colombo 01.
Telephone: 011 2381111
Fax: 011 2381115
E-mail: energy@vallibel.com
Web Site: www.vallibel-hydro.com

Subsidiary Company

Country Energy (Pvt) Ltd. (unquoted)

Company Secretaries

P W Corporate Secretarial (Pvt) Limited
No.3/17, Kynsey Road,
Colombo 08.
Telephone:011- 4640360
Fax :011- 4740588
E-mail :pwcs@pwcs.lk

Auditors

Ernst & Young
Chartered Accountants
No.201, De Saram Place
Colombo 10.

Bankers

Commercial Bank of Ceylon PLC
DFCC Bank PLC
Hatton National Bank PLC
Pan Asia Banking Corporation PLC