



VALLIBEL POWER ERATHNA PLC

INTERIM FINANCIAL STATEMENTS

Forth Quarter

for the twelve months ended 31st March 2019

Statement of Financial Position

As at	Group		Company	
	31.03.2019 Rs.	31.03.2018 Rs. (Audited)	31.03.2019 Rs.	31.03.2018 Rs. (Audited)
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	2,216,737,704	2,293,948,755	808,013,490	839,276,408
Investment in Subsidiary	-	-	821,619,980	821,619,980
Intangible Assets	81,078,758	93,035,425	-	1,600,000
Deposit on Leasehold Land	4,500,000	4,500,000	-	-
Deferred Tax Asset	-	12,305,159	-	-
	2,302,316,462	2,403,789,339	1,629,633,470	1,662,496,388
Current Assets				
Trade & Other Receivables	295,568,601	100,647,500	159,993,427	54,179,369
Amounts Due from Related Parties	895,029	1,156,218	2,277,635	2,832,330
Short Term Investments	441,155,662	266,601,729	154,386,706	66,398,930
Cash and Bank Balances	32,268,390	33,442,347	18,068,006	22,840,142
	769,887,682	401,847,794	334,725,774	146,250,771
Total Assets	3,072,204,144	2,805,637,133	1,964,359,244	1,808,747,159
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	1,386,694,773	1,070,765,201	600,168,614	456,050,947
	2,561,060,051	2,245,130,479	1,774,533,892	1,630,416,225
Non - Controlling Interest	225,876,507	199,340,454	-	-
Total Equity	2,786,936,558	2,444,470,933	1,774,533,892	1,630,416,225
Non-Current Liabilities				
Retirement Benefit Obligations	25,240,460	25,946,318	17,121,978	18,120,442
Deferred Tax Liability	112,245,643	113,328,544	109,582,965	113,328,544
	137,486,102	139,274,862	126,704,943	131,448,986
Current Liabilities				
Trade and Other Payables	47,464,414	42,038,024	24,977,793	23,871,620
Interest Bearing Loans & Borrowings	-	157,403,048	-	-
Tax Payables	100,317,070	22,450,266	38,142,616	23,010,328
	147,781,484	221,891,338	63,120,409	46,881,948
Total Equity and Liabilities	3,072,204,144	2,805,637,133	1,964,359,244	1,808,747,159
Net Asset Per Share	3.43	3.01	2.38	2.18

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
Deputy Chairman
May 27, 2019 / Colombo

Sgd.
H. Somashantha
Director

Statement of Profit or Loss

For the twelve months ended 31st March	Group						Company					
	Quarter			Twelve Months			Quarter			Twelve Months		
	2019 Rs.	2018 Rs.	Change %	2019 Rs.	2018 Rs.	Change %	2019 Rs.	2018 Rs.	Change %	2019 Rs.	2018 Rs.	Change %
Revenue	277,148,434	95,424,442	190	1,286,724,547	1,117,601,888	15	141,075,186	45,031,304	213	671,659,215	601,358,614	12
Cost of Sales	(35,111,374)	(42,960,674)	(18)	(151,777,516)	(162,349,934)	(7)	(12,771,471)	(16,789,932)	(24)	(54,129,517)	(64,651,757)	(16)
Gross Profit	242,037,060	52,463,768	361	1,134,947,031	955,251,954	19	128,303,715	28,241,372	354	617,529,698	536,706,857	15
Other Operating Income	50,000	17,365	188	9,275,000	89,865	>999	100,450,697	49,050,264	105	160,691,116	49,050,264	228
Administration Expenses	(25,854,081)	(24,707,283)	5	(99,777,552)	(100,852,164)	(1)	(12,383,147)	(12,262,255)	1	(45,890,769)	(48,552,992)	(5)
Other Operating Expenses	(1,150,286)	(1,019,393)	13	(3,365,350)	(2,640,037)	27	(556,055)	(662,139)	(16)	(1,756,999)	(1,592,267)	10
Finance Cost	(143,401)	(6,293,386)	(98)	(4,703,843)	(35,644,835)	(87)	(122,600)	(64,571)	90	(405,870)	(188,976)	115
Finance Income	19,716,005	9,962,607	98	48,966,029	32,881,179	49	9,141,067	4,073,437	124	20,689,511	19,694,750	5
Profit Before Tax	234,655,297	30,423,679	671	1,085,341,315	849,085,962	28	224,833,677	68,376,107	229	750,856,687	555,117,636	35
Income Tax Expenses	(68,312,539)	(26,253,080)	160	(195,341,917)	(85,702,925)	128	(23,730,139)	(19,554,091)	21	(85,541,421)	(78,321,766)	9
Net Profit For the Period	166,342,758	4,170,599	>999	889,999,398	763,383,037	17	201,103,537	48,822,016	312	665,315,266	476,795,870	40
Attributable to:												
Equity Holders of the Parent	155,564,298	2,627,933	>999	836,192,534	718,588,393	16	201,103,537	48,822,016	312	665,315,266	476,795,870	40
Non Controlling Interest	10,778,460	1,542,666	599	53,806,864	44,794,644	20	-	-	-	-	-	-
	166,342,758	4,170,599	>999	889,999,398	763,383,037	17	201,103,537	48,822,016	312	665,315,266	476,795,870	40
Basic Earnings Per Share	0.21	0.00		1.12	0.96		0.27	0.07		0.89	0.64	

Statement of Comprehensive Income

For the twelve months ended 31st March	Group						Company					
	Quarter			Twelve Months			Quarter			Twelve Months		
	2019 Rs.	2018 Rs.	Change %	2019 Rs.	2018 Rs.	Change %	2019 Rs.	2018 Rs.	Change %	2019 Rs.	2018 Rs.	Change %
Net Profit for the Period	166,342,758	4,170,598	>999	889,999,398	763,383,037	17	201,103,537	48,822,017	312	665,315,266	476,795,870	40
Other Comprehensive Income / (Loss);												
Actuarial Gain/(loss) on Defined Benefit Plans	3,329,830	(4,749,895)	(170)	3,329,830	(4,749,895)	(170)	2,068,851	(3,325,348)	(162)	2,068,851	(3,325,348)	(162)
Deferred tax impact on Actuarial Gain/(loss)	(478,786)	679,231	(170)	(478,786)	679,231	(170)	(289,639)	465,549	(162)	(289,639)	465,549	(162)
Deferred tax impact on revaluation surplus of land	-	(20,352,866)	(100)	-	(20,352,866)	(100)	-	(20,352,866)	(100)	-	(20,352,866)	(100)
Other Comprehensive Income /(Loss)	2,851,044	(24,423,530)	(112)	2,851,044	(24,423,530)	(112)	1,779,212	(23,212,666)	(108)	1,779,212	(23,212,666)	(108)
Total Comprehensive Income for the period, net of Tax	169,193,803	(20,252,932)	(935)	892,850,444	738,959,507	21	202,882,749	25,609,351	692	667,094,478	453,583,205	47
Attributable to:												
Equity Holders of the Parent	158,278,148	(21,640,608)	(831)	838,906,385	694,319,853	21	202,882,749	25,609,351	692	667,094,478	453,583,205	47
Non Controlling Interest	10,915,654	1,387,676	687	53,944,059	44,639,654	21	-	-	-	-	-	-
	169,193,803	(20,252,932)	(935)	892,850,444	738,959,507	21	202,882,749	25,609,351	692	667,094,478	453,583,205	47

Statement of Cash Flows

For the twelve months ended 31st March	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Cash Flows from/(Used in) Operating Activities				
Net Profit Before Income Tax Expense	1,085,341,315	849,085,961	750,856,687	555,117,636
Adjustments for				
Amortization of Intangible Assets	11,956,667	11,956,664	1,600,000	1,600,000
Depreciation	77,772,695	78,512,633	31,414,721	32,210,949
Provision for Retirement Benefit Obligations	5,050,297	4,828,810	3,291,858	3,218,037
Profit on disposal of Property, Plant & Equipment	(9,192,208)	(44,471)	12,148	6,664
Dividend Income	-	-	(160,641,116)	(49,032,899)
Interest Income	(48,966,029)	(32,881,179)	(20,689,511)	(19,694,750)
Finance Cost	4,703,844	35,644,835	405,870	188,976
Operating Profit Before Working Capital Changes	1,126,666,581	947,103,253	606,250,657	523,614,613
(Increase) / Decrease in Trade and Other Receivables	(190,398,528)	(28,189,248)	(102,900,522)	(15,741,099)
(Increase) / Decrease in Amounts Due from Related Parties	261,189	(88,624)	554,695	21,719
Increase / (Decrease) in Trade and Other Payables	7,488,777	4,893,329	2,635,359	(1,348,930)
Increase / (Decrease) in Amounts Due to Related Parties	(1,851,282)	-	(1,851,281)	-
Cash Generated from / (used in) Operating Activities	942,166,737	923,718,711	504,688,908	506,546,303
Finance Cost Paid	(5,237,032)	(35,980,944)	(405,870)	(188,976)
Interest Received	44,443,450	32,715,954	17,775,974	20,521,139
Retirement Benefit Obligations Paid	(575,044)	(2,436,915)	(370,189)	(2,352,114)
Taxes Paid	(106,731,641)	(57,145,798)	(74,444,351)	(45,868,309)
Net Cash from / (used in) Operating Activities	874,066,470	860,871,008	447,244,473	478,658,043
Cash Flows From / (Used in) Investing Activities				
Acquisitions of Property, Plant & Equipments	(644,442)	(1,817,443)	(213,950)	(189,630)
Proceeds from disposal of property, plant & equipment	9,275,000	72,500	50,000	-
Dividend Received	-	-	160,641,116	49,032,899
Proceeds /(Investments) of Fixed Deposits (net)	(271,351,968)	(46,089,743)	(111,200,290)	23,771,746
Net Cash Flow from / (Used In) Investing Activities	(262,721,410)	(47,834,686)	49,276,876	72,615,015
Cash Flows from / (Used in) Financing Activities				
Repayments of Interest Bearing Loans & Borrowings	(157,403,048)	(207,786,740)	-	-
Dividends Paid	(551,914,003)	(532,220,971)	(524,505,998)	(524,226,969)
Net Cash Flows From / (Used In) Financing Activities	(709,317,051)	(740,007,711)	(524,505,998)	(524,226,969)
Net Increase / (Decrease) In Cash & Cash Equivalents	(97,971,992)	73,028,611	(27,984,649)	27,046,089
Cash and Cash Equivalents at the Beginning of the Period (Note A)	139,266,675	66,238,065	46,052,656	19,006,567
Cash and Cash Equivalents at the End of the Period (Note B)	41,294,683	139,266,676	18,068,006	46,052,656
Note A				
Cash and Cash Equivalents at the Beginning of the Period				
Cash in Hand & at Bank / (Bank Overdraft)	33,442,347	19,350,384	22,840,142	13,006,567
Savings Accounts & REPO	105,824,329	46,887,681	23,212,514	6,000,000
	139,266,675	66,238,065	46,052,656	19,006,567
Note B				
Cash and Cash Equivalents at the End of the Period				
Cash in Hand & at Bank / (Bank Overdraft)	32,268,390	33,442,347	18,068,006	22,840,142
Savings Accounts & REPO	9,026,293	105,824,329	-	23,212,514
	41,294,683	139,266,676	18,068,006	46,052,656

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 2017	1,174,365,278	899,422,159	162,694,800	2,236,482,237
Net Profit for the Period	-	718,588,393	44,794,644	763,383,037
Other Comprehensive Income/(Loss)	-	(24,268,539)	(154,991)	(24,423,530)
Dividend	-	(522,976,812)	(7,994,000)	(530,970,812)
Balance as at 31st March 2018	1,174,365,278	1,070,765,201	199,340,454	2,444,470,933
Net Profit for the Period	-	836,192,534	53,806,864	889,999,398
Other Comprehensive Income/(Loss)	-	2,713,850	137,194	2,851,044
Dividend	-	(522,976,812)	(27,408,005)	(550,384,817)
Balance as at 31st March 2019	1,174,365,278	1,386,694,774	225,876,507	2,786,936,558

Company

	Stated Capital Rs.	Accumulated Profit Rs.	Total Equity Rs.
Balance as at 01 st April 2017	1,174,365,278	525,444,554	1,699,809,832
Net Profit for the Period	-	476,795,870	476,795,870
Other Comprehensive Income/(Loss)	-	(23,212,665)	(23,212,665)
Dividend	-	(522,976,812)	(522,976,812)
Balance as at 31st March 2018	1,174,365,278	456,050,947	1,630,416,225
Net Profit for the Period	-	665,315,266	665,315,266
Other Comprehensive Income/(Loss)	-	1,779,212	1,779,212
Dividend	-	(522,976,812)	(522,976,812)
Balance as at 31st March 2019	1,174,365,278	600,168,614	1,774,533,892

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 twelve months ended 31st March 2019 were authorised for issue by the Board of Directors on 24th May 2019.
- The financial statements for the period ended 31st March 2019, 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 2018 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 2018. 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 Company paid Thirty cents (Rs. 0.30) per share as an Interim Dividend for the financial year 2018/19 on August 15, 2018 and another Forty cents (Rs.0.40) per share Interim Dividend for the financial year 2018/19, on February 22, 2019 which was considered as Final Dividend for the financial year 2018/19.
- 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.

9. Operating Segment Information

For the twelve months ended 31st March 2019

		Erathna MHPP	Denawaka Ganga MHPP	Kiriwaneliya MHPP	Group
Power Generation	kWh	41,796,220	23,002,642	15,131,104	79,929,966
Revenue	Rs.	671,659,215	374,280,867	240,784,465	1,286,724,547
Gross Profit	Rs.	617,529,698	321,012,582	205,294,751	1,134,947,031
Profit After Tax	Rs.	665,315,266	250,885,549	169,480,576	889,999,398
Total Assets	Rs.	1,964,359,244	1,006,871,349	854,024,766	3,072,204,144
Total Liabilities	Rs.	189,825,352	66,021,048	30,439,519	285,267,586

For the twelve months ended 31st March 2018

		Erathna MHPP	Denawaka Ganga MHPP	Kiriwaneliya MHPP	Group
Power Generation	kWh	44,195,032	21,723,421	16,228,272	82,146,725
Revenue	Rs.	601,358,614	296,703,828	219,539,446	1,117,601,888
Gross Profit	Rs.	536,706,857	242,188,947	185,246,150	955,251,954
Profit After Tax	Rs.	476,795,871	187,285,866	162,672,297	763,383,036
Total Assets	Rs.	1,808,747,159	914,388,648	827,450,518	2,805,637,133
Total Liabilities	Rs.	178,330,933	121,591,912	63,049,666	361,166,199

10. The Company's Standard Power Purchase Agreement (SPPA) entered into with Ceylon Electricity Board (CEB) will expire in July 2019. CEB has informed the Company that the SPPA would be eligible for an extension of the term by 20 years subject to the other regulatory conditions. The tariff of the first year of next 20 years' term is to be based on the weighted average plant factor of the plant during its first 15 years' term and thereafter escalated by 3% year on year. At present, we estimate the first year tariff to be fixed at around Rs. 7.20/kWh.

11. Related Party Transactions with the Company

For the Period Ended	31-03-2019 Rs.	31-03-2018 Rs.
11.1 Key Management Personal (KMP)		
Directors Remuneration	(3,711,111)	(3,688,889)
Key Management Compensation	(6,324,488)	(5,749,896)
Close Family Members of KMP	Nil	Nil
11.2 Country Energy (Pvt) Ltd - Subsidiary		
Net operating expenses incurred on behalf of the Subsidiary	(24,411,420)	(23,542,814)
Reimbursement of operating expenses by the Subsidiary	24,835,118	23,522,964
11.3 Other Related companies		
11.3.1 Alternate Power Systems (Pvt) Ltd (APSL)		
Net operating expenses incurred on behalf of APSL	(12,023,987)	(13,515,136)
Reimbursement of operating expenses by APSL	12,187,405	13,517,986
11.3.2 Vallibel Finance PLC		
Investments in Fixed Deposit	(482,030,215)	(314,313,829)
Withdrawal of Fixed Deposits	395,829,925	337,969,108
FD Interest Received	15,646,333	14,530,357
11.3.3 LB Finance PLC		
Investments in Fixed Deposit	25,000,000	(116,040,104)
Withdrawal of Fixed Deposits	-	116,040,104
FD Interest Received	-	3,584,081
11.3.4 Greener Water Limited (GWL)		
Net operating expenses incurred on behalf of GWL	(9,032,979)	(9,024,161)
Reimbursement of operating expenses by GWL	9,000,557	9,062,876
11.3.5 The Kingsbury PLC		
Payment made for services obtained	(347,250)	(338,580)

12. Standards Issued but not yet effective

SLFRS 16 -Leases

SLFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('Lessee') and the supplier ('Lessor'). SLFRS 16 will replace Sri Lanka Accounting Standard – LKAS 17 (Leases) and related interpretations. SLFRS 16 introduces a single accounting model for the lessee, eliminating the present classification of leases in LKAS 17 as either operating leases or finance leases.

This standard became effective for the annual periods beginning on or after 01 January 2019. The impact on the implementation of the above Standard has not been quantified yet.

13. Share Information

13.1. The public share holding percentage as at 31st March 2019 was 40.517%, comprising of 4,352 shareholders.

13.2. The Float Adjusted Market Capitalization as at 31st March 2019 is Rs. 1,785,969,211.40. The Company complies with option 5 of the Listing Rules 7.13.1 (a) – Less than Rs.2.5 Bn Float Adjusted Market Capitalization.

13.3. Market price per share

For the period ended	31-03-2019 Rs.	31-03-2018 Rs.
Market Price – Highest	6.80	7.80
Market Price – Lowest	5.90	7.10
Market Price – Last Traded	5.90	7.30

13.4. Directors' share holding as at 31st March 2019

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

13.5. **Major Shareholders as at 31st March 2019**

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	82,697,543	11.069
4. Sampath Bank PLC/Dr. T. Senthilverl	50,925,829	6.816
5. Mr. K.D.A.Perera	18,750,000	2.510
6. Mr. K.D.H.Perera	18,750,000	2.510
7. Ayenka Holdings (Pvt) Ltd	11,704,000	1.567
8. Commercial Bank of Ceylon PLC / Metrocrop (Pvt) Ltd.	10,074,923	1.349
9. Ms. K.D.C. Samanthi	9,375,000	1.255
10. Mr. P P Subasinghe	5,278,190	0.706
11. Employees Trust Fund Board	5,197,715	0.696
12. Mr. B.C. Tay	3,000,000	0.402
13. Perera and Sons (Bakers) Ltd	2,900,000	0.388
14. Acuity Partners (Pvt) Ltd/Mr. Anthony Romesh Grero	2,478,196	0.332
15. DFCC Bank PLC A/C No.1	2,400,000	0.321
16. Mr. D. D. Gunaratne	2,200,000	0.294
17. Hatton National Bank PLC- Candor Opportunities Fund	2,000,000	0.268
18. Mr. M F Hashim	1,796,059	0.240
19. Mr. M H M Nazeer	1,500,000	0.201
20. Dr. Senthilverl	1,303,300	0.174

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 - Deputy Chairman
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