

HAYLEYS PLC

Interim Report



SECOND QUARTER

Six months ended 30th September, 2020

STATEMENT OF PROFIT OR LOSS

Consolidated		Consolidated			Consolidated		
Audited		Unaudited	Unaudited		Unaudited	Unaudited	
year ended		6 months to	6 months to	Change	3 months to	3 months to	Change
31.03.20		30.09.20	30.09.19		30.09.20	30.09.19	
Rs.'000	Notes	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
210,307,003	Revenue	106,895,565	105,375,543	1	58,663,902	52,734,503	11
(158,324,525)	Cost of sales	(79,201,739)	(80,349,604)	(1)	(43,436,280)	(40,065,037)	8
(1,829,082)	Direct interest cost	(960,208)	(917,221)	5	(473,336)	(478,534)	(1)
50,153,396	Gross profit	26,733,618	24,108,718	11	14,754,286	12,190,932	21
1,672,923	Other income	539,157	850,076	(37)	305,465	466,982	(35)
(10,687,848)	Distribution expenses	(5,723,152)	(4,837,600)	18	(2,913,086)	(2,356,254)	24
(24,247,578)	Administrative expenses	(11,642,595)	(12,779,512)	(9)	(5,925,432)	(6,396,625)	(7)
(418,013)	Other expenses	(76,270)	(243,737)	(69)	(44,064)	(100,426)	(56)
16,472,880	Results from operating activities	9,830,758	7,097,945	39	6,177,169	3,804,609	62
2,038,444	Finance income	1,242,479	901,866	38	705,314	537,350	31
(13,047,348)	Finance cost	(5,636,134)	(6,607,254)	(15)	(2,603,486)	(3,229,782)	(19)
(11,008,904)	Net finance cost	(4,393,655)	(5,705,388)	(23)	(1,898,172)	(2,692,432)	(29)
86,882	Change in fair value of investment properties	-	-	-	-	-	-
264,061	Share of profit of equity accounted investees (net of tax)	202,949	219,435	(8)	140,261	137,996	2
(310,867)	Value added tax on financial services	(116,578)	(151,872)	(23)	(70,218)	(75,309)	(7)
5,504,052	Profit before tax for the period	5,523,474	1,460,120	>100	4,349,040	1,174,864	>100
(2,609,260)	Tax expense	(1,700,251)	(819,257)	>100	(1,087,578)	(460,556)	>100
2,894,792	Profit for the period	3,823,223	640,863	>100	3,261,462	714,308	>100
	Profit for the period attributable to:						
372,432	Owners of the parent	1,366,291	(540,100)	>100	1,651,471	8,378	>100
2,522,360	Non-controlling interest	2,456,932	1,180,963	>100	1,609,991	705,930	>100
2,894,792	Profit for the period	3,823,223	640,863	>100	3,261,462	714,308	>100
	Earnings / per share						
4.97	Basic (Rs.)	18.22	(7.20)		22	0.11	
4.97	Diluted (Rs.)	18.22	(7.20)		22	0.11	

The Notes on pages 11 to 13 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF PROFIT OR LOSS

Company		Company			Company		
Audited		Unaudited	Unaudited		Unaudited	Unaudited	
year ended		6 months to	6 months to	Change	3 months to	3 months to	Change
31.03.20		30.09.20	30.09.19		30.09.20	30.09.19	
Rs.'000		Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
400,102	Revenue	192,373	204,488	(6)	99,804	100,926	(1)
(173,195)	Cost of sales	(183,063)	(89,219)	>100	(98,091)	(44,435)	>100
226,907	Gross profit	9,310	115,269	(92)	1,713	56,491	(97)
1,021,949	Group dividend	884,291	297,886	>100	530,492	181,861	>100
15,705	Other income	84	-	>100	84	-	>100
13,952	Administrative expenses	(8,496)	(49,795)	(83)	(128,088)	(2,906)	>100
1,278,513	Results from operating activities	885,189	363,360	>100	404,201	235,446	>100
31,841	Finance income	9,840	20,927	(53)	7,471	7,178	4
(3,092,129)	Finance cost	(1,492,988)	(1,558,844)	(4)	(731,908)	(786,725)	(7)
(3,060,288)	Net finance cost	(1,483,148)	(1,537,917)	(4)	(724,437)	(779,547)	(7)
5,550	Change in fair value of investment properties	-	-	-	-	-	-
(1,776,225)	Loss before tax for the period	(597,959)	(1,174,557)	>100	(320,236)	(544,101)	>100
(8,959)	Tax expense	-	(8,464)	>100	-	(8,464)	>100
(1,785,184)	Loss for the period	(597,959)	(1,183,021)	>100	(320,236)	(552,565)	>100

The Notes on pages 11 to 13 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF COMPREHENSIVE INCOME

Consolidated		Consolidated			Consolidated		
Audited year ended 31.03.20 Rs.'000		Unaudited 6 months to 30.09.20 Rs.'000	Unaudited 6 months to 30.09.19 Rs.'000	Change %	Unaudited 3 months to 30.09.20 Rs.'000	Unaudited 3 months to 30.09.19 Rs.'000	Change %
2,894,792	Profit for the period	3,823,223	640,863	>100	3,261,462	714,308	>100
	Other Comprehensive income						
	Items that will not be reclassified subsequently to Statement of Profit or Loss						
(63,113)	Actuarial loss on employee benefit obligations	-	-	-	-	-	-
(2,446)	Net change on equity instruments designated at fair value through other comprehensive income	32,710	1,772	>100	23,722	45	>100
149,411	Tax on other comprehensive income	-	-	-	-	-	-
	Items that will be reclassified subsequently to Statement of Profit or Loss						
601,790	Net exchange differences on translation of foreign operations	142,794	438,944	(67)	(60,572)	395,841	<100
(294,433)	Net gain /(loss) on cash flow hedges	180,688	(96,279)	>100	52,992	(95,742)	>100
(858)	Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-
390,351	Total other comprehensive income for the period, net of tax	356,192	344,437	3	16,142	300,144	-
3,285,143	Total comprehensive income for the period, net of tax	4,179,415	985,300	>100	3,277,604	1,014,452	>100
	Total comprehensive income for the period attributable to						
553,340	Owners of the parent	1,632,107	(364,030)	>100	1,693,637	147,579	>100
2,731,803	Non-controlling interest	2,547,308	1,349,330	89	1,583,967	866,873	>100
3,285,143		4,179,415	985,300	>100	3,277,604	1,014,452	>100

The Notes on pages 11 to 13 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF COMPREHENSIVE INCOME

Company		Company			Company		
Audited year ended 31.03.20 Rs.'000		Unaudited 6 months to 30.09.20 Rs.'000	Unaudited 6 months to 30.09.19 Rs.'000	Change %	Unaudited 3 months to 30.09.20 Rs.'000	Unaudited 3 months to 30.09.19 Rs.'000	Change %
(1,785,184)	Loss for the period	(597,959)	(1,183,021)	>100	(320,236)	(552,565)	>100
	Other Comprehensive income						
	Items that will not be reclassified subsequently to Statement of Profit or Loss						
(24,857)	Actuarial loss on employee benefit obligations	-	-	-	-	-	-
-	Net change on equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-
1,879	Tax on other comprehensive income	-	-	-	-	-	-
	Items that will be reclassified subsequently to Statement of Profit or Loss						
-	Net exchange differences on translation of foreign operations	-	-	-	-	-	-
-	Net gain /(loss) on cash flow hedges	-	-	-	-	-	-
-	Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-
(22,978)	Total other comprehensive income for the period, net of tax	-	-	-	-	-	-
(1,808,162)	Total comprehensive income for the period, net of tax	(597,959)	(1,183,021)	>100	(320,236)	(552,565)	>100

The Notes on pages 11 to 13 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

Consolidated	Company		Consolidated		Company	
			Unaudited	Unaudited	Unaudited	Unaudited
			as at	as at	as at	as at
31.03.20	31.03.20		30.09.20	30.09.19	30.09.20	30.09.19
Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS						
Non - current assets						
88,485,496	178,930	Property, plant & equipment	87,495,460	87,488,093	155,115	223,975
9,613,729	-	Right-of- use assets	8,982,662	5,380,651	287,245	-
2,719,260	75,900	Investment Properties	2,719,663	2,006,568	75,900	70,350
505,240	-	Biological assets	513,382	459,159	-	-
13,293,849	35,229	Intangible assets	13,209,487	14,154,031	53,648	-
-	39,144,873	Investments in subsidiaries	-	-	39,147,957	38,430,595
2,113,980	1,504,863	Investments in equity accounted investees	2,317,050	2,186,843	1,504,863	1,504,863
252,027	77,597	Other non-current financial assets	259,407	258,244	73,148	82,048
11,333,929	-	Non - current trade and other receivables	11,933,317	10,978,268	-	-
1,119,034	-	Other non-current assets	1,005,857	2,307,430	-	-
1,241,800	71,215	Deferred tax assets	2,248,355	968,848	71,215	-
130,678,344	41,088,607	Total non-current assets	130,684,640	126,188,135	41,369,091	40,311,831
Current assets						
42,225,729	1,775	Inventories	37,732,322	39,213,755	1,944	1,678
-	3,187,550	Amounts due from subsidiaries	-	-	2,817,805	3,058,603
150,137	40,239	Amounts due from equity accounted investees	227,911	103,228	79,508	24,113
59,115,893	44,177	Trade and other receivables	59,731,822	55,995,582	50,105	36,195
2,318,473	8,613	Other current assets	2,547,461	3,175,013	110,505	88,813
1,497,885	62,917	Income tax recoverable	1,285,140	1,464,244	64,002	62,783
412,536	5,110	Other current financial assets	234,790	229,633	7,097	6,947
3,495,891	-	Short-term deposits	4,729,144	3,434,628	118,250	-
8,411,179	313,293	Cash in hand and at bank	11,520,439	8,641,282	90,313	124,616
3,021	-	Assets classified as held for sale	3,022	3,021	-	-
117,630,744	3,663,674	Total current assets	118,012,051	112,260,386	3,339,529	3,403,748
248,309,088	44,752,281	Total assets	248,696,691	238,448,521	44,708,620	43,715,579
EQUITY AND LIABILITIES						
1,575,000	1,575,000	Stated capital	1,575,000	1,575,000	1,575,000	1,575,000
676,104	13,226	Capital reserves	675,819	656,319	13,226	13,226
23,644,932	-	Other components of equity	23,911,816	23,279,645	-	-
13,808,523	14,309,726	Revenue reserves	14,966,941	13,090,639	13,486,767	14,934,867
39,704,559	15,897,952	Total equity attributable to Equity holders of the company	41,129,576	38,601,603	15,074,993	16,523,093
23,151,943	-	Non- controlling interest	24,776,972	22,749,434	-	-
62,856,502	15,897,952	Total Equity	65,906,548	61,351,037	15,074,993	16,523,093
Non - current liabilities						
52,239,814	17,969,123	Interest bearing borrowings	52,249,765	51,988,367	17,075,139	19,591,122
787,993	-	Grants	831,336	801,887	-	-
5,120,949	-	Deferred tax liabilities	5,948,363	5,091,839	-	-
1,394,611	-	Security deposits	1,386,854	1,405,247	-	-
1,730,000	-	Other Non-current Liabilities	1,773,099	1,527,347	-	-
1,979,089	-	Other non-current financial liabilities	1,324,668	1,107,126	-	-
9,240,100	952,633	Employee benefit obligations	9,609,138	8,949,505	1,019,208	948,586
72,492,556	18,921,756	Total non-current liabilities	73,123,223	70,871,318	18,094,347	20,539,708
Current liabilities						
32,019,839	474,980	Trade and other payables	37,642,902	29,895,114	338,590	429,808
3,447,003	6,248	Other current liabilities	4,071,576	3,337,448	10,339	28,810
5,035,956	-	Other current financial liabilities	6,819,227	5,386,428	-	16,559
-	69,312	Amounts due to subsidiaries	-	-	329,626	57,347
3,152	3,152	Amounts due to equity accounted investees	21,701	3,152	3,152	3,152
383,218	-	Deferred Revenue	391,577	465,355	-	-
754,952	-	Income tax payable	1,130,866	463,768	-	-
26,774,764	3,847,776	Current portion of long term interest bearing borrowings	22,325,188	25,018,001	4,125,342	3,850,156
44,540,814	5,531,105	Short-term interest bearing borrowings	37,263,551	41,656,568	6,732,231	2,266,946
332	-	Liabilities directly associated with assets classified as held for sale	332	332	-	-
112,960,029	9,932,573	Total current liabilities	109,666,920	106,226,166	11,539,280	6,652,778
185,452,586	28,854,329	Total liabilities	182,790,143	177,097,484	29,633,627	27,192,486
248,309,088	44,752,281	Total equity and liabilities	248,696,691	238,448,521	44,708,620	43,715,579

The Financial Position as at 30th September 2020, and Statement of Profit or Loss , Statement of Comprehensive Income, Changes in Equity and Cash Flow for the six 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
9th November 2020

The Notes on pages 11 to 13 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

For the period ended 30th September	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
Balance as at 31st March 2020	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/(loss) for the period	-	-	-	-	-	-	-	-	-	-	1,366,291	1,366,291	2,456,932	3,823,223
Other Comprehensive income														
Net exchange differences on translation of foreign operations	-	-	-	-	-	-	77,954	-	-	-	-	77,954	64,840	142,794
Net gain / (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
Total other comprehensive income	-	-	-	-	21,330	166,532	77,954	-	-	-	-	265,816	90,376	356,192
Total Comprehensive income for the period	-	-	-	-	21,330	166,532	77,954	-	-	-	1,366,291	1,632,107	2,547,308	4,179,415
Transactions with owners, recorded directly in equity														
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	(225,000)	(225,000)	(871,859)	(1,096,859)
Transfers	-	-	-		(272)	-	-	1,702	-	-	(1,430)	-	-	-
Total contributions by and distributions to owners	-	-	-	-	(272)	-	-	1,702	-	-	(226,430)	(225,000)	(871,859)	(1,096,859)
Changes in ownership interests in subsidiaries														
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)
Total changes in ownership interests in subsidiaries	-	(285)	-	1,488	(18)	(450)	320	6,683	-	-	10,172	17,911	(50,420)	(32,509)
Total transactions with owners	-	(285)	-	1,488	(290)	(450)	320	8,385	-	-	(216,258)	(207,089)	(922,279)	(1,129,368)
Balance as at 30th September 2020	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 11 to 13 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY

For the period ended 30th September

For the period ended 30th September	Attributable to owners of the Company													
	Capital Reserves			Other Components of Equity				Revenue Reserves				Shareholders' Funds	Non-controlling interest	Total Equity
	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			
Balance as at 31st March 2019 - Restated	1,575,000	161,499	474,540	21,088,371	3,554	(480,373)	2,460,568	2,244,906	102,166	8,992	11,828,158			
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	(540,100)	(540,100)	1,180,963	640,863
Other Comprehensive income														
Net exchange differences on translation of foreign operations	-	-	-	-	-	-	260,990	-	-	-	-	260,990	177,954	438,944
Net loss on cash flow hedges	-	-	-	-	-	(86,014)	-	-	-	-	-	(86,014)	(10,265)	(96,279)
Net change on equity instruments designated at fair value through other comprehensive income	-	-	-	-	1,094	-	-	-	-	-	-	1,094	678	1,772
Total other comprehensive income	-	-	-	-	1,094	(86,014)	260,990	-	-	-	-	176,070	168,367	344,437
Total Comprehensive income for the period	-	-	-	-	1,094	(86,014)	260,990	-	-	-	(540,100)	(364,030)	1,349,330	985,300
Transactions with owners, recorded directly in equity														
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	(375,000)	(375,000)	(472,167)	(847,166)
Transfers	-	-	6,375	-	-	-	-	-	-	-	(6,375)	-	-	-
Total contributions by and distributions to owners	-	-	6,375	-	-	-	-	-	-	-	(381,375)	(375,000)	(472,167)	(847,166)
Changes in ownership interests in subsidiaries														
Adjustment on changes to non-controlling interest in subsidiaries	-	12,900	1,005	4,626	35	24,500	2,294	333	23	-	(172,464)	(126,748)	342,651	215,903
Total changes in ownership interests in subsidiaries	-	12,900	1,005	4,626	35	24,500	2,294	333	23	-	(172,464)	(126,748)	342,651	215,903
Total transactions with owners	-	12,900	7,380	4,626	35	24,500	2,294	333	23	-	(553,838)	(501,747)	(129,516)	(631,263)
Balance as at 30th September 2019	1,575,000	174,399	481,920	21,092,997	4,683	(541,887)	2,723,852	2,245,239	102,189	8,992	10,734,220	38,601,603	22,749,434	61,351,037

The Notes on pages 11 to 13 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

For the period ended 30th September						
	Capital Reserve	Other Component of Equity				
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 2020	1,575,000	13,226	-	382,087	13,927,639	15,897,952
Loss for the period	-	-	-	-	(597,959)	(597,959)
Other Comprehensive income						
Total other comprehensive income	-	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	-	(597,959)	(597,959)
Transactions with owners, recorded directly in equity						
Dividends to equity holders	-	-	-	-	(225,000)	(225,000)
Total contributions by and distributions to owners	-	-	-	-	(225,000)	(225,000)
Total transactions with owners	-	-	-	-	(225,000)	(225,000)
Balance as at 30th September 2020	1,575,000	13,226	-	382,087	13,104,680	15,074,993
Balance as at 31st March 2019	1,575,000	13,226	-	382,087	16,110,801	18,081,114
Loss for the period	-	-	-	-	(1,183,021)	(1,183,021)
Other Comprehensive income						
Total other comprehensive income	-	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	-	(1,183,021)	(1,183,021)
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 September 2019	1,575,000	13,226	-	382,087	14,552,780	16,523,093

The Notes on pages 11 to 13 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

Consolidated	Company		Consolidated	Company
Audited year ended 31.03.20 Rs.'000	Audited year ended 31.03.20 Rs.'000		Unaudited 6 months to 30.09.20 Rs.'000	Unaudited 6 months to 30.09.19 Rs.'000
		Cash flows from operating activities		
22,834,854	951,466	Cash generated from operations (Note A)	23,571,160	11,863,185
(810,401)	(87,704)	Employee benefit paid	(424,429)	(337,717)
(3,176,145)	(98,327)	Income tax paid	(1,290,733)	(1,869,724)
18,848,307	765,435	Net cash inflow from operating activities	21,855,998	9,655,744
		Cash flows from investing activities		
(8,290,039)	(57,572)	Purchase and construction of property, plant & equipment	(1,827,455)	(3,036,506)
(677,903)	-	Investments in other non- current assets	-	(971,320)
(4,483,323)	(64)	Investments in other current financial assets	(875,596)	(180,875)
183	-	Development of biological assets	(8,142)	(9,234)
38,095	-	Grants received - capital	60,418	38,593
(13,600)	-	Improvements to investment property	(403)	-
488,555	62	Proceeds from disposal of property, plant & equipment/ investment property	91,154	344,273
5,340	-	Proceeds from disposal of intangible assets	92,027	3,627
4,281,574	-	Proceeds from disposal of current financial assets	1,088,287	169,981
51,900	-	Proceeds from disposal of assets held for sale	-	51,900
(236,905)	-	On acquisition of right to generate hydro power/ ERP system	(105,276)	(78,760)
-	(669,443)	Long term investments in group companies and others	-	(1,979)
543,634	21,955	Interest received	299,810	313,333
109,246	-	Net movement in deferred revenue	8,359	191,383
116,632	-	Dividends received from equity accounted investees	-	-
4,094	456	Dividends received from non-group companies	2,853	3,657
(8,062,517)	(704,606)	Net cash used in investing activities	(1,173,964)	(3,161,927)
10,785,790	60,829	Net cash inflow before financing	20,682,034	6,493,817
		Cash flows from financing activities		
(1,987,712)	-	Payment on lease	(464,390)	(14,959)
(10,997,452)	(3,054,139)	Interest paid (including interest capitalized)	(4,774,451)	(6,205,985)
(359,353)	-	Dividend paid to non-controlling interest	(871,859)	(472,167)
52,136,197	10,500,000	Proceeds from interest-bearing borrowings	22,512,364	15,315,696
(46,168,149)	(7,010,338)	Repayment of interest-bearing borrowings	(26,360,016)	(9,938,306)
1,013,921	-	Net movement in financial liabilities	1,128,851	753,598
6,177	-	Net movement in security deposits	(7,757)	16,813
(1,533,999)	-	Acquisition of non-controlling interest	-	-
-	(17,244)	Debenture issue fee	-	-
(375,000)	(375,000)	Dividends paid to equity holders of parent	(225,000)	(375,000)
(8,265,370)	43,279	Net cash inflow / (outflow) from financing activities	(9,062,258)	(920,310)
2,520,421	104,108	Net increase / (decrease) in cash and cash equivalents	11,619,776	5,573,507
(35,153,050)	(5,321,920)	Cash and cash equivalents at beginning of the year/period	(32,632,629)	(35,153,050)
(32,632,629)	(5,217,812)	Cash and cash equivalents at end of the year/period (Note B)	(21,012,853)	(29,579,543)

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

The Notes on pages 11 to 13 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

Consolidated	Company		Consolidated	Company
Audited year ended 31.03.20 Rs.'000	Audited year ended 31.03.20 Rs.'000		Unaudited 6 months to 30.09.20 Rs.'000	Unaudited 6 months to 30.09.19 Rs.'000
		A. Cash generated from operations		
5,504,052	(1,776,225)	Profit before tax	5,523,474	1,460,120
		Adjustments for:		
11,008,904	3,060,288	Net finance costs	4,393,655	5,705,388
(264,061)	-	Share of profits from equity accounted investees	(202,949)	(219,435)
5,159,375	70,583	Depreciation on property, plant & equipment / right of use assets	2,658,758	2,521,292
79,870	-	Impairment of property, plant & equipment	-	-
1,442,333	-	Depreciation on right of use assets	733,003	-
-	-	Impairment of investment properties	-	-
110,462	-	Write off of property, plant & equipment	-	-
-	-	Dividend receivable utilized for investment in subsidiary	-	-
(86,882)	(5,550)	Change in fair value of investment properties	-	-
14,944	-	Change in fair value of agricultural produce on bearer biological assets	-	-
(39,650)	-	Change in fair value of biological assets	-	-
(56,545)	(62)	(Gain)/loss on the disposal of property, plant & equipment	(40,297)	(95,394)
-	-	Loss on the disposal of intangible assets	-	-
-	(15,643)	(Gain)/loss on deemed disposal of subsidiary	-	-
-	-	Scrip Dividend	-	-
-	-	Reversal of provision	-	-
193,974	-	Amortisation of intangible assets	96,734	98,516
711,428	-	Net (gain)/loss on translation of foreign currency	713,090	541,496
-	-	Impairment of investments in subsidiaries	-	-
940,203	-	Impairment of trade & other receivables	-	-
361,581	-	Provision for unrealised profit and write-down of inventories	-	-
(173,310)	-	Impairment/ amortisation of other non -current assets	-	38,862
-	-	Gain on the disposal of Subsidiaries /equity accounted investees	-	-
1,484,181	132,416	Provision for post employee benefit obligations	769,805	792,862
(27,952)	-	Grants amortised	(17,075)	(14,556)
26,362,907	1,465,807		14,628,198	10,829,151
(4,248,022)	(534,997)	(Increase)/decrease in trade and other receivables and other current assets	(1,859,731)	(574,388)
(2,859,741)	(867)	(Increase)/decrease in inventories	4,493,408	528,759
3,579,710	21,523	Increase/(decrease) in trade and other payables	6,309,285	1,079,663
22,834,854	951,466		23,571,160	11,863,185
		B. Analysis of cash and cash equivalents		
8,412,294	313,293	Cash in hand and at bank *	11,521,554	8,642,397
3,495,891	-	Short - term deposits	4,729,144	3,434,628
11,908,185	313,293		16,250,698	12,077,025
(44,540,814)	(5,531,105)	Short-term interest bearing borrowings	(37,263,551)	(41,656,568)
(32,632,629)	(5,217,812)	Cash and cash equivalents	(21,012,853)	(29,579,543)
			(6,523,668)	(2,142,330)

* Includes discontinued operations.

The Notes on pages 11 to 13 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 2020.

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 2020.

- 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
31.03.20		30.09.20			30.09.19
Rs.'000		Rs.'000			Rs.'000
6,216,160	Eco Solutions	3,901,437	363,811	3,537,626	3,098,210
17,870,232	Hand Protection	12,788,243	1,753	12,786,490	8,622,440
22,822,743	Purification Products	11,879,232	-	11,879,232	11,309,656
12,099,878	Textiles	7,109,422	5,107	7,104,315	6,780,776
4,644,728	Construction Materials	2,362,062	68,260	2,293,802	2,342,650
13,631,015	Agriculture	7,496,156	242,324	7,253,832	5,475,798
12,643,867	Plantations	7,466,352	-	7,466,352	6,645,889
43,894,412	Transportation & Logistics	16,343,266	5,818	16,337,448	22,328,289
61,564,533	Consumer & Retail	33,339,366	-	33,339,366	31,076,760
4,414,328	Industry Inputs	2,062,104	222,450	1,839,654	2,503,784
1,600,072	Power & Energy	779,423	-	779,423	1,022,783
4,481,442	Leisure	575,962	19,677	556,285	1,892,136
4,423,593	Others	2,586,668	864,928	1,721,740	2,276,371
210,307,003		108,689,693	1,794,128	106,895,565	105,375,543

NOTES TO THE FINANCIAL STATEMENTS

5 INDUSTRY SEGMENT RESULTS

Consolidated		Consolidated	
Audited		Unaudited	Unaudited
year ended		6 months to	6 months to
31.03.20		30.09.20	30.09.19
Rs.'000		Rs.'000	Rs.'000
435,086	Eco Solutions	197,517	271,935
1,090,832	Hand Protection	2,282,233	599,448
2,501,619	Purification Products	2,437,150	1,046,111
445,181	Textiles	525,678	479,284
460,589	Construction Materials	381,977	218,799
1,546,504	Agriculture	672,646	433,210
406,592	Plantations	600,994	12,787
3,969,708	Transportation & Logistics	870,753	1,394,837
4,331,818	Consumer & Retail	2,263,891	1,911,661
307,732	Industry Inputs	119,976	165,962
938,149	Power & Energy	475,928	705,211
(352,310)	Leisure	(974,614)	(373,305)
1,629,143	Others	1,016,546	569,312
17,710,642	Segment results	10,870,675	7,435,252
(1,237,763)	Non - segment income/(expenses)	(1,039,917)	(337,307)
16,472,880	Operating profit	9,830,758	7,097,945
(11,008,904)	Net finance cost	(4,393,655)	(5,705,388)
86,882	Change in fair value of investment properties	-	-
264,061	Share of profits from equity accounted investees	202,949	219,435
(310,867)	Value added tax on financial services	(116,578)	(151,872)
5,504,052	Profit before tax	5,523,474	1,460,120

NOTES TO THE FINANCIAL STATEMENTS

6 STATED CAPITAL

Company	
Audited	
as at	
31.03.20	
Rs.'000	
	Issued and fully paid
1,575,000	75,000,000 (75,000,000 - 30.09.2019) Ordinary Shares

Company	
Unaudited	Unaudited
as at	as at
30.09.20	30.09.19
Rs.'000	Rs.'000
1,575,000	1,575,000

7 ASSETS AND LIABILITIES OF DISCONTINUED OPERATIONS

Consolidated	
Audited	
as at	
31.03.20	
Rs.'000	
	Assets classified as held for sale
1,906	Trade and Other Receivables
1,115	Cash in Hand and at Bank
3,021	Total assets
	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
30.09.20	30.09.19
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:

	30.09.20 Rs.	30.09.19 Rs.
Closing price on	279.90	150.30
Highest price recorded for the three months ending	294.90	180.00
Lowest price recorded for the three months ending	130.00	144.50
Market capitalisation (Rs. Mn.)	20,993	11,273

RATIOS

Net assets per share	548.39	514.69
Price earnings ratio (times)	7.68	(10.44)

SHARE TRADING FROM 1ST JULY, 2020 TO 30TH SEPTEMBER, 2020

No. of transactions	3,927
No. of shares traded	4,210,529
Value of shares traded (Rs.)	890,726,361

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, 2020 5.81%
 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, 2020 5.81%

DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.09.2020

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, 2020 6.09%
 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, 2020 6.09%

DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.09.2020

No. of Transactions	1
No. of Debentures traded	100,000
Value of Debentures traded (Rs.)	10,729,000
Highest Price (Rs.)	107.29
Lowest Price (Rs.)	107.29
Last Traded Price (Rs.)	107.29
Interest yield - Last traded	11.91%
Yield to maturity - Last traded	10.75%

RATIOS

	30.09.20	30.09.19
Debt/ equity ratio	1.85	1.56
Quick asset ratio	0.29	0.51
Interest cover	0.59	0.24

INVESTOR INFORMATION

FIRST TWENTY SHAREHOLDERS AS AT 30TH SEPTEMBER, 2020

Name of the Shareholder	No.of Shares	%
1 Mr.K.D.D.Perera	38,259,697	51.01
2 Trustees of the D.S.Jayasundera Trust	8,698,017	11.60
3 Employees Provident Fund	3,776,621	5.04
4 Finco Holdings (Pvt) Ltd	2,340,830	3.12
5 Hayleys Group Services(Private) Ltd No.02 A/C	1,117,090	1.49
6 Mrs.R.N.Ponnambalam	600,145	0.80
7 Mr.N.K.A.D.De Silva	570,166	0.76
8 Mrs.R.M.Spittel	564,697	0.75
9 Mrs.A.M.L.Johnpulle & Mr.B.J.M.Johnpulle	530,209	0.71
10 Mr.R.H.S.Phillips	520,727	0.69
11 Mrs.Y.M.Spittel	465,561	0.62
12 Mrs.S.D. Wickramasinghe	449,298	0.60
13 Mrs.P.M Godamunne	443,447	0.59
14 Mrs.A.K Wikramanayake	438,449	0.58
15 Commercial Leasing & Finance PLC	412,697	0.55
16 Associated Electrical Corporation Ltd	400,000	0.53
17 Sri Lanka Insurance Corporation Ltd-Life Fund	397,418	0.53
18 Mrs. V. Saraswathi & Mr. S. Vasudevan	333,133	0.44
19 Mr.A.C Wikramanayake	324,432	0.43
20 Mr.S.Rameshan	316,982	0.42
Total	60,959,616	81.28

There were no non voting shares as at 30th September, 2020.

PUBLIC HOLDING

Percentage of public holding as at 30th September, 2020	37.10%
Total number of Shareholders representing the Public Holding	6,369
Float- adjusted market capitalization (Rs.)	7,788,217,500
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 SEPTEMBER, 2020

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	38,261,363 *
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
Ms. J Dharmasena
R J Karunaratne
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 Talpawewa
C De Silva
N R Ranatunge
D W P N Dediwela
H Prematillake
Ng Soon Huat
M Wijewardene
R J Karunaratne

AUDIT COMMITTEE

M Y A Perera - Chairman
Dr H Cabral, PC
M H Jamaldeen
K D G Gunaratne (appointed w.e.f 17. 06. 2020)

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