



VALLIBEL POWER ERATHNA PLC

INTERIM FINANCIAL STATEMENTS

Third Quarter

for the nine months ended 31st December 2019

Statement of Financial Position

As at	Group		Company	
	31.12.2019 Rs.	31.03.2019 Rs. (Audited)	31.12.2019 Rs.	31.03.2019 Rs. (Audited)
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	2,159,299,255	2,216,737,704	784,778,633	808,013,490
Investment in Subsidiary	-	-	821,619,980	821,619,980
Intangible Assets	73,311,258	81,078,758	-	-
Deposit on Leasehold Land	4,500,000	4,500,000	-	-
	2,237,110,513	2,302,316,462	1,606,398,613	1,629,633,470
Current Assets				
Trade & Other Receivables	652,883,917	295,568,601	227,669,867	159,993,427
Amounts Due from Related Parties	961,357	895,029	2,450,626	2,277,635
Short Term Investments	623,932,241	441,155,662	255,210,008	154,386,706
Cash and Bank Balances	20,898,545	32,268,390	18,135,628	18,068,006
	1,298,676,060	769,887,682	503,466,129	334,725,774
Total Assets	3,535,786,573	3,072,204,144	2,109,864,742	1,964,359,244
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	1,829,731,358	1,386,694,773	758,559,698	600,168,614
	3,004,096,636	2,561,060,051	1,932,924,976	1,774,533,892
Non - Controlling Interest	268,644,929	225,876,507	-	-
Total Equity	3,272,741,565	2,786,936,558	1,932,924,976	1,774,533,892
Non-Current Liabilities				
Retirement Benefit Obligations	26,759,924	25,240,460	17,869,084	17,121,978
Deferred Tax Liability	120,319,168	112,245,642	106,323,592	109,582,965
	147,079,092	137,486,102	124,192,676	126,704,943
Current Liabilities				
Trade and Other Payables	52,741,130	47,464,414	26,472,084	24,977,793
Tax Payables	63,224,786	100,317,070	26,275,006	38,142,616
	115,965,916	147,781,484	52,747,090	63,120,409
Total Equity and Liabilities	3,535,786,573	3,072,204,144	2,109,864,742	1,964,359,244
Net Asset Per Share	4.02	3.43	2.59	2.38

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

Sgd.

Sajithra Thanoj
Accountant

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.

Russell De Zilva
Jt.CEO

Sgd.

S. H. Amarasekara
Deputy Chairman
February 03, 2020 / Colombo

Sgd.

H. Somashantha
Director

Statement of Profit or Loss

For the nine months ended 31st December	Group						Company					
	Quarter			Nine Months			Quarter			Nine Months		
	2019 Rs.	2018 Rs.	Change %	2019 Rs.	2018 Rs.	Change %	2019 Rs.	2018 Rs.	Change %	2019 Rs.	2018 Rs.	Change %
Revenue	434,381,976	274,953,978	58	1,008,996,272	1,009,576,112	(0)	108,546,449	146,435,442	(26)	381,467,395	530,584,029	(28)
Cost of Sales	(36,935,317)	(35,120,270)	5	(112,432,083)	(116,666,142)	(4)	(12,044,530)	(12,182,290)	(1)	(39,619,278)	(41,358,046)	(4)
Gross Profit	397,446,659	239,833,708	66	896,564,189	892,909,970	0	96,501,919	134,253,152	(28)	341,848,117	489,225,983	(30)
Other Operating Income	-	-	-	-	9,225,000	(100)	-	-	-	100,400,697	60,240,418	67
Administration Expenses	(23,923,615)	(23,804,751)	0	(75,482,726)	(74,305,437)	2	(10,245,869)	(10,091,846)	2	(34,467,437)	(33,790,893)	2
Other Operating Expenses	(2,612,216)	(967,272)	170	(4,489,520)	(2,215,065)	103	(1,629,477)	(671,430)	143	(2,480,667)	(1,200,943)	107
Finance Cost	-	-	0	-	(4,178,476)	(100)	-	-	-	-	-	-
Finance Income	12,362,760	14,904,326	(17)	43,255,882	29,250,024	48	5,927,487	5,743,539	3	17,541,985	11,548,445	52
Profit Before Tax	383,273,588	229,966,012	67	859,847,825	850,686,016	1	90,554,059	129,233,414	(30)	422,842,695	526,023,010	(20)
Income Tax Expenses	(47,821,918)	(34,087,912)	40	(132,779,899)	(127,029,378)	5	(11,457,966)	(17,460,805)	(34)	(40,318,691)	(61,811,280)	(35)
Net Profit For the Period	335,451,669	195,878,100	71	727,067,926	723,656,638	0	79,096,093	111,772,609	(29)	382,524,004	464,211,730	(18)
Attributable to:												
Equity Holders of the Parent	302,353,676	184,828,117	64	667,169,504	680,628,234	(2)	79,096,093	111,772,609	(29)	382,524,004	464,211,730	(18)
Non Controlling Interest	33,097,993	11,049,983	200	59,898,422	43,028,404	39	-	-	-	-	-	-
	335,451,669	195,878,100	71	727,067,926	723,656,638	0	79,096,093	111,772,609	(29)	382,524,004	464,211,730	(18)
Basic Earnings Per Share	0.40	0.25		0.89	0.91		0.11	0.15		0.51	0.62	

Statement of Comprehensive Income

For the nine months ended 31st December	Group						Company					
	Quarter			Nine Months			Quarter			Nine 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	335,451,669	195,878,100	71	727,067,926	723,656,638	0	79,096,093	111,772,609	(29)	382,524,004	464,211,730	(18)
Other Comprehensive Income /(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the period, net of Tax	335,451,669	195,878,100	71	727,067,926	723,656,638	0	79,096,093	111,772,609	(29)	382,524,004	464,211,730	(18)
Attributable to:												
Equity Holders of the Parent	302,353,676	184,828,117	64	667,169,504	680,628,234	(2)	79,096,093	111,772,609	(29)	382,524,004	464,211,730	(18)
Non Controlling Interest	33,097,993	11,049,983	200	59,898,422	43,028,404	39	-	-	-	-	-	-
	335,451,669	195,878,100	71	727,067,926	723,656,638	0	79,096,093	111,772,609	(29)	382,524,004	464,211,730	(18)

Statement of Cash Flows

For the nine months ended 31st December	Group		Company	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Cash Flows from/(Used in) Operating Activities				
Net Profit Before Income Tax Expense	859,847,824	850,686,017	422,842,695	526,023,010
Adjustments for				
Amortization of Intangible Assets	7,767,500	8,967,500	-	1,200,000
Depreciation	58,201,286	58,375,068	23,500,041	23,597,938
Provision for Retirement Benefit Obligations	1,944,000	3,766,167	900,000	1,485,000
Profit on disposal of Property, Plant & Equipment	79,043	(9,164,391)	-	39,965
Dividend Income	-	-	(100,400,697)	(60,240,418)
Interest Income	(43,255,882)	(29,250,024)	(17,541,985)	(11,548,445)
Finance Cost	-	4,178,476	-	-
Operating Profit Before Working Capital Changes	884,583,771	887,558,813	329,300,054	480,557,050
(Increase)/ Decrease in Trade and Other Receivables	(355,586,798)	(58,938,439)	(66,772,062)	(30,356,175)
(Increase)/ Decrease in Amounts Due from Related Parties	(66,327)	157,120	(172,991)	392,245
Increase / (Decrease) in Trade and Other Payables	5,276,717	3,232,449	1,494,291	(88,285)
Increase / (Decrease) in Amounts Due to Related Parties	-	(1,851,282)	-	(1,851,281)
Cash Generated from /(used in) Operating Activities	534,207,364	830,158,662	263,849,292	448,653,554
Finance Cost Paid	-	(4,711,665)	-	-
Interest Received	41,527,357	25,154,847	16,637,607	9,413,762
Retirement Benefit Obligations Paid	(424,533)	(575,044)	(152,895)	(370,189)
Taxes Paid	(161,798,659)	(71,784,043)	(55,445,673)	(57,018,235)
Net Cash from / (used in) Operating Activities	413,511,528	778,242,758	224,888,331	400,678,892
Cash Flows From / (Used in) Investing Activities				
Acquisitions of Property, Plant & Equipments	(841,875)	(413,695)	(265,185)	(183,050)
Proceeds from disposal of property, plant & equipment	-	9,225,000	-	-
Dividend Received	-	-	100,400,697	60,240,418
Proceeds /(Investments) of Fixed Deposits (net)	(175,406,571)	(484,791,654)	(96,323,302)	(252,315,361)
Net Cash Flow from / (Used In) Investing Activities	(176,248,446)	(475,980,349)	3,812,210	(192,257,992)
Cash Flows from /(Used in) Financing Activities				
Repayments of Interest Bearing Loans & Borrowings	-	(157,403,048)	-	-
Dividends Paid	(241,262,919)	(235,028,650)	(224,132,919)	(224,750,648)
Net Cash Flows From / (Used In) Financing Activities	(241,262,919)	(392,431,698)	(224,132,919)	(224,750,648)
Net Increase / (Decrease) In Cash & Cash Equivalents	(3,999,837)	(90,169,289)	4,567,622	(16,329,748)
Cash and Cash Equivalents at the Beginning of the Period (Note A)	41,294,683	139,266,676	18,068,006	46,052,656
Cash and Cash Equivalents at the End of the Period (Note B)	37,294,846	49,097,387	22,635,628	29,722,908
Note A				
Cash and Cash Equivalents at the Beginning 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
Cash and Cash Equivalents at the End of the Period				
Cash in Hand & at Bank / (Bank Overdraft)	20,898,545	19,997,292	18,135,628	16,222,908
Savings Accounts & REPO	16,396,301	29,100,095	4,500,000	13,500,000
	37,294,846	49,097,387	22,635,628	29,722,908

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 2018	1,174,365,278	1,070,765,201	199,340,454	2,444,470,933
Net Profit for the Period	-	680,628,234	43,028,404	723,656,638
Dividend	-	(224,132,919)	(10,278,002)	(234,410,921)
Balance as at 31st December 2018	1,174,365,278	1,527,260,516	232,090,856	2,933,716,650
Balance as at 1st April 2019	1,174,365,278	1,386,694,773	225,876,507	2,786,936,558
Net Profit for the Period	-	667,169,504	59,898,422	727,067,926
Dividend	-	(224,132,919)	(17,130,000)	(241,262,919)
Balance as at 31st December 2019	1,174,365,278	1,829,731,358	268,644,929	3,272,741,565

Company

	Stated Capital Rs.	Accumulated Profit Rs.	Total Equity Rs.
Balance as at 01 st April 2018	1,174,365,278	456,050,947	1,630,416,225
Net Profit for the Period	-	464,211,730	464,211,730
Dividend	-	(224,132,919)	(224,132,919)
Balance as at 31st December 2018	1,174,365,278	696,129,757	1,870,495,035
Balance as at 1st April 2019	1,174,365,278	600,168,614	1,774,533,892
Net Profit for the Period	-	382,524,004	382,524,004
Dividend	-	(224,132,919)	(224,132,919)
Balance as at 31st December 2019	1,174,365,278	758,559,698	1,932,924,976

Notes to the Interim Financial Statements

1. The above figures are provisional & subject to audit unless otherwise stated.
2. The interim financial statements of the Group and the Company for the nine months ended 31st December 2019 were authorised for issue by the Board of Directors on 03rd February 2020.
3. The financial statements for the period ended 31st December 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.
4. 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 2019 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 2019. They also provide the information required by the Colombo Stock Exchange and LKAS 34.
5. The number of shares representing the stated capital is 747,109,731.
6. The Company paid Thirty cents (Rs. 0.30) per share as an Interim Dividend for the financial year 2019/20 on July 12, 2019.
7. The Group had no significant contingent liabilities outstanding as at the reporting date.
8. The Company's Standard Power Purchase Agreement (SPPA) entered into with Ceylon Electricity Board (CEB) expired in July 14, 2019. CEB has informed by the letter dated May 08, 2019, 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, pre-signing process for the Addendum of SPPA extension is in progress and the Revenue of Rs. 171,034,773/- due from supplied electricity for the period from 15th July 2019 to 31st December 2019 is accrued on the basis of approximate tariff of Rs. 7.00/kWh.
9. The age analysis of Trade Receivables from the Ceylon Electricity Board as of 31st December 2019 other than the balance mentioned in the Note 08 above is given below.

	Company Rs.	Group Rs.
Below 30 days	-	71,984,037
30 – 60 days	30,553,463	179,674,163
60 – 90 days	-	104,730,791
Over 90 days	-	85,971,177
Total	30,553,463	442,360,168

10. No other circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the Financial Statements.

11. Operating Segment Information

For the nine months ended 31st December 2019

		Erathna MHPP	Denawaka Ganga MHPP	Kiriwaneliya MHPP	Group
Power Generation	kWh	35,708,347	21,428,207	13,326,170	70,462,724
Revenue	Rs.	381,467,695	388,593,385	238,935,492	1,008,996,572
Gross Profit	Rs.	341,848,117	347,643,773	213,739,799	896,564,189
Profit After Tax	Rs.	382,524,004	286,671,760	181,284,659	727,067,926
Total Assets	Rs.	2,109,864,742	1,228,816,002	957,295,486	3,535,786,573
Total Liabilities	Rs.	176,939,765	66,145,026	21,449,498	263,045,008

For the nine months ended 31st December 2018

		Erathna MHPP	Denawaka Ganga MHPP	Kiriwaneliya MHPP	Group
Power Generation	kWh	39,015,565	20,604,782	14,578,738	74,199,085
Revenue	Rs.	530,584,028	281,688,513	197,303,571	1,009,576,112
Gross Profit	Rs.	489,225,983	240,770,741	169,580,746	892,909,971
Profit After Tax	Rs.	464,211,730	190,947,055	145,212,352	723,656,638
Total Assets	Rs.	2,052,176,531	995,093,722	889,211,712	3,185,230,590
Total Liabilities	Rs.	181,681,496	50,260,581	21,012,860	251,513,940

12. Related Party Transactions with the Company

For the Period Ended	31-12-2019 Rs.	31-12-2018 Rs.
12.1 Key Management Personal (KMP)		
Directors Remuneration	(2,800,000)	(2,777,778)
Key Management Compensation	(5,218,032)	(4,743,666)
Close Family Members of KMP	Nil	Nil
12.2 Country Energy (Pvt) Ltd - Subsidiary		
Net operating expenses incurred on behalf of the Subsidiary	(20,600,830)	(18,847,896)
Reimbursement of operating expenses by the Subsidiary	20,494,166	19,213,212
12.3 Other Related companies		
12.3.1 Alternate Power Systems (Pvt) Ltd (APSL)		
Net operating expenses incurred on behalf of APSL	(11,690,198)	(8,879,473)
Reimbursement of operating expenses by APSL	11,606,110	8,951,948

12. Related Party Transactions with the Company (Contd/-)

For the Period Ended	31-12-2019 Rs.	31-12-2018 Rs.
12.3.2 Vallibel Finance PLC		
Investments in Fixed Deposit	(277,980,498)	(460,110,439)
Withdrawal of Fixed Deposit	184,265,373	207,795,078
FD Interest Received	1,477,848	2,507,596
12.3.3 LB Finance PLC		
Investments in Fixed Deposit	(2,608,177)	-
12.3.4 Greener Water Limited (GWL)		
Net operating expenses incurred on behalf of GWL	(7,329,771)	(6,647,930)
Reimbursement of operating expenses by GWL	7,347,532	6,602,383
12.3.5 The Kingsbury PLC		
Payment made for services obtained	(398,825)	(347,250)

13. 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. Currently the Group is assessing the potential impact on its consolidated Financial Statements resulting from the application of SLFRS 16.

14. Share Information

- 14.1. The public shareholding percentage as at 31st December 2019 was 40.517%, comprising of 4,510 shareholders.
- 14.2. The Float Adjusted Market Capitalization as at 31st December 2019 is Rs. 1,907,051,869.80. The Company complies with option 5 of the Listing Rules 7.13.1 (a) – Less than Rs.2.5 Bn Float Adjusted Market Capitalization.

14.3. Market price per share

For the period ended	31-12-2019 Rs.	31-12-2018 Rs.
Market Price – Highest	6.50	7.00
Market Price – Lowest	5.90	6.40
Market Price – Last Traded	6.30	6.40

14.4. Directors' shareholding as at 31st December 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

14.5. Major Shareholders as at 31st December 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 / Senthilverl Holdings (Pvt) Ltd	80,195,341	10.734
4. Sampath Bank PLC/Dr. T. Senthilverl	50,404,135	6.747
5. Mr. K.D.H.Perera	18,750,000	2.510
6. Mr. K.D.A.Perera	18,750,000	2.510
7. Commercial Bank of Ceylon PLC / Metrocrop (Pvt) Ltd	10,205,223	1.366
8. Ms. K.D.C. Samanthi	9,375,000	1.255
9. Mr. A.R. Grero	6,261,653	0.838
10. Mr. P P Subasinghe	5,303,190	0.710
11. Acuity Partners (Pvt) Ltd/Mr. Anthony Romesh Grero	5,229,607	0.700
12. Employees Trust Fund Board	5,197,715	0.696
13. Ayenka Holdings (Pvt) Ltd	3,389,539	0.454
14. Perera and Sons (Bakers) Ltd	3,008,630	0.403
15. Mr. B.C. Tay	3,000,000	0.402
16. DFCC Bank PLC A/C No.1	2,400,000	0.321
17. Mr. D. D. Gunaratne	2,250,000	0.301
18. Mr. M F Hashim	1,802,689	0.241
19. Mr. M H M Nazeer	1,500,000	0.201
20. Mr. T. 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