



VALLIBEL POWER ERATHNA PLC

INTERIM FINANCIAL STATEMENTS

Second Quarter

for the six months ended 30th September 2016

Statement of Financial Position

As at	Group		Company	
	30.09.2016 Rs.	31.03.2016 Rs. (Audited)	30.09.2016 Rs.	31.03.2016 Rs. (Audited)
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	2,407,439,003	2,445,639,568	885,905,548	901,794,334
Investment in Subsidiary	-	-	821,619,980	821,619,980
Intangible Assets	110,970,422	116,948,753	4,000,000	4,800,000
Deposit on Leasehold Land	4,500,000	4,500,000	-	-
Deferred Tax Asset	9,556,695	8,724,013	-	-
	2,532,466,120	2,575,812,334	1,711,525,528	1,728,214,314
Current Assets				
Trade & Other Receivables	204,189,975	64,386,512	143,706,228	33,172,995
Amounts Due from Related Parties	1,533,766	986,171	3,250,835	2,800,785
Short Term Investments	289,774,709	433,094,636	101,234,163	168,357,927
Cash and Bank Balances	11,996,535	30,580,632	10,548,206	8,068,001
	507,494,985	529,047,951	258,739,432	212,399,708
Total Assets	3,039,961,105	3,104,860,285	1,970,264,960	1,940,614,022
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	1,046,999,258	1,001,587,474	629,022,942	597,096,745
	2,221,364,536	2,175,952,752	1,803,388,220	1,771,462,023
Non - Controlling Interest	168,498,231	165,859,338	-	-
Total Equity	2,389,862,767	2,341,812,090	1,803,388,220	1,771,462,023
Non-Current Liabilities				
Interest Bearing Loans & Borrowings	262,016,493	365,189,799	-	-
Retirement Benefit Obligations	17,421,659	16,407,209	12,566,469	11,966,468
Deferred Tax Liability	82,103,832	82,862,224	82,103,832	82,862,224
	361,541,984	464,459,232	94,670,301	94,828,692
Current Liabilities				
Trade and Other Payables	58,395,517	66,461,926	50,457,069	52,211,037
Interest Bearing Loans & Borrowings	207,150,365	208,532,976	-	-
Tax Payables	23,010,472	23,594,061	21,749,370	22,112,270
	288,556,354	298,588,963	72,206,439	74,323,307
Total Equity and Liabilities	3,039,961,105	3,104,860,285	1,970,264,960	1,940,614,022
Net Asset Per Share	2.97	2.91	2.41	2.37

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
 November 09, 2016 / Colombo

Sgd
H.Somashantha
 Director

Statement of Profit or Loss

For the six months ended 30th September	Group						Company					
	Quarter			Six Months			Quarter			Six Months		
	2016 Rs.	2015 Rs.	Change %	2016 Rs.	2015 Rs.	Change %	2016 Rs.	2015 Rs.	Change %	2016 Rs.	2015 Rs.	Change %
Revenue	267,672,282	392,089,513	(32)	630,963,758	677,455,506	(7)	189,095,726	235,542,807	(20)	382,303,180	429,104,351	(11)
Cost of Sales	(36,411,064)	(34,777,138)	5	(74,008,720)	(68,261,471)	8	(11,943,915)	(11,148,082)	7	(25,248,032)	(22,412,639)	13
Gross Profit	231,261,217	357,312,375	(35)	556,955,037	609,194,035	(9)	177,151,810	224,394,725	(21)	357,055,147	406,691,712	(12)
Other Operating Income	18,500	14,650	-	18,500	37,595	(51)	105,088,997	70,046,998	50	105,088,997	70,069,943	50
Administration Expenses	(25,990,072)	(29,101,270)	(11)	(51,842,892)	(62,903,085)	(18)	(12,589,851)	(12,167,571)	3	(24,735,653)	(25,334,309)	(2)
Other Operating Expenses	(640,694)	(703,562)	(9)	(1,751,920)	(2,504,367)	(30)	(218,540)	(389,415)	(44)	(1,035,699)	(634,662)	63
Finance Cost	(15,820,027)	(14,902,632)	6	(31,205,054)	(31,012,427)	1	(15,750)	(48,353)	(67)	(34,657)	(179,982)	(81)
Finance Income	13,023,184	7,812,539	67	21,722,527	14,539,705	49	7,105,323	3,713,134	91	10,249,247	6,341,018	62
Profit Before Tax	201,852,109	320,432,100	(37)	493,896,199	527,351,456	(6)	276,521,990	285,549,519	(3)	446,587,383	456,953,719	(2)
Income Tax Expenses	(34,022,095)	(38,339,721)	(11)	(55,160,656)	(54,603,015)	1	(21,095,854)	(29,408,887)	(28)	(41,106,321)	(44,524,384)	(8)
Net Profit For the Period	167,830,014	282,092,379	(41)	438,735,543	472,748,440	(7)	255,426,136	256,140,631	(0)	405,481,062	412,429,335	(2)
Attributable to:												
Equity Holders of the Parent	163,814,478	268,523,836	(39)	418,966,650	454,496,395	(8)	255,426,136	256,140,631	(0)	405,481,062	412,429,335	(2)
Non Controlling Interest	4,015,536	13,568,543	(70)	19,768,893	18,252,045	8	-	-	-	-	-	-
	167,830,014	282,092,379	(41)	438,735,543	472,748,440	(7)	255,426,136	256,140,631	(0)	405,481,062	412,429,335	(2)
Basic Earnings Per Share	0.22	0.36		0.56	0.61		0.34	0.34		0.54	0.55	

Statement of Comprehensive Income

For the six months ended 30th September	Group						Company					
	Quarter			Six Months			Quarter			Six Months		
	2016 Rs.	2015 Rs.	Change %	2016 Rs.	2015 Rs.	Change %	2016 Rs.	2015 Rs.	Change %	2016 Rs.	2015 Rs.	Change %
Net Profit for the Period	167,830,014	282,092,379	(41)	438,735,543	472,748,440	(7)	255,426,136	256,140,631	(0)	405,481,062	412,429,335	(2)
Other Comprehensive Income /(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the period, net of Tax	167,830,014	282,092,379	(41)	438,735,543	472,748,440	(7)	255,426,136	256,140,631	(0)	405,481,062	412,429,335	(2)
Attributable to:												
Equity Holders of the Parent	163,814,478	268,523,836	(39)	418,966,650	454,496,395	(8)	255,426,136	256,140,631	(0)	405,481,062	412,429,335	(2)
Non Controlling Interest	4,015,536	13,568,543	(70)	19,768,893	18,252,045	8	-	-	-	-	-	-
	167,830,014	282,092,379	(41)	438,735,543	472,748,440	(7)	255,426,136	256,140,631	(0)	405,481,062	412,429,335	(2)

Statement of Cash Flows

For the six months ended 30th September	Group		Company	
	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
Cash Flows from/(Used in) Operating Activities				
Net Profit Before Income Tax Expense	493,896,199	527,351,456	446,587,383	456,953,719
Adjustments for				
Amortization of Intangible Assets	5,978,333	5,978,333	800,000	800,000
Depreciation	40,128,530	41,516,139	16,357,300	16,419,256
Provision for Retirement Benefit Obligations	1,188,000	1,890,000	600,000	1,200,000
Loss on disposal of Property, Plant & Equipment	(3,819)	-	(18,500)	-
Dividend Income	-	-	(105,070,497)	(70,046,998)
Interest Income	(21,722,527)	(14,539,705)	(10,249,247)	(6,341,018)
Finance Cost	31,205,054	31,012,427	34,657	179,982
Operating Profit Before Working Capital Changes	550,669,770	593,208,651	349,041,096	399,164,941
(Increase)/ Decrease in Trade and Other Receivables	(139,450,646)	(142,569,553)	(110,740,036)	(102,276,662)
(Increase)/ Decrease in Amounts Due from Related Parties	(547,595)	2,265,410	(450,050)	454,630
Increase / (Decrease) in Trade and Other Payables	(7,889,028)	1,348,646	(1,561,074)	3,614,678
Cash Generated from / (used in) Operating Activities	402,782,501	454,253,154	236,289,936	300,957,587
Finance Cost Paid	(31,189,543)	(31,238,353)	(34,657)	(179,982)
Interest Received	21,369,708	15,489,071	10,456,051	7,158,038
Retirement Benefit Obligations Paid	(173,550)	(1,432,475)	-	(1,432,475)
Taxes Paid	(57,335,321)	(67,021,637)	(42,227,613)	(57,250,630)
Net Cash from / (used in) Operating Activities	335,453,795	370,049,760	204,483,717	249,252,537
Cash Flows From / (Used in) Investing Activities				
Acquisitions of Property, Plant & Equipments	(2,462,091)	(1,969,917)	(987,960)	(750,256)
Proceeds from disposal of property, plant & equipment	537,947	-	537,947	-
Dividend Received	-	-	105,070,497	70,046,998
Proceeds /(Investments) of Fixed Deposits (net)	109,466,948	90,694,732	44,223,764	29,461,243
Net Cash Flow from / (Used In) Investing Activities	107,542,804	88,724,816	148,844,248	98,757,986
Cash Flows from / (Used in) Financing Activities				
Repayments of Interest Bearing Loans & Borrowings	(103,173,371)	(89,943,352)	-	-
Dividends Paid	(390,877,760)	(354,629,181)	(373,747,760)	(343,209,179)
Principle Payments Under Finance Lease Liability	-	(455,524)	-	-
Net Cash Flows From / (Used In) Financing Activities	(494,051,131)	(445,028,057)	(373,747,760)	(343,209,179)
Net Increase / (Decrease) In Cash & Cash Equivalents	(51,054,532)	13,746,520	(20,419,795)	4,801,344
Cash and Cash Equivalents at the Beginning of the Period (Note A)	135,147,368	76,911,417	39,168,001	3,628,059
Cash and Cash Equivalents at the End of the Period (Note B)	84,092,836	90,657,937	18,748,206	8,429,403
Note A				
Cash and Cash Equivalents at the Beginning of the Period				
Cash in Hand & at Bank / (Bank Overdraft)	28,394,389	3,837,963	8,068,001	1,628,059
Savings Accounts & REPO	106,752,979	73,073,454	31,100,000	2,000,000
	135,147,368	76,911,417	39,168,001	3,628,059
Note B				
Cash and Cash Equivalents at the End of the Period				
Cash in Hand & at Bank / (Bank Overdraft)	11,192,836	10,612,517	10,548,206	1,929,403
Savings Accounts & REPO	72,900,000	80,045,420	8,200,000	6,500,000
	84,092,836	90,657,937	18,748,206	8,429,403

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 2015	1,174,365,278	973,852,350	149,135,427	2,297,353,055
Net Profit for the Period	-	454,496,395	18,252,045	472,748,440
Dividend	-	(373,554,866)	(11,420,002)	(384,974,868)
Balance as at 30th September 2015	1,174,365,278	1,054,793,879	155,967,470	2,385,126,627
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	-	418,966,650	19,768,893	438,735,543
Dividend	-	(373,554,866)	(17,130,000)	(390,684,866)
Balance as at 30th September 2016	1,174,365,278	1,046,999,258	168,498,231	2,389,862,767

Company

	Stated Capital Rs.	Accumulated Profit Rs.	Total Equity Rs.
Balance as at 01 st April 2015	1,174,365,278	674,340,802	1,848,706,080
Net Profit for the Period	-	412,429,335	412,429,335
Dividend	-	(373,554,866)	(373,554,866)
Balance as at 30th September 2015	1,174,365,278	713,215,272	1,887,580,550
Balance as at 01 st April 2016	1,174,365,278	597,096,745	1,771,462,023
Net Profit for the Period	-	405,481,062	405,481,062
Dividend	-	(373,554,866)	(373,554,866)
Balance as at 30th September 2016	1,174,365,278	629,022,942	1,803,388,220

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 six months ended 30th September 2016 were authorised for issue by the Board of Directors on 09th November 2016.
- The financial statements for the period ended 30th September 2016, 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 2016 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 2016. 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 Fifty cents (Rs. 0.50) per share, Interim Dividend for the financial year 2016/17, on September 23, 2016.
- 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 six months ended 30th September 2016

		Erathna MHPP	Denawaka Ganga MHPP	Kiriwaneliya MHPP	Group
Power Generation	kWh	24,955,585	8,890,931	7,304,083	41,150,599
Revenue	Rs.	382,303,180	137,031,948	111,628,630	630,963,758
Gross Profit	Rs.	357,055,147	110,517,347	93,827,544	556,955,037
Profit After Tax	Rs.	405,481,062	78,585,545	75,858,933	438,735,543
Total Assets	Rs.	1,970,264,960	979,887,432	821,333,677	3,039,961,105
Total Liabilities	Rs.	166,676,740	320,267,265	164,713,027	650,098,342

For the six months ended 30th September 2015

		Erathna MHPP	Denawaka Ganga MHPP	Kiriwaneliya MHPP	Group
Power Generation	kWh	28,633,093	9,717,208	6,824,989	45,175,290
Revenue	Rs.	429,104,351	146,418,116	101,933,040	677,455,506
Gross Profit	Rs.	406,691,712	121,733,268	85,214,056	609,194,035
Profit After Tax	Rs.	412,429,335	78,104,655	64,489,448	472,748,440
Total Assets	Rs.	2,035,902,785	1,064,527,553	836,386,152	3,196,837,003
Total Liabilities	Rs.	148,322,235	447,596,675	229,853,063	899,483,948

11. Related Party Transactions with the Company

For the Period Ended	30-09-2016 Rs.	30-09-2015 Rs.
11.1 Key Management Personal (KMP)		
Directors Remuneration	(2,100,000)	(2,583,333)
Key Management Compensation	(2,613,418)	(2,744,727)
Close Family Members of KMP	Nil	Nil
11.2 Country Energy (Pvt) Ltd - Subsidiary		
Net operating expenses incurred on behalf of the Subsidiary	(13,742,543)	(13,895,634)
Reimbursement of operating expenses by the Subsidiary	13,840,088	12,084,853
11.3 Companies controlled/ Jointly Controlled / Significantly Influenced By KMP & their family members		
11.3.1 Vallibel Finance PLC		
Investments in Fixed Deposit	(191,997,069)	(158,246,714)
Withdrawal of Fixed Deposits	246,220,832	187,707,957
FD Interest Received	7,997,069	2,103,873
11.3.2 LB Finance PLC		
Investments in Fixed Deposit	(10,000,000)	Nil
11.3.3 Greener Water Limited (GWL)		
Net operating expenses incurred on behalf of GWL	(1,942,438)	Nil
Reimbursement of operating expenses by GWL	1,325,070	Nil

12. The public share holding percentage as at 30th September 2016 was 40.413%, comprising of 4,113 shareholders

13. Market price per share

For the quarter ended	30-09-2016 Rs.	30-09-2015 Rs.
Market Price – Highest	9.70	9.90
Market Price – Lowest	8.40	8.50
Market Price – Last Traded	8.70	9.00

14. Directors' share holding as at 30th September 2016

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. P B Perera	Nil
Mr. C V Cabraal	Nil
Mr. W D N H Perera (Alternate Director)	Nil

15. Major Shareholders as at 30th September 2016

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. Senthilver	83,144,832	11.129
4. Sampath Bank PLC/Dr. T. Senthilver	50,000,000	6.692
5. Mr. K.D.A.Perera	18,750,000	2.510
6. Mr. K.D.H.Perera	18,750,000	2.510
7. HSBC Intl. Nom. Ltd-UBS AG Zurich	10,267,117	1.374
8. Commercial Bank of Ceylon PLC / Metrocrop (Pvt) Ltd.	9,636,723	1.290
9. Ms. K.D.C. Samanthi	9,375,000	1.255
10. Employees Trust Fund Board	5,197,715	0.696
11. Global Rubber Industries (Pvt) Ltd	3,500,000	0.468
12. Mr. B.C. Tay	3,000,000	0.402
13. Dr. T. Senthilver	2,733,455	0.366
14. Mr. P P Subasinghe	2,704,990	0.362
15. DFCC Bank PLC A/C No.1	2,400,000	0.321
16. Seylan Bank PLC/Lasantha Chandika Ranaweera Pathirana	2,051,595	0.275
17. Mr. D. D. Gunaratne	2,000,000	0.268
18. Deutsche Bank AG as Trustee to Cadour Opportunities Fund	2,000,000	0.268
19. Perera and Sons (Bakers) Ltd	1,900,000	0.254
20. Mr. M F Hashim	1,656,154	0.222

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. P B Perera
Mr. C V Cabraal

Alternate Directors

Mr. W D N H Perera (for Mr. P B Perera)

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 Companies

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