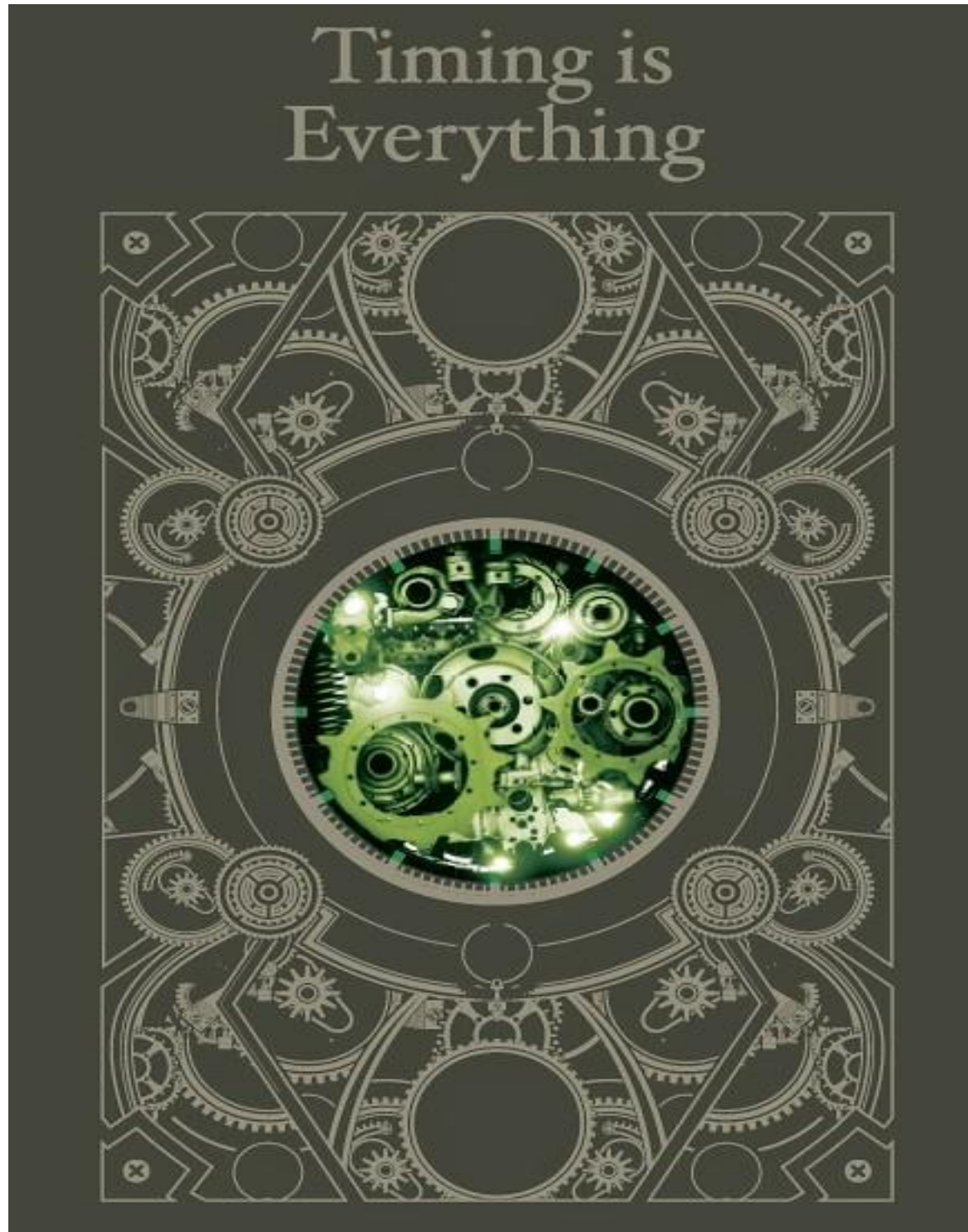


# HAYLEYS PLC

## Interim Report



STATEMENT OF PROFIT OR LOSS

Consolidated		Notes	Consolidated			Consolidated		
Audited year ended 31.03.19 Rs.'000			Unaudited 9 months to 31.12.19 Rs.'000	Unaudited 9 months to 31.12.18 Rs.'000	Change %	Unaudited 3 months to 31.12.19 Rs.'000	Unaudited 3 months to 31.12.18 Rs.'000	Change %
219,181,960	Revenue	5	160,629,112	162,730,134	(1)	55,253,570	59,685,270	(7)
(168,941,516)	Cost of sales		(120,896,109)	(125,590,975)	(4)	(40,546,505)	(46,225,487)	(12)
(1,265,014)	Direct interest cost		(1,390,739)	(915,214)	52	(473,518)	(333,829)	42
48,975,430	Gross profit		38,342,264	36,223,945	6	14,233,547	13,125,954	8
2,495,977	Other income		1,216,029	1,387,163	(12)	365,953	558,844	(35)
(9,889,236)	Distribution expenses		(8,029,105)	(9,039,271)	(11)	(3,191,505)	(3,254,589)	(2)
(25,188,277)	Administrative expenses		(18,903,568)	(17,081,954)	11	(6,124,056)	(5,876,109)	4
(404,613)	Other expenses		(312,978)	(193,969)	61	(69,241)	(20,034)	>100
15,989,281	Results from operating activities		12,312,642	11,295,914	9	5,214,698	4,534,066	15
2,565,712	Finance income		1,199,720	2,424,692	(51)	297,854	1,261,433	(76)
(13,077,319)	Finance cost		(9,616,681)	(10,170,110)	(5)	(3,009,427)	(3,994,434)	(25)
(10,511,607)	Net finance cost		(8,416,961)	(7,745,418)	9	(2,711,573)	(2,733,001)	(1)
113,899	Change in fair value of investment properties		-	-	-	-	-	-
176,096	Share of profit of equity accounted investees (net of tax)		240,692	177,136	36	21,257	4,609	>100
(292,156)	Value added tax on financial services		(249,622)	(222,338)	12	(97,750)	(95,293)	3
5,475,513	Profit before tax for the period	6	3,886,751	3,505,294	11	2,426,632	1,710,381	42
(2,725,596)	Tax expense		(1,677,029)	(1,625,216)	3	(857,772)	(599,328)	43
2,749,917	Profit after tax for the period		2,209,722	1,880,078	18	1,568,860	1,111,053	41
	Profit /(loss) for the period attributable to:							
265,385	Owners of the parent		138,396	34,804	>100	678,497	439,428	54
2,484,532	Non-controlling interest		2,071,326	1,845,274	12	890,363	671,625	33
2,749,917			2,209,722	1,880,078	18	1,568,860	1,111,053	41
	Earnings / (loss) per share							
3.54	Basic (Rs.)		1.85	0.46		9.05	5.86	
3.54	Diluted (Rs.)		1.85	0.46		9.05	5.86	

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 9 months to 31.12.19 Rs.'000	Unaudited 9 months to 31.12.18 Rs.'000	Change %	Unaudited 3 months to 31.12.19 Rs.'000	Unaudited 3 months to 31.12.18 Rs.'000	Change %
388,745	Revenue	302,033	291,104	4	97,545	95,557	2
(213,963)	Cost of sales	(130,772)	(160,522)	(19)	(41,553)	(53,040)	(22)
174,782	Gross profit	171,261	130,582	31	55,992	42,517	32
1,595,879	Group dividend	586,606	881,851	(33)	288,720	195,054	48
1,085,498	Other income	15,697	-	>100	15,697	-	>100
(116,332)	Administrative expenses	(65,351)	(29,668)	>100	(15,556)	2,525	>100
(2,549)	Other expenses	-	(13)	<100	-	(13)	<100
2,737,278	Results from operating activities	708,213	982,752	(28)	344,853	240,083	44
41,388	Finance income	24,290	157,058	(85)	3,363	83,606	(96)
(2,730,347)	Finance cost	(2,338,850)	(2,100,750)	11	(780,006)	(810,683)	(4)
(2,688,959)	Net finance cost	(2,314,560)	(1,943,692)	19	(776,643)	(727,077)	7
9,600	Change in fair value of investment properties	-	-	-	-	-	-
57,919	Profit/(loss) before tax for the period	(1,606,347)	(960,940)	67	(431,790)	(486,994)	(11)
(4,408)	Tax expense	(8,464)	-	>100	-	-	-
53,511	Profit/(loss) after tax for the period	(1,614,811)	(960,940)	68	(431,790)	(486,994)	(11)

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	Unaudited	Change	Unaudited	Unaudited	Change
		9 months to	9 months to		3 months to	3 months to	
		31.12.19	31.12.18		31.12.19	31.12.18	
		Rs.'000	Rs.'000		Rs.'000	Rs.'000	
2,749,917	Profit after tax for the period	2,209,722	1,880,078	18	1,568,860	1,111,053	41
	Other Comprehensive income						
	Items that will not be reclassified subsequently to Statement of Profit or Loss						
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	16,737	(16,659)	>100	14,965	(2,488)	>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	600,599	1,711,042	(65)	161,655	1,182,807	(86)
(529,138)	Net gain /(loss) on cash flow hedges	(65,475)	(759,710)	(91)	30,804	(490,226)	>100
(161)	Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-
2,536,357	Total other comprehensive income for the period, net of tax	551,861	934,673	(41)	207,424	690,093	(70)
5,286,274	Total comprehensive income for the period, net of tax	2,761,583	2,814,751	(2)	1,776,284	1,801,146	(1)
	Total comprehensive income for the period attributable to						
2,141,336	Owners of the parent	438,093	425,103	3	802,124	739,124	>100
3,144,938	Non-controlling interest	2,323,490	2,389,648	(3)	974,160	1,062,022	(8)
5,286,274		2,761,583	2,814,751	(2)	1,776,284	1,801,146	(1)

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	Unaudited	Change %	Unaudited	Unaudited	Change %
		9 months to	9 months to		3 months to	3 months to	
		31.12.19	31.12.18		31.12.19	31.12.18	
		Rs.'000	Rs.'000		Rs.'000	Rs.'000	
53,511	Profit/(loss) after tax for the period	(1,614,811)	(960,940)	68	(431,790)	(486,994)	(11)
	Other Comprehensive income						
	Items that will not be reclassified subsequently to Statement of Profit or Loss						
-	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	-	-	-	-	-	-
	Items that will be reclassified subsequently to Statement of Profit or Loss						
-	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)	Total other comprehensive income for the period, net of tax	-	-	-	-	-	-
(23,039)	Total comprehensive income for the period, net of tax	(1,614,811)	(960,940)	68	(431,790)	(486,994)	(11)

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 31.12.19 Rs.'000	Unaudited as at 31.12.18 Rs.'000		Unaudited as at 31.12.19 Rs.'000	Unaudited as at 31.12.18 Rs.'000		
					</			

The Financial Position as at 31st December, 2019 and Statement of Profit or Loss , Statement of Comprehensive Income, Changes in Equity and Cash Flow for the nine 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  
12th February 2020

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 31st December

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	
-	-	-	-	-	-	-	-	-	-	(793,699)	(793,699)	(107,985)	(901,685)	
1,575,000	161,499	474,540	21,088,371	3,554	(480,373)	2,460,568	2,244,906	102,166	8,992	11,808,989	39,448,211	21,528,570	60,976,782	
-	-	-	-	-	-	-	-	-	-	138,396	138,396	2,071,326	2,209,722	
-	-	-	-	-	-	347,757	-	-	-	-	347,757	252,842	600,599	
					(57,915)						(57,915)	(7,560)	(65,475)	
-	-	-	-	9,855	-	-	-	-	-	-	9,855	6,882	16,737	
-	-	-	-	9,855	(57,915)	347,757	-	-	-	-	299,697	252,164	551,861	
-	-	-	-	9,855	(57,915)	347,757	-	-	-	138,396	438,093	2,323,490	2,761,583	
-	-	-	-	-	-	-	-	-	-	(375,000)	(375,000)	(922,972)	(1,297,972)	
-	-	6,375			-	-	-	-	-	(6,375)	-	-	-	
-	-	6,375	-	-	-	-	-	-	-	(381,375)	(375,000)	(922,972)	(1,297,972)	
-	17,694	1,005	2,872	38	24,457	1,176	(60)	23	-	(333,159)	(285,954)	421,939	135,984	
-	17,694	1,005	2,872	38	24,457	1,176	(60)	23	-	(333,159)	(285,954)	421,939	135,984	
-	17,694	7,380	2,872	38	24,457	1,176	(60)	23	-	(714,534)	(660,954)	(501,033)	(1,161,988)	
1,575,000	179,193	481,920	21,091,243	13,447	(513,831)	2,809,501	2,244,846	102,189	8,992	11,232,851	39,225,350	23,351,027	62,576,377	
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	
-	-	-	-	-	-	-	-	-	-	34,804	34,804	1,845,274	1,880,078	
-	-	-	-	-	-	1,101,646	-	-	-	-	1,101,646	609,396	1,711,042	
-	-	-	-	-	(700,562)	-	-	-	-	-	(700,562)	(59,148)	(759,710)	
-	-	-	-	(10,786)	-	-	-	-	-	-	(10,786)	(5,873)	(16,659)	
-	-	-	-	(10,786)	(700,562)	1,101,646	-	-	-	-	390,298	544,375	934,673	
-	-	-	-	(10,786)	(700,562)	1,101,646	-	-	-	34,804	425,102	2,389,649	2,814,751	
-	-	-	-	-	-	-	-	-	-	(375,000)	(375,000)	(1,016,842)	(1,391,842)	
-	-	6,816	-	-	-	-	1,694	-	-	(8,510)	-	-	-	
-	-	6,816	-	-	-	-	1,694	-	-	(383,510)	(375,000)	(1,016,842)	(1,391,842)	
-	-	-	-	-	-	-	-	-	-	-	-	21,673	21,673	
-	31,140	2,170	2,109	54	-	358	1,310	-	-	(2,462,752)	(2,425,611)	(430,307)	(2,855,918)	
-	-	-	-	-	-	-	-	-	-	1,150,214	1,150,214	521,242	1,671,456	
-	-	-	-	-	-	-	-	-	-	952,504	952,504	202,325	1,154,829	
-	31,140	2,170	2,109	54	-	358	1,310	-	-	(360,034)	(322,893)	314,933	(7,960)	
-	31,140	8,986	2,109	54	-	358	3,004	-	-	(743,544)	(697,893)	(701,909)	(1,399,802)	
1,575,000	477,369	450,097	19,382,179	9,111	(700,562)	2,680,577	2,244,339	90,309	7,134	12,737,144	38,952,697	21,776,039	60,728,736	

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

## STATEMENT OF CHANGES IN EQUITY

For the period ended 31st December

Company

For the period ended 31st December						
		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	-	-	-	-	(1,614,811)	(1,614,811)
Other Comprehensive income						
Actuarial losses on defined benefit obligations	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	-	(1,614,811)	(1,614,811)
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 31st December 2019	1,575,000	13,226	-	382,087	14,120,990	16,091,303
Balance as at 31st March 2018	1,575,000	13,226	-	382,087	16,508,295	18,478,608
Loss for the period	-	-	-	-	(960,940)	(960,940)
Other Comprehensive income						
Actuarial losses on defined benefit obligations	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	-	(960,940)	(960,940)
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 31st December 2018	1,575,000	13,226	-	382,087	15,172,355	17,142,668

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	
Audited	Audited	
year ended	year ended	
31.03.19	31.03.19	
Rs.'000	Rs.'000	
Cash flows from operating activities		
4,764,096	906,707	Cash generated from operations (Note A)
(677,545)	(28,277)	Employee benefit paid
(2,899,484)	(34,623)	Income tax paid
1,187,067	843,807	Net cash inflow from operating activities
Cash flows from investing activities		
(6,651,342)	(26,688)	Purchase and construction of property, plant & equipment
-	-	Investments in other non- current assets
(4,730,956)	(128)	Investments in other current financial assets
(3,409)	-	Development of biological assets
36,626	-	Grants received - capital
254,855	8	Proceeds from disposal of property, plant & equipment/ investment property
5,498	-	Proceeds from disposal of intangible assets
4,715,482	496,430	Proceeds from disposal of current financial assets
-	-	Proceeds from disposal of assets held for sales
706,497	-	Proceeds from disposal of subsidiaries
(167,989)	-	On acquisition of right to generate hydro power/ ERP system
(6,124)	(2,418,738)	Long term investments in group companies and others
(121,670)	-	Acquisition/disposal of subsidiaries
715,661	40,978	Interest received
(61,291)	-	Net movement in deferred revenue
43,296	-	Dividends received from equity accounted investees
4,102	357	Dividends received from non-group companies
(5,260,764)	(1,907,781)	Net cash used in investing activities
(4,073,697)	(1,063,974)	Net cash inflow before financing
Cash flows from financing activities		
(39,441)	-	Capital payment on finance lease
(10,910,311)	(2,637,210)	Interest paid (including interest capitalized)
(1,654,089)	-	Dividend paid to non-controlling interest
22,960,782	5,526,820	Proceeds from interest-bearing borrowings
(15,812,087)	(3,271,653)	Repayment of interest-bearing borrowings
-	60,567	Forward contract gain
-	-	Net movement in financial liabilities
189,306	-	Net movement in security deposits
(2,348,287)	-	Acquisition of non-controlling interest
-	(14,719)	Debenture issue fee
(375,000)	(375,000)	Dividends paid to equity holders of parent
(7,989,127)	(711,195)	Net cash inflow / (outflow) from financing activities
(12,062,824)	(1,775,169)	Net increase / (decrease) in cash and cash equivalents
(23,090,226)	(3,546,751)	Cash and cash equivalents at beginning of the year/period
(35,153,050)	(5,321,920)	Cash and cash equivalents at end of the year/period (Note B)

Consolidated		Company	
Unaudited	Unaudited	Unaudited	Unaudited
9 months to	9 months to	9 months to	9 months to
31.12.19	31.12.18	31.12.19	31.12.18
Rs.'000	Rs.'000	Rs.'000	Rs.'000
17,955,028	(923,012)	1,071,582	441,281
(577,067)	(408,780)	(52,439)	(28,247)
(2,600,691)	(2,058,855)	(37,377)	(18,959)
14,777,270	(3,390,647)	981,766	394,075
(5,191,978)	(4,922,708)	(45,461)	(17,924)
(677,903)	-	-	-
(389,963)	(3,158,191)	-	-
(12,528)	(5,516)	-	-
38,155	46,176	-	-
411,048	147,807	53	-
3,627	6,432	-	-
278,478	3,108,518	-	-
51,900	-	-	-
-	-	-	-
(102,589)	(104,230)	-	-
(4,735)	(3,225)	(667,594)	(2,352,401)
-	(125,329)	-	-
331,207	284,050	17,315	29,776
173,843	195,647	-	-
29,133	-	-	-
4,032	3,240	370	153
(5,058,273)	(4,527,329)	(695,317)	(2,340,396)
9,718,997	(7,917,976)	286,449	(1,946,321)
(10,697)	(16,954)	-	-
(9,058,048)	(7,656,174)	(2,305,699)	(1,901,535)
(922,972)	(1,016,842)	-	-
35,746,739	36,278,401	8,500,000	4,826,820
(30,672,284)	(29,381,322)	(4,721,125)	(2,011,925)
-	-	-	-
648,100	(635,666)	-	-
(29,261)	122,938	-	-
-	(1,840,795)	-	-
-	(14,719)	(17,544)	(14,719)
(375,000)	(375,000)	(375,000)	(375,000)
(4,673,423)	(4,536,133)	1,080,632	523,641
5,045,574	(12,454,109)	1,367,081	(1,422,680)
(35,153,050)	(23,090,226)	(5,321,920)	(3,546,751)
(30,107,476)	(35,544,335)	(3,954,839)	(4,969,431)

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

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

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

Consolidated	Company	
Audited year ended 31.03.19 Rs.'000	Audited year ended 31.03.19 Rs.'000	
		<b>A. Cash generated from operations</b>
5,475,513	57,919	Profit before tax
		<b>Adjustments for:</b>
10,511,607	2,688,959	Net finance costs
(176,096)	-	Share of profits from equity accounted investees
4,810,981	114,076	Depreciation on property, plant & equipment
61,987	-	Impairment of property, plant & equipment
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
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
1,783,565	-	Net gains/(loss) on translation of foreign currency
-	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
(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
(30,908)	-	Grants amortised
25,162,602	1,834,695	
(10,999,188)	(1,049,656)	(Increase)/decrease in trade and other receivables and other current assets
(7,751,794)	149	(Increase)/decrease in inventories
(1,647,524)	121,519	Increase/(decrease) in trade and other payables
4,764,096	906,707	
		<b>B. Analysis of cash and cash equivalents</b>
8,972,260	56,413	Cash in hand and at bank *
3,684,941	-	Short - term deposits
12,657,201	56,413	
(47,810,251)	(5,378,333)	Short-term interest bearing borrowings
(35,153,050)	(5,321,920)	<b>Cash and cash equivalents</b>

Consolidated		Company	
Unaudited 9 months to 31.12.19 Rs.'000	Unaudited 9 months to 31.12.18 Rs.'000	Unaudited 9 months to 31.12.19 Rs.'000	Unaudited 9 months to 31.12.18 Rs.'000
3,886,751	3,505,294	(1,606,347)	(960,940)
8,416,961	7,745,418	2,314,560	1,943,692
(240,692)	(177,136)	-	-
3,882,250	3,601,500	46,227	25,389
-	-	8,678	43,390
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(95,394)	(39,876)	(53)	13
-	-	-	-
-	-	(15,643)	-
-	-	-	(36,121)
-	-	-	-
154,240	157,383	-	-
716,459	1,541,251	-	-
-	-	-	-
-	-	-	-
53,797	-	-	-
-	(272,419)	-	-
1,161,741	934,995	102,607	63,522
(21,637)	(27,751)	-	-
17,914,476	16,968,659	850,029	1,078,945
(5,474,289)	(11,467,409)	18,037	(825,994)
2,094,627	(7,584,736)	(848)	61
3,420,214	1,160,474	204,364	188,269
17,955,028	(923,012)	1,071,582	441,281
8,184,511	9,516,681	63,252	62,945
3,372,465	3,586,628	-	-
11,556,976	13,103,309	63,252	62,945
(41,664,452)	(48,647,644)	(4,018,091)	(5,032,376)
(30,107,476)	(35,544,335)	(3,954,839)	(4,969,431)

\* Includes discontinued operations.

The Notes on pages 10 to 12 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 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	(59,239)
Right of use assets	5,203,578
Deferred tax assets	82,874
Trade and other receivables	(619,346)
<b>Total assets</b>	<b>4,607,867</b>
<b>Equity and liabilities</b>	
Revenue reserves	(107,985)
Non- controlling interest	(793,699)
Interest bearing borrowings/Lease liability	5,509,551
<b>Total Liability</b>	<b>4,607,867</b>

Set out below, are the carrying amounts of right of use assets and lease liability and the movements for the period ended 31st December 2019.

	Right of use assets Rs.'000	Lease liability Rs.'000
As at 1st April 2019	5,203,578	5,509,551
Additions	1,456,245	1,245,116
Amortisation	(940,893)	-
Interest cost	-	599,839
Payment	-	(1,253,790)
<b>As at 31st December 2019</b>	<b>5,718,930</b>	<b>6,100,716</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 31st Decemebr 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 31st December 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 9 months to 31.12.19	Unaudited 9 months to 31.12.18
Rs.'000	Rs.'000	Rs.'000	Rs.'000
5,248,841	304,222	<b>4,944,619</b>	5,047,441
13,401,916	7,721	<b>13,394,195</b>	12,883,962
17,580,785	-	<b>17,580,785</b>	14,313,839
9,863,887	-	<b>9,863,887</b>	8,567,983
3,661,590	28,645	<b>3,632,945</b>	3,542,823
10,447,296	520,841	<b>9,926,455</b>	10,799,297
9,865,308	76,670	<b>9,788,638</b>	9,607,332
31,466,758	-	<b>31,466,758</b>	33,509,838
48,417,967	-	<b>48,417,967</b>	52,360,503
4,128,447	441,336	<b>3,687,111</b>	3,133,195
1,370,731	-	<b>1,370,731</b>	1,224,960
3,230,619	27,290	<b>3,203,329</b>	4,594,647
4,397,705	1,046,013	<b>3,351,692</b>	3,144,314
<b>163,081,850</b>	<b>2,452,738</b>	<b>160,629,112</b>	<b>162,730,134</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)
<b>15,989,281</b>	<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 9 months to 31.12.19	Unaudited 9 months to 31.12.18
Rs.'000	Rs.'000
<b>435,943</b>	302,405
<b>900,773</b>	622,179
<b>1,846,573</b>	1,019,606
<b>588,819</b>	321,926
<b>352,936</b>	371,917
<b>1,062,359</b>	1,204,854
<b>260,532</b>	448,268
<b>2,659,900</b>	2,303,560
<b>3,290,253</b>	3,432,297
<b>232,797</b>	39,917
<b>879,985</b>	783,849
<b>(437,513)</b>	262,800
<b>977,381</b>	811,662
<b>13,050,737</b>	11,925,240
<b>(738,095)</b>	(629,326)
<b>12,312,642</b>	11,295,914
<b>(8,416,961)</b>	(7,745,418)
<b>-</b>	-
<b>240,692</b>	177,136
<b>(249,622)</b>	(222,338)
<b>3,886,751</b>	3,505,294

# 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 - 31.12.2018) Ordinary Shares

Company	
Unaudited	Unaudited
as at	as at
31.12.19	31.12.18
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	
	<b>Assets classified as held for sale</b>
51,900	Property, plant & equipment
-	Inventories
1,906	Trade and Other Receivables
-	Income tax recoverable
-	Other current financial assets
1,115	Cash in Hand and at Bank
54,921	<b>Total assets</b>
	<b>Liabilities directly associated with assets classified as held for sale</b>
332	Trade and other payables
-	Deferred tax liabilities
-	Employee benefit obligations
-	Short-term interest bearing borrowings
332	<b>Total equity and liabilities</b>

Consolidated	
Unaudited	Unaudited
as at	as at
31.12.19	31.12.18
Rs.'000	Rs.'000
-	341,473
-	4,352
1,906	24,239
-	2,572
-	2,732
1,115	37,270
3,021	412,638
332	19,081
-	42,057
-	4,817
-	2,907
332	68,862



# INVESTOR INFORMATION

## MARKET VALUE OF SHARES

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

	31.12.2019 Rs.	31.12.2018 Rs.
Closing price on	174.90	187.00
Highest price recorded for the three months ending	188.20	225.00
Lowest price recorded for the three months ending	145.00	180.00
Market capitalisation (Rs. Mn.)	13,118	14,025
Net assets per share	523.00	519.37
Price earnings ratio (times)	71.09	302.23

## DIVIDEND PAYMENT

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

## SHARE TRADING FROM 1ST OCTOBER, 2019 TO 31ST DECEMBER, 2019

No. of transactions	1,221
No. of shares traded	1,307,941
Value of shares traded (Rs.)	226,581,771

## 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 31st December, 2019, 7.56%

### DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 31.12.2019

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 31st December, 2019, 9.09%

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

Interest rate of comparable Government Securities as at 31st December, 2019, 9.09%

### DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 31.12.2019

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 31st December, 2019, 9.23%

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

Interest rate of comparable Government Securities as at 31st December, 2019, 9.23%

### DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 31.12.2019

No. of Transactions	1
No. of Debentures traded	1,500,000
Value of Debentures traded (Rs.)	150,000,000
Highest Price (Rs.)	100.00
Lowest Price (Rs.)	100.00
Last Traded Price (Rs.)	100.00

Interest yield - Last traded	12.95%
Yield to maturity - Last traded	11.99%

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

	31.12.2019	31.12.2018
Debt/ equity ratio	1.62	1.39
Quick asset ratio	0.36	0.29
Interest cover	0.31	0.51

# INVESTOR INFORMATION

## FIRST TWENTY SHAREHOLDERS AS AT 31ST DECEMBER, 2019

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 LOLC Holdings PLC	1,700,004	2.27
5 Hayleys Group Services(Private) Ltd No.02 A/C	1,117,090	1.49
6 Commercial Leasing & Finance PLC	734,144	0.98
7 Mrs.A.M.L.Johnpulle & Mr.B.J.M.Johnpulle	656,464	0.88
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	403,470	0.54
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 Mrs.L.Sivagurunathan & Mr.S.Rameshan	283,401	0.38
Total	60,688,427	80.92

There were no non voting shares as at 31st December, 2019.

## PUBLIC HOLDING

Percentage of public holding as at 31st December 2019. 37.10%

Total number of Shareholders representing the Public Holding 6,250

Float- adjusted market capitalization (Rs.) 4,866,592,500

The Company complies with option 4 of the Listing Rules 7.13.1 (a) which requires 10% minimum Public Holding.

## DIRECTORS' SHAREHOLDINGS AS AT 31ST DECEMBER, 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	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 Karunarahaj (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 Goonethileke  
Ms. D Talpahewa  
C De Silva  
N R Ranatunge  
D W P N Dediwela  
H Prematillake  
Ng Soon Huat  
M Wijewardene  
R J Karunarahaj (appointed w.e.f 01.06.2019 )  
Dr A Sivagananathan (resigned w.e.f 30.04.2019)  
S J Wijesignhe (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)