



VALLIBEL POWER ERATHNA PLC

INTERIM FINANCIAL STATEMENTS

Second Quarter

for the six months ended 30th September 2020

Statement of Financial Position

As at	Group		Company	
	30.09.2020 Rs.	31.03.2020 Rs. (Audited)	30.09.2020 Rs.	31.03.2020 Rs. (Audited)
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	2,112,593,208	2,150,859,107	762,586,444	777,212,163
Investment in Subsidiary	-	-	821,619,980	821,619,980
Intangible Assets	70,880,474	76,201,120	5,336,719	5,479,032
Right-to-use of Assets	43,225,380	38,617,496	5,286,576	1,446,980
Deposit on Leasehold Land	4,500,000	4,500,000	-	-
	2,231,199,062	2,270,177,723	1,594,829,719	1,605,758,155
Current Assets				
Trade & Other Receivables	709,211,938	504,518,750	387,591,932	230,876,200
Amounts Due from Related Parties	2,930,550	3,706,167	7,695,733	9,205,296
Short Term Investments	332,712,796	757,340,993	121,182,962	234,900,759
Cash and Bank Balances	14,960,444	17,082,427	13,091,490	14,982,505
	1,059,815,728	1,282,648,337	529,562,117	489,964,760
Total Assets	3,291,014,790	3,552,826,060	2,124,391,837	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	1,520,345,140	1,809,412,628	719,250,666	744,312,848
	2,694,710,418	2,983,777,906	1,893,615,944	1,918,678,126
Non - Controlling Interest	230,009,776	268,079,882	-	-
Total Equity	2,924,720,194	3,251,857,788	1,893,615,944	1,918,678,126
Non-Current Liabilities				
Lease Liability	45,271,382	41,865,060	4,082,934	1,441,310
Retirement Benefit Obligations	34,312,077	32,121,124	23,110,153	21,551,272
Deferred Tax Liability	126,432,454	121,632,952	101,892,354	104,756,362
	206,015,913	195,619,136	129,085,441	127,748,944
Current Liabilities				
Trade and Other Payables	55,449,529	53,920,970	27,485,675	27,217,472
Lease Liability	2,898,260	867,183	1,415,626	61,273
Tax Payables	101,930,894	50,560,983	72,789,151	22,017,100
	160,278,683	105,349,136	101,690,452	49,295,845
Total Equity and Liabilities	3,291,014,790	3,552,826,060	2,124,391,837	2,095,722,915
Net Asset Per Share	3.61	3.99	2.53	2.57

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.

S. H. Amarasekara
Deputy Chairman
November 04, 2020 / Colombo

Sgd.

Russell De Silva
Jt.CEO

Sgd.

H. Somashantha
Director

Statement of Profit or Loss

For the six months ended 30th September	Group						Company					
	Quarter			Six Months			Quarter			Six Months		
	2020 Rs.	2019 Rs.	Change %									
Revenue	353,555,854	335,983,808	5	597,795,373	574,614,296	4	114,037,737	124,936,087	(9)	187,603,153	272,920,946	(31)
Cost of Sales	(36,830,582)	(36,339,070)	1	(73,271,502)	(75,496,766)	(3)	(12,141,017)	(12,267,156)	(1)	(24,137,266)	(27,574,748)	(12)
Gross Profit	316,725,272	299,644,738	6	524,523,871	499,117,530	5	101,896,720	112,668,931	(10)	163,465,887	245,346,198	(33)
Other Operating Income	-	-	-	-	-	-	77,829,998	100,400,697	(22)	517,569,487	100,400,697	416
Administration Expenses	(26,568,451)	(24,965,542)	6	(51,730,771)	(51,559,112)	0	(12,130,770)	(11,124,673)	9	(23,936,053)	(24,221,568)	(1)
Other Operating Expenses	(1,493,997)	(933,003)	60	(1,591,297)	(1,877,305)	(15)	(618,497)	(281,969)	119	(618,497)	(851,190)	(27)
Finance Cost	(1,127,742)	-	>999	(2,163,828)	-	>999	(99,919)	-	>999	(137,483)	-	>999
Finance Income	7,387,815	13,730,113	(46)	23,525,178	30,893,122	(24)	4,315,268	5,293,741	(18)	10,171,050	11,614,498	(12)
Profit Before Tax	294,922,897	287,476,307	3	492,563,153	476,574,236	3	171,192,800	206,956,726	(17)	666,514,391	332,288,635	101
Income Tax Expenses	(51,270,989)	(50,478,886)	2	(146,069,949)	(84,957,980)	72	(22,699,680)	(9,577,102)	137	(93,888,788)	(28,860,724)	225
Net Profit For the Period	243,651,908	236,997,421	3	346,493,204	391,616,256	(12)	148,493,120	197,379,624	(25)	572,625,603	303,427,911	89
Attributable to:												
Equity Holders of the Parent	221,224,864	216,698,504	2	308,620,296	364,815,828	(15)	148,493,120	197,379,624	(25)	572,625,603	303,427,911	89
Non Controlling Interest	22,427,044	20,298,917	10	37,872,908	26,800,428	41	-	-	-	-	-	-
	243,651,908	236,997,421	3	346,493,204	391,616,256	(12)	148,493,120	197,379,624	(25)	572,625,603	303,427,911	89
Basic Earnings Per Share	0.30	0.29		0.41	0.49		0.20	0.26		0.76	0.41	

Statement of Comprehensive Income

For the six months ended 30th September	Group						Company					
	Quarter			Six Months			Quarter			Six Months		
	2020 Rs.	2019 Rs.	Change %									
Net Profit for the Period	243,651,908	236,997,421	3	346,493,204	391,616,256	(12)	148,493,120	197,379,624	(25)	572,625,603	303,427,911	89
Other Comprehensive Income /(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the period, net of Tax	243,651,908	236,997,421	3	346,493,204	391,616,256	(12)	148,493,120	197,379,624	(25)	572,625,603	303,427,911	89
Attributable to:												
Equity Holders of the Parent	221,224,864	216,698,504	2	308,620,296	364,815,828	(15)	148,493,120	197,379,624	(25)	572,625,603	303,427,911	89
Non Controlling Interest	22,427,044	20,298,917	10	37,872,908	26,800,428	41	-	-	-	-	-	-
	243,651,908	236,997,421	3	346,493,205	391,616,256	(12)	148,493,120	197,379,624	(25)	572,625,603	303,427,911	89

Statement of Cash Flows

For the six months ended 30th September	Group		Company	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Cash Flows from/(Used in) Operating Activities				
Net Profit Before Income Tax Expense	492,563,153	476,574,236	666,514,391	332,288,635
Adjustments for				
Amortization of Intangible Assets	5,320,646	5,178,334	142,313	-
Amortization of Right of Use Assets	1,638,308	-	409,767	-
Depreciation	39,852,242	38,823,413	15,681,884	15,669,901
Provision for Retirement Benefit Obligations	2,634,998	1,296,000	1,809,998	600,000
Dividend Income	-	-	(517,569,487)	(100,400,697)
Interest Income	(23,525,178)	(30,893,122)	(10,171,050)	(11,614,498)
Finance Cost	2,163,828	-	137,483	-
Operating Profit Before Working Capital Changes	520,647,997	491,057,904	156,955,299	236,543,341
(Increase)/ Decrease in Trade and Other Receivables	(212,381,978)	(78,879,824)	(159,213,703)	10,492,101
(Increase)/ Decrease in Amounts Due from Related Parties	775,618	(55,120)	1,509,563	(127,801)
Increase / (Decrease) in Trade and Other Payables	(871,429)	1,084,067	268,202	(862,080)
Cash Generated from /(used in) Operating Activities	308,170,208	413,207,028	(480,639)	246,045,561
Finance Cost Paid	(91,655)	-	(62,354)	-
Interest Received	31,213,959	31,408,387	12,669,022	12,597,415
Retirement Benefit Obligations Paid	(444,044)	(271,638)	(251,118)	-
Taxes Paid	(89,900,538)	(140,364,291)	(45,980,745)	(48,979,648)
Net Cash from / (used in) Operating Activities	248,947,930	303,979,486	(34,105,834)	209,663,328
Cash Flows From / (Used in) Investing Activities				
Acquisitions of Property, Plant & Equipments	(1,586,345)	(682,155)	(1,056,165)	(233,735)
Dividend Received	-	-	517,569,487	100,400,697
Proceeds /(Investments) of Fixed Deposits (net)	426,127,836	(64,451,321)	115,717,796	(79,003,006)
Net Cash Flow from / (Used In) Investing Activities	424,541,491	(65,133,476)	632,231,118	21,163,956
Cash Flows from /(Used in) Financing Activities				
Payment of Lease Rental	(480,967)		(328,514)	
Dividends Paid	(673,630,798)	(241,262,919)	(597,687,785)	(224,132,919)
Net Cash Flows From / (Used In) Financing Activities	(674,111,765)	(241,262,919)	(598,016,299)	(224,132,919)
Net Increase / (Decrease) In Cash & Cash Equivalents	(622,344)	(2,416,910)	108,985	6,694,365
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)	31,490,275	38,877,774	17,091,490	24,762,371
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)	14,960,444	15,788,517	13,091,490	12,462,371
Savings Accounts & REPO	16,529,831	23,089,257	4,000,000	12,300,000
	31,490,275	38,877,774	17,091,490	24,762,371

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	-	364,815,828	26,800,428	391,616,256
Dividend	-	(224,132,919)	(17,130,000)	(241,262,919)
Balance as at 30th September 2019	1,174,365,278	1,527,377,682	235,546,935	2,937,289,895
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	-	308,620,296	37,872,907	346,493,204
Dividend	-	(597,687,785)	(75,943,013)	(673,630,798)
Balance as at 30th September 2020	1,174,365,278	1,520,345,140	230,009,776	2,924,720,194

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	-	303,427,911	303,427,911
Dividend	-	(224,132,919)	(224,132,919)
Balance as at 30th September 2019	1,174,365,278	679,463,606	1,853,828,884
Balance as at 1st April 2020	1,174,365,278	744,312,848	1,918,678,126
Net Profit for the Period	-	572,625,602	572,625,602
Dividend	-	(597,687,785)	(597,687,785)
Balance as at 30th September 2020	1,174,365,278	719,250,666	1,893,615,944

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 six months ended 30th September 2020 were authorised for issue by the Board of Directors on 04th November 2020.
3. The financial statements for the period ended 30th September 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.
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 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.
5. The number of shares representing the stated capital is 747,109,731.
6. 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).

Further, Company paid Forty cents (Rs. 0.40) per share as an Interim Dividend for the financial year 2020/21 on August 25, 2020.

7. The Group had no significant contingent liabilities outstanding as at the reporting date.
8. 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 the Erathna MHP is as below.

Year	Period		Tariff Rs./kWh
	From	To	
Year - 1	15 th July 2019	14 th July 2020	7.02
Year - 2	15 th July 2020	14 th July 2021	7.23

The tariff applicable for the Denawaka Ganga MHP and Kiriwaneliya MHP is Avoided Cost Based NCRE tariff.

9. Operating Segment Information

For the six months ended 30th September 2020

		Erathna MHPP	Denawaka Ganga MHPP	Kiriwaneliya MHPP	Group
Power Generation	kWh	27,299,987	13,030,132	9,866,514	50,196,633
Revenue	Rs.	187,603,153	234,336,179	175,856,041	597,795,373
Gross Profit	Rs.	163,465,887	207,199,065	158,303,920	524,523,871
Profit After Tax	Rs.	572,625,602	165,672,618	130,209,470	346,493,204
Total Assets	Rs.	2,124,391,837	1,152,010,063	824,821,984	3,291,014,790
Total Liabilities	Rs.	230,775,893	112,400,665	67,959,256	366,294,596

For the six months ended 30th September 2019

		Erathna MHPP	Denawaka Ganga MHPP	Kiriwaneliya MHPP	Group
Power Generation	kWh	24,566,492	11,545,423	7,554,374	43,666,289
Revenue	Rs.	272,920,946	182,675,617	119,017,733	574,614,296
Gross Profit	Rs.	245,346,198	156,155,496	102,060,836	499,117,530
Profit After Tax	Rs.	303,427,911	124,265,850	85,112,490	391,616,256
Total Assets	Rs.	2,023,273,229	1,050,081,701	853,837,840	3,169,259,595
Total Liabilities	Rs.	169,444,346	49,816,634	14,164,021	231,969,702

10. Related Party Transactions with the Company

For the Period Ended

	30-09-2020 Rs.	30-09-2019 Rs.
10.1 Key Management Personal (KMP)		
Directors Remuneration	(2,333,333)	(1,866,667)
Key Management Compensation	(3,826,556)	(3,478,688)
Close Family Members of KMP	Nil	Nil
10.2 Country Energy (Pvt) Ltd - Subsidiary		
Net operating expenses incurred on behalf of the Subsidiary	(14,446,440)	(14,402,518)
Reimbursement of operating expenses by the Subsidiary	15,332,237	14,329,837
10.3 Other Related companies		
10.3.1 Alternate Power Systems (Pvt) Ltd (APSL)		
Net operating expenses incurred on behalf of APSL	(9,015,403)	(8,135,071)
Reimbursement of operating expenses by APSL	9,569,937	8,066,965

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

For the Period Ended	30-09-2020 Rs.	30-09-2019 Rs.
10.3.2 Vallibel Finance PLC		
Investments in Fixed Deposit	(479,225,201)	(246,207,440)
Withdrawal of Fixed Deposit	547,334,822	169,059,638
FD Interest Recieved	3,293,997	1,460,351
10.3.3 LB Finance PLC		
Investments in Fixed Deposit	(1,517,973)	1,855,203
Withdrawal of Fixed Deposit	29,126,149	Nil
FD Interest Recieved	147,626	Nil
10.3.4 Greener Water Limited (GWL)		
Net operating expenses incurred on behalf of GWL	(3,001,279)	(4,849,514)
Reimbursement of operating expenses by GWL	3,070,511	4,862,499
10.3.5 Hayleys PLC		
Payment for ground rent and services	(2,533,653)	Nil
10.3.6 Hayleys Power Limited (HPL)		
Net operating expenses incurred on behalf of HPL	(1,009,494)	Nil
Reimbursement of operating expenses by HPL	1,009,494	Nil

11. Share Information

- 11.1. The public shareholding percentage as at 30th September 2020 was 40.517%, comprising of 4,959 shareholders.
- 11.2. The Float Adjusted Market Capitalization as at 30th September 2020 is Rs. 2,361,111,839/- The Company complies with option 5 of the Listing Rules 7.13.1 (a) – Less than Rs.2.5 Bn Float Adjusted Market Capitalization.
- 11.3. **Market price per share**

For the period ended	30-09-2020 Rs.	30-09-2019 Rs.
Market Price – Highest	8.40	6.30
Market Price – Lowest	5.40	5.80
Market Price – Last Traded	7.80	6.00

11. Share Information (Contd/-)

11.4. Directors' shareholding as at 30th September 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

11.5. Major Shareholders as at 30th September 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	79,249,841	10.608
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	8,260,129	1.106
9. Mr P P Subasinghe	5,303,190	0.710
10. Employees Trust Fund Board	5,197,715	0.696
11. Dr. T Senthilverl	4,214,220	0.564
12. Perera and Sons Bakers (Pvt) Ltd	3,500,000	0.468
13. Mr B C Tay	3,000,000	0.402
14. DFCC Bank PLC A/C 1	2,400,000	0.321
15. Mr D D Gunaratne	2,250,000	0.301
16. Mr M F Hashim	2,017,989	0.278
17. Mr. S M Jayasooriya	1,740,932	0.233
18. Mr. R W Jayawardene	1,500,550	0.201
19. Mr M H M Nazeer	1,500,000	0.201
20. Mr. R Gautam	1,318,000	0.176

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

Registered Office

27-2, East Tower, World Trade Center
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E-mail: energy@vallibel.com
Web Site: www.vallibel-hydro.com

Business Office

No. 25, Foster Lane, Colombo 10
Telephone: 011 2381111
Fax: 011 2381115

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

PricewaterhouseCoopers
Chartered Accountants
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Colombo 2
Telephone : 011 771 9700
Fax : 011 230 3197
Web site : www.pwc.com/lk

Bankers

Commercial Bank of Ceylon PLC
Hatton National Bank PLC
Pan Asia Banking Corporation PLC