



VALLIBEL POWER ERATHNA PLC

INTERIM FINANCIAL STATEMENTS

First Quarter

for the three months ended 30th June 2018

Statement of Financial Position

As at	Group		Company	
	30.06.2018 Rs.	31.03.2018 Rs. (Audited)	30.06.2018 Rs.	31.03.2018 Rs. (Audited)
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	2,274,539,026	2,293,948,755	831,376,947	839,276,408
Investment in Subsidiary	-	-	821,619,980	821,619,980
Intangible Assets	90,046,258	93,035,425	1,200,000	1,600,000
Deposit on Leasehold Land	4,500,000	4,500,000	-	-
Deferred Tax Asset	8,701,054	12,305,159	-	-
	2,377,786,338	2,403,789,339	1,654,196,927	1,662,496,388
Current Assets				
Trade & Other Receivables	351,507,475	100,647,500	183,077,767	54,179,369
Amounts Due from Related Parties	74,033	1,156,218	2,116,092	2,832,330
Short Term Investments	202,738,960	266,601,729	112,853,753	66,398,930
Cash and Bank Balances	28,360,319	33,442,347	15,293,647	22,840,142
	582,680,787	401,847,794	313,341,259	146,250,771
Total Assets	2,960,467,125	2,805,637,133	1,967,538,186	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	1,341,012,473	1,070,765,201	608,522,405	456,050,947
	2,515,377,751	2,245,130,479	1,782,887,683	1,630,416,225
Non - Controlling Interest	216,954,886	199,340,454	-	-
Total Equity	2,732,332,637	2,444,470,933	1,782,887,683	1,630,416,225
Non-Current Liabilities				
Retirement Benefit Obligations	24,980,235	25,946,318	16,393,972	18,120,442
Deferred Tax Liability	112,515,474	113,328,544	112,515,474	113,328,544
	137,495,709	139,274,862	128,909,446	131,448,986
Current Liabilities				
Trade and Other Payables	41,101,046	42,038,024	22,491,850	23,871,620
Interest Bearing Loans & Borrowings	-	157,403,048	-	-
Amount Due to Related Parties	700,326	-	700,326	-
Tax Payables	48,837,407	22,450,266	32,548,881	23,010,328
	90,638,779	221,891,338	55,741,057	46,881,948
Total Equity and Liabilities	2,960,467,125	2,805,637,133	1,967,538,186	1,808,747,159
Net Asset Per Share	3.37	3.01	2.39	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
July 24, 2018 / Colombo

Sgd.
S.Shanmuganathan
Director

Statement of Profit or Loss

For the three months ended 30th June	Group			Company		
	Three Months			Three Months		
	2018 Rs.	2017 Rs.	Change %	2018 Rs.	2017 Rs.	Change %
Revenue	391,800,816	285,669,108	37	199,435,300	171,204,519	16
Cost of Sales	(38,461,956)	(35,750,420)	8	(12,643,260)	(12,201,447)	4
Gross Profit	353,338,860	249,918,688	41	186,792,040	159,003,072	17
Other Operating Income	2,825,000	-	>999	-	-	0
Administration Expenses	(26,701,614)	(27,043,571)	(1)	(13,018,725)	(13,339,241)	(2)
Other Operating Expenses	(614,828)	(345,922)	78	(412,128)	(265,222)	55
Finance Cost	(4,228,354)	(11,634,082)	(64)	(13,050)	(74,326)	(82)
Finance Income	7,084,069	4,788,798	48	2,061,989	2,456,863	(16)
Profit Before Tax	331,703,133	215,683,911	54	175,410,126	147,781,146	19
Income Tax Expenses	(43,841,429)	(17,791,274)	146	(22,938,668)	(17,604,616)	30
Net Profit For the Period	287,861,704	197,892,637	45	152,471,458	130,176,530	17
Attributable to:						
Equity Holders of the Parent	270,247,272	188,940,495	43	152,471,458	130,176,530	17
Non Controlling Interest	17,614,432	8,952,142	97	-	-	-
	287,861,704	197,892,637	45	152,471,458	130,176,530	17
Basic Earnings Per Share	0.36	0.25		0.20	0.17	

Statement of Comprehensive Income

For the three months ended 30th June	Group			Company		
	2018 Rs.	2017 Rs.	Change %	2018 Rs.	2017 Rs.	Change %
Net Profit for the Period	287,861,704	197,892,637	45	152,471,458	130,176,530	17
Other Comprehensive Income /(Loss)	-	-	-	-	-	-
Total Comprehensive Income for the period, net of Tax	287,861,704	197,892,637	45	152,471,458	130,176,530	17
Attributable to:						
Equity Holders of the Parent	270,247,272	188,940,495	43	152,471,458	130,176,530	17
Non Controlling Interest	17,614,432	8,952,142	97	-	-	-
	287,861,704	197,892,637	45	152,471,458	130,176,530	17

Statement of Cash Flows

For the three months ended 30th June	Group		Company	
	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Cash Flows from/(Used in) Operating Activities				
Net Profit Before Income Tax Expense	331,703,133	215,683,911	175,410,126	147,781,146
Adjustments for				
Amortization of Intangible Assets	2,989,167	2,989,167	400,000	400,000
Depreciation	19,514,818	19,690,088	7,899,461	8,108,422
Provision for Retirement Benefit Obligations	1,255,389	1,018,067	495,000	495,000
Profit on disposal of Property, Plant & Equipment	(2,825,000)	-	-	-
Interest Income	(7,084,069)	(4,788,798)	(2,061,989)	(2,456,863)
Finance Cost	4,228,354	11,634,082	13,050	74,326
Operating Profit Before Working Capital Changes	349,781,792	246,226,516	182,155,648	154,402,031
(Increase)/ Decrease in Trade and Other Receivables	(250,544,727)	(201,183,564)	(127,997,466)	(126,081,858)
(Increase)/ Decrease in Amounts Due from Related Parties	1,082,185	(74,575)	716,238	(3,829,080)
Increase / (Decrease) in Trade and Other Payables	(403,778)	4,271,889	(1,379,770)	1,647,217
Increase / (Decrease) in Amounts Due to Related Parties	(1,150,955)	-	(1,150,955)	-
Cash Generated from /(used in) Operating Activities	98,764,517	49,240,266	52,343,695	26,138,310
Finance Cost Paid	(4,761,543)	(11,707,804)	(13,050)	(74,326)
Interest Received	6,768,808	2,693,985	1,161,056	382,476
Retirement Benefit Obligations Paid	(370,189)	(1,486,964)	(370,189)	(1,486,964)
Taxes Paid	(14,663,254)	(4,476,168)	(14,213,185)	(2,658,359)
Net Cash from / (used in) Operating Activities	85,738,339	34,263,315	38,908,327	22,301,137
Cash Flows From / (Used in) Investing Activities				
Acquisitions of Property, Plant & Equipments	(105,087)	(206,368)	-	(26,650)
Proceeds from disposal of property, plant & equipment	2,825,000	4,364	-	-
Proceeds /(Investments) of Fixed Deposits (net)	(24,261,465)	(14,919,054)	(54,667,336)	(19,944,098)
Net Cash Flow from / (Used In) Investing Activities	(21,541,552)	(15,121,058)	(54,667,336)	(19,970,748)
Cash Flows from /(Used in) Financing Activities				
Repayments of Interest Bearing Loans & Borrowings	(157,403,048)	(51,586,686)	-	-
Net Cash Flows From / (Used In) Financing Activities	(157,403,048)	(51,586,686)	-	-
Net Increase / (Decrease) In Cash & Cash Equivalents	(93,206,261)	(32,444,429)	(15,759,009)	2,330,389
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)	46,060,414	33,793,636	30,293,647	21,336,956
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)	28,360,319	16,919,382	15,293,647	11,836,956
Savings Accounts & REPO	17,700,095	16,874,254	15,000,000	9,500,000
	46,060,414	33,793,636	30,293,647	21,336,956

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	-	188,940,495	8,952,142	197,892,637
Balance as at 30th June 2017	1,174,365,278	1,088,362,654	171,646,942	2,434,374,874
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	-	270,247,272	17,614,432	287,861,704
Balance as at 30th June 2018	1,174,365,278	1,341,012,473	216,954,886	2,732,332,637

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	-	130,176,530	130,176,530
Balance as at 30th June 2017	1,174,365,278	655,621,084	1,829,986,362
Balance as at 01 st April 2018	1,174,365,278	456,050,947	1,630,416,225
Net Profit for the Period	-	152,471,458	152,471,458
Balance as at 30th June 2018	1,174,365,278	608,522,405	1,782,887,683

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 three months ended 30th June 2018 were authorised for issue by the Board of Directors on 24th July 2018.
3. The financial statements for the period ended 30th June 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.
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 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.
5. The number of shares representing the stated capital is 747,109,731.
6. The Group had no significant contingent liabilities outstanding as at the reporting date.
7. The Company's Standard Power Purchase Agreement (SPPA) entered with Ceylon Electricity Board (CEB) will be expired in July 2019 and another five years extension has been informed by CEB. Further, as per Sri Lanka Sustainable Energy Authority (SEA) Act No 35 of 2007, at the end of 20 years, the Board of SEA may, at request of the developer (Company) and in consultation with the Committee, extend the period, of validity of the permit by further period, not exceeding 20 more years.
8. 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 three months ended 30th June 2018

		Erathna MHPP	Denawaka Ganga MHPP	Kiriwaneliya MHPP	Group
Power Generation	kWh	14,431,401	8,995,053	4,909,583	28,336,037
Revenue	Rs.	199,435,300	125,305,463	67,060,053	391,800,816
Gross Profit	Rs.	186,792,040	111,786,981	56,982,339	353,338,860
Profit After Tax	Rs.	152,471,458	88,182,281	49,430,465	287,861,704
Total Assets	Rs.	1,967,538,186	916,379,374	824,136,987	2,960,467,125
Total Liabilities	Rs.	184,650,503	35,400,358	10,305,671	228,134,488

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

10. Related Party Transactions with the Company

For the Period Ended	30-06-2018 Rs.	30-06-2017 Rs.
10.1 Key Management Personal (KMP)		
Directors Remuneration	(933,333)	(900,000)
Key Management Compensation	(1,581,222)	(1,437,474)
Close Family Members of KMP	Nil	Nil
10.2 Country Energy (Pvt) Ltd - Subsidiary		
Net operating expenses incurred on behalf of the Subsidiary	(7,902,794)	(7,962,847)
Reimbursement of operating expenses by the Subsidiary	7,667,039	4,187,995
10.3 Other Related companies		
10.3.1 Alternate Power Systems (Pvt) Ltd (APSL)		
Net operating expenses incurred on behalf of APSL	(2,545,276)	(4,409,474)
Reimbursement of operating expenses by APSL	4,222,997	4,363,249
10.3.2 Vallibel Finance PLC		
Investments in Fixed Deposit	(54,667,336)	(23,066,565)
Withdrawal of Fixed Deposits	-	3,000,000
FD Interest Received	-	122,467
10.3.3 Greener Water Limited (GWL)		
Net operating expenses incurred on behalf of GWL	(2,425,268)	(1,947,380)
Reimbursement of operating expenses by GWL	2,399,866	1,939,376

11. 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 will become effective on 1st January 2019. The impact on the implementation of the above Standard has not been quantified yet.

12. Share Information

- 12.1. The public share holding percentage as at 30th June 2018 was 40.517%, comprising of 4,284 shareholders.
- 12.2. The Float Adjusted Market Capitalization as at 30th June 2018 is Rs. 2,088,675,857.40. The Company complies with option 5 of the Listing Rules 7.13.1 (a) – Less than Rs.2.5 Bn Float Adjusted Market Capitalization.

12.3. Market price per share

For the quarter ended	30-06-2018 Rs.	30-06-2017 Rs.
Market Price – Highest	7.50	8.90
Market Price – Lowest	6.80	7.10
Market Price – Last Traded	6.90	7.50

12.4. Directors' share holding as at 30th June 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

12.5. Major Shareholders as at 30th June 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	81,962,543	10.971
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. Ayenka Holdings (Pvt) Ltd	9,817,892	1.314
9. Ms. K.D.C. Samanthi	9,375,000	1.255
10. Employees Trust Fund Board	5,197,715	0.696
11. Mr. P P Subasinghe	5,100,214	0.683
12. Mr. B.C. Tay	3,000,000	0.402
13. Perera and Sons (Bakers) Ltd	2,900,000	0.388
14. DFCC Bank PLC A/C No.1	2,400,000	0.321
15. Mr. D. D. Gunaratne	2,100,000	0.281
16. Dr. Senthilverl	2,033,300	0.272
17. Acuity Partners (Pvt) Ltd/Mr. Anthony Romesh Grero	2,030,000	0.272
18. Deutsche Bank AG as Trustee to Candor Opportunities Fund	2,000,000	0.268
19. Mr. M F Hashim	1,741,489	0.233
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

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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