

# HAYLEYS PLC

Interim Report



**EXCEPTIONAL**

**SECOND QUARTER**

Six months ended 30th September, 2021

## STATEMENT OF PROFIT OR LOSS

Consolidated				Consolidated			Consolidated				
Audited				Unaudited	Unaudited			Unaudited			
year ended				6 months to	6 months to			3 months to	3 months to		
31.03.21				30.09.21	30.09.20			30.09.21	30.09.20		
Rs.'000		Notes		Rs.'000	Rs.'000	Change	%	Rs.'000	Rs.'000	Change	%
241,275,661	<b>Revenue</b>	4		<b>150,048,922</b>	106,895,565	40		<b>79,438,158</b>	58,663,902	35	
(178,244,709)	Cost of sales			<b>(115,200,642)</b>	(79,201,739)	45		<b>(61,330,333)</b>	(43,436,280)	41	
(1,872,405)	Direct interest cost			<b>(909,159)</b>	(960,208)	(5)		<b>(473,647)</b>	(473,336)	0	
61,158,547	<b>Gross profit</b>			<b>33,939,121</b>	26,733,618	27		<b>17,634,178</b>	14,754,286	20	
1,467,771	Other income			<b>918,669</b>	539,157	70		<b>485,254</b>	305,465	59	
(10,949,210)	Distribution expenses			<b>(5,918,128)</b>	(5,723,152)	3		<b>(3,181,998)</b>	(2,913,086)	9	
(25,561,250)	Administrative expenses			<b>(14,950,779)</b>	(11,642,595)	28		<b>(7,516,901)</b>	(5,925,432)	27	
(162,060)	Other expenses			<b>(75,377)</b>	(76,270)	(1)		<b>(43,422)</b>	(44,064)	(1)	
25,953,798	<b>Results from operating activities</b>			<b>13,913,506</b>	9,830,758	42		<b>7,377,111</b>	6,177,169	19	
3,175,954	Finance income			<b>2,195,464</b>	1,242,479	77		<b>1,526,651</b>	705,314	116	
(10,051,725)	Finance cost			<b>(5,445,501)</b>	(5,636,134)	(3)		<b>(3,070,351)</b>	(2,603,486)	18	
(6,875,771)	<b>Net finance cost</b>			<b>(3,250,037)</b>	(4,393,655)	(26)		<b>(1,543,700)</b>	(1,898,172)	(19)	
195,638	Change in fair value of investment properties			-	-	-		-	-	-	
252,611	Share of profit of equity accounted investees (net of tax)			<b>218,833</b>	202,949	8		<b>138,835</b>	140,261	(1)	
(292,487)	Value added tax on financial services			<b>(152,634)</b>	(116,578)	31		<b>(82,996)</b>	(70,218)	18	
19,233,789	<b>Profit before tax for the period</b>	5		<b>10,729,668</b>	5,523,474	94		<b>5,889,250</b>	4,349,040	35	
(5,187,582)	Tax expense			<b>(2,711,076)</b>	(1,700,251)	59		<b>(1,461,068)</b>	(1,087,578)	34	
14,046,207	<b>Profit for the period</b>			<b>8,018,592</b>	3,823,223	110		<b>4,428,182</b>	3,261,462	36	
	<b>Profit for the period attributable to:</b>										
7,637,231	Owners of the parent			<b>4,959,193</b>	1,366,291	263		<b>2,787,704</b>	1,651,471	69	
6,408,976	Non-controlling interest			<b>3,059,399</b>	2,456,932	25		<b>1,640,478</b>	1,609,991	2	
14,046,207	<b>Profit for the period</b>			<b>8,018,592</b>	3,823,223	110		<b>4,428,182</b>	3,261,462	36	
	<b>Earnings / per share</b>										
10.18	Basic (Rs.)			<b>6.61</b>	1.82			<b>3.72</b>	2.20		
10.18	Diluted (Rs.)			<b>6.61</b>	1.82			<b>3.72</b>	2.20		

The Notes on pages 12 to 14 form an integral part of these Financial Statements.  
Figures in brackets indicate deductions.

## STATEMENT OF PROFIT OR LOSS

Company		Company			Company		
Audited year ended 31.03.21 Rs.'000	Notes	Unaudited 6 months to 30.09.21 Rs.'000	Unaudited 6 months to 30.09.20 Rs.'000	Change %	Unaudited 3 months to 30.09.21 Rs.'000	Unaudited 3 months to 30.09.20 Rs.'000	Change %
422,634	<b>Revenue</b>	<b>248,919</b>	192,373	29	<b>123,614</b>	99,804	24
(368,700)	Cost of sales	<b>(184,351)</b>	(183,063)	1	<b>(93,265)</b>	(98,091)	(5)
53,934	<b>Gross profit</b>	<b>64,568</b>	9,310	594	<b>30,349</b>	1,713	1,671
3,618,236	Group dividend	<b>1,611,263</b>	884,291	82	<b>795,692</b>	530,492	50
153,209	Other income	<b>12,845</b>	84	15,192	<b>11,861</b>	84	14,020
132,199	Administrative expenses	<b>338,259</b>	(8,496)	(4,081)	<b>128,188</b>	(128,088)	200
-	Other expenses	<b>(5,459)</b>	-	-	<b>-</b>	-	-
3,957,578	<b>Results from operating activities</b>	<b>2,021,476</b>	885,189	128	<b>966,090</b>	404,201	139
32,755	Finance income	<b>50,074</b>	9,840	409	<b>22,631</b>	7,471	203
(2,587,774)	Finance cost	<b>(1,048,817)</b>	(1,492,988)	(30)	<b>(530,811)</b>	(731,908)	(27)
(2,555,019)	<b>Net finance cost</b>	<b>(998,743)</b>	(1,483,148)	(33)	<b>(508,180)</b>	(724,437)	(30)
3,700	Change in fair value of investment properties	-	-	-	-	-	-
1,406,259	<b>Profit/Loss before tax for the period</b>	<b>1,022,733</b>	(597,959)	271	<b>457,910</b>	(320,236)	243
(207,625)	Tax expense	-	-	-	-	-	-
1,198,634	<b>Profit/Loss for the period</b>	<b>1,022,733</b>	(597,959)	271	<b>457,910</b>	(320,236)	243

## STATEMENT OF COMPREHENSIVE INCOME

Consolidated		Consolidated			Consolidated		
		Unaudited 6 months to 30.09.21 Rs.'000	Unaudited 6 months to 30.09.20 Rs.'000	Change %	Unaudited 3 months to 30.09.21 Rs.'000	Unaudited 3 months to 30.09.20 Rs.'000	Change %
Audited year ended 31.03.21 Rs.'000							
14,046,207	<b>Profit for the period</b>	<b>8,018,592</b>	3,823,223	110	<b>4,428,182</b>	3,261,462	36
	<b>Other Comprehensive income</b>						
	<b>Items that will not be reclassified subsequently to Statement of Profit or Loss</b>						
189,862	Actuarial loss on employee benefit obligations	-	-	-	-	-	-
117,880	Net change on equity instruments designated at fair value through other comprehensive income	<b>104,212</b>	32,710	219	<b>54,021</b>	23,722	128
333,557	Tax on other comprehensive income	-	-	-	-	-	-
	<b>Items that will be reclassified subsequently to Statement of Profit or Loss</b>						
1,573,609	Net exchange differences on translation of foreign operations	<b>(26,406)</b>	142,794	(118)	<b>(319,192)</b>	(60,572)	427
(121,511)	Net gain /(loss) on cash flow hedges	<b>69,535</b>	180,688	(62)	<b>17,319</b>	52,992	(67)
(684)	Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-
2,092,713	<b>Total other comprehensive income for the period, net of tax</b>	<b>147,341</b>	356,192	(59)	<b>(247,852)</b>	16,142	(1,635)
16,138,920	<b>Total comprehensive income for the period, net of tax</b>	<b>8,165,933</b>	4,179,415	95	<b>4,180,330</b>	3,277,604	28
	<b>Total comprehensive income for the period attributable to</b>						
8,818,695	Owners of the parent	<b>5,095,404</b>	1,632,107	212	<b>2,666,113</b>	1,693,637	57
7,320,225	Non-controlling interest	<b>3,070,529</b>	2,547,308	21	<b>1,514,217</b>	1,583,967	(4)
16,138,920		<b>8,165,933</b>	4,179,415	95	<b>4,180,330</b>	3,277,604	28

The Notes on pages 12 to 14 form an integral part of these Financial Statements.  
Figures in brackets indicate deductions.

## STATEMENT OF COMPREHENSIVE INCOME

Company		Company			Company		
		Unaudited 6 months to	Unaudited 6 months to	Change	Unaudited 3 months to	Unaudited 3 months to	Change
Audited year ended 31.03.21 Rs.'000		30.09.21 Rs.'000	30.09.20 Rs.'000	%	30.09.21 Rs.'000	30.09.20 Rs.'000	%
1,198,634	Profit/(Loss) for the period	1,022,733	(597,959)	271	457,910	(320,236)	243
	<b>Other Comprehensive income</b>						
	<b>Items that will not be reclassified subsequently to Statement of Profit or Loss</b>						
(12,818)	Actuarial loss on employee benefit obligations	-	-	-	-	-	-
-	Net change on equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-
(1,571)	Tax on other comprehensive income	-	-	-	-	-	-
	<b>Items that will be reclassified subsequently to Statement of Profit or Loss</b>						
-	Net exchange differences on translation of foreign operations	-	-	-	-	-	-
-	Net gain /(loss) on cash flow hedges	-	-	-	-	-	-
-	Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-
(14,389)	<b>Total other comprehensive income for the period, net of tax</b>	-	-	-	-	-	-
1,184,245	<b>Total comprehensive income for the period, net of tax</b>	1,022,733	(597,959)	271	457,910	(320,236)	243

## STATEMENT OF FINANCIAL POSITION

Consolidated		Company		Consolidated		Company	
Audited as at 31.03.21 Rs.'000	Audited as at 31.03.21 Rs.'000	Unaudited as at 30.09.21 Rs.'000	Unaudited as at 30.09.20 Rs.'000	Unaudited as at 30.09.21 Rs.'000	Unaudited as at 30.09.20 Rs.'000		
<b>ASSETS</b>							
<b>Non - current assets</b>							
89,685,742	137,225	93,704,536	87,495,460	127,408	155,115		
9,934,309	255,329	10,238,364	8,982,662	223,413	287,245		
2,824,180	79,600	2,431,558	2,719,663	79,600	75,900		
530,543	-	541,829	513,382	-	-		
13,272,669	58,698	15,974,077	13,209,487	57,134	53,648		
-	39,070,361	-	-	38,898,188	39,147,957		
2,097,766	1,504,863	2,270,399	2,317,050	1,504,863	1,504,863		
248,805	64,687	350,450	259,407	60,906	73,148		
11,912,418	-	11,941,985	11,933,317	-	-		
1,007,322	-	935,552	1,005,857	-	-		
2,311,501	24,525	2,431,453	2,248,355	24,524	71,215		
-	610,000	-	-	610,000	-		
133,825,255	41,805,288	140,820,203	130,684,640	41,586,036	41,369,091		
<b>Current assets</b>							
53,100,096	1,739	68,238,452	37,732,322	1,812	1,944		
-	2,509,908	-	-	2,955,645	2,817,805		
318,905	90,985	153,894	227,911	36,764	79,508		
67,226,195	39,391	78,955,321	59,731,822	60,050	50,105		
2,893,143	19,716	4,473,085	2,547,461	180,111	110,505		
764,443	-	711,420	1,285,140	-	64,002		
463,524	8,002	943,388	234,790	9,441	7,097		
7,876,500	241,719	13,358,415	4,729,144	248,350	118,250		
12,912,378	85,613	21,886,229	11,520,439	392,074	90,313		
3,021	-	3,021	3,022	-	-		
145,558,205	2,997,073	188,723,225	118,012,051	3,884,247	3,339,529		
279,383,460	44,802,361	329,543,428	248,696,691	45,470,283	44,708,620		
<b>EQUITY AND LIABILITIES</b>							
1,575,000	1,575,000	1,575,000	1,575,000	1,575,000	1,575,000		
688,411	13,226	688,416	675,819	13,226	13,226		
24,734,483	-	24,723,536	23,911,816	-	-		
20,620,432	14,518,971	25,057,763	14,966,941	15,541,705	13,486,767		
47,618,326	16,107,197	52,044,715	41,129,576	17,129,931	15,074,993		
27,580,255	-	29,836,778	24,776,972	-	-		
75,198,581	16,107,197	81,881,493	65,906,548	17,129,931	15,074,993		
<b>Non - current liabilities</b>							
51,503,754	19,205,466	60,934,208	52,249,765	20,206,375	17,075,139		
836,618	-	840,835	831,336	-	-		
5,357,821	-	5,612,553	5,948,363	-	-		
1,366,565	-	1,367,478	1,386,854	-	-		
1,666,017	-	1,690,553	1,773,099	-	-		
2,091,132	-	2,489,870	1,324,668	-	-		
9,777,004	1,055,971	10,602,983	9,609,138	1,141,965	1,019,208		
72,598,911	20,261,437	83,538,480	73,123,223	21,348,340	18,094,347		
<b>Current liabilities</b>							
52,983,547	1,147,119	63,516,776	37,642,902	412,529	338,590		
3,897,687	17,185	4,236,605	4,071,576	20,744	10,339		
8,374,066	-	9,662,982	6,819,227	-	-		
-	224,881	-	-	275,872	329,626		
8,036	3,152	3,353	21,701	3,152	3,152		
492,080	-	569,265	391,577	-	-		
2,871,625	84,485	1,736,992	1,130,866	83,818	-		
24,677,856	4,945,176	21,429,845	22,325,188	5,185,885	4,125,342		
38,280,739	2,011,729	62,967,305	37,263,551	1,010,012	6,732,231		
332	-	332	332	-	-		
131,585,968	8,433,727	164,123,455	109,666,920	6,992,012	11,539,280		
204,184,879	28,695,164	247,661,935	182,790,143	28,340,352	29,633,627		
279,383,460	44,802,361	329,543,428	248,696,691	45,470,283	44,708,620		

The Financial Statements have been prepared in compliance with the requirements of the Companies Act no 7 of 2007 .

sgd.

Choliya 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  
11th November 2021

The Notes on pages 12 to 14 form an integral part of these Financial Statements.  
Figures in brackets indicate deductions.

sgd.

Sarath Ganegoda  
Director

## STATEMENT OF CHANGES IN EQUITY

For the period ended 30th September	Attributable to owners of the Company														Total Equity
	Consolidated	Capital Reserves			Other Components of Equity				Revenue Reserves			Shareholders' Funds	Non-controlling interest		
		Stated capital	Reserve on scrip issue	Other capital reserve	Revaluation reserve	Fair value reserve of financial assets at FVOCI	Cashflow hedge reserve	Foreign currency translation reserve	General reserve	Timber reserve	Bearer Biological reserve			Retained earnings	
		Rs. '000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000			Rs.'000	
<b>Balance as at 31st March 2021</b>	1,575,000	175,432	512,979	21,708,907	76,471	(849,098)	3,798,203	2,279,714	114,574	10,015	18,216,129	47,618,326	27,580,255	75,198,581	
Profit for the period	-	-	-	-	-	-	-	-	-	-	4,959,193	4,959,193	3,059,399	8,018,592	
<b>Other Comprehensive income</b>															
Net exchange differences on translation of foreign operations	-	-	-	-	-	-	2,440	-	-	-	-	2,440	(28,846)	(26,406)	
Net gain on cash flow hedges	-	-	-	-	-	65,237	-	-	-	-	-	65,237	4,298	69,535	
Net change on equity instruments designated at fair value through other comprehensive income	-	-	-	-	68,534	-	-	-	-	-	-	68,534	35,678	104,212	
<b>Total other comprehensive income</b>	-	-	-	-	68,534	65,237	2,440	-	-	-	-	136,211	11,130	147,341	
<b>Total Comprehensive income for the period</b>	-	-	-	-	68,534	65,237	2,440	-	-	-	4,959,193	5,095,404	3,070,529	8,165,933	
<b>Transactions with owners, recorded directly in equity</b>															
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-	-	(1,407,000)	(1,407,000)	
Transfers	-	-	-	(20,405)	-	-	-	1,624	-	-	18,781	-	-	-	
<b>Total contributions by and distributions to owners</b>	-	-	-	(20,405)	-	-	-	1,624	-	-	18,781	-	(1,407,000)	(1,407,000)	
<b>Changes in ownership interests in subsidiaries</b>															
Adjustment on changes to non-controlling interest in subsidiaries	-	5	-	(228,245)	1,445	-	100,047	(1,222)	-	-	(541,045)	(669,015)	581,108	(87,907)	
Disposal of Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(6,000)	(6,000)	
Acquisition of Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	17,886	17,886	
<b>Total changes in ownership interests in subsidiaries</b>	-	5	-	(228,245)	1,445	-	100,047	(1,222)	-	-	(541,045)	(669,015)	592,994	(76,021)	
<b>Total transactions with owners</b>	-	5	-	(248,650)	1,445	-	100,047	402	-	-	(522,264)	(669,015)	(814,006)	(1,483,021)	
<b>Balance as at 30th September 2021</b>	1,575,000	175,437	512,979	21,460,257	146,450	(783,861)	3,900,690	2,280,116	114,574	10,015	22,653,058	52,044,715	29,836,778	81,881,493	

The Notes on pages 12 to 14 form an integral part of these Financial Statements.  
Figures in brackets indicate deductions.

## STATEMENT OF CHANGES IN EQUITY

For the period ended 30th September	Attributable to owners of the Company													Non-controlling interest	Total Equity
	Capital Reserves			Other Components of Equity					Revenue Reserves			Shareholders' Funds			
	Stated capital	Reserve on scrip issue	Other capital reserve	Revaluation reserve	Fair value reserve of financial assets at FVOCI	Cashflow hedge reserve	Foreign currency translation reserve	General reserve	Timber reserve	Bearer Biological reserve	Retained earnings				
	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		
<b>Balance as at 31st March 2020</b>	1,575,000	176,795	499,309	21,518,151	1,785	(750,405)	2,875,401	2,290,444	111,714	3,482	11,402,883	39,704,558	23,151,943	62,856,501	
Profit for the period	-	-	-	-	-	-	-	-	-	-	1,366,291	1,366,291	2,456,932	3,823,223	
<b>Other Comprehensive income</b>															
Net exchange differences on translation of foreign operations	-	-	-	-	-	-	77,954	-	-	-	-	77,954	64,840	142,794	
Net loss on cash flow hedges	-	-	-	-	-	166,532	-	-	-	-	-	166,532	14,156	180,688	
Net change on equity instruments designated at fair value through other comprehensive income	-	-	-	-	21,330	-	-	-	-	-	-	21,330	11,380	32,710	
<b>Total other comprehensive income</b>	-	-	-	-	21,330	166,532	77,954	-	-	-	-	265,816	90,376	356,192	
<b>Total Comprehensive income for the period</b>	-	-	-	-	21,330	166,532	77,954	-	-	-	1,366,291	1,632,107	2,547,308	4,179,415	
<b>Transactions with owners, recorded directly in equity</b>															
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	(225,000)	(225,000)	(871,859)	(1,096,859)	
Transfers	-	-	-	-	(272)	-	-	1,702	-	-	(1,430)	-	-	-	
<b>Total contributions by and distributions to owners</b>	-	-	-	-	(272)	-	-	1,702	-	-	(226,430)	(225,000)	(871,859)	(1,096,859)	
<b>Changes in ownership interests in subsidiaries</b>															
Adjustment on changes to non-controlling interest in subsidiaries	-	(285)	-	1,488	(18)	(450)	320	6,683	-	-	10,172	17,911	(50,420)	(32,509)	
<b>Total changes in ownership interests in subsidiaries</b>	-	(285)	-	1,488	(18)	(450)	320	6,683	-	-	10,172	17,911	(50,420)	(32,509)	
<b>Total transactions with owners</b>	-	(285)	-	1,488	(290)	(450)	320	8,385	-	-	(216,258)	(207,089)	(922,279)	(1,129,368)	
<b>Balance as at 30th September 2020</b>	1,575,000	176,510	499,309	21,519,639	22,825	(584,323)	2,953,675	2,298,829	111,714	3,482	12,552,916	41,129,576	24,776,972	65,906,548	

The Notes on pages 12 to 14 form an integral part of these Financial Statements.  
Figures in brackets indicate deductions.



## STATEMENT OF CHANGES IN EQUITY

For the period ended 30th September					
Company	Capital Reserve		Revenue Reserves		Total Equity
	Stated capital	Other capital reserve	General reserve	Retained earnings	
	Rs. '000	Rs.'000	Rs.'000	Rs.'000	
<b>Balance as at 31st March 2021</b>	1,575,000	13,226	382,087	14,136,885	16,107,198
Profit for the period	-	-	-	1,022,733	1,022,733
<b>Transactions with owners, recorded directly in equity</b>					
Dividends to equity holders	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	-
<b>Balance as at 30th September 2021</b>	<b>1,575,000</b>	<b>13,226</b>	<b>382,087</b>	<b>15,159,618</b>	<b>17,129,931</b>
<b>Balance as at 31st March 2020</b>	1,575,000	13,226	382,087	13,927,639	15,897,952
Loss for the period	-	-	-	(597,959)	(597,959)
<b>Total Comprehensive income for the period</b>	-	-	-	(597,959)	(597,959)
<b>Transactions with owners, recorded directly in equity</b>					
Dividends to equity holders	-	-	-	(225,000)	(225,000)
<b>Total contributions by and distributions to owners</b>	-	-	-	(225,000)	(225,000)
<b>Total transactions with owners</b>	-	-	-	(225,000)	(225,000)
<b>Balance as at 30th September 2020</b>	<b>1,575,000</b>	<b>13,226</b>	<b>382,087</b>	<b>13,104,680</b>	<b>15,074,993</b>

The Notes on pages 12 to 14 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

## STATEMENT OF CASH FLOWS

Consolidated	Company		Consolidated		Company	
			Unaudited	Unaudited	Unaudited	Unaudited
Audited	Audited		6 months to	6 months to	6 months to	6 months to
year ended	year ended		30.09.21	30.09.20	30.09.21	30.09.20
31.03.21	31.03.21		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Rs.'000	Rs.'000					
<b>Cash flows from operating activities</b>						
36,719,920	4,093,091	Cash generated from operations (Note A)	2,688,417	23,571,159	1,627,529	1,339,525
(851,217)	(47,443)	Employee benefit paid	(359,328)	(424,429)	(3,885)	(14,134)
(2,940,271)	(15,104)	Income tax paid	(3,764,354)	(1,290,733)	-	(1,085)
32,928,432	4,030,544	<b>Net cash inflow from operating activities</b>	<b>(1,435,265)</b>	21,855,997	<b>1,623,644</b>	1,324,306
<b>Cash flows from investing activities</b>						
(5,768,264)	(44,957)	Purchase and construction of property, plant & equipment	(4,680,788)	(1,827,455)	(21,541)	(26,797)
-	-	Purchase of intangible assets	(299,859)	-	(10,707)	-
(79,263)	(227)	Investments in other non-current assets	(23,407)	-	-	-
(2,569,859)	-	Investments in other current financial assets	(1,095,023)	(875,596)	-	-
-	-	Investments in other non-current financial assets	(1,200)	-	-	-
(15,192)	-	Development of biological assets	(11,286)	(8,142)	-	-
-	-	Decrease due to harvest	-	-	-	-
82,779	-	Grants received - capital	22,825	60,418	-	-
(2,282)	-	Improvements to investment property	-	(403)	-	-
280,672	356	Proceeds from disposal of property, plant & equipment/ Intangible assets	106,873	91,154	-	110
93,984	-	Proceeds from disposal of intangible assets	-	92,027	-	-
2,567,831	-	Proceeds from disposal of current financial assets	615,161	1,088,287	-	-
93,000	-	Proceeds from sale of investment property	400,000	-	-	-
-	-	Proceeds from disposal of subsidiaries	30,592	(105,276)	249,921	-
(270,932)	-	On acquisition of right to generate hydro power/ ERP system	-	-	-	-
170,056	39,420	Proceeds from buy back of shares of non-current financial assets	-	-	-	-
-	(23,667)	Long term investments in group companies and others	(4,348,753)	-	(64,638)	(3,084)
94,678	-	Cash inflow from transfer of equity accounted investee to subsidiary	-	-	-	-
-	215,989	Disposal of subsidiary shares	-	-	-	-
-	-	Net of guarantee income & fees	-	-	26	-
579,391	19,086	Interest received	541,073	299,810	48,219	7,378
108,864	-	Net movement in deferred revenue	77,185	8,359	-	-
137,500	-	Dividends received from equity accounted investees	46,200	-	-	-
4,417	319	Dividends received from non-group companies	16,586	2,853	134	165
(4,492,620)	206,319	<b>Net cash used in investing activities</b>	<b>(8,603,821)</b>	(1,173,964)	<b>201,415</b>	(22,228)
28,435,812	4,236,863	<b>Net cash inflow before financing</b>	<b>(10,039,086)</b>	20,682,033	<b>1,825,060</b>	1,302,078
<b>Cash flows from financing activities</b>						
(2,121,159)	-	Payment on lease	(792,885)	(464,390)	-	-
(7,664,020)	(2,525,448)	Interest paid (including interest capitalized)	(4,228,095)	(4,774,451)	(1,025,251)	(1,457,934)
(3,103,476)	-	Dividend paid to non-controlling interest	(1,407,000)	(871,859)	-	-
-	-	Proceeds from debenture issue	2,000,000	-	-	-
-	-	Debenture Redemption	(662,011)	-	-	-
37,333,408	11,200,000	Proceeds from interest-bearing borrowings	17,411,990	22,512,364	3,900,000	6,000,000
(41,086,784)	(9,150,000)	Repayment of interest-bearing borrowings	(11,164,293)	(26,360,016)	(2,635,000)	(6,925,000)
-	-	Transfers to short-term interest bearing borrowings	(2,200,080)	-	-	-
-	(3,000)	Long term loan facility fee	-	1,128,851	-	-
3,450,153	-	Net movement in financial liabilities	1,687,654	(7,757)	-	-
(28,046)	-	Net movement in security deposits	913	-	-	-
150,995	-	Acquisition of non-controlling interest	(87,907)	-	-	-
(225,000)	(225,000)	Dividends paid to equity holders of parent	(750,000)	(225,000)	(750,000)	(225,000)
(13,293,929)	(703,448)	<b>Net cash inflow / (outflow) from financing activities</b>	<b>(191,714)</b>	(9,062,258)	<b>(510,251)</b>	(2,607,934)
15,141,883	3,533,415	<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(10,230,800)</b>	11,619,776	<b>1,314,809</b>	(1,305,856)
(32,632,629)	(5,217,812)	<b>Cash and cash equivalents at beginning of the year/period</b>	<b>(17,490,746)</b>	(32,632,629)	<b>(1,684,397)</b>	(5,217,812)
<b>(17,490,746)</b>	<b>(1,684,397)</b>	<b>Cash and cash equivalents at end of the year/period (Note B)</b>	<b>(27,721,546)</b>	<b>(21,012,853)</b>	<b>(369,588)</b>	<b>(6,523,668)</b>

Net cash flows related to discontinued operation, shown in Note 7, discontinued operation

The Notes on pages 12 to 14 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

## STATEMENT OF CASH FLOWS

Consolidated		Company	Consolidated		Company	
Audited year ended 31.03.21	Audited year ended 31.03.21		Unaudited 6 months to 30.09.21	Unaudited 6 months to 30.09.20	Unaudited 6 months to 30.09.21	Unaudited 6 months to 30.09.20
Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>A. Cash generated from operations</b>						
19,233,789	1,406,259	Profit before tax	10,729,668	5,523,474	1,022,733	(597,959)
<b>Adjustments for:</b>						
6,875,771	2,555,019	Net finance costs	3,250,037	4,393,655	998,743	1,483,148
(252,611)	-	Share of profits from equity accounted investees	(218,833)	(202,949)	-	-
5,330,155	62,978	Depreciation on property, plant & equipment	2,848,766	2,658,758	19,379	58,298
5,000	-	Impairment of property, plant & equipment	-	-	5,785	5,785
1,715,456	63,832	Depreciation on right of use assets	977,635	733,003	31,916	-
(195,638)	(3,700)	Change in fair value of investment properties	-	-	-	-
(10,111)	-	Change in fair value of agricultural produce on bearer biological assets	-	-	-	-
(21,897)	-	Change in fair value of biological assets	-	-	-	-
(55,645)	(141)	(Gain)/loss on the disposal of property, plant & equipment	(56,423)	(40,297)	5,727	(85)
-	-	(Gain)/loss on the disposal of Investment properties	(7,378)	-	-	-
(35,075)	(35,075)	Gain on disposal of Non-current financial assets	-	-	(13,112)	-
-	(117,993)	(Gain)/loss on disposal of subsidiary shares	(6,593)	-	-	-
205,984	-	Amortisation of intangible assets	110,288	96,734	-	-
2,165,334	-	Net (gain)/loss on translation of foreign currency	515,257	713,090	-	-
902,758	-	Impairment of trade & other receivables	-	-	-	-
442,703	-	Provision for unrealised profit and write-down of inventories	-	-	-	-
33,798	-	Impairment/ amortisation of other non-current assets	-	-	-	-
1,511,196	138,045	Provision for post employee benefit obligations	1,016,494	769,805	89,880	80,709
(34,154)	-	Grants amortised	(18,608)	(17,075)	-	-
37,816,813	4,069,224		19,140,310	14,628,197	2,161,052	1,029,896
(10,384,252)	19,432	(Increase)/decrease in trade and other receivables and other current assets	(11,934,333)	(1,859,731)	(582,537)	224,866
(11,218,090)	36	(Increase)/decrease in inventories	(13,384,289)	4,493,408	(73)	(169)
20,505,449	4,399	Increase/(decrease) in trade and other payables	8,866,729	6,309,285	49,087	84,932
36,719,920	4,093,091		2,688,417	23,571,159	1,627,529	1,339,525
<b>B. Analysis of cash and cash equivalents</b>						
12,913,493	85,613	Cash in hand and at bank *	21,887,344	11,521,554	392,074	90,313
7,876,500	241,719	Short-term deposits	13,358,415	4,729,144	248,350	118,250
20,789,993	327,332		35,245,759	16,250,698	640,424	208,563
(38,280,739)	(2,011,729)	Short-term interest bearing borrowings	(62,967,305)	(37,263,551)	(1,010,012)	(6,732,231)
(17,490,746)	(1,684,397)	<b>Cash and cash equivalents</b>	<b>(27,721,546)</b>	<b>(21,012,853)</b>	<b>(369,588)</b>	<b>(6,523,668)</b>

\* Includes discontinued operations.

The Notes on pages 12 to 14 form an integral part of these Financial Statements.  
Figures in brackets indicate deductions.

## 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 2021.

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

These Statements also provide information required by the Colombo Stock Exchange.

- 2** 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 2021.
- 3** No circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the Financial Statements. 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.

### 4 INDUSTRY SEGMENT REVENUE

Consolidated		Consolidated			
		Total	Intra-group	External	
Audited				Unaudited	Unaudited
year ended				6 months to	6 months to
31.03.21				30.09.21	30.09.20
Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000
7,827,005	Eco Solutions	6,495,016	1,237,482	5,257,534	3,537,626
30,396,579	Hand Protection	21,502,459	20,253	21,482,206	12,786,490
25,484,567	Purification Products	14,849,539	-	14,849,539	11,879,232
14,575,488	Textiles	14,586,479	462,683	14,123,796	7,104,315
5,892,089	Construction Materials	3,927,181	89,933	3,837,248	2,293,802
19,232,968	Agriculture	11,558,877	265,452	11,293,425	7,253,832
15,930,341	Plantations	8,860,638	354,653	8,505,985	7,466,352
37,240,564	Transportation & Logistics	28,017,024	38,421	27,978,603	16,337,448
73,022,659	Consumer & Retail	34,394,253	-	34,394,253	33,339,366
3,694,900	Industry Inputs	2,514,706	207,287	2,307,419	1,839,654
1,310,590	Power & Energy	748,927	12,484	736,443	779,423
1,345,876	Leisure	707,744	17,080	690,664	556,285
5,322,035	Others	5,605,486	1,013,679	4,591,807	1,721,740
<b>241,275,661</b>		<b>153,768,329</b>	<b>3,719,407</b>	<b>150,048,922</b>	<b>106,895,565</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 5 INDUSTRY SEGMENT RESULTS

Consolidated		Consolidated	
Audited year ended 31.03.21 Rs.'000		Unaudited 6 months to 30.09.21 Rs.'000	Unaudited 6 months to 30.09.20 Rs.'000
657,064	Eco Solutions	565,828	197,517
5,502,171	Hand Protection	2,375,220	2,282,233
4,435,708	Purification Products	1,484,602	2,437,150
879,073	Textiles	885,396	525,678
1,232,655	Construction Materials	527,377	381,977
1,980,753	Agriculture	1,225,780	672,646
1,886,589	Plantations	877,653	600,994
4,086,694	Transportation & Logistics	3,374,359	870,753
5,597,397	Consumer & Retail	2,325,294	2,263,891
365,521	Industry Inputs	209,536	119,976
740,789	Power & Energy	449,801	475,928
(1,830,151)	Leisure	(939,951)	(974,614)
4,296,943	Others	2,471,933	1,016,546
29,831,206	<b>Segment results</b>	15,832,828	10,870,675
(3,877,409)	Non - segment income/(expenses)	(1,919,322)	(1,039,917)
25,953,798	<b>Operating profit</b>	13,913,506	9,830,758
(6,875,771)	Net finance cost	(3,250,037)	(4,393,655)
195,638	Change in fair value of investment properties	-	-
252,611	Share of profits from equity accounted investees	218,833	202,949
(292,487)	Value added tax on financial services	(152,634)	(116,578)
19,233,789	<b>Profit before tax</b>	10,729,668	5,523,474

## NOTES 1 NOTES TO THE FINANCIAL STATEMENTS

### 6 STATED CAPITAL

Company Audited as at 31.03.21 Rs.'000		Company	
		Unaudited as at 30.09.21 Rs.'000	Unaudited as at 30.09.20 Rs.'000
	Issued and fully paid		
1,575,000	750,000,000 (75,000,000 - 30.09.2020) Ordinary Shares	1,575,000	1,575,000

### 7 ASSETS AND LIABILITIES OF DISCONTINUED OPERATIONS

Consolidated Audited as at 31.03.21 Rs.'000		Consolidated	
		Unaudited as at 30.09.21 Rs.'000	Unaudited as at 30.09.20 Rs.'000
	<b>Assets classified as held for sale</b>		
1,906	Trade and Other Receivables	1,906	1,906
1,115	Cash in Hand and at Bank	1,115	1,115
3,021	<b>Total assets</b>	3,021	3,021
	<b>Liabilities directly associated with assets classified as held for sale</b>		
332	Trade and other payables	332	332
332	<b>Total equity and liabilities</b>	332	332

### 8 AQUISITION OF SUBSIDAIRY

Subsequent to the acquisition of a 98.83% equity stake in South Asia Textiles Limited on 22nd April 2021, the balance 1.17% equity stake was acquired on 15th July 2021 for Rs. 46.6 Mn. A provisional amount of Rs. 2.4 Bn has been recognized as Goodwill in the Interim Condensed Financial Statements owing to the business combination. Further considerations are presently being made in the determination of fair values for assets acquired and liabilities assumed through the business combination.

	Unaudited Rs.'000
Net identifiable assets and liabilities aquired excluding cash and cash equivalents	2,284,749
Cash in hand and bank aquired	50,701
Short term borrowings	(806,712)
Total net assets acquired including cash & cash Equivalent	1,528,738
Less : Non-controlling' interests	(17,886)
Goodwill aquired	1,510,852
Value of investment	2,442,510
	3,953,362

# INVESTOR INFORMATION

## MARKET VALUE OF SHARES

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

	30.09.21	30.09.20
	<u>Rs.</u>	<u>Rs.</u>
Last traded price	107.50	279.90**
Highest price recorded for the three months ending	124.75	294.90**
Lowest price recorded for the three months ending	73.80	130.00**
Market capitalisation (Rs. mn.)	80,625	20,993

## RATIOS

Net assets per share *	69.39	54.84
Price earnings ratio (times)	16.26	7.68

\* Net asset per share in 2020 has been adjusted based on post sub-division of 10 shares for every one ordinary share held.

\*\* Price before post sub-division of 10 shares for every one ordinary share held.

## SHARE TRADING FROM 1ST JULY, 2021 TO 30TH SEPTEMBER, 2021

No. of transactions	50,179
No. of shares traded	138,565,462
Value of shares traded (Rs.)	13,725,089,804

## LISTED DEBENTURES

Details regarding the listed debentures are as follows;

### DEBENTURE 1 -

Listed, rated, senior, unsecured, redeemable debentures,

Type A- Fixed rate at 12.50% p.a. payable semi annually redeemable on 31st July 2023

Interest rate of comparable Government Securities as at 30th September, 2021 8.87%

Type B- Floating rate AWPLR+1% p.a. payable semi annually redeemable on 31st July 2023

Interest rate of comparable Government Securities as at 30th September, 2021 8.87%

### DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.09.2021

There were no transactions during the period.

### DEBENTURE 2 -

Listed, rated, senior, unsecured, redeemable debentures,

Type A- Fixed rate at 13.00% p.a. payable semi annually redeemable on 26th August 2024

Interest rate of comparable Government Securities as at 30th September, 2021 9.69%

Type B- Floating rate AWPLR+2% p.a. payable semi annually redeemable on 26th August 2024

Interest rate of comparable Government Securities as at 30th September, 2021 9.69%

### DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.09.2021

There were no transactions during the period.

## RATIOS

	30.09.21	30.09.20
Debt/ equity ratio	1.54	1.85
Quick asset ratio	0.56	0.29
Interest cover	1.93	0.59

# INVESTOR INFORMATION

## FIRST TWENTY SHAREHOLDERS AS AT 30TH SEPTEMBER, 2021

Name of the Shareholder	No.of Shares	%
1 Mr.K.D.D.Perera	382,596,970	51.01
2 Trustees of the D.S.Jayasundera Trust	86,980,170	11.60
3 Finco Holdings (Private) Ltd	23,408,300	3.12
4 Hayleys Group Services(Private) Ltd No.02 A/C	11,170,900	1.49
5 Sri Lanka Insurance Corporation Ltd-Life Fund	7,433,159	0.99
6 McLarens Holdings Ltd	6,546,250	0.87
7 Mrs.R.N.Ponnambalam	6,266,880	0.84
8 Mr.N.K.A.D.De Silva	5,701,660	0.76
9 Amana Bank PLC/Mr.M.N.Deen	5,650,343	0.75
10 Mrs.R.M.Spittel	5,646,970	0.75
11 Mrs.A.M.L.Johnpulle & Mr.B.J.M.Johnpulle	4,765,213	0.64
12 Mrs.Y.M.Spittel (Deceased)	4,655,610	0.62
13 Mrs.S.D. Wickremasinghe	4,492,980	0.60
14 Mrs.P.M Godamunne	4,434,470	0.59
15 Mrs.A.K Wikramanayake	4,384,490	0.58
16 Seylan Bank PLC / Janashakthi Capital Limited	3,350,000	0.45
17 Mr.A.C.Wikramanayake & Mrs.S.R.D.Wikramanayake	3,194,320	0.43
18 Mr.S.Rameshan	3,169,820	0.42
19 Miss.N.K.R.H.De Silva	2,834,010	0.38
20 Dr.D.Jayantha	2,580,000	0.34
<b>Total</b>	<b>579,262,515</b>	<b>77.24</b>

There were no non voting shares as at 30th September, 2021.

## PUBLIC HOLDING

Percentage of public holding as at 30th September, 2021	37.09%
Total number of Shareholders representing the Public Holding	10,656
Float- adjusted market capitalization (Rs.)	29,903,812,500

The Company complies with option 1 of the Listing Rules 7.13.1 (a) which no minimum Public Holding.

## DIRECTORS' SHAREHOLDINGS AS AT 30TH SEPTEMBER, 2021

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

Name of the Director	No.of Shares
Mr.K.D.D.Perera	382,613,630 *
Mr. A M Pandithage	1,253,570
Mr S C Ganegoda	250,000
Mr H S R Kariyawasan	94,270
Mr L R V Waidyaratne	379,300
Ms. J. Dharmasena	210,950

\* 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 R V Waidyaratne  
M H Jamaldeen  
M Y A Perera  
Ms. J Dharmasena  
R J Karunaratna  
K D G Gunaratne  
Ms. A A K Amarasinghe (Alternate to K D D Perera)

## GROUP MANAGEMENT COMMITTEE

A M Pandithage – Chairman & Chief Executive  
S C Ganegoda  
H S R Kariyawasan  
L R V Waidyaratne  
Ms. J Dharmasena  
W G R Rajadurai  
E R P Goonethilleke  
Ms. D Talpahewa  
C De Silva  
N R Ranatunge  
D W P N Dediwela  
H Prematillake  
Ng Soon Huat  
M Wijewardene  
R J Karunaratna  
W Jayasekara (appointed w.e.f 01. 08. 2021 )  
M M A R P Goonetilleke (appointed w.e.f 15.09.2021)

## AUDIT COMMITTEE

M Y A Perera - Chairman  
Dr H Cabral, PC  
M H Jamaldeen  
K D G Gunaratne

## 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](mailto:info.sec@hayleys.com)  
Please direct any queries about the administration of shareholdings to the Company Secretaries

## INVESTOR RELATIONS

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