



VALLIBEL POWER ERATHNA PLC

INTERIM FINANCIAL STATEMENTS

Fourth Quarter

for the twelve months ended 31st March 2018

Statement of Financial Position

As at	Group		Company	
	31.03.2018 Rs.	31.03.2017 Rs. (Audited)	31.03.2018 Rs.	31.03.2017 Rs. (Audited)
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	2,293,948,755	2,370,671,974	839,276,408	871,304,392
Investment in Subsidiary	-	-	821,619,980	821,619,980
Intangible Assets	93,035,425	104,992,089	1,600,000	3,200,000
Deposit on Leasehold Land	4,500,000	4,500,000	-	-
Deferred Tax Asset	12,305,159	10,332,335	-	-
	2,403,789,339	2,490,496,398	1,662,496,388	1,696,124,372
Current Assets				
Trade & Other Receivables	100,647,500	72,274,406	54,179,369	39,264,659
Amounts Due from Related Parties	1,156,218	1,067,593	2,832,330	2,854,049
Short Term Investments	266,601,729	161,575,339	66,398,930	72,958,162
Cash and Bank Balances	33,442,347	19,884,034	22,840,142	13,006,567
	401,847,794	254,801,372	146,250,771	128,083,437
Total Assets	2,805,637,133	2,745,297,770	1,808,747,159	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	1,070,765,201	899,422,159	456,050,948	525,444,554
	2,245,130,479	2,073,787,437	1,630,416,226	1,699,809,832
Non - Controlling Interest	199,340,454	162,694,800	-	-
Total Equity	2,444,470,933	2,236,482,237	1,630,416,226	1,699,809,832
Non-Current Liabilities				
Interest Bearing Loans & Borrowings	-	157,403,056	-	-
Retirement Benefit Obligations	25,946,318	18,785,895	18,120,442	13,929,171
Deferred Tax Liability	113,328,544	81,377,602	113,328,544	81,377,602
	139,274,862	257,566,553	131,448,986	95,306,773
Current Liabilities				
Trade and Other Payables	42,038,024	38,730,972	23,871,619	26,470,707
Interest Bearing Loans & Borrowings	157,403,048	208,320,382	-	-
Tax Payables	22,450,266	4,197,626	23,010,328	2,620,496
	221,891,338	251,248,980	46,881,947	29,091,203
Total Equity and Liabilities	2,805,637,133	2,745,297,770	1,808,747,159	1,824,207,809
Net Asset Per Share	3.01	2.78	2.18	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 Silva
 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 24, 2018 / 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		
	2018 Rs.	2017 Rs.	Change %	2018 Rs.	2017 Rs.	Change %	2018 Rs.	2017 Rs.	Change %	2018 Rs.	2017 Rs.	Change %
Revenue	95,424,442	67,502,079	41	1,117,601,888	863,722,046	29	45,031,304	32,807,090	37	601,358,614	507,868,739	18
Cost of Sales	(42,960,674)	(41,575,414)	3	(162,349,934)	(149,702,512)	8	(16,789,932)	(15,333,085)	10	(64,651,757)	(52,928,318)	22
Gross Profit	52,463,768	25,926,665	102	955,251,954	714,019,534	34	28,241,372	17,474,005	62	536,706,857	454,940,421	18
Other Operating Income	17,365	517,885	(97)	89,865	536,385	(83)	49,050,264	49,030,603	0	49,050,264	154,119,600	(68)
Administration Expenses	(24,707,283)	(27,184,620)	(9)	(100,852,164)	(102,927,802)	(2)	(12,262,255)	(12,957,400)	(5)	(48,552,992)	(48,507,869)	0
Other Operating Expenses	(1,019,393)	(405,952)	151	(2,640,037)	(3,401,636)	(22)	(662,139)	(459,041)	44	(1,592,267)	(1,944,386)	(18)
Finance Cost	(6,293,386)	(12,819,631)	(51)	(35,644,835)	(59,393,648)	(40)	(64,571)	(55,496)	16	(188,976)	(146,221)	29
Finance Income	9,962,607	10,757,251	(7)	32,881,179	43,429,794	(24)	4,073,437	6,753,586	(40)	19,694,750	22,000,133	(10)
Profit/(Loss) Before Tax	30,423,679	(3,208,402)	>999	849,085,962	592,262,627	43	68,376,108	59,786,257	14	555,117,636	580,461,678	(4)
Income Tax Expenses	(26,253,080)	(9,395,027)	179	(85,702,925)	(76,462,854)	12	(19,554,091)	(3,386,195)	477	(78,321,766)	(55,122,266)	42
Net Profit/(Loss) For the Period	4,170,598	(12,603,429)	133	763,383,037	515,799,773	48	48,822,017	56,400,062	(13)	476,795,870	525,339,412	(9)
Attributable to:												
Equity Holders of the Parent	2,627,932	(11,028,516)	124	718,588,393	493,966,513	45	48,822,017	56,400,062	(13)	476,795,870	525,339,412	(9)
Non Controlling Interest	1,542,665	(1,574,913)	198	44,794,644	21,833,260	105	-	-	-	-	-	-
	4,170,598	(12,603,429)	133	763,383,037	515,799,773	48	48,822,017	56,400,062	(13)	476,795,870	525,339,412	(9)
Basic Earnings Per Share	0.00	(0.01)		0.96	0.66		0.07	0.08		0.64	0.70	

Figures in brackets indicate deductions

Statement of Comprehensive Income

For the twelve months ended 31st March	Group						Company					
	Quarter			Twelve Months			Quarter			Twelve Months		
	2018 Rs.	2017 Rs.	Change %	2018 Rs.	2017 Rs.	Change %	2018 Rs.	2017 Rs.	Change %	2018 Rs.	2017 Rs.	Change %
Net Profit/(Loss) for the Period	4,170,598	(12,603,429)	133	763,383,037	515,799,773	48	48,822,017	56,400,062	(13)	476,795,870	525,339,412	(9)
Other Comprehensive Income / (Loss):				-	-	-				-	-	-
Actuarial Gain/(loss) on Defined Benefit Plans	(4,749,895)	1,951,093	(343)	(4,749,895)	1,951,093	(343)	(3,325,348)	791,117	(520)	(3,325,348)	791,117	(520)
Deferred tax impact on Actuarial Gain/(loss)	679,231	(268,930)	353	679,231	(268,930)	-	465,549	(94,934)	(590)	465,549	(94,934)	-
Deferred tax impact on revaluation surplus of land	(20,352,866)	-	-	(20,352,866)	-	-	(20,352,866)	-	-	(20,352,866)	-	-
Other Comprehensive Income/(Loss) for the year, net of tax	(24,423,530)	1,682,163	>(999)	(24,423,530)	1,682,163	>(999)	(23,212,665)	696,183	>(999)	(23,212,665)	696,183	>(999)
Total Comprehensive Income/(Loss) for the period, net of Tax	(20,252,932)	(10,921,266)	(85)	738,959,507	517,481,936	43	25,609,352	57,096,245	(55)	453,583,205	526,035,595	(14)
Attributable to:												
Equity Holders of the Parent	(21,640,608)	(9,472,557)	128	694,319,853	495,522,472	40	25,609,352	57,096,245	(55)	453,583,205	526,035,596	(14)
Non Controlling Interest	1,387,676	(1,448,709)	196	44,639,654	21,959,464	103	-	-		-	-	
	(20,252,932)	(10,921,266)	(85)	738,959,507	517,481,936	43	25,609,352	57,096,245	(55)	453,583,205	526,035,596	(14)

Figures in brackets indicate deductions

Statement of Cash Flows

For the twelve months ended 31st March	Group		Company	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Cash Flows from/(Used in) Operating Activities				
Net Profit Before Income Tax Expense	849,085,962	592,262,627	555,117,636	580,461,678
Adjustments for				
Amortization of Intangible Assets	11,956,667	11,956,664	1,600,000	1,600,000
Depreciation	78,512,638	79,747,755	32,210,950	32,571,983
Provision for Retirement Benefit Obligations	4,828,809	4,788,329	3,218,037	2,753,820
(Profit)/Loss on disposal of Property, Plant & Equipment	(44,473)	33,635	6,664	(16,204)
Dividend Income	-	-	(49,032,899)	(154,103,396)
Interest Income	(32,881,179)	(43,429,794)	(19,694,750)	(22,000,133)
Finance Cost	35,644,836	59,393,648	188,976	146,221
Operating Profit Before Working Capital Changes	947,103,260	704,752,864	523,614,614	441,413,969
(Increase)/ Decrease in Trade and Other Receivables	(28,189,253)	(9,251,524)	(15,741,098)	(6,146,365)
(Increase)/ Decrease in Amounts Due from Related Parties	(88,624)	(81,422)	21,719	(53,264)
Increase / (Decrease) in Trade and Other Payables	4,893,329	(26,947,064)	(1,348,930)	(25,043,894)
Cash Generated from /(used in) Operating Activities	923,718,712	668,472,854	506,546,305	410,170,446
Finance Cost Paid	(35,980,944)	(59,481,100)	(188,976)	(146,221)
Interest Received	32,715,954	44,793,423	20,521,139	22,054,834
Retirement Benefit Obligations Paid	(2,436,915)	(458,550)	(2,352,114)	-
Taxes Paid	(57,145,798)	(99,221,165)	(45,868,309)	(76,193,597)
Net Cash from / (used in) Operating Activities	860,871,008	554,105,462	478,658,045	355,885,462
Cash Flows From / (Used in) Investing Activities				
Acquisitions of Property, Plant & Equipments	(1,817,444)	(5,355,355)	(189,630)	(2,607,396)
Proceeds from disposal of property, plant & equipment	72,500	541,559	-	541,559
Dividend Received	-	-	49,032,899	154,103,396
Proceeds /(Investments) of Fixed Deposits (net)	(46,089,742)	211,653,998	23,771,746	70,299,765
Net Cash Flow from / (Used In) Investing Activities	(47,834,686)	206,840,202	72,615,015	222,337,324
Cash Flows from /(Used in) Financing Activities				
Repayments of Interest Bearing Loans & Borrowings	(207,786,740)	(206,346,743)	-	-
Dividends Paid	(532,220,971)	(623,508,224)	(524,226,971)	(598,384,220)
Net Cash Flows From / (Used In) Financing Activities	(740,007,711)	(829,854,967)	(524,226,971)	(598,384,220)
Net Increase / (Decrease) In Cash & Cash Equivalents	73,028,611	(68,909,303)	27,046,089	(20,161,434)
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)	139,266,676	66,238,065	46,052,656	19,006,567
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)	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
	139,266,676	66,238,065	46,052,656	19,006,567

Figures in brackets indicate deductions

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	-	493,966,513	21,833,260	515,799,773
Other Comprehensive Income/(Loss)		1,555,957	126,206	1,682,163
Dividend	-	(597,687,785)	(25,124,004)	(622,811,789)
Balance as at 31st March 2017	1,174,365,278	899,422,159	162,694,800	2,236,482,237
Net Profit for the Period	-	718,588,393	44,794,645	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

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	-	525,339,412	525,339,412
Other Comprehensive Income/(Loss)		696,183	696,183
Dividend	-	(597,687,785)	(597,687,785)
Balance as at 31st March 2017	1,174,365,278	525,444,554	1,699,809,832
Net Profit for the Period	-	476,795,871	476,795,871
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	456,050,948	1,630,416,226

Figures in brackets indicate deductions

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 2018 were authorised for issue by the Board of Directors on 23rd May 2018.
- The financial statements for the period ended 31st March 2018, 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 Company paid Forty cents (Rs. 0.40) per share as an Interim Dividend for the financial year 2017/18 on November 21, 2017 and another Thirty cents (Rs.0.30) per share Interim Dividend for the financial year 2017/18, on February 21, 2018 which was considered as Final Dividend for the financial year 2017/18.
- 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.
- Operating Segment Information**

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

For the twelve months ended 31st March 2017

		Erathna MHPP	Denawaka Ganga MHPP	Kiriwaneliya MHPP	Group
Power Generation	kWh	35,437,707	14,578,335	10,171,564	60,187,606
Revenue	Rs.	507,868,739	210,520,951	145,332,356	863,722,046
Gross Profit	Rs.	454,940,422	157,924,938	110,044,174	714,019,534
Profit After Tax	Rs.	525,339,412	92,098,063	78,306,306	515,799,773
Total Assets	Rs.	1,824,207,809	892,902,942	764,226,371	2,745,297,770
Total Liabilities	Rs.	124,397,977	256,168,823	130,035,202	508,815,533

10. Related Party Transactions with the Company

For the Period Ended	31-03-2018 Rs.	31-03-2017 Rs.
10.1 Key Management Personal (KMP)		
Directors Remuneration	(3,688,889)	(4,333,333)
Key Management Compensation	(5,749,896)	(5,226,836)
Close Family Members of KMP	Nil	Nil
10.2 Country Energy (Pvt) Ltd - Subsidiary		
Net operating expenses incurred on behalf of the Subsidiary	(23,542,814)	(24,531,878)
Reimbursement of operating expenses by the Subsidiary	23,522,964	24,560,035
10.3 Other Related companies		
10.3.1 Alternate Power Systems (Pvt) Ltd (APSL)		
Net operating expenses incurred on behalf of APSL	(13,515,136)	(13,705,080)
Reimbursement of operating expenses by APSL	13,517,986	13,711,004
10.3.2 Vallibel Finance PLC		
Investments in Fixed Deposit	(314,313,829)	(343,527,850)
Withdrawal of Fixed Deposits	337,969,108	413,827,615
FD Interest Received	14,530,357	19,030,944
10.3.3 LB Finance PLC		
Investments in Fixed Deposit	(116,040,104)	(10,480,822)
Withdrawal of Fixed Deposits	116,040,104	10,480,822
FD Interest Received	3,584,081	534,247
10.3.4 Greener Water Limited (GWL)		
Net operating expenses incurred on behalf of GWL	(9,024,161)	(5,751,799)
Reimbursement of operating expenses by GWL	9,062,876	5,664,453
10.3.5 The Kingsbury PLC		
Payment made for services obtained	(338,580)	(338,580)

11. Standards Issued but not yet effective

Certain new accounting standards and amendments / improvements to existing standards have been published, that are not mandatory for the period ended 31 March 2018. None of those have been early adopted by the Company and Subsidiary.

SLFRS 9 Financial Instruments: Classification and Measurement

SLFRS 9, as issued reflects the first phase of work on measurement of LKAS 39 and applies to classification and measurement of financial assets and liabilities. This standard is effective for the annual periods beginning on or after 01 January 2018.

SLFRS 15 Revenue from Contracts with Customers

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including LKAS 18 Revenue, LKAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programs. This standard is effective for the annual periods beginning on or after 01 January 2018.

SLFRS 16 -Leases

SLFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on balance sheet model similar to the accounting for finance leases, under LKAS 17 except for few exemptions for leases for "low value" assets and short term leases with a lease term of 12 months or less. This standard is effective for the annual periods beginning on or after 01 January 2019.

12. Share Information

12.1. The public share holding percentage as at 31st March 2018 was 40.413%, comprising of 4,266 shareholders.

12.2. Market price per share

For the quarter ended	31-03-2018 Rs.	31-03-2017 Rs.
Market Price – Highest	7.80	9.00
Market Price – Lowest	7.10	6.90
Market Price – Last Traded	7.30	7.10

12.3. Directors' share holding as at 31st March 2018

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

12.4. **Major Shareholders as at 31st March 2018**

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	85,570,167	11.453
4. Sampath Bank PLC/Dr. T. Senthilverl	53,203,175	7.121
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.	9,936,723	1.330
8. Ms. K.D.C. Samanthi	9,375,000	1.255
9. Ayenka Holdings (Pvt) Ltd	7,750,000	1.037
10. Employees Trust Fund Board	5,197,715	0.696
11. Mr. P P Subasinghe	4,553,395	0.609
12. Mr. B.C. Tay	3,000,000	0.402
13. Perera and Sons (Bakers) Ltd	2,900,000	0.388
14. Seylan Bank PLC/Lasantha Chandika Ranaweera Pathirana	2,803,326	0.375
15. DFCC Bank PLC A/C No.1	2,400,000	0.321
16. Mr. D. D. Gunaratne	2,100,000	0.281
17. Dr. Senthilverl	2,033,300	0.272
18. Deutsche Bank AG as Trustee to Candor Opportunities Fund	2,000,000	0.268
19. Mr. M F Hashim	1,717,489	0.230
20. Mr. M H M Nazeer	1,500,000	0.201

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