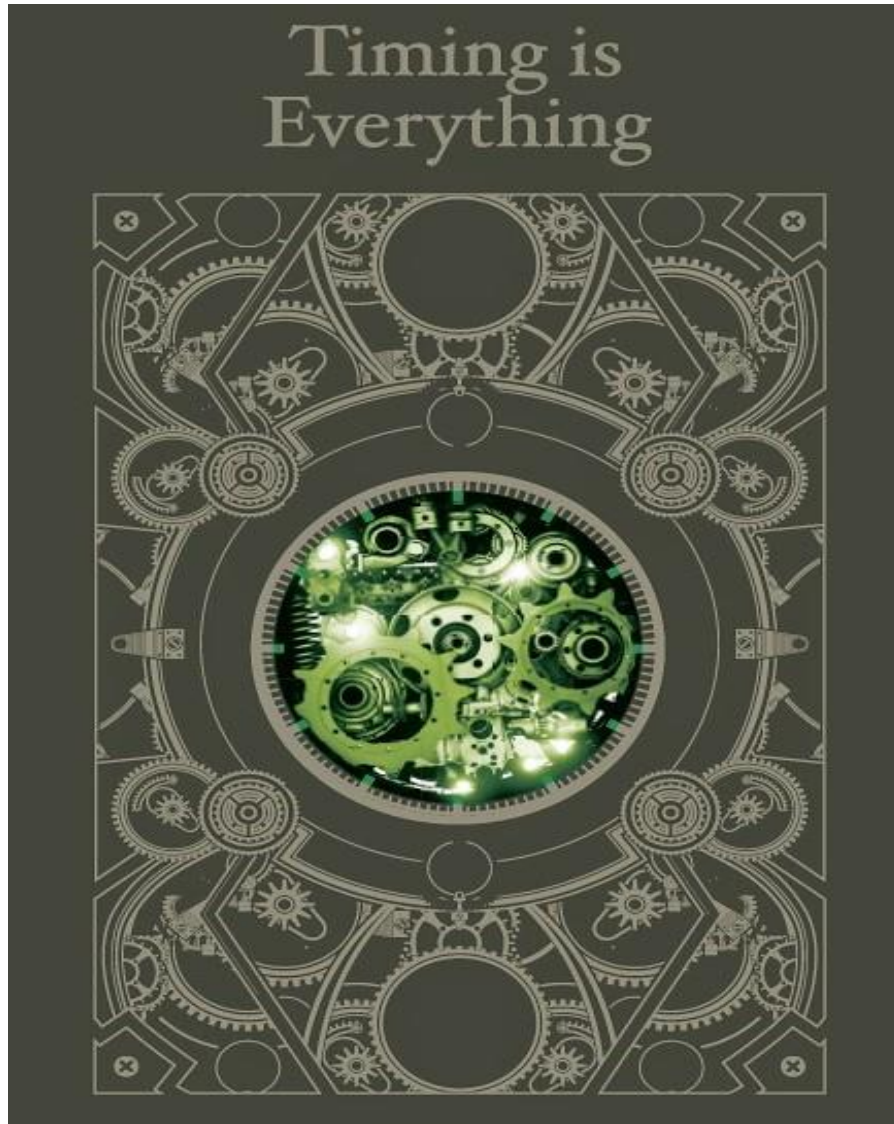


HAYLEYS PLC

Interim Report



STATEMENT OF PROFIT OR LOSS

Consolidated	Company			Consolidated			Company		
Audited year ended 31.03.19 Rs.'000	Audited year ended 31.03.19 Rs.'000		Notes	Unaudited 3 months to 30.06.19 Rs.'000	Unaudited 3 months to 30.06.18 Rs.'000	Change %	Unaudited 3 months to 30.06.19 Rs.'000	Unaudited 3 months to 30.06.18 Rs.'000	Change %
219,181,960	388,745	Revenue	5	52,641,039	50,600,986	4	103,562	98,839	5
(168,941,516)	(213,963)	Cost of sales		(40,284,567)	(38,780,321)	4	(44,784)	(53,987)	(17)
(1,265,014)	-	Direct interest cost		(438,687)	(301,083)	46	-	-	-
48,975,430	174,782	Gross profit		11,917,785	11,519,582	3	58,778	44,852	31
-	1,595,879	Group dividend		-	-	-	116,025	263,866	(56)
2,495,977	1,085,498	Other income		383,094	218,308	75	-	-	-
(9,889,236)	-	Distribution expenses		(2,481,346)	(2,910,204)	(15)	-	-	-
(25,188,277)	(116,332)	Administrative expenses		(6,382,887)	(5,577,216)	14	(46,889)	(57,534)	(19)
(404,613)	(2,549)	Other expenses		(143,311)	(88,072)	63	-	-	-
15,989,281	2,737,278	Results from operating activities		3,293,335	3,162,398	4	127,914	251,184	(49)
2,565,712	41,388	Finance income		364,516	373,338	(2)	13,749	7,329	88
(13,077,319)	(2,730,347)	Finance cost		(3,377,472)	(2,752,267)	23	(772,119)	(600,590)	29
(10,511,607)	(2,688,959)	Net finance cost		(3,012,956)	(2,378,929)	27	(758,370)	(593,261)	28
113,899	9,600	Change in fair value of investment properties		-	-	-	-	-	-
176,096	-	Share of profit of equity accounted investees (net of tax)		81,439	71,950	13	-	-	-
(292,156)	-	Value added tax on financial services		(76,563)	(57,319)	34	-	-	-
5,475,513	57,919	Profit/(loss) before tax	6	285,255	798,100	(64)	(630,456)	(342,077)	84
(2,725,596)	(4,408)	Tax expense		(358,701)	(538,052)	(33)	-	-	-
2,749,917	53,511	Profit/(loss) after tax		(73,446)	260,048	<100	(630,456)	(342,077)	84
		Profit for the period attributable to:							
265,385		Owners of the parent		(548,479)	(261,205)	<100			
2,484,532		Non-controlling interest		475,033	521,253	(9)			
2,749,917				(73,446)	260,048	<100			
		Earnings / (loss) per share							
3.54	0.71	Basic (Rs.)		(7.31)	(3.48)				
3.54	0.71	Diluted (Rs.)		(7.31)	(3.48)				
5.00		Dividend per share (Rs.)							

The Notes on pages 8 to 10 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF COMPREHENSIVE INCOME

Consolidated	Company		Consolidated			Company		
			Unaudited	Unaudited	Change	Unaudited	Unaudited	Change
			3 months to	3 months to		3 months to	3 months to	
Audited year ended 31.03.19 Rs.'000	Audited year ended 31.03.19 Rs.'000		30.06.19 Rs.'000	30.06.18 Rs.'000	%	30.06.19 Rs.'000	30.06.18 Rs.'000	%
2,749,917	53,511	Profit/(loss) after tax	(73,446)	260,048	<100	(630,456)	(342,077)	84
		Other Comprehensive income						
		Items that will not be reclassified subsequently to Statement of Profit or Loss						
2,822,617	-	Revaluation of land	-	-	-	-	-	-
(480,645)	(76,550)	Actuarial loss on employee benefit obligations	-	-	-	-	-	-
(25,178)	-	Net change on equity instruments designated at fair value through other comprehensive income	1,727	(6,448)	>100	-	-	-
(631,099)	-	Income tax on other comprehensive income	-	-	-	-	-	-
		Items that will be reclassified subsequently to Statement of Profit or Loss						
1,379,961	-	Net exchange differences on translation of foreign operations	43,103	(187,167)	>100	-	-	-
(529,138)	-	Net loss on cash flow hedges	(537)	-	<100	-	-	-
(161)	-	Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-
2,536,357	(76,550)	Total other comprehensive income for the period, net of tax	44,293	(193,615)	>100	-	-	-
5,286,274	(23,039)	Total comprehensive income for the period, net of tax	(29,152)	66,433	<100	(630,456)	(342,077)	84
		Total comprehensive income for the period attributable to						
2,141,336		Owners of the parent	(511,609)	(358,439)	43			
3,144,938		Non-controlling interest	482,457	424,872	14			
5,286,274			(29,152)	66,433	<100			

The Notes on pages 8 to 10 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

Consolidated		Company		Notes	Consolidated		Company	
Audited as at 31.03.19 Rs.'000	Audited as at 31.03.19 Rs.'000	Unaudited as at 30.06.19 Rs.'000	Unaudited as at 30.06.18 Rs.'000		Unaudited as at 30.06.19 Rs.'000	Unaudited as at 30.06.18 Rs.'000		
ASSETS								
Non - current assets								
86,885,736	227,170	Property, plant & equipment	86,820,616	84,018,458	214,174	300,941		
-	-	Right of use assets	4,923,072	-	-	-		
2,006,528	70,350	Investment Properties	2,006,568	1,948,609	70,350	60,750		
449,926	-	Biological assets	452,418	405,128	-	-		
14,174,114	-	Intangible assets	14,145,569	14,085,116	-	-		
-	37,738,545	Investments in subsidiaries	-	-	37,873,375	37,153,293		
1,967,409	1,504,863	Investments in equity accounted investees	2,048,848	917,847	1,504,863	-		
259,195	86,497	Other non current financial assets	261,334	283,932	84,273	93,172		
11,611,815	-	Non - current Trade and other receivables	11,700,231	10,016,838	-	-		
2,486,134	-	Other non current assets	2,321,526	2,432,654	-	-		
926,286	-	Deferred tax assets	992,098	834,528	-	-		
120,767,143	39,627,425	Total non-current assets	125,672,280	114,943,110	39,747,035	37,608,156		
Current assets								
39,742,514	909	Inventories	39,139,091	34,092,182	1,094	1,034		
-	3,413,891	Amounts due from subsidiaries	-	-	3,534,459	1,697,747		
102,677	13,570	Amounts due from equity accounted investees	123,119	122,492	53,975	10,438		
55,138,266	19,809	Trade and other receivables	55,721,356	52,041,479	39,518	16,752		
2,319,599	11,562	Other current assets	2,963,660	2,854,028	128,624	150,788		
777,540	42,885	Income tax recoverable	1,039,749	561,068	51,618	14,854		
187,948	6,647	Other current financial assets	234,263	88,865	6,197	7,978		
3,684,941	-	Short-term deposits	3,989,669	3,993,304	-	-		
8,971,145	56,413	Cash in hand and at bank	6,397,997	8,180,693	54,211	479,319		
54,921	-	Assets classified as held for sale	3,021	3,021	-	-		
110,979,551	3,565,686	Total current assets	109,611,925	101,937,132	3,869,696	2,378,910		
231,746,694	43,193,111	Total assets	235,284,205	216,880,242	43,616,731	39,987,066		
EQUITY AND LIABILITIES								
1,575,000	1,575,000	Stated capital	1,575,000	1,575,000	1,575,000	1,575,000		
636,039	13,226	Capital reserves	635,982	890,936	13,226	13,226		
23,072,120	-	Other components of equity	23,137,931	20,882,732	-	-		
14,958,752	16,492,888	Revenue reserves	13,430,919	15,075,777	15,487,432	16,173,305		
40,241,911	18,081,114	Total equity attributable to Equity holders of the company	38,779,832	38,424,446	17,075,658	17,761,531		
21,636,556	-	Non- controlling interest	21,996,962	20,366,121	-	-		
61,878,467	18,081,114	Total Equity	60,776,794	58,790,567	17,075,658	17,761,531		
Non - current liabilities								
39,661,994	12,104,097	Interest bearing borrowings	47,555,206	34,986,855	14,774,305	11,959,298		
777,850	-	Grants	804,440	770,521	-	-		
5,191,022	-	Deferred tax liabilities	4,959,025	4,640,179	-	-		
1,388,434	-	Security deposits	1,430,244	1,243,835	-	-		
1,448,000	-	Other Non current Liabilities	1,517,153	2,811,342	-	-		
804,556	-	Other non current financial liabilities	1,306,267	826,225	-	-		
8,500,108	883,063	Employee benefit obligations	8,711,328	7,587,346	913,539	756,359		
57,771,964	12,987,160	Total non-current liabilities	66,283,663	52,866,303	15,687,844	12,715,657		
Current liabilities								
28,540,236	456,872	Trade and other payables	28,828,217	27,815,198	481,723	691,955		
3,690,060	32,201	Other current liabilities	6,132,996	3,819,383	65,880	24,498		
5,196,568	33,452	Other current financial liabilities	5,308,950	5,515,401	32,009	7,513		
-	37,303	Amounts due to subsidiaries	-	-	53,497	46,154		
4,557	3,152	Amounts due to equity accounted investees	3,152	-	3,152	-		
273,972	-	Deferred Revenue	264,101	383,385	-	-		
768,660	-	Income tax payable	714,823	689,973	-	-		
25,811,627	6,183,524	Current portion of long term interest bearing borrowings	23,417,576	23,933,770	5,750,335	3,379,223		
47,810,251	5,378,333	Short-term interest bearing borrowings	43,553,601	43,065,930	4,466,633	5,360,535		
332	-	Liabilities directly associated with assets classified as held for sale	332	332	-	-		
112,096,263	12,124,837	Total current liabilities	108,223,748	105,223,372	10,853,229	9,509,878		
169,868,227	25,111,997	Total liabilities	174,507,411	158,089,675	26,541,073	22,225,535		
231,746,694	43,193,111	Total equity and liabilities	235,284,205	216,880,242	43,616,731	39,987,066		

The Financial Position as at 30th June, 2019 and Statement of Profit or Loss, Statement of Comprehensive Income, Changes in Equity and Cash Flow for the three 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.

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
7th August 2019

The Notes on pages 8 to 10 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 June

Consolidated

Attributable to owners of the Company														
	Capital Reserves			Other Components of Equity				Revenue Reserves						
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	Shareholders' Funds	Non-controlling interest	Total Equity	
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	Rs.'000	
1,575,000	161,499	474,540	21,088,371	3,554	(480,373)	2,460,568	2,244,906	102,166	8,992	12,602,688	40,241,911	21,636,556	61,878,467	
-	-	-	-	-	-	-	-	-	-	(606,451)	(606,451)	(72,289)	(678,740)	
1,575,000	161,499	474,540	21,088,371	3,554	(480,373)	2,460,568	2,244,906	102,166	8,992	11,996,238	39,635,460	21,564,266	61,199,727	
-	-	-	-	-	-	-	-	-	-	(548,479)	(548,479)	475,033	(73,446)	
-	-	-	-	-	-	18,892	-	-	-	-	18,892	24,211	43,103	
-	-	-	-	-	17,010	-	-	-	-	-	17,010	(17,547)	(537)	
-	-	-	-	967	-	-	-	-	-	-	967	760	1,727	
-	-	-	-	967	17,010	18,892	-	-	-	-	36,869	7,424	44,293	
-	-	-	-	967	17,010	18,892	-	-	-	(548,479)	(511,609)	482,457	(29,152)	
-	-	-	-	-	-	-	-	-	-	(375,000)	(375,000)	(59,795)	(434,795)	
-	-	6,375	-	-	-	-	-	-	-	(6,375)	-	-	-	
-	-	6,375	-	-	-	-	-	-	-	(381,375)	(375,000)	(59,795)	(434,795)	
-	(7,437)	1,005	1,596	-	25,312	2,034	208	23	-	8,240	30,981	10,033	41,014	
-	(7,437)	1,005	1,596	-	25,312	2,034	208	23	-	8,240	30,981	10,033	41,014	
-	(7,437)	7,380	1,596	-	25,312	2,034	208	23	-	(373,135)	(344,019)	(49,761)	(393,781)	
1,575,000	154,062	481,920	21,089,967	4,521	(438,051)	2,481,494	2,245,114	102,189	8,992	11,074,624	38,779,832	21,996,062	60,776,794	
1,575,000	446,229	441,111	19,380,070	19,843	-	1,578,573	2,241,335	90,309	7,134	13,445,884	39,225,488	20,088,299	59,313,787	
-	-	-	-	-	-	-	-	-	-	(261,205)	(261,205)	521,253	260,048	
-	-	-	-	-	-	(93,104)	-	-	-	-	(93,104)	(94,063)	(187,167)	
-	-	-	-	(4,130)	-	-	-	-	-	-	(4,130)	(2,318)	(6,448)	
-	-	-	-	(4,130)	-	(93,104)	-	-	-	-	(97,234)	(96,381)	(193,615)	
-	-	-	-	(4,130)	-	(93,104)	-	-	-	(261,205)	(358,439)	424,872	66,433	
-	-	-	-	-	-	-	-	-	-	(375,000)	(375,000)	(220,350)	(595,350)	
-	-	6,816	-	-	-	-	-	-	-	(6,816)	-	-	-	
-	-	6,816	-	-	-	-	-	-	-	(381,816)	(375,000)	(220,350)	(595,350)	
-	(3,223)	3	1,362	22	-	96	679	-	-	(66,543)	(67,603)	73,300	5,697	
-	(3,223)	3	1,362	22	-	96	679	-	-	(66,543)	(67,603)	73,300	5,697	
-	(3,223)	6,819	1,362	22	-	96	679	-	-	(448,359)	(442,603)	(147,050)	(589,653)	
1,575,000	443,006	447,930	19,381,432	15,735	-	1,485,565	2,242,014	90,309	7,134	12,736,320	38,424,446	20,366,121	58,790,567	

The Notes on pages 8 to 10 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY

For the period ended 30th June

Company

For the period ended 30th June						
		Capital Reserve	Other Component of Equity	Revenue Reserves		
Company	Stated capital	Other capital reserve	Revaluation reserve	General reserve	Retained earnings	Total Equity
	Rs. '000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 31st March 2019	1,575,000	13,226	-	382,087	16,110,801	18,081,114
Loss for the period	-	-	-	-	(630,456)	(630,456)
Other Comprehensive income						
Actuarial losses on defined benefit obligations	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	-	(630,456)	(630,456)
Transactions with owners, recorded directly in equity						
Dividends to equity holders	-	-	-	-	(375,000)	(375,000)
Total contributions by and distributions to owners	-	-	-	-	(375,000)	(375,000)
Total transactions with owners	-	-	-	-	(375,000)	(375,000)
Balance as at 30th June 2019	1,575,000	13,226	-	382,087	15,105,345	17,075,658
Balance as at 31st March 2018	1,575,000	13,226	-	382,087	16,508,295	18,478,608
Loss for the period	-	-	-	-	(342,077)	(342,077)
Other Comprehensive income						
Actuarial losses on defined benefit obligations	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	-	(342,077)	(342,077)
Transactions with owners, recorded directly in equity						
Dividends to equity holders	-	-	-	-	(375,000)	(375,000)
Total contributions by and distributions to owners	-	-	-	-	(375,000)	(375,000)
Total transactions with owners	-	-	-	-	(375,000)	(375,000)
Balance as at 30th June 2018	1,575,000	13,226	-	382,087	15,791,218	17,761,531

The Notes on pages 8 to 10 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

Consolidated	Company		Consolidated	Company
Audited	Audited		Unaudited	Unaudited
year ended	year ended		3 months to	3 months to
31.03.19	31.03.19		30.06.19	30.06.18
Rs.'000	Rs.'000		Rs.'000	Rs.'000
Cash flows from operating activities				
4,764,096	906,707	Cash generated from operations (Note A)	7,126,936	(3,540,420)
(677,545)	(28,277)	Employee benefit paid	(164,427)	(85,221)
(2,899,484)	(34,623)	Income tax paid	(708,601)	(462,689)
1,187,067	843,807	Net cash inflow from operating activities	6,253,908	(4,088,330)
Cash flows from investing activities				
(6,651,342)	(26,688)	Purchase and construction of property, plant & equipment	(1,256,075)	(1,242,243)
-	-	Investments in other non- current assets	(770,478)	(1,971)
(4,730,956)	(128)	Investments in other current financial assets	(164,103)	(986,499)
(3,409)	-	Development of biological assets	(2,492)	(469)
36,626	-	Grants received - capital	34,064	6,896
254,855	8	Proceeds from disposal of property, plant & equipment/ investment property	293,519	17,212
5,498	-	Proceeds from disposal of intangible assets	-	1,785
4,715,482	496,430	Proceeds from disposal of current financial assets	116,555	1,071,219
-	-	Proceeds from disposal of assets held for sales	51,900	-
706,497	-	Proceeds from disposal of subsidiaries	-	-
(167,989)	-	On acquisition of right to generate hydro power/ ERP system	(24,285)	(21,606)
(6,124)	(2,418,738)	Long term investments in group companies and others	(2,688)	-
(121,670)	-	Acquisition of subsidiary	-	-
715,661	40,978	Interest received	96,173	60,653
(61,291)	-	Net movement in deferred revenue	(9,871)	48,122
43,296	-	Dividends received from equity accounted investees	-	-
4,102	357	Dividends received from non-group companies	1,505	1,022
(5,260,764)	(1,907,781)	Net cash used in investing activities	(1,636,276)	(1,045,879)
(4,073,697)	(1,063,974)	Net cash inflow before financing	4,617,632	(5,134,209)
Cash flows from financing activities				
(39,441)	-	Capital payment on finance lease	(110,840)	(3,299)
(10,910,311)	(2,637,210)	Interest paid (including interest capitalized)	(3,128,346)	(2,302,636)
(1,654,089)	-	Dividend paid to non-controlling interest	(59,795)	(220,350)
22,960,782	5,526,820	Proceeds from interest-bearing borrowings	16,561,928	4,288,659
(15,812,087)	(3,271,653)	Repayment of interest-bearing borrowings	(16,043,625)	(3,895,002)
-	60,567	Forward contract gain	-	-
-	-	Net movement in financial liabilities	484,466	(578,462)
189,306	-	Net movement in security deposits	41,810	44,707
(2,348,287)	-	Acquisition of non-controlling interest	-	-
-	(14,719)	Debenture issue fee	-	-
(375,000)	(375,000)	Dividends paid to equity holders of parent	(375,000)	-
(7,989,127)	(711,195)	Net cash inflow / (outflow) from financing activities	(2,629,402)	(2,666,383)
(12,062,824)	(1,775,169)	Net increase / (decrease) in cash and cash equivalents	1,988,230	(7,800,592)
(23,090,226)	(3,546,751)	Cash and cash equivalents at beginning of the year/period	(35,153,050)	(23,090,226)
(35,153,050)	(5,321,920)	Cash and cash equivalents at end of the year/period (Note B)	(33,164,820)	(30,890,818)

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

The Notes on pages 8 to 10 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Consolidated	Company		Consolidated	Company
Audited year ended 31.03.19 Rs.'000	Audited year ended 31.03.19 Rs.'000		Unaudited 3 months to 30.06.19 Rs.'000	Unaudited 3 months to 30.06.18 Rs.'000
		A. Cash generated from operations		
5,475,513	57,919	Profit before tax	285,255	798,100
		Adjustments for:		
10,511,607	2,688,959	Net finance costs	3,012,956	2,378,929
(176,096)	-	Share of profits from equity accounted investees	(81,439)	(71,950)
4,810,981	114,076	Depreciation on property, plant & equipment	1,232,127	1,148,465
61,987	-	Impairment of property, plant & equipment	95,746	-
4,080	-	Impairment of investment properties	-	-
-	(18,649)	Dividend receivable utilized for investment in subsidiary	-	-
(113,899)	(9,600)	Change in fair value of investment properties	-	-
(3,464)	-	Change in fair value of agricultural produce on bearer biological assets	-	-
(35,972)	-	Change in fair value of biological assets	-	-
190	(2,676)	(Gain)/loss on the disposal of property, plant & equipment	(76,801)	(3,670)
664	-	Loss on the disposal of intangible assets	-	-
(272,419)	-	(Gain)/loss on deemed disposal of subsidiary	-	-
-	(36,121)	Scrip Dividend	-	-
(312,807)	-	Reversal of provision	-	-
216,255	-	Amortisation of intangible assets	49,756	43,541
1,783,565	-	Net gains/(loss) on translation of foreign currency	(42,657)	(152,154)
-	2,500	Impairment of investments in subsidiaries	-	-
1,507,363	-	Impairment of trade & other receivables	-	-
691,369	-	Provision for unrealised profit and write-down of inventories	-	-
175,988	-	Impairment/ amortisation of other non-current assets	21,790	-
(444,725)	(1,082,773)	Gain on the disposal of Subsidiaries /equity accounted investees	-	-
1,313,330	121,060	Provision for post employee benefit obligations	382,814	342,462
(30,908)	-	Grants amortised	(7,475)	(8,522)
25,162,602	1,834,694		4,872,072	4,475,202
(10,999,188)	(1,049,656)	(Increase)/decrease in trade and other receivables and other current assets	(1,146,680)	(5,096,572)
(7,751,794)	149	(Increase)/decrease in inventories	603,423	(1,346,552)
(1,647,524)	121,519	Increase/(decrease) in trade and other payables	2,798,121	(1,572,498)
4,764,096	906,706		7,126,936	(3,540,420)
		B. Analysis of cash and cash equivalents		
8,972,260	56,413	Cash in hand and at bank *	6,399,112	8,181,808
3,684,941	-	Short-term deposits	3,989,669	3,993,304
12,657,201	56,413		10,388,781	12,175,112
(47,810,251)	(5,378,333)	Short-term interest bearing borrowings	(43,553,601)	(43,065,930)
(35,153,050)	(5,321,920)	Cash and cash equivalents	(33,164,820)	(30,890,818)
			(4,412,422)	(4,881,216)

* 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 2019.

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 New and amended standards and interpretations

The accounting policies adopted in the preparation of the Interim Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the Annual Consolidated Financial Statements for the year ended 31st March 2019, except for the adoption of the Accounting Policies and methods of computation to be compliant with the requirements of the Sri Lanka Accounting Standard SLFRS - 16 on Leases, which became effective for Annual Financial periods from January 01, 2019.

SLFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('Lessee') and the supplier ('Lessor'). SLFRS 16 replaced Sri Lanka Accounting Standard – LKAS 17 (Leases) and related interpretations. The Company has adopted SLFRS 16 using modified retrospective method from 1 April 2019, without restating comparative information. Instead, it has recognized the cumulative effect of initially applying this standard as an adjustment to the opening balance of Retained earnings at the date of initial application, as permitted under the specific transitional provisions in the standard.

The Group has adopted these standards for the first time. The nature and effect of the changes as a result of adoption of SLFRS 16 as at 1st April 2019 is as follows,

	Rs.'000
Assets	
Right of use assets	3,739,311
Deferred tax assets	263,955
Trade and other receivables	(723,972)
Total assets	3,279,294
Equity and liabilities	
Revenue reserves	(678,740)
Interest bearing borrowings/Lease liability	3,958,034
Total Liability	3,279,294

Set out below, are the carrying amounts of right of use assets and lease liability and the movements for the period ended 30th June 2019.

	Right of use assets Rs.'000	Lease liability Rs.'000
As at 1st April 2019	5,141,246	5,090,571
Amortisation	(218,174)	-
Interest cost	-	165,507
Payment	-	(264,833)
As at 30th June	4,923,072	4,991,245

- 3** SLFRS 9 and SLFRS 15 became applicable for financial periods beginning on or after 1st January 2018. However, Group previously presented the Interim Financial Statements for the period ended 30th June 2018 by applying LKAS 39 – “Financial Instruments – Recognition and Measurement” as permitted by the “Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements” issued by CA Sri Lanka. Therefore, the comparative Financial Statements for the period ended 30th June 2018 is reported under LKAS 39 and is not comparable to the information presented for 2019. Differences arising from the adoption of SLFRS 9 and SLFRS 15 have been recognised directly in Retained earnings as of 1st April 2018.
- 4.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 31st March 2019.
- 4.b** No circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the Financial Statements.
- 4.c** 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.

NOTES TO THE FINANCIAL STATEMENTS

5 INDUSTRY SEGMENT REVENUE

Consolidated
Audited
year ended
31.03.19
Rs.'000

6,592,987	Eco Solutions
17,110,824	Hand Protection
20,917,945	Purification Products
11,858,435	Textiles
4,991,460	Construction Materials
14,967,457	Agriculture
13,008,198	Plantations
45,998,415	Transportation & Logistics
67,205,004	Consumer & Retail
4,399,715	Industry Inputs
1,505,769	Power & Energy
6,362,887	Leisure
4,262,864	Others
219,181,960	

Consolidated			
Total	Intra-group	External	
		Unaudited	Unaudited
		3 months to	3 months to
		30.06.19	30.06.18
Rs.'000	Rs.'000	Rs.'000	Rs.'000
1,619,051	112,767	1,506,284	1,564,789
4,445,621	2,883	4,442,738	4,056,485
5,340,800	-	5,340,800	4,318,123
3,302,610	-	3,302,610	2,349,299
1,051,527	14,374	1,037,153	892,982
2,863,147	216,783	2,646,364	2,893,414
3,411,730	27,263	3,384,467	3,596,839
11,376,099	-	11,376,099	10,797,889
16,022,225	-	16,022,225	16,641,174
1,451,578	147,041	1,304,537	952,971
445,065	-	445,065	454,171
779,057	10,693	768,364	1,150,659
1,298,572	234,239	1,064,333	932,191
53,407,082	766,043	52,641,039	50,600,986

6 INDUSTRY SEGMENT RESULTS

Consolidated
Audited
year ended
31.03.19
Rs.'000

439,589	Eco Solutions
883,475	Hand Protection
1,524,699	Purification Products
464,782	Textiles
594,125	Construction Materials
1,710,147	Agriculture
737,006	Plantations
3,634,138	Transportation & Logistics
4,096,943	Consumer & Retail
83,265	Industry Inputs
910,385	Power & Energy
655,400	Leisure
1,712,288	Others
17,446,242	Segment results
(1,456,961)	Non - segment income/(expenses)
15,989,281	Operating profit
(10,511,607)	Net finance cost
113,899	Change in fair value of investment properties
176,096	Share of profits from equity accounted investees
(292,156)	Value added tax on financial services
5,475,513	Profit before tax

Consolidated	
Unaudited	Unaudited
3 months to	3 months to
30.06.19	30.06.18
Rs.'000	Rs.'000
115,382	87,211
269,493	284,053
445,398	242,421
279,170	65,454
53,986	110,582
204,528	224,339
58,746	61,642
681,989	686,214
1,088,492	1,252,733
69,701	(59)
282,629	294,114
(364,409)	(84,041)
230,886	248,232
3,415,992	3,472,896
(122,657)	(310,498)
3,293,335	3,162,398
(3,012,956)	(2,378,929)
-	-
81,439	71,950
(76,563)	(57,319)
285,255	798,100

NOTES TO THE FINANCIAL STATEMENTS

7 STATED CAPITAL

Company	
Audited	
as at	
31.03.19	
Rs.'000	
	Issued and fully paid
1,575,000	75,000,000 (75,000,000 - 30.06.2018) Ordinary Shares

Company	
Unaudited	Unaudited
as at	as at
30.06.19	30.06.18
Rs.'000	Rs.'000
1,575,000	1,575,000

8 ASSETS AND LIABILITIES OF DISCONTINUED OPERATIONS

Consolidated	
Audited	
as at	
31.03.19	
Rs.'000	
51,900	Property, plant & equipment
1,906	Trade and Other Receivables
1,115	Cash in Hand and at Bank
54,921	Total assets
	Assets classified as held for sale
	Liabilities directly associated with assets classified as held for sale
332	Trade and other payables
332	Total equity and liabilities

Consolidated	
Unaudited	Unaudited
as at	as at
30.06.19	30.06.18
Rs.'000	Rs.'000
-	-
1,906	1,906
1,115	1,115
3,021	3,021
332	332
332	332

INVESTOR INFORMATION

MARKET VALUE OF SHARES

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

	30.06.2019 Rs.	30.06.2018 Rs.
Closing price on	147.60	213.80
Highest price recorded for the three months ending	175.00	227.00
Lowest price recorded for the three months ending	144.10	200.00
Market capitalisation (Rs. Mn.)	11,070	16,035

RATIOS

Net assets per share	517.06	512.33
Price earnings ratio (times)	(5.05)	(15.35)

DIVIDEND PAYMENT

Interim dividend 2018/19 Rs 5.00 per share paid on 17th April, 2019

SHARE TRADING FROM 1ST APRIL, 2019 TO 30TH JUNE, 2019

No. of transactions	802
No. of shares traded	302,023
Value of shares traded (Rs.)	48,329,257.90

LISTED DEBENTURES

Details regarding the listed debentures are as follows;

DEBENTURE 1 -

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 30th June, 2019, 8.23%

DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.06.2019

There were no transactions during the period.

DEBENTURE 2 -

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 June,2019, 9.53%
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 June,2019, 9.53%

DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.06.2019

There were no transactions during the period.

RATIOS

	30.06.2019	30.06.2018
Debt/ equity ratio	1.46	1.17
Quick asset ratio	0.36	0.25
Interest cover	0.17	0.44

INVESTOR INFORMATION

FIRST TWENTY SHAREHOLDERS AS AT 30TH JUNE, 2019

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 LOLC Holdings 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	767,471	1.02
7 Commercial Leasing & Finance PLC	734,144	0.98
8 Mrs.R.N.Ponnambalam	595,645	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 Mrs.P.M Godamunne	443,447	0.59
14 Mr.A.C Wikramanayake	442,203	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	316,739	0.42
Total	60,441,505	80.59

There were no non voting shares as at 30th June, 2019.

PUBLIC HOLDING

Percentage of public holding as at 30th June 2019.	37.67%
Total number of Shareholders representing the Public Holding	6,203
Float- adjusted market capitalization (Rs.)	4,168,962,000
The Company complies with option 4 of the Listing Rules 7.13.1 (a) which requires 10% minimum Public Holding.	

DIRECTORS' SHAREHOLDINGS AS AT 30TH JUNE, 2019

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 S C Ganegoda	23,414
Mr H S R Kariyawasan	9,427
Mr L R V Waidyaratne	37,930
Ms. J. Dharmasena	21,095

* 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
N L S Joseph
Ms. J Dharmasena
R J Karunarajah (appointed w.e.f 01.06.2019)

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 Talpawewa
C De Silva
N R Ranatunge
D W P N Dediwela
H Prematillake
Ng Soon Huat
M Wijewardene
R J Karunarajah (appointed w.e.f 01.06.2019)
Dr A Sivagananathan (resigned w.e.f 30.04.2019)
S J Wijesinghe (resigned w.e.f 15.05.2019)

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