



VALLIBEL POWER ERATHNA PLC

INTERIM FINANCIAL STATEMENTS

First Quarter

for the three months ended 30th June 2020

Statement of Financial Position

As at	Group		Company	
	30.06.2020 Rs.	31.03.2020 Rs. (Audited)	30.06.2020 Rs.	31.03.2020 Rs. (Audited)
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	2,131,096,819	2,150,859,107	769,375,127	777,212,163
Investment in Subsidiary	-	-	821,619,980	821,619,980
Intangible Assets	73,540,797	76,201,120	5,407,876	5,479,032
Right-to-use of Assets	38,058,600	38,617,496	1,419,154	1,446,980
Deposit on Leasehold Land	4,500,000	4,500,000	-	-
	2,247,196,216	2,270,177,723	1,597,822,137	1,605,758,155
Current Assets				
Trade & Other Receivables	548,555,738	504,518,750	309,103,674	230,876,200
Amounts Due from Related Parties	4,979,395	3,706,167	13,182,945	9,205,296
Short Term Investments	532,493,093	757,340,993	340,960,688	234,900,759
Cash and Bank Balances	13,250,572	17,082,427	10,143,412	14,982,505
	1,099,278,799	1,282,648,337	673,390,719	489,964,760
Total Assets	3,346,475,015	3,552,826,060	2,271,212,856	2,095,722,915
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	1,597,964,167	1,809,412,628	869,601,437	744,312,848
	2,772,329,445	2,983,777,906	2,043,966,715	1,918,678,126
Non - Controlling Interest	219,002,733	268,079,882	-	-
Total Equity	2,991,332,178	3,251,857,788	2,043,966,715	1,918,678,126
Non-Current Liabilities				
Lease Liability	41,681,000	41,865,060	1,478,874	1,441,310
Retirement Benefit Obligations	32,994,578	32,121,124	22,205,153	21,551,272
Deferred Tax Liability	124,260,481	121,632,952	103,642,401	104,756,362
	198,936,058	195,619,136	127,326,428	127,748,944
Current Liabilities				
Trade and Other Payables	55,315,449	53,920,970	27,656,808	27,217,472
Lease Liability	887,331	867,183	61,273	61,273
Tax Payables	100,003,998	50,560,983	72,201,632	22,017,100
	156,206,779	105,349,136	99,919,713	49,295,845
Total Equity and Liabilities	3,346,475,015	3,552,826,060	2,271,212,856	2,095,722,915
Net Asset Per Share	3.71	3.99	2.74	2.57

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

August 10, 2020 / Colombo

Sgd.

H. Somashantha

Director

Statement of Profit or Loss

For the three months ended 30th June	Group			Company		
	Three Months			Three Months		
	2020 Rs.	2019 Rs.	Change %	2020 Rs.	2019 Rs.	Change %
Revenue	244,239,519	238,630,488	2	73,565,416	147,984,859	(50)
Cost of Sales	(36,440,920)	(39,157,696)	(7)	(11,996,250)	(15,307,592)	(22)
Gross Profit	207,798,599	199,472,792	4	61,569,166	132,677,267	(54)
Other Operating Income	-	-	-	439,739,489	-	>999
Administration Expenses	(25,162,320)	(26,593,571)	(5)	(11,805,283)	(13,096,896)	(10)
Other Operating Expenses	(97,300)	(944,303)	(90)	-	(569,221)	(100)
Finance Cost	(1,036,087)	-	>999	(37,565)	-	>999
Finance Income	16,137,362	17,163,009	(6)	5,855,782	6,320,757	(7)
Profit Before Tax	197,640,255	189,097,928	5	495,321,590	125,331,907	295
Income Tax Expenses	(94,798,960)	(34,479,094)	175	(71,189,108)	(19,283,621)	269
Net Profit For the Period	102,841,295	154,618,834	(33)	424,132,482	106,048,286	300
Attributable to:						
Equity Holders of the Parent	87,395,432	148,117,324	(41)	424,132,482	106,048,286	300
Non Controlling Interest	15,445,863	6,501,510	138	-	-	-
	102,841,295	154,618,834	(33)	424,132,482	106,048,286	300
Basic Earnings Per Share	0.12	0.20		0.57	0.14	

Statement of Comprehensive Income

For the three months ended 30th June	Group			Company		
	Three Months			Three Months		
	2020 Rs.	2019 Rs.	Change %	2020 Rs.	2019 Rs.	Change %
Net Profit for the Period	102,841,295	154,618,834	(33)	424,132,482	106,048,286	300
Other Comprehensive Income /(Loss)	-	-	-	-	-	-
Total Comprehensive Income for the period, net of Tax	102,841,295	154,618,834	(33)	424,132,482	106,048,286	300
Attributable to:						
Equity Holders of the Parent	87,395,432	148,117,324	(41)	424,132,482	106,048,286	300
Non Controlling Interest	15,445,863	6,501,510	138	-	-	-
	102,841,295	154,618,834	(33)	424,132,482	106,048,286	300

Statement of Cash Flows

For the three months ended 30th June	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Cash Flows from/(Used in) Operating Activities				
Net Profit Before Income Tax Expense	197,640,255	189,097,928	495,321,590	125,331,907
Adjustments for				
Amortization of Intangible Assets	2,660,323	2,589,167	71,156	-
Amortization of Right of Use Assets	558,896	-	27,827	-
Depreciation	19,898,786	19,414,602	7,837,037	7,834,463
Provision for Retirement Benefit Obligations	1,317,499	648,000	904,999	300,000
Dividend Income	-	-	(439,739,489)	-
Interest Income	(16,137,362)	(17,163,009)	(5,855,782)	(6,320,757)
Finance Cost	1,036,087	-	37,565	-
Operating Profit Before Working Capital Changes	206,974,485	194,586,688	58,604,902	127,145,613
(Increase)/ Decrease in Trade and Other Receivables	(48,128,157)	63,470,963	(76,813,340)	17,307,136
(Increase)/ Decrease in Amounts Due from Related Parties	(1,273,227)	(129,253)	(3,977,649)	(286,356)
Increase / (Decrease) in Trade and Other Payables	194,491	423,441	439,335	(672,449)
Cash Generated from /(used in) Operating Activities	157,767,592	258,351,840	(21,746,752)	143,493,944
Interest Received	20,228,519	15,172,787	4,441,650	5,362,329
Retirement Benefit Obligations Paid	(444,044)	(271,638)	(251,118)	-
Taxes Paid	(42,728,418)	(18,025,369)	(22,118,538)	(16,868,061)
Net Cash from / (used in) Operating Activities	134,823,649	255,227,620	(39,674,759)	131,988,212
Cash Flows From / (Used in) Investing Activities				
Acquisitions of Property, Plant & Equipments	(136,500)	(455,975)	-	(211,605)
Dividend Received	-	-	439,739,489	-
Proceeds /(Investments) of Fixed Deposits (net)	257,531,391	(213,881,562)	(102,059,930)	(121,187,163)
Net Cash Flow from / (Used In) Investing Activities	257,394,891	(214,337,537)	337,679,558	(121,398,768)
Cash Flows from /(Used in) Financing Activities				
Dividends Paid	(363,366,904)	-	(298,843,892)	-
Net Cash Flows From / (Used In) Financing Activities	(363,366,904)	-	(298,843,892)	-
Net Increase / (Decrease) In Cash & Cash Equivalents	28,851,636	40,890,083	(839,093)	10,589,444
Cash and Cash Equivalents at the Beginning of the Period (Note A)	32,112,619	41,294,683	16,982,505	18,068,006
Cash and Cash Equivalents at the End of the Period (Note B)	60,964,255	82,184,766	16,143,412	28,657,450
Note A				
Cash and Cash Equivalents at the Beginning of the Period				
Cash in Hand & at Bank / (Bank Overdraft)	17,082,427	32,268,390	14,982,505	18,068,006
Savings Accounts & REPO	15,030,192	9,026,293	2,000,000	-
	32,112,619	41,294,683	16,982,505	18,068,006
Note B				
Cash and Cash Equivalents at the End of the Period				
Cash in Hand & at Bank / (Bank Overdraft)	13,250,572	20,875,933	10,143,412	16,157,450
Savings Accounts & REPO	47,713,683	61,308,833	6,000,000	12,500,000
	60,964,255	82,184,766	16,143,412	28,657,450

Statement of Changes in Equity

Group

	Stated Capital Rs.	Accumulated Profit Rs.	Non Controlling Interest Rs.	Total Equity Rs.
Balance as at 01st April 2019	1,174,365,278	1,386,694,773	225,876,507	2,786,936,558
Net Profit for the Period	-	148,117,324	6,501,510	154,618,834
Balance as at 30th June 2019	1,174,365,278	1,534,812,097	232,378,017	2,941,555,392
Balance as at 1st April 2020	1,174,365,278	1,809,412,628	268,079,882	3,251,857,788
Net Profit for the Period	-	87,395,432	15,445,863	102,841,294
Dividend	-	(298,843,892)	(64,523,011)	(363,366,904)
Balance as at 30th June 2020	1,174,365,278	1,597,964,167	219,002,733	2,991,332,178

Company

	Stated Capital Rs.	Accumulated Profit Rs.	Total Equity Rs.
Balance as at 01st April 2019	1,174,365,278	600,168,614	1,774,533,892
Net Profit for the Period	-	106,048,286	106,048,286
Balance as at 30th June 2019	1,174,365,278	706,216,900	1,880,582,178
Balance as at 1st April 2020	1,174,365,278	744,312,848	1,918,678,126
Net Profit for the Period	-	424,132,482	424,132,482
Dividend	-	(298,843,892)	(298,843,892)
Balance as at 30th June 2020	1,174,365,278	869,601,437	2,043,966,715

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 three months ended 30th June 2020 were authorised for issue by the Board of Directors on 10th August 2020.
- The financial statements for the period ended 30th June 2020, 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 2020 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 2020. 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 the Final Dividend for the financial year 2019/20 on June 23rd 2020 (via SLIPS transfer) and June 30th 2020 (via cheques payments).
- The Group had no significant contingent liabilities outstanding as at the reporting date.
- The company has entered in to the extension of power purchase agreement with Ceylon Electricity Board on 7th July 2020 for the sale of electricity from their 9.9MW Erathna hydro power plant. The signed agreement is valid till 20th July 2024 and shall have the provision to extend till 14th July 2039. The tariff applicable to Erathna MHP for the first year of term is Rs. 7.02/kWh.
- The age analysis of Trade Receivables from the Ceylon Electricity Board as of 30th June 2020.

	Company Rs.	Group Rs.
Below 30 days	36,939,675	106,800,848
30 – 60 days	35,679,655	112,171,684
60 – 180 days	58,016,692	98,547,648
Over 180 days	155,606,313	193,675,752
Total	286,242,335	511,195,932

10. Operating Segment Information

For the three months ended 30th June 2020

		Erathna MHPP	Denawaka Ganga MHPP	Kiriwaneliya MHPP	Group
Power Generation	kWh	11,459,135	5,769,800	3,670,772	20,899,707
Revenue	Rs.	73,565,416	105,102,269	65,571,834	244,239,519
Gross Profit	Rs.	61,569,166	92,164,418	56,287,515	207,798,599
Profit After Tax	Rs.	424,132,482	74,515,985	46,154,816	102,841,295
Total Assets	Rs.	2,271,212,857	1,092,967,002	753,705,034	3,346,475,015
Total Liabilities	Rs.	227,246,141	110,407,766	25,753,432	355,142,837

10. Operating Segment Information (contd/-)

For the three months ended 30th June 2019

		Erathna MHPP	Denawaka Ganga MHPP	Kiriwaneliya MHPP	Group
Power Generation	kWh	9,243,324	3,912,855	1,744,412	14,900,591
Revenue	Rs.	147,984,859	62,844,300	27,801,329	238,630,488
Gross Profit	Rs.	132,677,267	49,581,392	19,436,633	199,472,792
Profit After Tax	Rs.	106,048,286	35,600,868	15,192,180	154,618,834
Total Assets	Rs.	2,072,450,640	1,053,744,419	873,676,545	3,244,076,503
Total Liabilities	Rs.	191,868,462	77,293,250	34,899,121	302,521,111

11. Related Party Transactions with the Company

For the Period Ended	30-06-2020 Rs.	30-06-2019 Rs.
11.1 Key Management Personal (KMP)		
Directors Remuneration	(1,600,000)	(933,333)
Key Management Compensation	(1,913,278)	(1,739,344)
Close Family Members of KMP	Nil	Nil
11.2 Country Energy (Pvt) Ltd - Subsidiary		
Net operating expenses incurred on behalf of the Subsidiary	(8,942,403)	(8,496,905)
Reimbursement of operating expenses by the Subsidiary	6,389,834	8,339,802
11.3 Other Related companies		
11.3.1 Alternate Power Systems (Pvt) Ltd (APSL)		
Net operating expenses incurred on behalf of APSL	(5,549,689)	(4,799,741)
Reimbursement of operating expenses by APSL	4,020,248	4,657,860
11.3.2 Vallibel Finance PLC		
Investments in Fixed Deposit	(460,848,372)	(120,396,581)
Withdrawal of Fixed Deposit	279,406,194	Nil
FD Interest Recieved	439,150	Nil
11.3.3 LB Finance PLC		
Investments in Fixed Deposit	(865,581)	(790,582)
11.3.4 Greener Water Limited (GWL)		
Net operating expenses incurred on behalf of GWL	(2,166,571)	(2,402,589)
Reimbursement of operating expenses by GWL	2,270,932	2,415,217

12. Share Information

12.1. The public shareholding percentage as at 30th June 2020 was 40.517%, comprising of 4,798 shareholders.

12.2. The Float Adjusted Market Capitalization as at 30th June 2020 is Rs. 1,725,427,882/- 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 period ended	30-06-2020 Rs.	30-06-2019 Rs.
Market Price – Highest	6.20	6.20
Market Price – Lowest	4.80	5.70
Market Price – Last Traded	5.70	6.20

12.4. Directors' shareholding as at 30th June 2020

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
Ms. Y Bhaskaran	Nil

12.5. Major Shareholders as at 30th June 2020

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	79,675,549	10.665
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. Ms K D C Samanthi	9,375,000	1.255
8. Acuity Partners (Pvt) Limited / Mr. Anthony Romesh Gero	9,229,707	1.235
9. Mr P P Subasinghe	5,303,190	0.710
10. Employees Trust Fund Board	5,197,715	0.696
11. Commercial Bank Of Ceylon Plc / Metrocorp (Pvt) Ltd	4,650,151	0.622
12. Mr A R Gero	3,434,504	0.460
13. Perera and Sons Bakers (Pvt) Ltd	3,008,630	0.403
14. Mr B C Tay	3,000,000	0.402
15. DFCC Bank PLC A/C 1	2,400,000	0.321
16. Mr D D Gunaratne	2,250,000	0.301
17. Mr M F Hashim	2,017,989	0.270
18. Mr. S M Jayasooriya	1,740,932	0.233
19. Dr M Dewolage	1,526,902	0.204
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

07th 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
Ms. Y Bhaskaran

Head Office and Registered Office

27-2, East Tower, World Trade Center
Echelon Square, Colombo 01.
Telephone: 011 2381111
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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
Hatton National Bank PLC
Pan Asia Banking Corporation PLC