

HAYLEYS PLC

Interim Report



FOURTH QUARTER
Twelve months ended 31st March, 2018

STATEMENT OF PROFIT OR LOSS

	Notes	Consolidated			Consolidated		
		Unaudited 12 months to 31.03.18 Rs.'000	Audited 12 months to 31.03.17 Rs.'000	Change %	Unaudited 3 months to 31.03.18 Rs.'000	Unaudited 3 months to 31.03.17 Rs.'000	Change %
Revenue	5	163,249,467	111,383,076	47	50,897,766	29,218,614	74
Cost of sales		(126,774,039)	(85,461,619)	48	(38,803,889)	(21,916,241)	77
Direct Interest Cost		(569,558)	-	>100	(278,043)	-	>100
Gross profit		35,905,870	25,921,457	39	11,815,834	7,302,373	62
Other income		909,360	1,024,222	(11)	397,286	511,478	(22)
Distribution expenses		(7,268,251)	(3,419,040)	>100	(2,044,270)	(855,436)	>100
Administrative expenses		(17,928,472)	(13,578,638)	32	(5,442,217)	(3,296,023)	65
Other expenses		(215,330)	(273,354)	(21)	(66,252)	(148,105)	(55)
Results from operating activities		11,403,177	9,674,647	18	4,660,381	3,514,287	33
Finance income		1,084,105	718,637	51	422,408	242,464	74
Finance costs		(7,016,127)	(3,830,279)	83	(2,415,345)	(1,057,807)	>100
Net finance costs		(5,932,022)	(3,111,642)	91	(1,992,937)	(815,343)	>100
Change in fair value of investment properties		184,186	249,286	(26)	184,186	249,286	(26)
Share of profit of equity accounted investees (net of tax)		227,226	212,871	7	28,903	6,117	>100
Value added tax on financial services		(119,069)	-	>100	(56,377)	-	>100
Profit before tax	6	5,763,498	7,025,162	(18)	2,824,156	2,954,347	(4)
Tax expense		(2,491,060)	(1,976,840)	26	(1,082,265)	(614,900)	76
Profit for the period		3,272,438	5,048,322	(35)	1,741,891	2,339,447	(26)
Profit for the period attributable to:							
Owners of the parent		1,023,892	2,783,933	(63)	827,274	1,319,047	(37)
Non-controlling interest		2,248,546	2,264,389	(1)	914,617	1,020,400	(10)
		3,272,438	5,048,322	(35)	1,741,891	2,339,447	(26)
Earnings per share							
Basic (Rs.)		13.65	37.12		11.03	17.59	
Diluted (Rs.)		13.65	37.12		11.03	17.59	

The Notes on pages 10 to 12 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF PROFIT OR LOSS

	Notes	Company			Company		
		Unaudited 12 months to 31.03.18 Rs.'000	Audited 12 months to 31.03.17 Rs.'000	Change %	Unaudited 3 months to 31.03.18 Rs.'000	Unaudited 3 months to 31.03.17 Rs.'000	Change %
Revenue	5	379,173	338,222	12	94,241	83,793	12
Cost of sales		(160,935)	(186,551)	(14)	(39,741)	(42,896)	(7)
Gross profit		218,238	151,671	44	54,500	40,897	33
Group dividend		1,872,100	1,586,916	18	1,147,386	628,824	82
Other income		1,130,083	71,470	>100	1,128,891	47	>100
Administrative expenses		(59,270)	(91,627)	(35)	(42,092)	(37,926)	11
Other expenses		(57,854)	(23)	<100	(14,463)	-	<100
Results from operating activities		3,103,297	1,718,407	81	2,274,222	631,842	>100
Finance income		8,108	44,650	(82)	(10,723)	(1,055)	<100
Finance costs		(1,660,874)	(815,075)	>100	(576,914)	(177,166)	>100
Net finance costs		(1,652,766)	(770,425)	>100	(587,637)	(178,221)	>100
Change in fair value of investment properties		10,250	-	>100	10,250	-	>100
Profit before tax	6	1,460,781	947,982	54	1,696,835	453,621	>100
Tax expense		(1,329)	(9,600)	(86)	(1,089)	(8,602)	(87)
Profit for the period		1,459,452	938,382	56	1,695,746	445,019	>100

The Notes on pages 10 to 12 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF COMPREHENSIVE INCOME

	Consolidated			Consolidated		
	Unaudited 12 months to 31.03.18 Rs.'000	Audited 12 months to 31.03.17 Rs.'000	Change %	Unaudited 3 months to 31.03.18 Rs.'000	Unaudited 3 months to 31.03.17 Rs.'000	Change %
Profit for the period	3,272,438	5,048,322	(35)	1,741,891	2,339,447	(26)
Other Comprehensive income						
Items will not be reclassified subsequently to Statement of Profit or Loss						
Revaluation of land	2,998,599	7,540,561	(60)	2,998,599	1,985,061	51
Actuarial (loss)/gain on employee benefit obligations	(383,844)	394,067	<100	(351,528)	394,067	<100
Income tax on other comprehensive income	(1,607,182)	(68,082)	>100	(1,616,225)	(68,082)	>100
Items will be reclassified subsequently to Statement of Profit or Loss						
Net exchange differences on translation of foreign operations	741,847	449,755	65	371,523	310,730	20
Share of other comprehensive income of equity accounted investees	(223)	374	<100	(223)	374	<100
Net change in fair value of available-for-sale financial assets	(6,564)	12,065	<100	(4,054)	3,732	<100
Other comprehensive income for the period, net of tax	1,742,633	8,328,740	(79)	1,398,092	2,625,882	(47)
Total comprehensive income for the period, net of tax	5,015,071	13,377,062	(63)	3,139,983	4,965,329	(37)
Total comprehensive income for the period attributable to						
Owners of the parent	2,702,807	10,343,403	(74)	2,320,037	3,272,366	(29)
Non-controlling interest	2,312,264	3,033,659	(24)	819,946	1,692,963	(52)
	5,015,071	13,377,062	(63)	3,139,983	4,965,329	(37)

The Notes on pages 10 to 12 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF COMPREHENSIVE INCOME

	Company			Company		
	Unaudited 12 months to 31.03.18 Rs.'000	Audited 12 months to 31.03.17 Rs.'000	Change %	Unaudited 3 months to 31.03.18 Rs.'000	Unaudited 3 months to 31.03.17 Rs.'000	Change %
Profit for the period	1,459,452	938,382	56	1,695,746	445,019	<100
Other Comprehensive income						
Items will not be reclassified subsequently to Statement of Profit or Loss						
Revaluation of land	627,010	5,648,000	(89)	627,010	92,500	<100
Actuarial (loss) on employee benefit obligations	(73,347)	(28,213)	<100	(73,347)	(28,213)	<100
Income tax on other comprehensive income	-	-	-	-	-	-
Items will be reclassified subsequently to Statement of Profit or Loss						
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-
Other comprehensive income for the period, net of tax	553,663	5,619,787	(90)	553,663	64,287	<100
Total comprehensive income for the period, net of tax	2,013,115	6,558,169	(69)	2,249,409	509,306	<100

The Notes on pages 10 to 12 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

	Consolidated		Company	
	Unaudited	Audited	Unaudited	Audited
	as at 31.03.18 Rs.'000	as at 31.03.17 Rs.'000	as at 31.03.18 Rs.'000	as at 31.03.17 Rs.'000
Notes				
ASSETS				
Non - current assets				
Property, plant & equipment	84,010,488	66,407,294	311,889	2,377,439
Investment Properties	1,948,609	1,764,423	60,750	-
Biological assets	404,659	374,353	-	-
Intangible assets	14,114,642	6,434,205	-	-
Investments in subsidiaries	-	-	36,673,417	21,947,100
Investments in equity accounted investees	845,898	721,633	-	-
Other non current financial assets	290,657	197,858	95,397	104,297
Non - current Trade and other receivables	9,333,864	-	-	-
Other non current assets	2,431,175	1,657,145	-	-
Deferred tax assets	822,545	604,150	-	-
Total non-current assets	114,202,537	78,161,061	37,141,453	24,428,836
Current assets				
Inventories	32,745,630	17,678,103	1,058	1,206
Amounts due from subsidiaries	-	-	1,800,558	1,176,681
Amounts due from equity accounted investees	121,106	68,375	8,850	13,655
Trade and other receivables	48,227,112	23,876,704	16,912	12,746
Other current assets	2,640,004	1,462,471	95,091	61,414
Income tax recoverable	539,919	344,815	12,670	5,411
Other current financial assets	160,702	479,520	8,800	17,196
Short-term deposits	3,631,527	2,920,857	-	-
Cash in hand and at bank	7,495,343	5,007,087	328,619	64,955
Assets classified as held for sale	3,021	3,021	-	-
Total current assets	95,564,364	51,840,953	2,272,558	1,353,264
Total assets	209,766,901	130,002,014	39,414,011	25,782,100
EQUITY AND LIABILITIES				
Stated capital	1,575,000	1,575,000	1,575,000	1,575,000
Capital reserves	887,340	943,608	13,226	13,226
Other components of equity	20,978,486	19,013,131	-	1,991,460
Revenue reserves	16,208,311	19,333,998	16,890,382	13,490,522
Total equity attributable to owners of the parent	39,649,137	40,865,737	18,478,608	17,070,208
Non- controlling interest	20,158,629	17,173,230	-	-
Total Equity	59,807,766	58,038,967	18,478,608	17,070,208
Non - current liabilities				
Interest bearing borrowings	34,621,339	20,634,704	12,182,428	5,901,449
Grants	772,147	743,387	-	-
Deferred tax liabilities	4,729,365	1,853,124	-	-
Security deposit	1,199,128	-	-	-
Other Non current Liabilities	2,717,541	-	-	-
Other non current financial liabilities	403,056	-	-	-
Employee benefit obligations	7,337,659	5,608,640	713,730	557,063
Total non-current liabilities	51,780,235	28,839,855	12,896,158	6,458,512
Current liabilities				
Trade and other payables	28,764,332	16,781,524	319,282	256,522
Other current liabilities	4,023,979	1,405,240	45,691	30,507
Other current financial liabilities	6,517,031	1,374	10,654	1,281
Amounts due to subsidiaries	-	-	40,350	34,777
Amounts due to equity accounted investees	-	-	-	-
Deferred Revenue	246,289	-	-	-
Income tax payable	607,274	821,832	-	-
Current portion of long term interest bearing borrowings	23,801,452	5,060,603	3,747,898	1,211,273
Short-term interest bearing borrowings	34,218,211	19,052,287	3,875,370	719,020
Liabilities directly associated with assets classified as held for sale	332	332	-	-
Total current liabilities	98,178,900	43,123,192	8,039,245	2,253,380
Total liabilities	149,959,135	71,963,047	20,935,403	8,711,892
Total equity and liabilities	209,766,901	130,002,014	39,414,011	25,782,100

The Financial Position as at 31st March, 2018 and Statement of Profit or Loss, Statement of Comprehensive Income, Changes in Equity and Cash Flow for the twelve months then ended are drawn up from the unaudited Financial Statements of the Company, its Subsidiaries and Equity Accounted Investees and they provide the information required by the Colombo Stock Exchange.

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act no 7 of 2007.

sgd.

Dilhan De Silva
Group Chief Financial Officer

The Directors are responsible for the preparation and presentation of these Financial Statements.
Signed for and on behalf of the Board

sgd.

Mohan Pandithage
Chairman & Chief Executive
18th May 2018

sgd.

H S R Kariyawasan
Director

STATEMENT OF CHANGES IN EQUITY

For the period ended 31st March

Consolidated	Attributable to owners of the Company											Non-controlling interest	Total Equity
	Capital Reserves			Other Components of Equity			Revenue Reserves						
	Stated capital	Reserve on scrip issue	Other capital reserve	Revaluation reserve	Available-for-sale reserve	Foreign currency translation reserve	General reserve	Timber reserve	Bearer Biological reserve	Retained earnings	Shareholders' Funds		
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Balance as at 1st April 2017	1,575,000	527,790	415,818	17,823,047	23,876	1,166,208	2,233,557	81,415	8,942	17,010,084	40,865,737	17,173,230	58,038,967
Profit for the period	-	-	-	-	-	-	-	8,894	(1,808)	1,016,806	1,023,892	2,248,546	3,272,438
Other Comprehensive income													
Net exchange differences on translation of foreign operations	-	-	-	-	-	412,271	-	-	-	-	412,271	329,576	741,847
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-	-	-	-	(201)	(201)	(22)	(223)
Net change in fair value of available-for-sale financial assets	-	-	-	-	(4,032)	-	-	-	-	-	(4,032)	(2,532)	(6,564)
Revaluation of land	-	-	-	2,998,599	-	-	-	-	-	-	2,998,599	-	2,998,599
Actuarial gain on defined benefit plans	-	-	-	-	-	-	-	-	-	(313,667)	(313,667)	(70,177)	(383,844)
Deferred tax on other comprehensive income	-	-	-	(1,464,958)	-	-	-	-	-	50,902	(1,414,056)	(193,127)	(1,607,182)
Total other comprehensive income	-	-	-	1,533,641	(4,032)	412,271	-	-	-	(262,966)	1,678,914	63,719	1,742,633
Total Comprehensive income for the period	-	-	-	1,533,641	(4,032)	412,271	-	8,894	(1,808)	753,840	2,702,807	2,312,265	5,015,071
Transactions with owners, recorded directly in equity													
Dividends to equity holders	-	-	-	-	-	-	-	-	-	(562,500)	(562,500)	(1,529,400)	(2,091,900)
Unclaimed Dividend-write back	-	-	-	-	-	-	-	-	-	893	893	76	969
Transfers	-	45,440	25,291	-	-	-	-	-	-	(70,731)	-	-	-
Total contributions by and distributions to owners	-	45,440	25,291	-	-	-	-	-	-	(632,338)	(561,607)	(1,529,324)	(2,090,931)
Changes in ownership interests in subsidiaries													
Acquisition of non-controlling interest with a change in control	-	-	-	-	-	-	-	-	-	-	-	4,204,538	4,204,538
Acquisition of non-controlling interest without a change in control	-	(127,001)	2	23,382	(1)	94	7,778	-	-	(2,111,839)	(2,207,586)	(1,481,061)	(3,688,647)
Partial recognition of non controlling interest to be acquired	-	-	-	-	-	-	-	-	-	(1,150,214)	(1,150,214)	(521,242)	(1,671,456)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	223	223
Total changes in ownership interests in subsidiaries	-	(127,001)	2	23,382	(1)	94	7,778	-	-	(3,262,053)	(3,357,800)	2,202,458	(1,155,342)
Total transactions with owners	-	(81,561)	25,293	23,382	(1)	94	7,778	-	-	(3,894,391)	(3,919,407)	673,134	(3,246,273)
Balance as at 31st March 2018	1,575,000	446,229	441,111	19,380,070	19,843	1,578,573	2,241,335	90,309	7,134	13,869,533	39,649,137	20,158,629	59,807,766
Balance as at 1st April, 2016	1,575,000	577,327	490,492	10,636,028	1,819	939,050	2,233,358	72,860	2,346	14,567,260	31,095,540	15,817,529	46,913,069
Profit for the period	-	-	-	-	-	-	-	8,731	6,596	2,768,606	2,783,933	2,264,389	5,048,322
Other Comprehensive income													
Net exchange differences on translation of foreign operations	-	-	-	-	-	228,923	-	-	-	-	228,923	220,832	449,755
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-	-	-	-	357	357	17	374
Net change in fair value of available-for-sale financial assets	-	-	-	-	8,350	-	-	-	-	-	8,350	3,715	12,065
Revaluation of land	-	-	-	7,282,984	-	-	-	-	-	-	7,282,984	257,577	7,540,561
Actuarial losses on defined benefit plans	-	-	-	-	-	-	-	-	-	53,626	53,626	340,441	394,067
Income tax on other comprehensive income	-	-	-	-	-	-	-	-	-	(14,771)	(14,771)	(53,311)	(68,082)
Total other comprehensive income	-	-	-	7,282,984	8,350	228,923	-	-	-	39,212	7,559,469	769,271	8,328,740
Total Comprehensive income for the period	-	-	-	7,282,984	8,350	228,923	-	8,731	6,596	2,807,818	10,343,402	3,033,660	13,377,062
Transactions with owners, recorded directly in equity													
Dividends to equity holders	-	-	-	-	-	-	-	-	-	(487,500)	(487,500)	(1,488,201)	(1,975,701)
Unclaimed Dividend-write back	-	-	-	-	-	-	-	-	-	1,788	1,788	806	2,594
Realized gain on Timber	-	-	-	-	-	-	-	(176)	-	176	-	-	-
Transfers	-	-	(73,099)	-	-	-	48	-	-	73,051	-	-	-
Impairment loss transferred to Statement of Profit or Loss	-	-	-	-	13,776	-	-	-	-	-	13,776	7,800	21,576
Total contributions by and distributions to owners	-	-	(73,099)	-	13,776	-	48	(176)	-	(412,485)	(471,936)	(1,479,595)	(1,951,531)
Changes in ownership interests in subsidiaries													
Acquisition of non-controlling interest with a change in control	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest without a change in control	-	(49,537)	(1,575)	3,529	(69)	(1,765)	151	-	-	(52,004)	(101,270)	(141,608)	(242,878)
Disposal of subsidiary	-	-	-	(99,494)	-	-	-	-	-	99,494	-	(56,755)	(56,755)
Total changes in ownership interests in subsidiaries	-	(49,537)	(1,575)	(95,965)	(69)	(1,765)	151	-	-	47,490	(101,270)	(198,363)	(299,633)
Total transactions with owners	-	(49,537)	(74,674)	(95,965)	13,707	(1,765)	199	(176)	-	(364,994)	(573,205)	(1,677,959)	(2,251,164)
Balance as at 31st March 2017	1,575,000	527,790	415,818	17,823,047	23,876	1,166,208	2,233,557	81,415	8,942	17,010,084	40,865,737	17,173,230	58,038,967

The Notes on pages 10 to 12 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY

For the period ended 31st March

Company	Capital Reserve		Other Component of Equity	Revenue Reserves		Total Equity
	Stated capital	Other capital reserve	Revaluation reserve	General reserve	Retained earnings	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Balance as at 1st April 2017	1,575,000	13,226	1,991,460	382,087	13,108,435	17,070,208
Profit for the period	-	-	-	-	1,459,452	1,459,452
Other Comprehensive income						
Actuarial losses on defined benefit obligations	-	-	-	-	(73,347)	(73,347)
Revaluation of land	-	-	627,010	-	-	627,010
Total other comprehensive income	-	-	627,010	-	(73,347)	553,663
Total Comprehensive income for the period	-	-	627,010	-	1,386,105	2,013,115
Transactions with owners, recorded directly in equity						
Dividends to equity holders	-	-	-	-	(562,500)	(562,500)
Unclaimed dividend - write-back	-	-	-	-	798	798
Transfers	-	-	(2,618,470)	-	2,575,457	(43,013)
Total contributions by and distributions to owners	-	-	(2,618,470)	-	2,013,755	(604,715)
Total transactions with owners	-	-	(2,618,470)	-	2,013,755	(604,715)
Balance as at 31st March 2018	1,575,000	13,226	-	382,087	16,508,295	18,478,608
Balance as at 1st April, 2016	1,575,000	13,226	6,314,023	382,087	2,714,878	10,999,214
Profit for the period	-	-	-	-	938,382	938,382
Other Comprehensive income						
Revaluation of land	-	-	5,648,000	-	-	5,648,000
Actuarial losses on defined benefit obligations	-	-	-	-	(28,213)	(28,213)
Total other comprehensive income	-	-	5,648,000	-	(28,213)	5,619,787
Total Comprehensive income for the period	-	-	5,648,000	-	910,169	6,558,169
Transactions with owners, recorded directly in equity						
Dividends to equity holders	-	-	-	-	(487,500)	(487,500)
Unclaimed Dividend-write back	-	-	-	-	325	325
Transfers	-	-	(9,970,563)	-	9,970,563	-
Total contributions by and distributions to owners	-	-	(9,970,563)	-	9,483,388	(487,175)
Total transactions with owners	-	-	(9,970,563)	-	9,483,388	(487,175)
Balance as at 31st March 2017	1,575,000	13,226	1,991,460	382,087	13,108,435	17,070,208

The Notes on pages 10 to 12 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

	Consolidated		Company	
	Unaudited 12 months to 31.03.18 Rs.'000	Audited 12 months to 31.03.17 Rs.'000	Unaudited 12 months to 31.03.18 Rs.'000	Audited 12 months to 31.03.17 Rs.'000
Cash flows from operating activities				
Cash generated from operations (Note A)	8,809,764	9,730,658	1,490,243	1,626,614
Employee benefit paid	(631,293)	(528,326)	(15,826)	(58,134)
Income taxes paid	(2,760,819)	(2,003,508)	(8,589)	(12,724)
Net cash inflow/(outflow) from operating activities	5,417,652	7,198,824	1,465,828	1,555,756
Cash flows from Investing activities				
Purchase and construction of property, plant & equipment	(5,980,893)	(11,301,360)	(55,519)	(72,798)
Improvements to investment property	-	-	-	-
Investments in other non-current assets	-	-	-	-
Increase due to development of biological assets	(8,988)	(5,357)	-	-
Decrease due to harvest	2,910	-	-	-
Government grants received - capital	60,045	44,270	-	-
Proceeds from disposal of property, plant & equipment	262,004	205,271	7	6,886
Proceeds from disposal of intangible assets	-	1,984	-	-
Proceeds from buy back of shares of non current financial assets	-	99,280	-	99,280
Proceeds from disposal of current financial assets	4,213,117	2,921,811	-	2,426,808
Proceeds from disposal of subsidiaries	-	330,112	-	-
On acquisition of right to generate hydro & Solar power/ ERP System	(353,391)	(216,480)	-	-
Proceeds from the sale of equity accounted investees	-	-	-	-
Long term investments in group companies and others	(1,097)	-	(10,931,570)	(2,048,720)
Investment in other non current assets	(1,899,980)	(1,107,767)	-	-
Investment in other current financial assets	(3,868,671)	(2,469,362)	-	(2,000,000)
Acquisition / disposal of subsidiaries	(12,976,909)	-	-	-
Interest received	326,499	272,791	7,317	6,270
Net movement in deferred revenue	(43,820)	-	-	-
Dividends received from equity accounted investees	102,739	163,409	-	-
Dividends received from non-group companies	9,185	9,909	739	282
Net cash used in investing activities	(20,157,250)	(11,051,489)	(10,979,026)	(1,581,992)
Net cash inflow/(outflow) before financing	(14,739,598)	(3,852,667)	(9,513,198)	(26,236)
Cash flows from financing activities				
Capital payment on finance lease	(23,039)	(26,827)	-	-
Interest paid (including interest capitalised)	(6,231,525)	(3,152,556)	(1,483,036)	(678,744)
Net payment to non-controlling interest	(1,529,400)	(1,487,395)	-	-
Proceeds from interest-bearing borrowings	29,065,187	13,858,547	10,500,000	3,500,000
Repayment of interest-bearing borrowings	(18,094,053)	(7,130,810)	(1,749,375)	(2,998,485)
Net movement in security deposits	76,847	-	-	-
Long term loan facility fee	-	(5,981)	(14,577)	(5,981)
Debenture Issue fee	-	(11,759)	-	(11,759)
Net movement in financial liabilities	71,083	(866)	(70,000)	(867)
Dividends paid to equity holders of parent	(562,500)	(487,500)	(562,500)	(487,500)
Net cash inflow/(outflow) from financing activities	2,772,600	1,554,854	6,620,512	(683,336)
Net increase/(decrease) in cash and cash equivalents	(11,966,998)	(2,297,813)	(2,892,686)	(709,572)
Cash and cash equivalents at beginning of the year/period	(11,123,228)	(8,825,415)	(654,065)	55,507
Cash and cash equivalents at end of the year/period (Note B)	(23,090,226)	(11,123,228)	(3,546,751)	(654,065)

Net cash flows related to discontinued operation, shown in note 8, discontinued operation

The Notes on pages 10 to 12 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

	Consolidated		Company	
	Unaudited 12 months to 31.03.18 Rs.'000	Audited 12 months to 31.03.17 Rs.'000	Unaudited 12 months to 31.03.18 Rs.'000	Audited 12 months to 31.03.17 Rs.'000
A. Cash generated from operations				
Profit before tax	5,763,498	7,025,162	1,460,781	947,982
Adjustments for:				
Net finance expense	5,932,022	3,111,642	1,652,766	770,425
Share of profits from equity accounted investees	(227,226)	(212,871)	-	-
Depreciation on property, plant & equipment	3,869,405	2,997,780	31,346	34,305
Impairment of property, plant & equipment	57,854	75,332	57,854	-
Change in fair value of biological assets	(24,228)	(24,455)	-	-
Change in fair value of bearer biological assets	3,805	(18,805)	-	-
Change in fair value of investment properties	(184,186)	(249,286)	(10,250)	-
(Gain)/loss on the disposal of property, plant & equipment	(62,936)	(35,561)	(1,130,083)	(141)
(Gain)/loss on the buy back of shares	-	(71,309)	-	(71,309)
Loss on the disposal of current financial assets	-	22	-	-
Gain on Bargain purchase of subsidiaries	-	(86,311)	-	-
Amortisation of intangible assets	151,520	181,733	-	-
Impairment of intangible assets	-	-	-	-
Scrip dividend	-	-	-	(40,669)
Net gains/(loss) on translation of foreign currency	(58,321)	(25,884)	-	-
Differences of exchange on translation of foreign entities	(3,035,588)	-	-	-
Impairment of trade & other receivables	1,531,301	5,630	-	-
Provision for unrealised profit and write-down of inventories	971,063	(49,360)	-	-
Impairment of other non current assets	70,121	46,599	-	-
Gain on the disposal of subsidiaries	(1,264)	(25,300)	-	-
Provision for post employee benefits obligations	1,181,651	838,638	99,146	65,972
Government grants amortised	(31,285)	(40,560)	-	-
	15,907,206	13,442,836	2,161,560	1,706,565
(Increase)/decrease in trade and other receivables	(8,728,857)	(4,858,061)	(750,367)	(122,450)
(Increase)/decrease in inventories	(5,792,000)	(2,576,812)	148	216
Increase/(decrease) in trade and other payables	7,423,415	3,722,695	78,902	42,283
	8,809,764	9,730,658	1,490,243	1,626,614
B. Analysis of cash and cash equivalents				
Cash & cash equivalents	7,496,458 *	5,008,202 *	328,619	64,955
Short - term deposits	3,631,527	2,920,857	-	-
	11,127,985	7,929,059	328,619	64,955
Short-term interest bearing borrowings	(34,218,211)	(19,052,287)	(3,875,370)	(719,020)
Cash and cash equivalents at the end of the period	(23,090,226)	(11,123,228)	(3,546,751)	(654,065)

* Includes discontinued operations.

NOTES TO THE FINANCIAL STATEMENTS

- 1 The Interim Condensed Financial Statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34- Interim Financial Reporting. These Interim Condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2017.

The Interim Condensed Financial Statements have been prepared on a historical cost basis, except for, land ,Biological assets and financial instruments.

The Financial Statements also provide information required by the Colombo Stock Exchange.

- 2 (a). 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 31.03.2017.

(b). No circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the financial statements.

- 3 On 15th September, 2017 Hayleys Group acquired 231,864,362 shares (61.73% Holding) in Singer (Sri Lanka) PLC for Rs. 10,992 mn and resulting a goodwill of Rs 7,205 mn.

Subsequently, In terms of Rule 24 of the Company Take-overs & Mergers Code, a mandatory offer was made by Hayleys PLC together with the parties acting in concert which has been accepted by the shareholders of 79,180,051 (21.08 % holding) in Singer Sri Lanka PLC.

- 4 The presentation and classification of the Financial Statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.

The Consolidated Financial Statements for the comparative interim period have been restated in accordance with LKAS 8- Accounting Policies, changes in Accounting Estimates and Errors which were disclosed in the Annual Report for the year ended 31.03.2017.

5 INDUSTRY SEGMENT REVENUE

	Consolidated			
	Total	Intra-group	External	
			Unaudited 12 months to 31.03.18 Rs.'000	Audited 12 months to 31.03.17 Rs.'000
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Eco Solutions	5,383,127	871,968	4,511,159	4,012,613
Hand Protection	15,865,114	13,221	15,851,893	14,281,444
Purification Products	15,518,079	-	15,518,079	13,553,575
Textiles	8,855,501	-	8,855,501	8,228,977
Construction Materials	4,512,227	112,685	4,399,542	4,706,316
Agriculture	14,786,030	839,315	13,946,715	13,611,732
Plantations	12,679,891	70,549	12,609,342	9,989,254
Transportation & Logistics	35,652,333	-	35,652,333	24,245,431
Consumer Products	35,927,829	-	35,927,829	5,277,527
Industry Inputs	4,049,942	238,410	3,811,532	3,633,625
Power & Energy	1,513,363	-	1,513,363	1,026,860
Leisure	5,756,399	83,469	5,672,930	5,618,505
Others	5,681,628	702,379	4,979,249	3,197,217
	166,181,463	2,931,996	163,249,467	111,383,076

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NOTES TO THE FINANCIAL STATEMENTS

6 INDUSTRY SEGMENT RESULTS

	Consolidated	
	Unaudited	Audited
	12 months to 31.03.18 Rs.'000	12 months to 31.03.17 Rs.'000
Eco Solutions	(15,961)	1,063,797
Hand Protection	464,835	978,264
Purification Products	1,090,442	1,368,272
Textiles	141,995	199,536
Construction Materials	645,768	1,050,277
Agriculture	1,148,701	1,486,730
Plantations	893,088	479,166
Transportation & Logistics	2,949,820	1,857,068
Consumer Products	2,026,114	178,805
Industry Inputs	401,529	480,957
Power & Energy	936,963	582,391
Leisure	343,432	772,467
Others	2,365,110	1,855,012
Segment results	13,391,835	12,352,742
Non - segment income/(expenses)	(1,988,658)	(2,678,095)
Operating profit	11,403,177	9,674,647
Net finance costs	(5,932,022)	(3,111,642)
Change in fair value of investment properties	184,186	249,286
Share of profits from equity accounted investees	227,226	212,871
Value added tax on financial service	(119,069)	-
Profit before tax	5,763,498	7,025,162

7 STATED CAPITAL

	Unaudited	Audited
	as at	as at
	31.03.18 Rs.'000	31.03.17 Rs.'000
Issued and fully paid 75,000,000 (75,000,000 - 31.03.2017) Ordinary Shares	1,575,000	1,575,000

NOTES TO THE FINANCIAL STATEMENTS

8 ASSETS AND LIABILITIES OF DISCONTINUED OPERATIONS

	Consolidated	
	Unaudited as at 31.03.18 Rs.'000	Audited as at 31.03.17 Rs.'000
Assets classified as held for sale		
Trade and Other Receivables	1,906	1,906
Cash in Hand and at Bank	1,115	1,115
Total assets	3,021	3,021
Liabilities directly associated with assets classified as held for sale		
Trade and other payables	332	332
Total equity and liabilities	332	332
Cash Flow related to discontinued operations		
	Unaudited as at 31.03.18 Rs.'000	Audited as at 31.03.17 Rs.'000
Net cash flows from operating activities	-	-
Net cash out flow from discontinuing operation	-	-

INVESTOR INFORMATION

MARKET VALUE OF SHARES

The market value of an ordinary share of Hayleys PLC was as follows:

	31.03.2018 Rs.	31.03.2017 Rs.
Closing price on	200.70	265.00
Highest price recorded for the twelve months ending	302.80	309.00
Lowest price recorded for the twelve months ending	191.00	245.00
Highest price recorded for the three months ending	240.00	279.50
Lowest price recorded for the three months ending	191.00	259.00
Market capitalisation (Rs. Mn.)	15,053	19,875

RATIOS

Net assets per share	528.66	544.88
Price earnings ratio (times) (Annualised)	14.70	7.14

DIVIDEND PAYMENT

Interim dividend 2016/17 Rs 7.50 per share paid on 09th June, 2017

SHARE TRADING FROM 1ST APRIL, 2017 TO 31ST MARCH, 2018

No. of transactions	3,609
No. of shares traded	3,867,355
Value of shares traded (Rs.)	1,158,322,203

LISTED DEBENTURES

Details regarding the listed debentures are as follows;

DEBENTURE 1 -

Listed, rated, senior, unsecured, redeemable Debentures at 7.60% p.a. payable semi annually and redeemable on 6th March, 2019
Interest rate of comparable Government Securities as at 31st March, 2018, 9.48% (Net of tax)

DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 31.03.2018

There were no transactions during the period.

DEBENTURE 2 -

Listed, rated, senior, unsecured, redeemable Debentures at 7.85% p.a. payable semi annually and redeemable on 6th March, 2020
Interest rate of comparable Government Securities as at 31st March, 2018, 9.69% (Net of tax)

DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 31.03.2018

There were no transactions during the period.

DEBENTURE 3 -

Listed, rated, senior, unsecured, redeemable, debentures at floating rate (6 month (Gross) treasury bill rate + 1.25%) p.a payable semi annually and redeemable on 31st May, 2019

Interest rate of comparable Government Securities as at 31st March, 2018, 9.88% (Net of tax)

DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 31.03.2018

No. of Transactions	3
No. of Debentures traded	18,000
Highest Price (Rs.)	98.00
Lowest Price (Rs.)	97.00
Last Traded Price (Rs.)	98.00

Interest yield - Last traded	11.10%
Yield to maturity - Last traded	12.81%

Utilization of fund via Capital Market

Debenture	Objective Number	Objectives as per Prospectus	Amount Allocated as per Prospectus Rs. mn	Proposed Date of Utilisation as per Prospectus	Amount allocated from Proceeds Rs. mn	% of Total Proceeds	Amounts Utilised Rs. mn	% of Utilisation against Allocation
Debenture 1/2	1	Restructure debt portfolio	1,735	Upon completion of allotment	1,735	86.75%	1,735	100%
Debenture 1/2	2	Working capital requirements	265	Upon completion of allotment	265	13.25%	265	100%
Debenture 3	1	Redemption of Debenture Issue 2013	2,000	9 July 2016	2,000	100%	2,000	100%

RATIOS

	31.03.2018	31.03.2017
Debt/ equity ratio	1.07	0.46
Quick asset ratio	0.28	0.60
Interest cover	2.08	2.05

INVESTOR INFORMATION

FIRST TWENTY SHAREHOLDERS AS AT 31st MARCH, 2018

Name of the Shareholder	No.of Shares	%
1 Mr.K.D.D.Perera	37,829,697	50.44
2 Trustees of the D.S.Jayasundera Trust	8,698,017	11.60
3 Employees Provident Fund	3,776,621	5.04
4 Lanka Orix Leasing Company PLC	1,700,004	2.27
5 Hayleys Group Services(Private) Ltd No.02 A/C	1,117,090	1.49
6 Mrs.A.M.L.Johnpulle & Mr.B.J.M.Johnpulle	882,165	1.18
7 Commercial Leasing & Finance PLC	734,144	0.98
8 Mrs.R.N.Ponnambalam	590,645	0.79
9 Mr.N.K.A.D.De Silva	570,166	0.76
10 Mrs.R.M.Spittel	564,697	0.75
11 Mr.R.H.S.Phillips	520,727	0.69
12 Mrs.Y.M.Spittel	465,561	0.62
13 Mr.A.C Wikramanayake	462,204	0.62
14 Mrs.P.M Godamunne	443,447	0.59
15 Mrs.S.D. Wickramasinghe .	440,281	0.59
16 Sri Lanka Insurance Corporation Ltd-Life Fund	397,418	0.53
17 Mr.G.N. Wikramanayake (Deceased)	370,422	0.49
18 Associated Electrical Corporation Ltd	361,000	0.48
19 Renuka Capital PLC	330,155	0.44
20 Akbar Brothers Pvt Ltd A/C No.01	321,931	0.43
Total	60,576,392	80.78

There were no non voting shares as at 31st March, 2018.

PUBLIC HOLDING

Percentage of public holding as at 31st March 2018.	37.62%
Total number of Shareholders representing the Public Holding	6,178
Float- adjusted market capitalization (Rs.)	5,662,750,500
The Company complies with option 3 of the Listing Rules 7.13.1 (a) – Rs.5.0 Bn	
Float Adjusted Market Capitalization which requires 7.5% minimum Public Holding.	

DIRECTORS' SHAREHOLDINGS AS AT 31ST MARCH, 2018

Directors' holdings of ordinary shares in the Company were as follows

Name of the Director	No.of Shares
Mr. A M Pandithage	125,357
Mr. K D D Perera	37,831,363 *
Mr. M R Zaheed (retired w.e.f 31.03.2018)	38,395
Mr S C Ganegoda	23,414
Mr H S R Kariyawasan	9,427
Dr K I M Ranasoma	9,634
Mr L T Samarawickrama	7,488
Mr L R V Waidyaratne	37,930

* Inclusive of indirect holding through other companies in which he owns controlling interest.

CORPORATE INFORMATION

NAME OF COMPANY

Hayleys PLC
(A public limited company, incorporated in Sri Lanka in 1952)

COMPANY NUMBER

PQ 22

STOCK EXCHANGE LISTING

The ordinary shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka

REGISTERED OFFICE

Hayley Building,
P.O. Box 70, 400, Deans Road,
Colombo 10, Sri Lanka
Telephone: (94-11)2627000
Facsimile: (94-11)2699299
Website: <http://www.hayleys.com>

DIRECTORS

A M Pandithage – Chairman & Chief Executive
K D D Perera - Co-Chairman (Non - Executive)
S C Ganegoda
H S R Kariyawasan
Dr. H Cabral, PC
L T Samarawickrama
Dr. K I M Ranasoma
L R V Waidyaratne
M H Jamaldeen
M Y A Perera
N L S Joseph
Ms. J Dharmasena (appointed w.e.f 01.04.2018)
M R Zaheed (retired w.e.f 31.03.2018)

GROUP MANAGEMENT COMMITTEE

A M Pandithage – Chief Executive
S C Ganegoda
H S R Kariyawasan
Dr. K I M Ranasoma
L T Samarawickrama
L R V Waidyaratne
S J Wijesignhe
Dr A Sivagananathan
L D E A De Silva
W G R Rajadurai
E R P Goonethileke
Ms.D Talpahewa
Asoka Pieris (appointed w.e.f 02.10.2017)
Ms. J Dharmasena (appointed w.e.f 01.04.2018)
H C S Mendis (resigned w.e.f 19.09.2017)
M R Zaheed (retired w.e.f 31.03.2018)
M S Lakshminarasimhan (resigned w.e.f 30.04.2018)

AUDIT COMMITTEE

M Y A Perera - Chairman
Dr H Cabral, PC
M H Jamaldeen

REMUNERATION COMMITTEE

Dr H Cabral, PC – Chairman
K D D Perera
M H Jamaldeen
M Y A Perera

NOMINATION COMMITTEE

A M Pandithage – Chairman
K D D Perera
Dr H Cabral, PC

RELATED PARTY TRANSACTION REVIEW COMMITTEE

Dr H Cabral, PC - Chairman
S C Ganegoda
M Y A Perera

SECRETARIES

Hayleys Group Services (Private) Limited
400, Deans Road, Colombo 10, Sri Lanka
Telephone: (94-11)2627650
Facsimile: (94-11)2627645
E-mail: info.sec@hayleys.com
Please direct any queries about the administration of shareholdings to the Company Secretaries

INVESTOR RELATIONS

Please contact Strategic Business Development Unit
Telephone: (94-11)2627662
E-mail: info@cau.hayleys.com