

VALLIBEL ONE PLC
INTERIM FINANCIAL STATEMENTS

Vallibel | ONE

FOR THE NINE MONTHS PERIOD ENDED 31ST DECEMBER 2016

VALLIBEL ONE PLC
STATEMENT OF FINANCIAL POSITION

As at	Company		Group	
	31.12.2016 Rs.'000	31.03.2016 Rs.'000	31.12.2016 Rs.'000	31.03.2016 Rs.'000
ASSETS				
Cash and Bank	60,256	41,298	6,704,217	8,578,411
Financial Assets - Fair Value Through Profit or Loss	131,277	236,350	203,650	169,892
Short Term Investments	1,469,021	2,021,783	1,469,021	1,375,604
Loans and Receivable	150,000	375,000	32,151,917	26,824,169
Lease Rentals receivables and Stock out on hire	-	-	53,662,377	45,102,039
Financial Assets - Available for Sales	7,618,900	640,082	7,692,822	722,993
Other Financial Assets	-	-	3,413,322	4,360,565
Trade and Other Receivables	93,392	87,260	6,407,764	5,389,839
Other Non Financial Assets	311	1,205	1,196,752	1,687,060
Investments in Subsidiaries	16,637,679	16,501,651	-	-
Investment in Associate	405,891	7,392,901	569,861	9,700,149
Amounts Due From Related Parties	1,363,596	251,709	-	-
Deferred Tax Assets	-	-	357,897	469,734
Income Tax Recoverable	13,358	6,412	46,657	73,012
Inventories	-	-	9,337,088	8,670,794
Intangible Assets	-	-	13,060,345	13,130,583
Property, Plant and Equipment	37,188	43,625	25,374,142	22,013,783
Biological Assets	-	-	2,450,084	2,356,319
Investment Property	-	-	238,197	238,714
Leasehold rights over Mining Lands	-	-	16,080	8,081
Assets Classified as Held for Sale	-	-	232,458	-
Total Assets	27,980,871	27,599,276	164,584,652	150,871,742
LIABILITIES				
Due to Banks	-	-	21,363,096	17,039,812
Due to Customers	-	-	55,617,980	52,733,622
Interest Bearing Loans and Borrowings	-	-	17,799,199	14,984,760
Trade and Other Payables	1,629	1,500	6,972,860	5,364,778
Other Non Financial Liabilities	-	-	1,859,623	1,967,061
Dividend Payable	7,718	6,784	91,893	170,126
Employee Benefit Liabilities	3,417	3,417	1,265,727	1,192,535
Income Tax Liabilities	14,074	9,407	1,375,700	1,392,212
Deferred Tax Liabilities	3,007	3,007	1,270,190	1,222,008
Capital Grants	-	-	137,144	134,299
Liabilities Directly Associated with the Assets Classified as Held for Sale	-	-	224,525	-
Total Liabilities	29,845	24,115	107,977,937	96,201,213
Shareholders' Funds				
Equity Attributable to Equity Holders of the Parent				
Stated Capital	27,163,984	27,163,984	27,163,984	27,163,984
Reserves	787,042	411,178	11,032,553	10,927,178
	27,951,026	27,575,162	38,196,537	38,091,162
Non Controlling Interest	-	-	18,410,179	16,579,367
Total Equity	27,951,026	27,575,162	56,606,716	54,670,528
Total Equity and Liabilities	27,980,871	27,599,276	164,584,652	150,871,742

Net Asset Per Share (Rs.) 25.72 25.38 35.15 35.06

These Financial Statements are in Compliance with the requirements of Companies Act No. 07 of 2007.

Sgd.
Chief Financial Officer

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.
Director
15-Feb-17

Sgd.
Director

VALLIBEL ONE PLC
STATEMENT OF INCOME

For the Period ended 31st December	Company					Group				
	2016 Quarter Rs.'000	2015 Quarter Rs.'000	2016 Cumulative Rs.'000	2015 Cumulative Rs.'000	Variance %	2016 Quarter Rs.'000	2015 Quarter Rs.'000	2016 Cumulative Rs.'000	2015 Cumulative Rs.'000	Variance %
Revenue	5,092	-	5,092	-	100	14,488,709	12,920,999	38,633,849	34,796,670	11
Cost of Sales	-	-	-	-	-	(7,855,676)	(7,036,916)	(21,238,246)	(19,431,137)	(9)
Gross Profit	5,092	-	5,092	-	100	6,633,033	5,884,083	17,395,602	15,365,533	13
Dividend income	-	135,483	870,177	695,128	25	486	6,981	22,087	28,399	(22)
Other operating income	-	-	2,857	-	100	197,994	63,844	315,190	186,486	69
Administrative Expenses	(44,343)	(25,796)	(115,131)	(80,790)	(43)	(1,293,703)	(1,182,017)	(3,659,169)	(3,375,115)	(8)
Distribution Expenses	-	-	-	-	-	(1,174,126)	(1,034,840)	(3,158,416)	(2,722,512)	(16)
Other Operating Expenses	-	(138,434)	-	(138,434)	(100)	(578,893)	(454,151)	(1,496,403)	(1,596,985)	6
Loss from the Difference Between the Fair Value of the Retained Interest and the Carrying Value of the Investment in Associates. Note 12	-	-	(828,882)	-	(100)	-	-	(3,297,524)	-	(100)
Gain / (loss) on Gold auction	-	-	-	-	-	(302)	(7,256)	(2,152)	(25,596)	92
Results from Operating activities	(39,251)	(28,748)	(65,888)	475,904	(114)	3,784,488	3,276,645	6,119,214	7,860,211	(22)
Finance Cost	-	(6,587)	-	(17,976)	100	(446,017)	(301,309)	(1,215,469)	(905,663)	(34)
Finance Income	42,878	50,639	210,379	151,601	39	86,430	57,946	341,118	179,037	91
Net Finance cost	42,878	44,051	210,379	133,625	57	(359,587)	(243,363)	(874,351)	(726,626)	(20)
Share of results of equity accounted Investees	-	-	-	-	-	9,783	393,335	666,940	1,139,705	(41)
Reclassification of the Gain/Loss Recognized in OCI Through Retained Earnings	-	-	-	-	-	-	-	(648,594)	-	(100)
Profit/(Loss) Before Value Added Tax	3,627	15,303	144,491	609,529	(76)	3,434,684	3,426,617	5,263,209	8,273,290	(36)
Value Added Tax on Financial Services	-	-	-	-	-	(244,494)	(163,604)	(678,206)	(412,787)	(64)
Profit/(Loss) Before Tax	3,627	15,303	144,491	609,529	(76)	3,190,190	3,263,013	4,585,003	7,860,503	(42)
Income Tax Expense	(15,044)	(14,179)	(46,038)	(42,448)	(8)	(1,043,549)	(942,786)	(2,853,208)	(2,485,544)	(15)
Profit/(Loss) for the Period from Continuing Operation	(11,416)	1,124	98,453	567,081	(83)	2,146,641	2,320,226	1,731,795	5,374,959	(68)
Discontinued Operation										
(Loss) after tax for the period from Discontinued Operations	-	-	-	-	-	(7,592)	-	(43,904)	-	(100)
Net Profit/(Loss) for the period	(11,416)	1,124	98,453	567,081	(83)	2,139,048	2,320,226	1,687,891	5,374,959	(69)
Attributable to :										
Equity holders of the Parent	(11,416)	1,124	98,453	567,081	(83)	1,027,259	1,201,016	(875,754)	2,927,708	(130)
Non - Controlling Interests	-	-	-	-	-	1,111,790	1,119,210	2,563,645	2,447,251	5
	(11,416)	1,124	98,453	567,081	(83)	2,139,048	2,320,226	1,687,891	5,374,959	(69)
Earnings Per Share (Rs.)	(0.01)	0.00	0.09	0.52		0.95	1.11	(0.81)	2.69	

As more fully explained in note 12 to accounts, the group earned a net profit of Rs 5,347 Mn for the period. This was adjusted to give effect to the change in dealing with the investment in Sampath Bank PLC as "equity accounted investee". It resulted in net profit of Rs 1,687 Mn for the nine months period.

VALLIBEL ONE PLC
STATEMENT OF COMPREHENSIVE INCOME

For the Period ended 31st December	2016	2015	2016	2015	Variance	2016	2015	2016	2015	Variance
	Quarter	Quarter	Cumulative	Cumulative		Quarter	Quarter	Cumulative	Cumulative	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	Rs.'000	Rs.'000	%
Net Profit/(Loss) for the Period	(11,416)	1,124	98,453	567,081	(83)	2,139,048	2,320,226	1,687,891	5,374,959	(69)
Other comprehensive Income										
To be Reclassified to Profit or Loss in Subsequent Period										
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-	(12,776)	23,432	4,372	436
Reclassification of the Gain/Loss Recognized in OCI Through Retained Earnings	-	-	-	-	-	-	-	648,594	-	100
Net Gain/(Loss) on Available for sale Financial Assets	(239,213)	(41,033)	820,691	16,151	4,981	(251,440)	(42,542)	811,702	51,882	1465
Exchange difference on translation of foreign operations	-	-	-	-	-	(4,689)	1,887	(3,289)	692	575
Not to be Reclassified to Profit or Loss in Subsequent Period										
Realization of Revaluation Reserve - Transfer out	-	-	-	-	-	-	-	(202,635)	-	(100)
Realization of Actuarial loss - Transfer out	-	-	-	-	-	-	-	39,734	-	100
Actuarial Loss on Defined Benefit Plans	-	-	-	-	-	-	(5,365)	-	(16,093)	100
Other Comprehensive Income for the period, net of tax	(239,213)	(41,033)	820,691	16,151	4981	(256,128)	(58,796)	1,317,538	40,853	3125
Total Comprehensive Income for the period, net of tax	(250,629)	(39,908)	919,144	583,232	58	1,882,920	2,261,430	3,005,429	5,415,812	(45)
Total Comprehensive income attributable to :										
Equity holders of the Parent	(250,629)	(39,908)	919,144	583,232	58	777,725	1,146,119	446,536	2,969,117	(85)
Non - Controlling Interests	-	-	-	-	-	1,105,195	1,115,311	2,558,892	2,446,695	5
	(250,629)	(39,908)	919,144	583,232	58	1,882,920	2,261,430	3,005,429	5,415,812	(45)

VALLIBEL ONE PLC
STATEMENT OF CHANGES IN EQUITY- COMPANY

For the Period ended 31st December	Stated Capital Rs.'000	Available for Sale Reserve Rs.'000	Retained Earnings/ (Losses) Rs.'000	Total Rs.'000
Balance as at 01st April 2015	27,163,984	(157,097)	706,445	27,713,332
Supergain Tax 2013/2014	-	-	(65,043)	(65,043)
Profit for the period	-	-	567,081	567,081
Other Comprehensive Income	-	16,151	-	16,151
Dividend Paid	-	-	(543,280)	(543,280)
Balance as at 31st December 2015	<u>27,163,984</u>	<u>(140,946)</u>	<u>665,203</u>	<u>27,688,240</u>
Balance as at 01st April 2016	27,163,984	(351,118)	762,296	27,575,162
Profit for the period	-	-	98,453	98,453
Other Comprehensive Income	-	820,691	-	820,691
Dividend Paid	-	-	(543,280)	(543,280)
Balance as at 31st December 2016	<u>27,163,984</u>	<u>469,573</u>	<u>317,469</u>	<u>27,951,026</u>

VALLIBEL ONE PLC
STATEMENT OF CHANGES IN EQUITY- GROUP

For the Period ended 31st December Rs.'000	Stated Capital	Treasury Shares	Capital		Other Component of Equity			Revenue Reserve		Hedge Reserve	Actuarial Gain/ (Loss) Reserve	Shareholder's Fund	Non Controlling Interest	Total Equity
			Reserve	Available for Sale Reserve	Foreign Currency Translation Reserve	Revaluation Reserve	General Reserve	Retained Earnings						
			Fund											
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.					
Balance as at 01st April 2015	27,163,984	(44,112)	908,853	(777,036)	(1,351)	752,873	50,179	6,738,821	(55,378)	(126)	34,736,706	13,231,085	47,967,791	
Super gain Tax 2013/2014	-	-	-	-	-	-	-	(534,954)	-	-	(534,954)	(275,394)	(810,348)	
Profit for the period	-	-	-	-	-	-	-	2,927,708	-	-	2,927,708	2,447,251	5,374,959	
Other Comprehensive Income														
Share of other comprehensive income of equity accounted investees	-	-	-	(12,154)	4,090	-	-	-	12,437	-	4,372	-	4,372	
Exchange difference on translation of foreign operations	-	-	-	-	353	-	-	-	-	-	353	339	692	
Net Gain/(Loss) on Available for sale Financial Assets	-	-	-	39,126	-	-	-	-	-	-	39,126	12,756	51,882	
Actuarial Gain/(Loss) on Retirement benefit obligations	-	-	-	-	-	-	-	-	(2,443)	-	(2,443)	(13,650)	(16,093)	
Total other Comprehensive Income	-	-	-	26,972	4,443	-	-	-	9,994	-	41,408	(555)	40,853	
Transfers	-	-	324,192	-	-	-	-	(324,192)	-	-	-	-	-	
Write Back of Unclaimed Dividends	-	-	-	-	-	-	(13)	-	-	-	(13)	-	(13)	
Dividend Paid	-	-	-	-	-	-	-	(542,819)	-	-	(542,819)	(507,576)	(1,050,394)	
Balance as at 31st December 2015	27,163,984	(44,112)	1,233,044	(750,065)	3,092	752,873	50,166	8,264,565	(45,384)	(126)	36,628,037	14,894,811	51,522,847	
Balance as at 01st April 2016	27,163,984	(44,112)	1,433,306	(996,972)	6,057	1,143,873	578,449	8,839,685	(32,984)	(126)	38,091,162	16,579,367	54,670,528	
Profit/(Loss) for the Period	-	-	-	-	-	-	-	(875,754)	-	-	(875,754)	2,563,645	1,687,891	
Realization of revaluation reserve - Transfer in	-	-	-	-	-	-	-	202,635	-	-	202,635	-	202,635	
Realization of actuarial loss - Transfer in	-	-	-	-	-	-	-	(39,734)	-	-	(39,734)	-	(39,734)	
Other Comprehensive Income														
Share of other comprehensive income of equity accounted investees	-	-	-	23,693	(261)	-	-	-	-	-	23,432	-	23,432	
Reclassification of the Gain/Loss Recognized in OCI by the investment in associate to Retained Earnings	-	-	-	654,012	(5,544)	-	-	-	-	126	648,594	-	648,594	
Realization of revaluation reserve - Transfer out	-	-	-	-	-	(202,635)	-	-	-	-	(202,635)	-	(202,635)	
Realization of actuarial loss - Transfer out	-	-	-	-	-	-	-	-	39,734	-	39,734	-	39,734	
Exchange difference on translation of foreign operations	-	-	-	-	(1,678)	-	-	-	-	-	(1,678)	(1,611)	(3,289)	
Net Gain/(Loss) on Available for sale Financial Assets	-	-	-	814,844	-	-	-	-	-	-	814,844	(3,142)	811,702	
Total other Comprehensive Income	-	-	-	1,492,549	(7,483)	(202,635)	-	-	39,734	126	1,322,291	(4,753)	1,317,538	
Transfers	-	-	375,243	-	-	-	-	(375,243)	-	-	-	-	-	
Effect on changes in holding	-	-	-	-	-	-	-	35,400	-	-	35,400	(178,959)	(143,559)	
Written back on unclaimed Dividend	-	-	-	-	-	-	-	3,817	-	-	3,817	-	3,817	
Dividend Paid	-	-	-	-	-	-	-	(543,280)	-	-	(543,280)	(549,121)	(1,092,401)	
Balance as at 31st December 2016	27,163,984	(44,112)	1,808,549	495,578	(1,426)	941,238	578,449	7,247,527	6,750	-	38,196,537	18,410,179	56,606,716	

VALLIBEL ONE PLC
CASH FLOW STATEMENT

For the Period ended

CASH FLOWS FROM OPERATING ACTIVITIES

Net Profit/ (Loss) before Taxation 144,491 609,529 4,585,003 7,860,503
Profit/ (Loss) Before Tax from Discontinued Operations - - (43,904) -

ADJUSTMENTS FOR

Profit / Loss on sale of Property, Plant & equipment (2,857) - (54,583) (64,393)
Depreciation 8,164 6,204 1,247,564 1,206,625
Provision For Fall in Value of Investments (24,131) 17,976 (17,323) (31,823)
Amortization - - 62,859 56,314
Share of results of equity accounted investees - - (666,940) (1,139,653)
Loss on deemed disposal of equity accounted investees - 138,434 - 39,468
Net (Gain) / loss on foreign exchange - - (3,289) 692
Provision for impairment of assets - - 8,739 9,691
Provision For Defined Benefit Plan Costs - 165 170,138 138,920
Amortization of Capital Grants - - (3,522) (3,840)
FV Change of Biological assets - - - 388
Provision for Inventory - - 36,938 44,096
Reclassification of the Gain/ loss recognized in OCI by the Investment in associate - - 648,594 -
Net adjustment in Investment in associates due to the reclassification 828,882 - 3,297,524 -
(Profit) / Loss from sale of Financial Assets Fair Value through Profit or Loss - - (26,481) 155,954
Dividend Received - - (22,087) (28,399)
Finance Cost - - 1,214,179 905,663
Finance Income (185,013) (151,601) (341,118) (179,037)

Operating Profit/ (Loss) before Working Capital Changes

769,538 620,708 10,092,291 8,971,168
(Increase)/Decrease in Loans and Advances - - (5,327,748) (2,422,753)
(Increase)/Decrease in Trade & Other Debtors, Deposits & Prepayments (1,382) 24,643 (1,026,975) (721,268)
(Increase)/Decrease in Other Financial Assets - - 947,243 (672,086)
(Increase)/Decrease in Lease Rental Receivable - - (8,560,338) (9,687,042)
(Increase)/Decrease in Other Non Financial Assets 894 - 495,997 119,441
Increase/(Decrease) in Due to Banks - - 5,223,606 2,037,484
Increase/(Decrease) in Due to Customers - - 2,884,357 5,878,486
Increase/(Decrease) in Trade & Other Payables 130 (1,770) 1,524,646 (507,226)
Increase/(Decrease) in Other Non Financial Liabilities - - (107,437) 1,896,094
(Increase)/Decrease in Inventories - - (703,232) (155,949)
Increase/(Decrease) in Asset held for sale - - (7,933) -
(Increase)/Decrease in Amounts Due from Related Companies (1,111,886) (28,195) - (506)

Cash Generated from Operations

(342,707) 615,385 5,434,477 4,735,843
Retirement Benefits Liabilities paid - - (96,946) (69,108)
Interest Received 180,262 145,561 341,118 179,037
Finance Cost Paid - - (1,214,179) (905,663)
Taxes Paid - Continuing Operations (48,318) (107,508) (2,454,196) (2,709,790)

Net Cash from/(Used in) Operating Activities

CASH FLOWS FROM INVESTING ACTIVITIES

(210,763) 653,438 2,010,274 1,230,319
Purchase of Property, Plant & Equipment (1,971) (15,277) (4,647,102) (1,380,242)
Acquisition of Intangible Assets - - - (22,571)
Proceeds from Sale of Property, Plant & Equipment 3,100 - 27,058 156,266
Net Proceeds from Sale of Intangible Assets - - 40,660 -
Net Proceeds of Fair Value through Profit and Loss Financial Assets 129,204 (17,053) 10,045 10,045
Acquisition of Subsidiary Note 9 - - (59,999) -
Acquisition of non controlling interest (136,028) - (143,559) -
Net Proceeds (Purchase) of Available for sale Financial Assets - - - 444,169
Net Proceed From Short Term Investment 777,762 (73,150) (93,417) (180,941)
Dividend Received - - 161,763 161,926
Proceeds from leasehold right on Mining - - (8,000) -

Net Cash from/(Used in) Investing Activities

CASH FLOWS FROM FINANCING ACTIVITIES

772,067 (105,481) (4,712,550) (811,348)
Proceeds from Interest Bearing Loans & Borrowings - - 9,639,974 10,236,453
Repayment of Interest Bearing Loans & Borrowings - - (6,825,535) (9,372,112)
Capital Grant Received - - 6,367 12,286
Dividend Write Back - - - (13)
Dividend Paid (542,346) (540,869) (1,092,401) (1,110,684)

Net Cash from/(Used in) Financing Activities

Net Increase / (Decrease) in Cash & Cash Equivalents

Cash and Cash Equivalents at the beginning of the Period

Cash and Cash Equivalents at the end of the Period

	Company		Group	
	31.12.2016 Rs.'000	31.12.2015 Rs.'000	31.12.2016 Rs.'000	31.12.2015 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit/ (Loss) before Taxation	144,491	609,529	4,585,003	7,860,503
Profit/ (Loss) Before Tax from Discontinued Operations	-	-	(43,904)	-
ADJUSTMENTS FOR				
Profit / Loss on sale of Property, Plant & equipment	(2,857)	-	(54,583)	(64,393)
Depreciation	8,164	6,204	1,247,564	1,206,625
Provision For Fall in Value of Investments	(24,131)	17,976	(17,323)	(31,823)
Amortization	-	-	62,859	56,314
Share of results of equity accounted investees	-	-	(666,940)	(1,139,653)
Loss on deemed disposal of equity accounted investees	-	138,434	-	39,468
Net (Gain) / loss on foreign exchange	-	-	(3,289)	692
Provision for impairment of assets	-	-	8,739	9,691
Provision For Defined Benefit Plan Costs	-	165	170,138	138,920
Amortization of Capital Grants	-	-	(3,522)	(3,840)
FV Change of Biological assets	-	-	-	388
Provision for Inventory	-	-	36,938	44,096
Reclassification of the Gain/ loss recognized in OCI by the Investment in associate	-	-	648,594	-
Net adjustment in Investment in associates due to the reclassification	828,882	-	3,297,524	-
(Profit) / Loss from sale of Financial Assets Fair Value through Profit or Loss	-	-	(26,481)	155,954
Dividend Received	-	-	(22,087)	(28,399)
Finance Cost	-	-	1,214,179	905,663
Finance Income	(185,013)	(151,601)	(341,118)	(179,037)
Operating Profit/ (Loss) before Working Capital Changes	769,538	620,708	10,092,291	8,971,168
(Increase)/Decrease in Loans and Advances	-	-	(5,327,748)	(2,422,753)
(Increase)/Decrease in Trade & Other Debtors, Deposits & Prepayments	(1,382)	24,643	(1,026,975)	(721,268)
(Increase)/Decrease in Other Financial Assets	-	-	947,243	(672,086)
(Increase)/Decrease in Lease Rental Receivable	-	-	(8,560,338)	(9,687,042)
(Increase)/Decrease in Other Non Financial Assets	894	-	495,997	119,441
Increase/(Decrease) in Due to Banks	-	-	5,223,606	2,037,484
Increase/(Decrease) in Due to Customers	-	-	2,884,357	5,878,486
Increase/(Decrease) in Trade & Other Payables	130	(1,770)	1,524,646	(507,226)
Increase/(Decrease) in Other Non Financial Liabilities	-	-	(107,437)	1,896,094
(Increase)/Decrease in Inventories	-	-	(703,232)	(155,949)
Increase/(Decrease) in Asset held for sale	-	-	(7,933)	-
(Increase)/Decrease in Amounts Due from Related Companies	(1,111,886)	(28,195)	-	(506)
Cash Generated from Operations	(342,707)	615,385	5,434,477	4,735,843
Retirement Benefits Liabilities paid	-	-	(96,946)	(69,108)
Interest Received	180,262	145,561	341,118	179,037
Finance Cost Paid	-	-	(1,214,179)	(905,663)
Taxes Paid - Continuing Operations	(48,318)	(107,508)	(2,454,196)	(2,709,790)
Net Cash from/(Used in) Operating Activities	(210,763)	653,438	2,010,274	1,230,319
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment	(1,971)	(15,277)	(4,647,102)	(1,380,242)
Acquisition of Intangible Assets	-	-	-	(22,571)
Proceeds from Sale of Property, Plant & Equipment	3,100	-	27,058	156,266
Net Proceeds from Sale of Intangible Assets	-	-	40,660	-
Net Proceeds of Fair Value through Profit and Loss Financial Assets	129,204	(17,053)	10,045	10,045
Acquisition of Subsidiary Note 9	-	-	(59,999)	-
Acquisition of non controlling interest	(136,028)	-	(143,559)	-
Net Proceeds (Purchase) of Available for sale Financial Assets	-	-	-	444,169
Net Proceed From Short Term Investment	777,762	(73,150)	(93,417)	(180,941)
Dividend Received	-	-	161,763	161,926
Proceeds from leasehold right on Mining	-	-	(8,000)	-
Net Cash from/(Used in) Investing Activities	772,067	(105,481)	(4,712,550)	(811,348)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Interest Bearing Loans & Borrowings	-	-	9,639,974	10,236,453
Repayment of Interest Bearing Loans & Borrowings	-	-	(6,825,535)	(9,372,112)
Capital Grant Received	-	-	6,367	12,286
Dividend Write Back	-	-	-	(13)
Dividend Paid	(542,346)	(540,869)	(1,092,401)	(1,110,684)
Net Cash from/(Used in) Financing Activities	(542,346)	(540,869)	1,728,405	(234,070)
Net Increase / (Decrease) in Cash & Cash Equivalents	18,958	7,088	(973,871)	184,901
Cash and Cash Equivalents at the beginning of the Period	41,298	19,886	5,416,561	4,123,443
Cash and Cash Equivalents at the end of the Period	60,256	26,974	4,442,690	4,308,344

VALLIBEL ONE PLC
NOTES TO THE FINANCIAL STATEMENTS

- 1 Financial year of the company ends on 31st March.
- 2 The above figures are provisional & subject to audit.
- 3 Number of fully paid ordinary shares as at 31st December 2016 is 1,086,559,353 (31st March 2016- 1,086,559,353).
- 4 There has not been a significant change in the nature of the contingent liabilities which were disclosed in the Annual Report for the year ended 31st March 2016
- 5 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.
- 6 Where necessary , Comparative figures have been re-stated to confirm with SLFRS/LKAS.
- 7 The Consolidated Financial Statements of the Company for the Period ended 31st December 2016 comprise of the Company , its Subsidiaries and Associates. The details of Subsidiaries and Associates are as follows:

Subsidiary Companies

Royal Ceramics Lanka PLC
L B Finance PLC
Greener Water Ltd
Delmege Limited

Associate Companies

Sampath Bank PLC (Till 31st July)
The Fortress Resorts PLC

8 Related Party Transactions

For the Period ended 31st December	2016	2015
	Rs.'000	Rs.'000
Subsidiaries		
Loans Return / (Given)	-	15,000
Loan Interest Received / (Paid)	-	621
Fixed Deposits - (Investments) / Withdrawals	646,179	(184,838)
Interest Received / (Paid)	17,943	39,344
Fund Transfers	1,111,886	42,689
Dividend received	709,867	543,901
Equity Investments	136,028	-
Associates		
Dividend received	139,677	133,526
Key management personnel (KMP)		
Directors Remuneration	10,000	5,400
Companies controlled / jointly controlled / significantly Influenced by KMP and their close family members		
Fixed Deposits - (Investments) / Withdrawals	(93,417)	(199,089)
Debentures -(Investments) / Withdrawals	225,000	-
Interest Received / (Paid)	167,070	111,635
Dividend Received	15,634	13,096
Repo	46,000	29,000
Equity Investments	-	17,053

VALLIBEL ONE PLC
NOTES TO THE FINANCIAL STATEMENTS

9 Business Combinations

On 1st August 2016, Royal Ceramic Lanka PLC has acquired 100% of the voting shares of Nilano Garments (Pvt) Ltd incorporated and domiciled in Sri Lanka currently engages in the business of manufacturing of value added tiles & retail and wholesale trading of ceramic tiles and allied products.

Assets Acquired and Liabilities Assumed

The fair value of the identifiable assets and liabilities of Nilano Garments (Pvt) Ltd as at the date of acquisition were;

	Fair Value as at 01.08.2016 Rs.000's
Assets	
Property, Plant & Equipment	26,544
Other Non Financial Assets	5,377
Cash and Cash Equivalents	1
	31,922
Liabilities	
Trade and Other Payables	5,202
	5,202
Total identifiable net assets acquired	26,720
Goodwill arising on acquisition	33,280
Purchase consideration paid	60,000
Cash and cash equivalents of subsidiary acquired	1
Net Cash Out flow on Acquisition of subsidiary	59,999

10 Discontinued Operations

On 25th July 2016, the Board of Directors of Royal Ceramics Lanka PLC took a decision to cease the operations of Ever Paint and Chemical Industries (Private) Limited ("EPCI") and to dispose of the assets thereof. EPCI is a fully owned subsidiary of Royal Ceramics Lanka PLC and it was engaged in the business of manufacturing and marketing of paints and allied products. With EPCI being classified as discontinued operations, the paint and allied products segment is no longer presented in the segment note. The results of EPCI for the period is presented below:

	Period ended 31.12.2016 Rs.000's	Period ended 31.12.2015 Rs.000's
Net Revenue	25,192	81,411
Cost of Sales	(29,023)	(71,925)
Gross Profit	(3,831)	9,486
Other Operating Income	13,393	1,197
Distribution Expenses	(24,601)	(30,791)
Administrative Expenses	(10,146)	(10,439)
Finance Expenses	(18,718)	(13,463)
Loss for the period from discontinued operations	(43,903)	(44,010)

The major classes of assets and liabilities of EPCI is classified as held for sale as at the end of the period:

	31.12.2016 Rs.000's	31.12.2015 Rs.000's
Assets		
Property, Plant & Equipment	92,780	-
Inventories	98,240	-
Trade and Other Receivables	27,101	-
Other Non Financial Assets	13,682	-
Cash and Cash Equivalents	655	-
Assets held for sale	232,458	-
Liabilities		
Trade and Other Payables	(18,509)	-
Interest Bearing Loans & Borrowings	(204,185)	-
Retirement Benefit Liability	(1,831)	-
Liabilities directly associated with the assets held for sale	(224,525)	-
Net Assets directly associated with disposal group	7,933	-

The net cash flows incurred by EPCI is as follows:

	Period ended 31.12.2016 Rs.000's	Period ended 31.12.2015 Rs.000's
Operating	27,751	40,279
Investing	454	(3,115)
Financing	(20,802)	(40,839)
Net cash (outflow)/inflow	7,403	(3,675)

VALLIBEL ONE PLC

NOTES TO THE FINANCIAL STATEMENTS

11 Greener Water Hotel Project

As published in the interim financial statements for the period ended 30th September 2015 the adjusted time lines for the Hotel Project are:

- Completion of construction by February 2019
- Commencement of commercial operations by April 2019

Presently, super structure work is in progress and tendering of mechanical, plumbing & electrical services are on-going.

12 Change in Equity Accounted Investee : Sampath Bank PLC

The Investment in Sampath Bank PLC was accounted as equity accounted investee as per the provisions of LKAS 28 on the following grounds where it demonstrated significant influence over the investee:

- Vallibel One PLC is the single largest shareholder of Sampath Bank PLC owning 26,463,803 shares representing 14.95% of the issued shares of the Bank.
- Mr. Dhammika Perera who is the Chairman and Managing Director and the major shareholder of Vallibel One PLC, was the Chairman of Sampath Bank PLC.
- Mr. Dhammika Perera, also served as the Chairman of the Strategic Planning Committee of Sampath Bank PLC and as a member of the Nominations Committee of the Bank.
- The second largest shareholder of Sampath Bank PLC holds less than 10% of the issued shares of the Bank.

Mr. Dhammika Perera relinquished his role as the Chairman of Sampath Bank PLC with effect from 31st July 2016 on completion of his term of nine years as a Director of the Bank. Consequently, the Board of Directors of Vallibel One PLC decided that the existence of significant influence over Sampath Bank PLC by Vallibel One PLC was no longer applicable as per the provisions of LKAS 28. Hence, the Company discontinued the use of equity method of accounting from 31st July 2016 and in terms of LKAS 39 decided to exercise the option to treat the investment as being available for sale. Accordingly, the effect of mark to market loss of Rs.828 Mn as at 31st July 2016, reversal of share of profits of Rs.2,469 Mn of previous years and that upto 31st July 2016 and a loss of Rs.648 Mn of previous years and that upto 31st July 2016 which was recognized through other comprehensive income, are now accounted under group Statement of Income.

The Net Profit of Vallibel One PLC after taking into account the previously used 'equity method'; being changed to 'available for sale financial assets' and consequent reversal mentioned above is Rs. 1,687 Mn. However, if the current period's results of Sampath Bank PLC and the consequent adjustments referred to in the preceding paragraph are not considered, Vallibel One PLC would have earned a net profit of Rs.5,347Mn.(2015: Rs.4,781Mn)

13 Events Occurring After the Balance Sheet Date

The Company has acquired 4.96% stake of Royal Ceramics Lanka PLC on 19th January 2017 at a cost of Rs.691,710,937/-.

Subsequent to the reporting date, the Board of Directors of Royal Ceramics Lanka PLC recommended payment of a interim dividend of Rs 5/- per share for the year ending 31st March 2017.

No other Circumstances have arisen since the reporting date, which would require adjustment to or disclosure in the Financial Statements.

VALLIBEL ONE PLC

14 Operating Segment information For the Period ended 31st December Rs'000

	Investment 2016	2015	Tiles 2016	2015	Sanitary wear 2016	2015	Plantation 2016	2015	Bank & Finance 2016	2015
Revenue	-	-	12,773,452	12,385,178	1,485,810	1,083,028	1,297,380	1,254,326	13,795,009	11,384,300
Cost of Sales	-	-	(6,460,009)	(6,790,702)	(858,637)	(663,528)	(1,314,309)	(1,285,350)	(5,688,112)	(4,114,592)
Gross Profit/ (Loss)	-	-	6,313,443	5,594,475	627,174	419,500	(16,929)	(31,024)	8,106,897	7,269,708
Dividend income	15,634	17,595	435	2,773	-	-	-	-	5,481	8,013
Other income & gains	2,857	-	(21,245)	49,700	5,550	9,083	10,000	3,935	195,246	27,533
Administrative Expenses	(115,131)	(80,658)	(812,118)	(849,493)	(36,815)	(18,015)	(70,227)	(66,672)	(1,901,189)	(1,596,226)
Distribution Expenses	-	-	(2,001,057)	(1,965,771)	(271,674)	(49,251)	-	-	-	-
Other Operating Expenses	-	(39,468)	(160,130)	(18,880)	-	-	-	-	(1,336,270)	(1,423,637)
Loss from the Difference Between the Fair Value of the Retained Interest and the Carrying Value of the Investment in Associates.	-	-	-	-	-	-	-	-	(3,297,524)	-
Finance Cost	-	(21,376)	(588,434)	(470,158)	(47,760)	(28,205)	(69,221)	(33,955)	-	-
Finance Income	192,436	111,635	107,404	41,277	157	41	93	-	-	-
Gain / (loss) on Gold auction	-	-	-	-	-	-	-	-	(2,152)	(25,596)
Share of results of equity accounted investees	-	-	-	-	-	-	-	-	651,346	1,155,827
Reclassification of the Gain/Loss Recognized in OCI Through Retained Earnings	-	-	-	-	-	-	-	-	(648,594)	-
Profit/(Loss) Before Value Added Tax	95,796	(12,272)	2,838,298	2,383,924	276,631	333,152	(146,284)	(127,716)	1,773,240	5,415,622
Value Added Tax on Financial Services	-	-	-	-	-	-	-	-	(678,206)	(412,787)
Profit / (Loss) Before Tax	95,796	(12,272)	2,838,298	2,383,924	276,631	333,152	(146,284)	(127,716)	1,095,034	5,002,836
Income Tax Expense	(127,755)	(86,981)	(874,272)	(505,724)	(56,968)	(23,885)	14,974	8,111	(1,710,401)	(1,792,408)
Loss after tax for the period from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) for the period	(31,959)	(99,252)	1,964,026	1,878,200	219,663	309,268	(131,310)	(119,605)	(615,367)	3,210,428

As at 31st December

15 Segment Assets and Liabilities

Total Assets	10,911,465	11,192,054	29,557,573	26,818,153	3,804,695	3,634,534	3,916,328	3,606,130	97,744,859	85,179,712
Total Liabilities	30,491	23,124	11,518,678	11,307,588	920,373	651,411	2,385,243	2,038,383	83,364,532	68,932,908

16 Other Segment Information

Total cost incurred during the period to acquire Property, Plant & Equipment	1,971	15,277	2,005,540	769,611	391,502	70,301	161,783	109,682	326,790	307,527
Depreciation & Amortization	8,164	6,204	725,322	711,697	77,318	75,188	99,873	64,762	259,676	240,681
provision for retirement benefit Liability	-	165	63,531	67,307	1,881	1,782	57,784	26,416	27,747	27,043

VALLIBEL ONE PLC

14 Operating Segment information For the Period ended 31st December Rs'000

	Leisure 2016	2015	Consumer 2016	2015	Life style 2016	2015	Health care 2016	2015	Other 2016	2015	Group 2016	2015
Revenue	-	-	1,810,189	1,940,674	1,506,932	1,348,427	1,629,059	1,691,290	4,336,018	3,709,448	38,633,849	34,796,670
Cost of Sales	-	-	(1,443,858)	(1,531,654)	(1,124,431)	(1,011,914)	(1,316,159)	(1,381,316)	(3,032,730)	(2,652,080)	(21,238,246)	(19,431,137)
Gross Profit/ (Loss)	-	-	366,331	409,020	382,500	336,513	312,900	309,974	1,303,287	1,057,367	17,395,602	15,365,533
Dividend income	-	-	-	-	536	19	-	-	-	-	22,087	28,399
Other income & gains	-	-	479	590	9,352	3,453	17,041	405	95,911	91,786	315,190	186,486
Administrative Expenses	(31,747)	(14,122)	(34,298)	(114,889)	(77,281)	(93,936)	(36,839)	(44,613)	(543,524)	(496,490)	(3,659,169)	(3,375,115)
Distribution Expenses	-	-	(211,900)	(225,711)	(150,415)	(116,790)	(162,629)	(133,666)	(360,742)	(231,325)	(3,158,416)	(2,722,512)
Other Operating Expenses	-	-	-	(115,000)	(3)	-	-	-	-	-	(1,496,403)	(1,596,985)
Loss from the Difference Between the Fair Value of the Retained Interest and the Carrying Value of the Investment in Associates.	-	-	-	-	-	-	-	-	-	-	(3,297,524)	-
Finance Cost	(140)	(34)	(226,410)	(121,967)	(37,101)	(24,190)	(31,370)	(28,038)	(215,033)	(177,740)	(1,215,469)	(905,663)
Finance Income	1,051	108	6,060	5,516	4,678	2,849	1,946	399	27,294	17,211	341,118	179,037
Gain /(loss) on Gold auction	-	-	-	-	-	-	-	-	-	-	(2,152)	(25,596)
Share of results of equity accounted investees	15,594	(16,122)	-	-	-	-	-	-	-	-	666,940	1,139,705
Reclassification of the Gain/Loss Recognized in OCI Through Retained Earnings	-	-	-	-	-	-	-	-	-	-	(648,594)	-
Profit/(Loss) Before Value Added Tax	(15,243)	(30,171)	(99,738)	(162,441)	132,266	107,918	101,050	104,462	307,194	260,809	5,263,209	8,273,290
Value Added Tax on Financial Services	-	-	-	-	-	-	-	-	-	-	(678,206)	(412,787)
Profit / (Loss) Before Tax	(15,243)	(30,171)	(99,738)	(162,441)	132,266	107,918	101,050	104,462	307,194	260,809	4,585,003	7,860,503
Income Tax Expense	(4,004)	(7,155)	-	-	(27,902)	(17,583)	(10,845)	(11,326)	(56,036)	(48,594)	(2,853,208)	(2,485,544)
Loss after tax for the period from Discontinued Operations	-	-	-	-	-	-	-	-	(43,904)	-	(43,904)	-
Profit / (Loss) for the period	(19,247)	(37,325)	(99,738)	(162,441)	104,364	90,335	90,205	93,136	207,254	212,215	1,687,891	5,374,959

As at 31st December

15 Segment Assets and Liabilities

Total Assets	3,754,228	447,724	2,041,975	2,308,590	1,172,154	1,140,405	2,116,818	2,056,249	9,564,558	6,409,554	164,584,652	142,793,105
Total Liabilities	35,137	223,833	3,202,871	3,038,306	632,931	674,170	1,437,490	1,571,282	4,450,191	2,809,253	107,977,937	91,270,258

16 Other Segment Information

Total cost incurred during the period to acquire Property, Plant & Equipment	1,100,345	22,640	3,312	866	1,387	4,896	924	548	653,549	78,894	4,647,102	1,380,242
Depreciation & Amortization provision for retirement benefit Liability	3,333	99	1,905	2,934	9,175	11,371	1,166	1,178	124,490	91,993	1,310,422	1,206,108
	877	330	1,724	1,819	3,381	3,019	1,170	983	12,043	10,056	170,138	138,920

VALLIBEL ONE PLC
SHARE INFORMATION

1 Market prices of the shares for Period ended 31st December

	<u>2016</u> Rs.	<u>2015</u> Rs.
Highest	22.90	23.70
Lowest	18.00	20.60
Closing	18.60	21.50

2 Directors Shareholding

Name	No of shares as at 31st December 2016	No of shares as at 31st December 2015
Mr. Dhammika Perera	689,726,471	689,726,471
Mr. W D N H Perera	Nil	Nil
Mr. J A S S Adhihetty	100,000	100,000
Mr. S H Amarasekera -Shares held in the following manner Pan Asia Banking Corporation PLC / Mr. S H Amarasekera	1,000,000	1,000,000
Ms. K Fernando	800,000	800,000
Mr. R N Asirwatham	800	800

3 Twenty Major Shareholders as at 31st December 2016.

	No of Shares	(%)
1 Mr. Dhammika Perera	689,726,471	63.478
2 Employees Provident Fund	101,549,200	9.346
3 Vallibel Investments (Private) Limited	91,966,451	8.464
4 Vallibel Leisure (Private) Limited	91,929,063	8.461
5 Bank of Ceylon A/c Ceybank Unit Trust	10,138,872	0.933
6 Mercantile Investments and Finance PLC	5,176,000	0.476
7 National Savings Bank	3,143,693	0.289
8 Mellon Bank N. A. -UPS Group Trust	2,800,000	0.258
9 Bank of Ceylon No. 1 Account	2,427,704	0.223
10 Merrill J Fernando & Sons (Pvt) Limited	2,299,000	0.212
11 Mr. K D A Perera	2,079,039	0.191
12 Mr. H R S Wijeratne	2,069,000	0.190
13 Mr. A M Weerasinghe	2,000,000	0.184
14 Wickramaratnes (Pvt) Limited	1,865,000	0.172
15 Employees Trust Fund Board	1,722,140	0.158
16 Hatton National Bank PLC/Sanka Ramoorthy Nadaraj Kumar	1,675,732	0.154
17 Prof M.T.A Furkhan	1,672,000	0.154
18 Mr. A Sithampalam	1,567,000	0.144
19 Bartleet Asset Management (Pvt) Ltd	1,314,000	0.121
20 People's Leasing & Finance PLC/ L.P.Hapangama	1,203,700	0.111
	1,018,324,065	93.720
Others	68,235,288	6.280
Total	1,086,559,353	100.000

4 Public Shareholding

The percentage of shares held by the public as at 31st December 2016 was 19.251% comprising of 12,028 Share holders.

VALLIBEL ONE PLC
CORPORATE INFORMATION

Name of Company

Vallibel One 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

09th June 2010

Company Registration Number

PB 3831 PQ

Nature of the Business

Diversified holding company with strategic investments.

Board of Directors

Mr. Dhammika Perera – Chairman / Managing Director

Mr. W D N H Perera - Deputy Chairman

Mr. S H Amarasekera

Mr. J A S S Adhihetty

Ms. K Fernando

Mr. R N Asirwatham

Head Office and Registered Office

29, West Tower, World Trade Center

Echelon Square, Colombo 01

Telephone: 011 2445577

Fax: 011 2441444

Subsidiary Companies

Royal Ceramics Lanka PLC

L B Finance PLC

Greener Water Limited

Delmege Limited

Associate Companies

The Fortress Resorts PLC

Company Secretaries

P W Corporate Secretarial (Pvt) Ltd

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

Hatton National Bank PLC

Pan Asia Banking Corporation PLC

Sampath Bank PLC