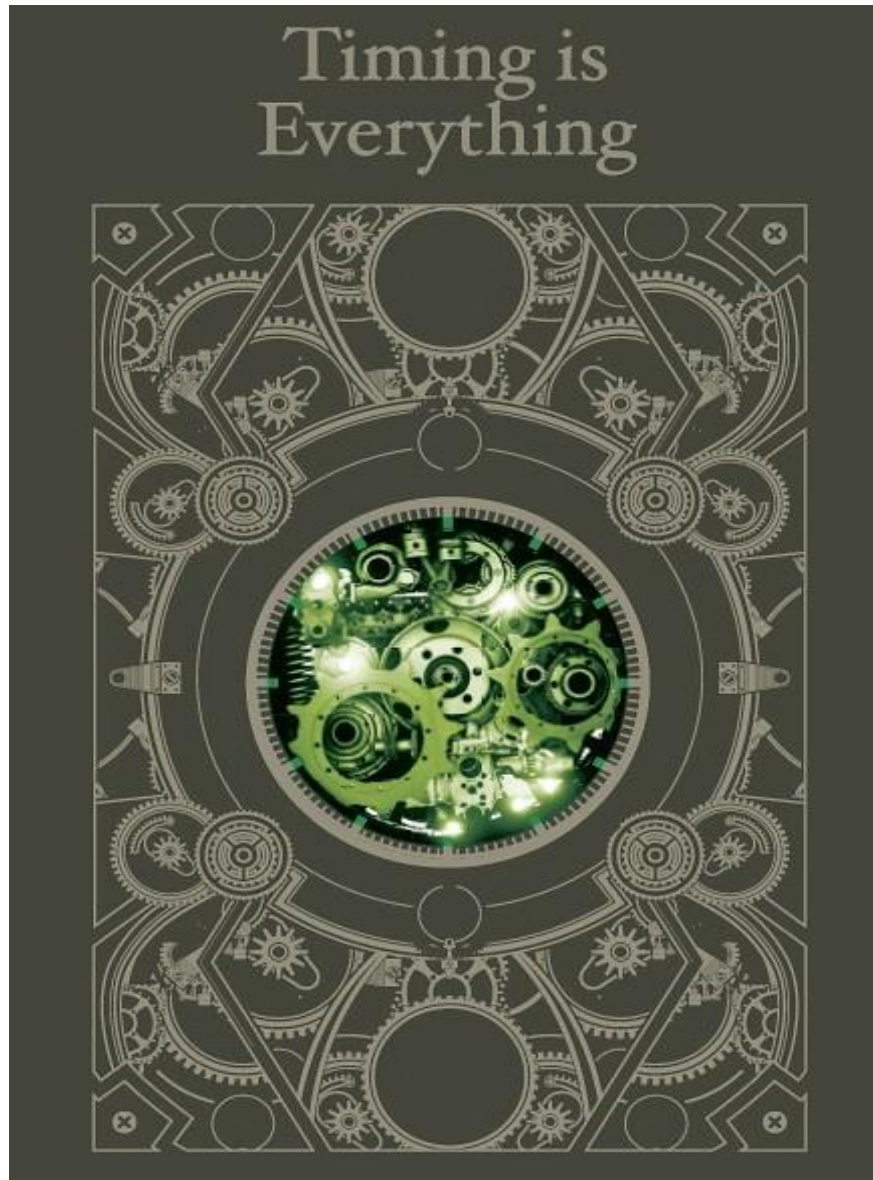


# HAYLEYS PLC

## Interim Report



## STATEMENT OF PROFIT OR LOSS

Consolidated			Consolidated			Consolidated		
			Unaudited 6 months to 30.09.19 Rs.'000	Unaudited 6 months to 30.09.18 Rs.'000	Change %	Unaudited 3 months to 30.09.19 Rs.'000	Unaudited 3 months to 30.09.18 Rs.'000	Change %
Audited year ended 31.03.19 Rs.'000		Notes						
219,181,960	<b>Revenue</b>	5	<b>105,375,543</b>	103,044,864	2	<b>52,734,503</b>	52,443,878	1
(168,941,516)	Cost of sales		<b>(80,349,604)</b>	(79,365,488)	1	<b>(40,065,037)</b>	(40,585,167)	(1)
(1,265,014)	Direct interest cost		<b>(917,221)</b>	(581,385)	58	<b>(478,534)</b>	(280,302)	71
48,975,430	<b>Gross profit</b>		<b>24,108,718</b>	23,097,991	4	<b>12,190,932</b>	11,578,409	5
2,495,977	Other income		<b>850,076</b>	828,319	3	<b>466,982</b>	610,011	(23)
(9,889,236)	Distribution expenses		<b>(4,837,600)</b>	(5,784,682)	(16)	<b>(2,356,254)</b>	(2,874,478)	(18)
(25,188,277)	Administrative expenses		<b>(12,779,512)</b>	(11,205,845)	14	<b>(6,396,625)</b>	(5,628,629)	14
(404,613)	Other expenses		<b>(243,737)</b>	(173,935)	40	<b>(100,426)</b>	(85,863)	17
15,989,281	<b>Results from operating activities</b>		<b>7,097,945</b>	6,761,848	5	<b>3,804,609</b>	3,599,450	6
2,565,712	Finance income		<b>901,866</b>	1,163,259	(22)	<b>537,350</b>	789,921	(32)
(13,077,319)	Finance cost		<b>(6,607,254)</b>	(6,175,676)	7	<b>(3,229,782)</b>	(3,423,409)	(6)
(10,511,607)	<b>Net finance cost</b>		<b>(5,705,388)</b>	(5,012,417)	14	<b>(2,692,432)</b>	(2,633,488)	2
113,899	Change in fair value of investment properties		-	-	-	-	-	-
176,096	Share of profit of equity accounted investees (net of tax)		<b>219,435</b>	172,527	27	<b>137,996</b>	100,577	37
(292,156)	Value added tax on financial services		<b>(151,872)</b>	(127,045)	20	<b>(75,309)</b>	(69,726)	8
5,475,513	<b>Profit before tax for the period</b>	6	<b>1,460,120</b>	1,794,913	(19)	<b>1,174,864</b>	996,813	18
(2,725,596)	Tax expense		<b>(819,257)</b>	(1,025,888)	(20)	<b>(460,556)</b>	(487,836)	(6)
2,749,917	<b>Profit after tax for the period</b>		<b>640,863</b>	769,025	(17)	<b>714,308</b>	508,977	40
	<b>Profit /(loss) for the period attributable to:</b>							
265,385	Owners of the parent		<b>(540,100)</b>	(404,624)	33	<b>8,378</b>	(143,419)	>100
2,484,532	Non-controlling interest		<b>1,180,963</b>	1,173,649	1	<b>705,930</b>	652,396	8
2,749,917			<b>640,863</b>	769,025	(17)	<b>714,308</b>	508,977	40
	<b>Earnings / (loss) per share</b>							
3.54	Basic (Rs.)		<b>(7.20)</b>	(5.39)		<b>0.11</b>	(1.91)	
3.54	Diluted (Rs.)		<b>(7.20)</b>	(5.39)		<b>0.11</b>	(1.91)	

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

## STATEMENT OF PROFIT OR LOSS

Company		Company			Company		
Audited year ended 31.03.19 Rs.'000		Unaudited 6 months to 30.09.19 Rs.'000	Unaudited 6 months to 30.09.18 Rs.'000	Change %	Unaudited 3 months to 30.09.19 Rs.'000	Unaudited 3 months to 30.09.18 Rs.'000	Change %
388,745	Revenue	204,488	195,547	5	100,926	96,708	4
(213,963)	Cost of sales	(89,219)	(107,482)	(17)	(44,435)	(53,495)	(17)
174,782	Gross profit	115,269	88,065	31	56,491	43,213	31
1,595,879	Group dividend	297,886	686,797	(57)	181,861	422,931	(57)
1,085,498	Other income	-	-	-	-	-	-
(116,332)	Administrative expenses	(49,795)	(32,193)	55	(2,906)	25,341	<100
(2,549)	Other expenses	-	-	-	-	-	-
2,737,278	Results from operating activities	363,360	742,669	(51)	235,446	491,485	(52)
41,388	Finance income	20,927	73,452	(72)	7,178	66,123	(89)
(2,730,347)	Finance cost	(1,558,844)	(1,290,067)	21	(786,725)	(689,477)	14
(2,688,959)	Net finance cost	(1,537,917)	(1,216,615)	26	(779,547)	(623,354)	25
9,600	Change in fair value of investment properties	-	-	-	-	-	-
57,919	Profit/(loss) before tax for the period	(1,174,557)	(473,946)	<100	(544,101)	(131,869)	<100
(4,408)	Tax expense	(8,464)	-	>100	(8,464)	-	>100
53,511	Profit/(loss) after tax for the period	(1,183,021)	(473,946)	<100	(552,565)	(131,869)	<100

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

## STATEMENT OF COMPREHENSIVE INCOME

Consolidated		Consolidated			Consolidated		
Audited year ended 31.03.19 Rs.'000		Unaudited 6 months to 30.09.19 Rs.'000	Unaudited 6 months to 30.09.18 Rs.'000	Change %	Unaudited 3 months to 30.09.19 Rs.'000	Unaudited 3 months to 30.09.18 Rs.'000	Change %
2,749,917	Profit after tax for the period	640,863	769,025	(17)	714,308	508,977	40
	<b>Other Comprehensive income</b>						
	<b>Items that will not be reclassified subsequently to Statement of Profit or Loss</b>						
2,822,617	Revaluation of land	-	-	-	-	-	-
(480,645)	Actuarial loss on employee benefit obligations	-	-	-	-	-	-
(25,178)	Net change on equity instruments designated at fair value through other comprehensive income	1,772	(14,171)	>100	45	(7,723)	>100
(631,099)	Income tax on other comprehensive income	-	-	-	-	-	-
	<b>Items that will be reclassified subsequently to Statement of Profit or Loss</b>						
1,379,961	Net exchange differences on translation of foreign operations	438,944	528,235	(17)	395,841	715,402	(45)
(529,138)	Net loss on cash flow hedges	(96,279)	(269,484)	(64)	(95,742)	(269,484)	(64)
(161)	Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-
2,536,357	<b>Total other comprehensive income for the period, net of tax</b>	344,437	244,580	41	300,144	438,195	(32)
5,286,274	<b>Total comprehensive income for the period, net of tax</b>	985,300	1,013,605	(3)	1,014,452	947,172	7
	<b>Total comprehensive income for the period attributable to</b>						
2,141,336	Owners of the parent	(364,030)	(314,021)	16	147,579	44,418	>100
3,144,938	Non-controlling interest	1,349,330	1,327,626	2	866,873	902,754	(4)
5,286,274		985,300	1,013,605	(3)	1,014,452	947,172	7

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

## STATEMENT OF COMPREHENSIVE INCOME

Company		Company			Company		
Audited year ended 31.03.19 Rs.'000		Unaudited 6 months to 30.09.19 Rs.'000	Unaudited 6 months to 30.09.18 Rs.'000	Change %	Unaudited 3 months to 30.09.19 Rs.'000	Unaudited 3 months to 30.09.18 Rs.'000	Change %
53,511	Profit/(loss) after tax for the period	(1,183,021)	(473,946)	<100	(552,565)	(131,869)	<100
	<b>Other Comprehensive income</b>						
	<b>Items that will not be reclassified subsequently to Statement of Profit or Loss</b>						
-	Revaluation of land	-	-	-	-	-	-
(76,550)	Actuarial loss on employee benefit obligations	-	-	-	-	-	-
-	Net change on equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-
-	Income 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 loss on cash flow hedges	-	-	-	-	-	-
-	Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-
(76,550)	<b>Total other comprehensive income for the period, net of tax</b>	-	-	-	-	-	-
(23,039)	<b>Total comprehensive income for the period, net of tax</b>	(1,183,021)	(473,946)	<100	(552,565)	(131,869)	<100

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

## STATEMENT OF FINANCIAL POSITION

Consolidated		Company		Notes	Consolidated		Company	
Audited as at 31.03.19 Rs.'000	Audited as at 31.03.19 Rs.'000	Unaudited as at 30.09.19 Rs.'000	Unaudited as at 30.09.18 Rs.'000		Unaudited as at 30.09.19 Rs.'000	Unaudited as at 30.09.18 Rs.'000		
		<b>ASSETS</b>						
		<b>Non - current assets</b>						
86,885,736	227,170	Property, plant & equipment	87,488,093	84,990,915	223,975	282,093		
-	-	Right of use assets	5,380,651	-	-	-		
2,006,528	70,350	Investment Properties	2,006,568	1,948,609	70,350	60,750		
449,926	-	Biological assets	459,159	408,158	-	-		
14,174,114	-	Intangible assets	14,154,031	14,112,856	-	-		
-	37,738,545	Investments in subsidiaries	-	-	38,430,595	37,200,877		
1,967,409	1,504,863	Investments in equity accounted investees	2,186,843	1,018,425	1,504,863	-		
259,195	86,497	Other non current financial assets	258,244	273,413	82,048	90,947		
11,611,815	-	Non - current Trade and other receivables	10,978,268	10,524,610	-	-		
2,486,134	-	Other non current assets	2,307,430	2,504,691	-	-		
926,286	-	Deferred tax assets	968,848	856,168	-	-		
120,767,143	39,627,425	<b>Total non-current assets</b>	126,188,135	116,637,845	40,311,831	37,634,667		
		<b>Current assets</b>						
39,742,514	909	Inventories	39,213,755	39,253,601	1,678	1,017		
-	3,413,891	Amounts due from subsidiaries	-	-	3,058,603	2,024,231		
102,677	13,570	Amounts due from equity accounted investees	103,228	140,993	24,113	21,623		
55,138,266	19,809	Trade and other receivables	55,995,582	52,208,031	36,195	61,707		
2,319,599	11,562	Other current assets	3,175,013	3,281,667	88,813	84,347		
777,540	42,885	Income tax recoverable	1,464,244	802,226	62,783	23,212		
187,948	6,647	Other current financial assets	229,633	272,230	6,947	60,925		
3,684,941	-	Short-term deposits	3,434,628	4,144,202	-	-		
8,971,145	56,413	Cash in hand and at bank	8,641,282	6,994,298	124,616	43,948		
54,921	-	Assets classified as held for sale	3,021	3,021	-	-		
110,979,551	3,565,686	<b>Total current assets</b>	112,260,386	107,100,269	3,403,748	2,321,010		
231,746,694	43,193,111	<b>Total assets</b>	238,448,521	223,738,114	43,715,579	39,955,677		
		<b>EQUITY AND LIABILITIES</b>						
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	656,319	879,117	13,226	13,226		
23,072,120	-	Other components of equity	23,279,645	21,071,158	-	-		
14,958,752	16,492,888	Revenue reserves	13,090,639	14,897,163	14,934,867	16,041,436		
40,241,911	18,081,114	<b>Total equity attributable to Equity holders of the company</b>	38,601,603	38,422,438	16,523,093	17,629,662		
21,636,556	-	Non- controlling interest	22,749,434	20,974,144	-	-		
61,878,467	18,081,114	<b>Total Equity</b>	61,351,037	59,396,582	16,523,093	17,629,662		
		<b>Non - current liabilities</b>						
39,661,994	12,104,097	Interest bearing borrowings	51,988,367	42,262,505	19,591,122	15,346,337		
777,850	-	Grants	801,887	787,485	-	-		
5,191,022	-	Deferred tax liabilities	5,091,839	4,700,509	-	-		
1,388,434	-	Security deposits	1,405,247	1,277,852	-	-		
1,448,000	-	Other Non current Liabilities	1,527,347	1,541,801	-	-		
804,556	-	Other non current financial liabilities	1,107,126	631,230	-	-		
8,500,108	883,063	Employee benefit obligations	8,949,505	7,739,703	948,586	728,310		
57,771,964	12,987,160	<b>Total non-current liabilities</b>	70,871,318	58,941,085	20,539,708	16,074,647		
		<b>Current liabilities</b>						
28,540,236	456,872	Trade and other payables	29,895,114	33,442,592	429,808	385,796		
3,690,060	32,201	Other current liabilities	3,337,448	3,395,100	28,810	26,457		
5,196,568	33,452	Other current financial liabilities	5,386,428	6,451,177	16,559	-		
-	37,303	Amounts due to subsidiaries	-	-	57,347	27,405		
4,557	3,152	Amounts due to equity accounted investees	3,152	1,789	3,152	-		
273,972	-	Deferred Revenue	465,355	429,400	-	-		
768,660	-	Income tax payable	463,768	471,583	-	-		
25,811,627	6,183,524	Current portion of long term interest bearing borrowings	25,018,001	20,017,505	3,850,156	2,821,823		
47,810,251	5,378,333	Short-term interest bearing borrowings	41,656,568	41,190,969	2,266,946	2,989,887		
332	-	Liabilities directly associated with assets classified as held for sale	332	332	-	-		
112,096,263	12,124,837	<b>Total current liabilities</b>	106,226,166	105,400,447	6,652,778	6,251,368		
169,868,227	25,111,997	<b>Total liabilities</b>	177,097,484	164,341,532	27,192,486	22,326,015		
231,746,694	43,193,111	<b>Total equity and liabilities</b>	238,448,521	223,738,114	43,715,579	39,955,677		

The Financial Position as at 30th September, 2019 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  
7th November 2019

The Notes on pages 10 to 12 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

Consolidated

	Attributable to owners of the Company													Total Equity
	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	Rs. '000	Rs. '000	Rs. '000
<b>Balance as at 31st March 2019 - As previously stated</b>	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
Effect of transition to SLFRS 16 (Note 2)	-	-	-	-	-	-	-	-	-	-	(774,530)	(774,530)	(106,936)	(881,466)
<b>Balance as at 1st April 2019 - Restated</b>	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	39,467,381	21,529,620	60,997,001
<b>Profit/(loss) for the period</b>	-	-	-	-	-	-	-	-	-	-	(540,100)	(540,100)	1,180,963	640,863
<b>Other Comprehensive income</b>														
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
<b>Total other comprehensive income</b>	-	-	-	-	1,094	(86,014)	260,990	-	-	-	-	176,070	168,367	344,437
<b>Total Comprehensive income for the period</b>	-	-	-	-	1,094	(86,014)	260,990	-	-	-	(540,100)	(364,030)	1,349,330	985,300
<b>Transactions with owners, recorded directly in equity</b>														
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	(375,000)	(375,000)	(472,167)	(847,167)
Transfers	-	-	6,375	-	-	-	-	-	-	-	(6,375)	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	6,375	-	-	-	-	-	-	-	(381,375)	(375,000)	(472,167)	(847,167)
<b>Changes in ownership interests in subsidiaries</b>														
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
<b>Total changes in ownership interests in subsidiaries</b>	-	12,900	1,005	4,626	35	24,500	2,294	333	23	-	(172,464)	(126,748)	342,651	215,903
<b>Total transactions with owners</b>	-	12,900	7,380	4,626	35	24,500	2,294	333	23	-	(553,839)	(501,748)	(129,516)	(631,264)
<b>Balance as at 30th September 2019</b>	1,575,000	174,399	481,920	21,092,997	4,683	(541,887)	2,723,852	2,245,239	102,189	8,992	10,734,219	38,601,603	22,749,434	61,351,037
<b>Balance as at 31st March 2018</b>	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
<b>Profit/(loss) for the period</b>	-	-	-	-	-	-	-	-	-	-	(404,624)	(404,624)	1,173,649	769,025
<b>Other Comprehensive income</b>														
Net exchange differences on translation of foreign operations	-	-	-	-	-	-	351,005	-	-	-	-	351,005	177,230	528,235
Net loss on cash flow hedges	-	-	-	-	-	(251,177)	-	-	-	-	-	(251,177)	(18,307)	(269,484)
Net change on equity instruments designated at fair value through other comprehensive income	-	-	-	-	(9,225)	-	-	-	-	-	-	(9,225)	(4,946)	(14,171)
<b>Total other comprehensive income</b>	-	-	-	-	(9,225)	(251,177)	351,005	-	-	-	-	90,603	153,977	244,580
<b>Total Comprehensive income for the period</b>	-	-	-	-	(9,225)	(251,177)	351,005	-	-	-	(404,624)	(314,021)	1,327,626	1,013,605
<b>Transactions with owners, recorded directly in equity</b>														
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	(375,000)	(375,000)	(636,393)	(1,011,393)
Transfers	-	-	6,816	-	-	-	-	1,694	-	-	(8,510)	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	6,816	-	-	-	-	1,694	-	-	(383,510)	(375,000)	(636,393)	(1,011,393)
<b>Changes in ownership interests in subsidiaries</b>														
Adjustment on changes to non-controlling interest in subsidiaries	-	(15,042)	3	1,774	47	-	248	1,135	-	-	(102,194)	(114,029)	194,612	80,583
<b>Total changes in ownership interests in subsidiaries</b>	-	(15,042)	3	1,774	47	-	248	1,135	-	-	(102,194)	(114,029)	194,612	80,583
<b>Total transactions with owners</b>	-	(15,042)	6,819	1,774	47	-	248	2,829	-	-	(485,704)	(489,029)	(441,781)	(930,810)
<b>Balance as at 30th September 2018</b>	1,575,000	431,187	447,930	19,381,844	10,665	(251,177)	1,929,826	2,244,164	90,309	7,134	12,555,556	38,422,438	20,974,144	59,396,582

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

## STATEMENT OF CHANGES IN EQUITY

For the period ended 30th September

Company

For the period ended 30th September		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	-	-	-	-	(1,183,021)	(1,183,021)
Other Comprehensive income						
Actuarial losses on defined benefit obligations	-	-	-	-	-	-
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
Balance as at 31st March 2018	1,575,000	13,226	-	382,087	16,508,295	18,478,608
Loss for the period	-	-	-	-	(473,946)	(473,946)
Other Comprehensive income						
Actuarial losses on defined benefit obligations	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	-	(473,946)	(473,946)
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 2018	1,575,000	13,226	-	382,087	15,659,349	17,629,662

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

Figures in brackets indicate deductions.



## STATEMENT OF CASH FLOWS

Consolidated	Company		Consolidated	Company
Audited year ended 31.03.19 Rs.'000	Audited year ended 31.03.19 Rs.'000		Unaudited 6 months to 30.09.19 Rs.'000	Unaudited 6 months to 30.09.18 Rs.'000
		<b>Cash flows from operating activities</b>		
4,764,096	906,707	Cash generated from operations (Note A)	11,863,185	70,713
(677,545)	(28,277)	Employee benefit paid	(337,717)	(281,981)
(2,899,484)	(34,623)	Income tax paid	(1,869,724)	(1,371,383)
1,187,067	843,807	<b>Net cash inflow from operating activities</b>	9,655,744	(1,582,651)
		<b>Cash flows from investing activities</b>		
(6,651,342)	(26,688)	Purchase and construction of property, plant & equipment	(3,036,506)	(2,912,593)
-	-	Investments in other non- current assets	(971,320)	-
(4,730,956)	(128)	Investments in other current financial assets	(180,875)	(2,325,119)
(3,409)	-	Development of biological assets	(9,234)	(3,499)
36,626	-	Grants received - capital	38,593	33,363
254,855	8	Proceeds from disposal of property, plant & equipment/ investment property	344,273	94,073
5,498	-	Proceeds from disposal of intangible assets	3,627	1,614
4,715,482	496,430	Proceeds from disposal of current financial assets	169,981	2,271,659
-	-	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	(78,760)	(100,183)
(6,124)	(2,418,738)	Long term investments in group companies and others	(1,979)	(1,189)
(121,670)	-	Acquisition of subsidiary	-	-
715,661	40,978	Interest received	313,333	154,740
(61,291)	-	Net movement in deferred revenue	191,383	94,137
43,296	-	Dividends received from equity accounted investees	-	-
4,102	357	Dividends received from non-group companies	3,657	3,196
(5,260,764)	(1,907,781)	<b>Net cash used in investing activities</b>	(3,161,927)	(2,689,801)
(4,073,697)	(1,063,974)	<b>Net cash inflow before financing</b>	6,493,817	(4,272,452)
		<b>Cash flows from financing activities</b>		
(39,441)	-	Capital payment on finance lease	(14,959)	(11,028)
(10,910,311)	(2,637,210)	Interest paid (including interest capitalized)	(6,205,985)	(4,793,911)
(1,654,089)	-	Dividend paid to non-controlling interest	(472,167)	(636,393)
22,960,782	5,526,820	Proceeds from interest-bearing borrowings	15,315,696	24,187,897
(15,812,087)	(3,271,653)	Repayment of interest-bearing borrowings	(9,938,306)	(21,380,731)
-	60,567	Forward contract gain	-	-
-	-	Net movement in financial liabilities	753,598	162,319
189,306	-	Net movement in security deposits	16,813	78,724
(2,348,287)	-	Acquisition of non-controlling interest	-	79,447
-	(14,719)	Debenture issue fee	-	-
(375,000)	(375,000)	Dividends paid to equity holders of parent	(375,000)	(375,000)
(7,989,127)	(711,195)	<b>Net cash inflow / (outflow) from financing activities</b>	(920,310)	(2,688,676)
(12,062,824)	(1,775,169)	<b>Net increase / (decrease) in cash and cash equivalents</b>	5,573,507	(6,961,128)
(23,090,226)	(3,546,751)	<b>Cash and cash equivalents at beginning of the year/period</b>	(35,153,050)	(23,090,226)
(35,153,050)	(5,321,920)	<b>Cash and cash equivalents at end of the year/period (Note B)</b>	(29,579,543)	(30,051,354)

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

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

Figures in brackets indicate deductions.

5,475,513	57,919
10,511,607	2,688,959
(176,096)	-
4,810,981	114,076
61,987	-
4,080	-
-	(18,649)
(113,899)	(9,600)
(3,464)	-
(35,972)	-
190	(2,676)
664	-
(272,419)	-
-	(36,121)
(312,807)	-
216,255	-
1,783,565	-
-	2,500
1,507,363	-
691,369	-
175,988	-
(444,725)	(1,082,773)
1,313,330	121,060
(30,908)	-
<u>25,162,602</u>	<u>1,834,695</u>
(10,999,188)	(1,049,656)
(7,751,794)	149
(1,647,524)	121,519
<u>4,764,096</u>	<u>906,707</u>
8,972,260	56,413
3,684,941	-
12,657,201	56,413
<u>(47,810,251)</u>	<u>(5,378,333)</u>
(35,153,050)	(5,321,920)

Consolidated		Company	
Unaudited 6 months to 30.09.19 Rs.'000	Unaudited 6 months to 30.09.18 Rs.'000	Unaudited 6 months to 30.09.19 Rs.'000	Unaudited 6 months to 30.09.18 Rs.'000
1,460,120	1,794,913	(1,174,557)	(473,946)
5,705,388	5,012,417	1,537,917	1,216,615
(219,435)	(172,527)	-	-
2,521,292	2,343,249	25,895	16,918
-	-	5,785	28,927
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(95,394)	(34,377)	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	(36,121)
-	-	-	-
98,516	108,916	-	-
541,496	416,337	-	-
-	-	-	-
-	-	-	-
-	-	-	-
38,862	-	-	-
-	-	-	-
792,862	678,994	73,588	41,155
(14,556)	(18,025)	-	-
10,829,151	10,129,897	468,628	793,548
(574,388)	(6,371,762)	209,281	(635,157)
528,759	(6,507,971)	(769)	41
1,079,663	2,820,549	(10,200)	30,736
11,863,185	70,713	666,940	189,168
8,642,397	6,995,413	124,616	43,948
3,434,628	4,144,202	-	-
12,077,025	11,139,615	124,616	43,948
(41,656,568)	(41,190,969)	(2,266,946)	(2,989,887)
(29,579,543)	(30,051,354)	(2,142,330)	(2,945,939)

\* 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 01st January, 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 1st 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
<b>Assets</b>	
Property, plant & equipment	(59,708)
Right of use assets	4,606,329
Deferred tax assets	82,875
Trade and other receivables	(622,890)
<b>Total assets</b>	<b>4,006,606</b>
<b>Equity and liabilities</b>	
Revenue	(774,530)
Non- controlling interest	(106,936)
Interest bearing borrowings/Lease	4,888,072
<b>Total Liability</b>	<b>4,006,606</b>

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

	Right of use assets Rs.'000	Lease liability Rs.'000
As at 1st April	4,606,330	4,888,072
Additions	1,246,431	991,604
Amortisation	(472,109)	-
Interest cost	-	324,501
Payment	-	(415,526)
<b>As at 30th September 2019</b>	<b>5,380,651</b>	<b>5,788,651</b>

- 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 September 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 September 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.
- .b** No circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the Financial Statements.
- .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
<b>219,181,960</b>	

Consolidated			
Total	Intra-group	External	
		Unaudited	Unaudited
		6 months to	6 months to
		30.09.19	30.09.18
Rs.'000	Rs.'000	Rs.'000	Rs.'000
3,310,422	212,212	<b>3,098,210</b>	3,406,378
8,627,917	5,477	<b>8,622,440</b>	8,425,575
11,309,656	-	<b>11,309,656</b>	8,986,252
6,780,776	-	<b>6,780,776</b>	5,123,602
2,384,628	41,978	<b>2,342,650</b>	2,284,131
5,818,691	342,893	<b>5,475,798</b>	5,833,660
6,680,006	34,117	<b>6,645,889</b>	6,478,096
22,216,952	-	<b>22,216,952</b>	23,042,372
31,076,760	-	<b>31,076,760</b>	31,510,282
2,837,578	333,794	<b>2,503,784</b>	2,094,955
1,022,783	-	<b>1,022,783</b>	930,066
1,916,966	24,830	<b>1,892,136</b>	2,900,499
2,909,946	522,238	<b>2,387,708</b>	2,028,996
<b>106,893,082</b>	<b>1,517,539</b>	<b>105,375,543</b>	<b>103,044,864</b>

### 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	<b>Segment results</b>
(1,456,961)	Non - segment income/(expenses)
15,989,281	<b>Operating profit</b>
(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
<b>5,475,513</b>	<b>Profit before tax</b>

Consolidated	
Unaudited	Unaudited
6 months to	6 months to
30.09.19	30.09.18
Rs.'000	Rs.'000
<b>271,935</b>	192,733
<b>599,448</b>	520,697
<b>1,046,111</b>	614,205
<b>479,284</b>	178,059
<b>218,799</b>	293,502
<b>433,210</b>	462,203
<b>12,787</b>	29,005
<b>1,419,933</b>	1,430,448
<b>1,911,661</b>	2,394,323
<b>165,962</b>	5,765
<b>705,211</b>	610,499
<b>(373,305)</b>	136,586
<b>544,216</b>	653,884
<b>7,435,252</b>	7,521,909
<b>(337,307)</b>	(760,061)
<b>7,097,945</b>	6,761,848
<b>(5,705,388)</b>	(5,012,417)
-	-
<b>219,435</b>	172,527
<b>(151,872)</b>	(127,045)
<b>1,460,120</b>	1,794,913

## NOTES TO THE FINANCIAL STATEMENTS

### 7 STATED CAPITAL

Company	
Audited	
as at	
31.03.19	
Rs.'000	
1,575,000	Issued and fully paid
	75,000,000 (75,000,000 - 30.09.2018) Ordinary Shares

Company	
Unaudited	Unaudited
as at	as at
30.09.19	30.09.18
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	<b>Assets classified as held for sale</b>
1,906	Property, plant & equipment
1,115	Trade and Other Receivables
54,921	Cash in Hand and at Bank
	<b>Total assets</b>
332	<b>Liabilities directly associated with assets classified as held for sale</b>
332	Trade and other payables
	<b>Total equity and liabilities</b>

Consolidated	
Unaudited	Unaudited
as at	as at
30.09.19	30.09.18
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:

	30.09.2019 Rs.	30.09.2018 Rs.
Closing price on	150.30	186.70
Highest price recorded for the three months ending	180.00	219.00
Lowest price recorded for the three months ending	144.50	175.00
Market capitalisation (Rs. Mn.)	11,273	14,003

## RATIOS

Net assets per share	514.69	512.30
Price earnings ratio (times)	(10.44)	(17.30)

## DIVIDEND PAYMENT

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

## SHARE TRADING FROM 1ST JULY, 2019 TO 30TH SEPTEMBER, 2019

No. of transactions	1,361
No. of shares traded	537,779
Value of shares traded (Rs.)	83,761,760.70

## 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 September, 2019, 7.82%

### DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.09.2019

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 September, 2019, 9.70%  
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, 2019, 9.70%

### DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.09.2019

There were no transactions during the period.

### DEBENTURE 3 -

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, 2019, 10.00%  
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, 2019, 10.00%

### DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.09.2019

There were no transactions during the period.

Hayleys PLC issued 20,000,000 listed, rated, senior, unsecured, redeemable debentures, at a par value of Rs.100 each with an option to increase such amount by a further 10,000,000 of said debenture on 26 August 2019

Objective is to refinance following short term facilities:

Debenture	Objective Number	Objectives as per Prospectus	Amount Allocated as per Prospectus Rs. mn	Proposed Date of Utilisation as per Prospectus	Amount allocated from Proceeds Rs. mn	% of Total Proceeds	Amounts Utilised Rs. mn	% of Utilisation against Allocation	Clarification if not utilised
Debenture 3	1	Sampath Bank	450	27-Nov-19	450	15.00%	450	100%	N/A
	2	NDB Bank	150	5-Aug-19	150	5.00%	150	100%	N/A
	3	Commercial Bank	442	-	442	14.73%	442	100%	N/A
	4	Seylan Bank	200	29-Oct-19	200	6.67%	200	100%	N/A
	5	NSB	250	19-Sep-19	250	8.33%	250	100%	N/A
	6	Peoples Bank	250	19-Sep-19	250	8.33%	250	100%	N/A
	7	DFCC	50	23-Sep-19	50	1.67%	50	100%	N/A
	8	HNB	375	17-Oct-19	375	12.50%	375	0%	Invested in unit trust
	9	SCB	164	9-Oct-19	164	5.47%	164	0%	Invested in unit trust
	10	BOC	712.7	-	712.7	22.30%	669	100%	N/A

\*objective 8 and 9 were settled over the month of October and debenture issue proceeds have been utilised in full by the end of October

## RATIOS

	30.09.2019	30.09.2018
Debt/ equity ratio	1.56	1.20
Quick asset ratio	0.51	0.37
Interest cover	0.24	0.62

# INVESTOR INFORMATION

## FIRST TWENTY SHAREHOLDERS AS AT 30TH SEPTEMBER, 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	759,871	1.01
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 Mrs.S.D. Wickramasinghe	440,281	0.59
15 Mr.A.C Wikramanayake	437,104	0.58
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	60,428,806	80.57

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

## PUBLIC HOLDING

Percentage of public holding as at 30th September 2019.	37.67%
Total number of Shareholders representing the Public Holding	6,251
Float- adjusted market capitalization (Rs.)	4,245,223,500
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, 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	37,829,697 *
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 Karunaratna (appointed w.e.f 01.06.2019 )  
K D G Gunaratne (appointed w.e.f 01.10.2019 )  
Ms. A A K Amarasinghe (Alternate to K D D Perera)(appointed w.e.f 17.10.2019 )  
N L S Joseph (resigned w.e.f 03.11.2019)

## 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 Talpahewa  
C De Silva  
N R Ranatunge  
D W P N Dediwela  
H Prematillake  
Ng Soon Huat  
M Wijewardene  
R J Karunaratna (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](mailto: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](mailto:info@cau.hayleys.com)