

# HAYLEYS PLC

## Interim Report

The Hayleys Lifecode: Enriching the

# Future



## FIRST QUARTER

Three months ended 30th June, 2022

## STATEMENT OF PROFIT OR LOSS

Consolidated	Company		Notes	Consolidated			Company		
				Unaudited 3 months to 30.06.22 Rs.'000	Unaudited 3 months to 30.06.21 Rs.'000	Change %	Unaudited 3 months to 30.06.22 Rs.'000	Unaudited 3 months to 30.06.21 Rs.'000	Change %
Year ended 31.03.22 Rs.'000	Year ended 31.03.22 Rs.'000								
338,009,580	497,642	<b>Revenue</b>	4	<b>123,641,304</b>	70,610,764	75	<b>132,145</b>	125,305	5
(258,715,354)	(379,217)	Cost of sales		<b>(90,288,842)</b>	(53,870,309)	68	<b>(98,379)</b>	(91,086)	8
(1,920,345)	-	Direct interest cost		<b>(875,197)</b>	(435,512)	101	-	-	-
<b>77,373,881</b>	<b>118,425</b>	<b>Gross profit</b>		<b>32,477,265</b>	16,304,943	99	<b>33,766</b>	34,219	(1)
-	5,145,509	Group dividend		-	-	-	<b>1,144,847</b>	815,571	40
1,997,601	13,111	Other income		<b>428,100</b>	433,415	(1)	-	984	-
(12,514,847)	-	Distribution expenses		<b>(3,883,013)</b>	(2,736,130)	42	-	-	-
(32,842,133)	257,512	Administrative expenses		<b>(10,825,341)</b>	(7,433,878)	46	<b>107,565</b>	210,071	(49)
(420,743)	(6,089)	Other expenses		<b>(42,659)</b>	(31,955)	33	<b>(69)</b>	(5,459)	(99)
<b>33,593,759</b>	<b>5,528,468</b>	<b>Results from operating activities</b>		<b>18,154,352</b>	6,536,395	178	<b>1,286,109</b>	1,055,386	22
16,831,989	188,410	Finance income		<b>12,846,365</b>	668,813	1,821	<b>152,596</b>	27,443	456
(14,882,770)	(2,219,372)	Finance cost		<b>(11,066,848)</b>	(2,375,150)	366	<b>(958,332)</b>	(518,006)	85
1,949,219	(2,030,962)	<b>Net finance cost</b>		<b>1,779,517</b>	(1,706,337)	204	<b>(805,736)</b>	(490,563)	64
328,543	9,250	Change in fair value of investment properties		-	-	-	-	-	-
226,794	-	Share of profit of equity accounted investees (net of tax)		<b>154,673</b>	79,998	93	-	-	-
(381,570)	-	Value added tax on financial services		<b>(80,982)</b>	(69,638)	16	-	-	-
<b>35,716,745</b>	<b>3,506,756</b>	<b>Profit before tax for the period</b>	5	<b>20,007,560</b>	4,840,418	313	<b>480,373</b>	564,823	(15)
(7,617,844)	139,979	Tax expense		<b>(3,711,611)</b>	(1,250,008)	197	<b>(37,031)</b>	-	100
<b>28,098,901</b>	<b>3,646,735</b>	<b>Profit for the period</b>		<b>16,295,949</b>	3,590,410	354	<b>443,342</b>	564,823	(22)
		<b>Profit for the period attributable to:</b>							
18,256,527	3,646,735	Owners of the parent		<b>10,488,825</b>	2,171,489	383	<b>443,342</b>	564,823	(22)
9,842,374	-	Non-controlling interest		<b>5,807,124</b>	1,418,921	309	-	-	-
<b>28,098,901</b>	<b>3,646,735</b>	<b>Profit for the period</b>		<b>16,295,949</b>	3,590,410	354	<b>443,342</b>	564,823	(22)
		<b>Earnings / per share</b>							
24.34	4.86	Basic (Rs.)		<b>13.99</b>	2.90		<b>0.59</b>	0.75	
24.34	4.86	Diluted (Rs.)		<b>13.99</b>	2.90		<b>0.59</b>	0.75	

The Notes on pages 9 to 11 form an integral part of these Financial Statements.  
Figures in brackets indicate deductions.

## STATEMENT OF COMPREHENSIVE INCOME

Consolidated	Company		Consolidated			Company		
			Unaudited 3 months to 30.06.22 Rs.'000	Unaudited 3 months to 30.06.21 Rs.'000	Change %	Unaudited 3 months to 30.06.22 Rs.'000	Unaudited 3 months to 30.06.21 Rs.'000	Change %
Year ended 31.03.22 Rs.'000	Year ended 31.03.22 Rs.'000							
28,098,901	3,646,735	<b>Profit for the period</b>	<b>16,295,949</b>	3,590,410	354	<b>443,342</b>	<b>564,823</b>	(22)
		<b>Other Comprehensive income</b>						
		<b>Items that will not be reclassified subsequently to Statement of Profit or Loss</b>						
3,482,837	-	Revaluation of land	-	-	-	-	-	-
(455,365)	(140,653)	Actuarial loss on employee benefit obligations	-	-	-	-	-	-
94,263	-	Net change on equity instruments designated at fair value through other comprehensive income	(253)	50,191	(101)	-	-	-
(540,638)	2,730	Tax on other comprehensive income	-	-	-	-	-	-
		<b>Items that will be reclassified subsequently to Statement of Profit or Loss</b>						
7,963,619	-	Net exchange differences on translation of foreign operations	5,822,393	292,786	1,889	-	-	-
(1,782,572)	-	Net gain / (loss) on cash flow hedges	(1,177,420)	52,216	(2,355)	-	-	-
(341)	-	Share of other comprehensive income of equity accounted investees	974,067	-	100	-	-	-
8,761,803	(137,923)	<b>Total other comprehensive income for the period, net of tax</b>	<b>5,618,787</b>	395,193	1,322	-	-	-
36,860,704	3,508,812	<b>Total comprehensive income for the period, net of tax</b>	<b>21,914,736</b>	3,985,603	450	<b>443,342</b>	<b>564,823</b>	(22)
		<b>Total comprehensive income for the period attributable to</b>						
23,397,488	3,508,812	Owners of the parent	13,752,109	2,429,291	466	443,342	564,823	(22)
13,463,216	-	Non-controlling interest	8,162,627	1,556,312	424	-	-	-
36,860,704	3,508,812		<b>21,914,736</b>	<b>3,985,603</b>	<b>450</b>	<b>443,342</b>	<b>564,823</b>	<b>(22)</b>

The Notes on pages 9 to 11 form an integral part of these Financial Statements.  
Figures in brackets indicate deductions.

## STATEMENT OF FINANCIAL POSITION

Consolidated		Company		Consolidated		Company	
As at 31.03.22 (Restated) Rs.'000	As at 31.03.22 Rs.'000			Unaudited as at 30.06.22 Rs.'000	Unaudited as at 30.06.21 (Restated) Rs.'000	Unaudited as at 30.06.22 Rs.'000	Unaudited as at 30.06.21 Rs.'000
<b>ASSETS</b>							
<b>Non - current assets</b>							
111,189,851	100,095	Property, plant & equipment		119,083,926	93,212,256	105,858	120,066
11,389,087	191,497	Right-of- use assets		11,699,385	9,507,396	175,539	239,371
2,601,101	88,850	Investment Properties		2,601,552	2,824,180	88,850	79,600
599,064	-	Biological assets		602,002	532,892	-	-
15,544,031	74,310	Intangible assets		15,548,307	15,744,571	71,819	62,230
-	38,903,712	Investments in subsidiaries		-	-	38,907,907	39,070,360
2,164,377	1,504,863	Investments in equity accounted investees		3,293,118	2,131,563	1,504,863	1,504,863
91,199	57,125	Other non-current financial assets		89,089	298,303	55,234	62,797
12,331,710	-	Non - current trade and other receivables		10,886,400	11,816,820	-	-
983,043	-	Other non-current assets		967,479	952,905	-	-
2,803,644	14,771	Deferred tax assets		3,045,694	2,310,367	14,771	24,524
-	610,000	Amounts due from subsidiaries		-	-	610,000	610,000
<b>159,697,107</b>	<b>41,545,223</b>	<b>Total non-current assets</b>		<b>167,816,952</b>	<b>139,331,253</b>	<b>41,534,841</b>	<b>41,773,811</b>
<b>Current assets</b>							
82,397,947	7,493	Inventories		100,307,603	58,866,151	15,858	1,799
-	3,897,840	Amounts due from subsidiaries		-	-	4,396,761	2,828,002
142,891	1,190	Amounts due from equity accounted investees		225,330	223,029	4,845	69,117
107,082,528	32,907	Trade and other receivables		125,010,889	76,683,270	28,515	47,711
4,179,463	31,555	Other current assets		6,863,635	3,790,819	285,821	53,370
837,838	68,645	Income tax recoverable		979,653	792,084	31,613	-
1,400,423	7,706	Other current financial assets		652,085	911,805	11,973	8,789
19,927,939	254,515	Short-term deposits		26,973,362	13,165,387	2,716,151	245,145
27,409,656	697,773	Cash in hand and at bank		35,634,271	17,804,242	42,063	369,360
-	-	Assets classified as held for sale		-	3,021	-	-
<b>243,378,685</b>	<b>4,999,624</b>	<b>Total current assets</b>		<b>296,646,828</b>	<b>172,239,808</b>	<b>7,533,600</b>	<b>3,623,293</b>
<b>403,075,792</b>	<b>46,544,847</b>	<b>Total assets</b>		<b>464,463,780</b>	<b>311,571,061</b>	<b>49,068,441</b>	<b>45,397,104</b>
<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
711,396	13,226	Capital reserves		711,413	688,411	13,226	13,226
30,077,359	-	Other components of equity		33,345,520	24,873,572	-	-
33,111,917	15,027,783	Revenue reserves		43,623,810	20,453,343	15,471,125	15,083,794
<b>65,475,672</b>	<b>16,616,009</b>	<b>Total equity attributable to equity holders of the company</b>		<b>79,255,743</b>	<b>47,590,326</b>	<b>17,059,351</b>	<b>16,672,020</b>
37,341,674	-	Non- controlling interest		44,848,509	28,685,195	-	-
<b>102,817,346</b>	<b>16,616,009</b>	<b>Total Equity</b>		<b>124,104,252</b>	<b>76,275,521</b>	<b>17,059,351</b>	<b>16,672,020</b>
<b>Non - current liabilities</b>							
63,540,193	18,265,278	Interest bearing borrowings		63,846,265	57,766,088	17,153,955	18,941,155
838,161	-	Grants		829,188	840,576	-	-
7,433,449	-	Deferred tax liabilities		7,951,926	5,610,698	-	-
1,462,347	-	Security deposits		1,452,308	1,325,505	-	-
1,637,526	-	Other Non-current Liabilities		1,638,919	1,686,917	-	-
2,317,848	-	Other non-current financial liabilities		5,467,121	2,268,879	-	-
11,208,145	1,298,429	Employee benefit obligations		11,878,499	10,171,638	1,348,015	1,101,110
<b>88,437,669</b>	<b>19,563,707</b>	<b>Total non-current liabilities</b>		<b>93,064,226</b>	<b>79,670,301</b>	<b>18,501,970</b>	<b>20,042,265</b>
<b>Current liabilities</b>							
79,256,611	1,268,500	Trade and other payables		93,089,177	58,627,890	961,169	572,437
10,195,071	29,704	Other current liabilities		8,326,428	7,353,541	28,577	20,209
9,828,666	-	Other current financial liabilities		10,195,448	9,405,440	-	-
-	672,807	Amounts due to subsidiaries		-	-	701,019	258,014
322	322	Amounts due to equity accounted investees		322	3,152	322	3,152
618,787	-	Deferred Revenue		1,439,467	471,151	-	-
3,527,178	-	Income tax payable		4,614,775	2,376,459	-	84,486
27,568,587	5,361,853	Current portion of long term interest bearing borrowings		31,674,899	25,217,857	5,184,929	4,587,997
80,825,555	3,031,945	Short-term interest bearing borrowings		97,954,786	52,169,417	6,631,104	3,156,524
-	-	Liabilities directly associated with assets classified as held for sale		-	332	-	-
<b>211,820,777</b>	<b>10,365,131</b>	<b>Total current liabilities</b>		<b>247,295,302</b>	<b>155,625,239</b>	<b>13,507,120</b>	<b>8,682,819</b>
<b>300,258,446</b>	<b>29,928,838</b>	<b>Total liabilities</b>		<b>340,359,528</b>	<b>235,295,540</b>	<b>32,009,090</b>	<b>28,725,084</b>
<b>403,075,792</b>	<b>46,544,847</b>	<b>Total equity and liabilities</b>		<b>464,463,780</b>	<b>311,571,061</b>	<b>49,068,441</b>	<b>45,397,104</b>

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 August 2022

The Notes on pages 9 to 11 form an integral part of these Financial Statements.  
Figures in brackets indicate deductions.

sgd.  
Sarath Ganegoda  
Director

## STATEMENT OF CHANGES IN EQUITY

For the period ended 30th June	Attributable to owners of the Company														Total Equity
	Consolidated	Capital Reserves			Other Components of Equity				Revenue Reserves			Shareholders' Funds	Non-controlling interest		
		Stated capital	Reserve on scrip issue	Other capital reserve	Revaluation reserve	Fair value reserve of financial assets at FVOCI	Cashflow hedge reserve	Foreign currency translation reserve	General reserve	Timber reserve	Bearer Biological reserve			Retained earnings	
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000			Rs.'000	
Balance as at 31st March 2022 (Restated)	1,575,000	175,636	535,760	24,091,156	15,645	(2,439,613)	8,410,171	2,280,540	129,106	11,705	30,690,566	65,475,672	37,341,674	102,817,346	
Profit for the period	-	-	-	-	-	-	-	-	-	-	10,488,825	10,488,825	5,807,124	16,295,949	
<b>Other Comprehensive income</b>															
Net exchange differences on translation of foreign operations	-	-	-	-	-	-	3,344,751	-	-	-	-	3,344,751	2,477,642	5,822,393	
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-	974,067	-	-	-	-	974,067	-	974,067	
Net gain on cash flow hedges	-	-	-	-	-	(1,055,310)	-	-	-	-	-	(1,055,310)	(122,110)	(1,177,420)	
Net change on equity instruments designated at fair value through other comprehensive income	-	-	-	-	(224)	-	-	-	-	-	-	(224)	(29)	(253)	
<b>Total other comprehensive income</b>	-	-	-	-	(224)	(1,055,310)	4,318,818	-	-	-	-	3,263,284	2,355,503	5,618,787	
<b>Total Comprehensive income for the period</b>	-	-	-	-	(224)	(1,055,310)	4,318,818	-	-	-	10,488,825	13,752,109	8,162,627	21,914,736	
<b>Transactions with owners, recorded directly in equity</b>															
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-	-	(628,953)	(628,953)	
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	-	-	-	-	(628,953)	(628,953)	
<b>Changes in ownership interests in subsidiaries</b>															
Adjustment on changes to non-controlling interest in subsidiaries	-	17	-	6,247	6	(1,765)	389	442	-	-	22,626	27,962	(26,839)	1,123	
<b>Total changes in ownership interests in subsidiaries</b>	-	17	-	6,247	6	(1,765)	389	442	-	-	22,626	27,962	(26,839)	1,123	
<b>Total transactions with owners</b>	-	17	-	6,247	6	(1,765)	389	442	-	-	22,626	27,962	(655,792)	(627,830)	
<b>Balance as at 30th June 2022</b>	1,575,000	175,653	535,760	24,097,403	15,427	(3,496,688)	12,729,378	2,280,982	129,106	11,705	41,202,017	79,255,743	44,848,509	124,104,252	

The Notes on pages 9 to 11 form an integral part of these Financial Statements.  
Figures in brackets indicate deductions.

## STATEMENT OF CHANGES IN EQUITY

For the period ended 30th June	Attributable to owners of the Company													Non-controlling interest	Total Equity
	Capital Reserves			Other Components of Equity				Revenue Reserves			Shareholders' Funds				
	Stated capital	Reserve on scrip issue	Other capital reserve	Revaluation reserve	Fair value reserve of financial assets at FVOCI	Cashflow hedge reserve	Foreign currency translation reserve	General reserve	Timber reserve	Bearer Biological reserve		Retained earnings			
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000		
<b>Balance as at 31st March, 2021 - (Previously reported)</b>	1,575,000	175,432	512,979	21,708,907	76,471	(849,098)	3,798,203	2,279,714	114,574	10,015	18,216,129	47,618,326	27,580,255	75,198,581	
Impact on surcharge tax	-	-	-	-	-	-	-	-	-	-	(1,914,179)	(1,914,179)	(555,201)	(2,469,380)	
<b>Balance as at 1st April 2021 (Restated)</b>	1,575,000	175,432	512,979	21,708,907	76,471	(849,098)	3,798,203	2,279,714	114,574	10,015	16,301,950	45,704,147	27,025,054	72,729,201	
Profit for the period	-	-	-	-	-	-	-	-	-	-	2,171,489	2,171,489	1,418,921	3,590,410	
<b>Other Comprehensive income</b>															
Net exchange differences on translation of foreign operations	-	-	-	-	-	-	178,318	-	-	-	-	178,318	114,468	292,786	
Net loss on cash flow hedges	-	-	-	-	-	47,511	-	-	-	-	-	47,511	4,705	52,216	
Net change on equity instruments designated at fair value through other comprehensive income	-	-	-	-	31,973	-	-	-	-	-	-	31,973	18,218	50,191	
Realised gain on timber	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Revaluation of land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Actuarial loss on defined benefit obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total other comprehensive income</b>	-	-	-	-	31,973	47,511	178,318	-	-	-	-	257,802	137,391	395,193	
<b>Total Comprehensive income for the period</b>	-	-	-	-	31,973	47,511	178,318	-	-	-	2,171,489	2,429,291	1,556,312	3,985,603	
<b>Transactions with owners, recorded directly in equity</b>															
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-	-	(465,676)	(465,676)	
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	-	-	-	-	(465,676)	(465,676)	
<b>Changes in ownership interests in subsidiaries</b>															
Adjustment on changes to non-controlling interest in subsidiaries	-	-	-	(241,472)	-	-	122,759	-	-	-	(424,399)	(543,112)	557,619	14,507	
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(6,000)	(6,000)	
Transfer to equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	17,886	17,886	
<b>Total changes in ownership interests in subsidiaries</b>	-	-	-	(241,472)	-	-	122,759	-	-	-	(424,399)	(543,112)	569,505	26,393	
<b>Total transactions with owners</b>	-	-	-	(241,472)	-	-	122,759	-	-	-	(424,399)	(543,112)	103,829	(439,283)	
<b>Balance as at 30th June 2021</b>	1,575,000	175,432	512,979	21,467,435	108,444	(801,587)	4,099,280	2,279,714	114,574	10,015	18,049,040	47,590,326	28,685,195	76,275,521	

The Notes on pages 9 to 11 form an integral part of these Financial Statements.  
Figures in brackets indicate deductions.

## STATEMENT OF CHANGES IN EQUITY

For the period ended 30th June					
Company	Capital Reserve		Revenue Reserves		Total Equity
	Stated capital	Other capital reserve	General reserve	Retained earnings	
	Rs. '000	Rs.'000	Rs.'000	Rs.'000	
<b>Balance as at 31st March 2022</b>	1,575,000	13,226	382,087	14,645,696	16,616,009
Profit for the period	-	-	-	443,342	443,342
<b>Other Comprehensive income</b>					
Actuarial losses on defined benefit obligations	-	-	-	-	-
Income tax on other comprehensive income	-	-	-	-	-
<b>Total other comprehensive income</b>	-	-	-	-	-
<b>Total Comprehensive income for the period</b>	-	-	-	443,342	443,342
<b>Transactions with owners, recorded directly in equity</b>					
Dividends to equity holders	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	-
<b>Balance as at 30th June 2022</b>	<b>1,575,000</b>	<b>13,226</b>	<b>382,087</b>	<b>15,089,038</b>	<b>17,059,351</b>
<b>Balance as at 31st March 2021</b>	1,575,000	13,226	382,087	14,136,884	16,107,197
Profit for the period	-	-	-	564,823	564,823
<b>Total Comprehensive income for the period</b>	-	-	-	564,823	564,823
<b>Transactions with owners, recorded directly in equity</b>					
Dividends to equity holders	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	-
<b>Balance as at 30th June 2021</b>	<b>1,575,000</b>	<b>13,226</b>	<b>382,087</b>	<b>14,701,707</b>	<b>16,672,020</b>

The Notes on pages 9 to 11 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

## STATEMENT OF CASH FLOWS

Consolidated	Company		Consolidated		Company	
			Unaudited 3 months to 30.06.22 Rs.'000	Unaudited 3 months to 30.06.21 Rs.'000	Unaudited 3 months to 30.06.22 Rs.'000	Unaudited 3 months to 30.06.21 Rs.'000
Year ended 31.03.22 Rs.'000	Year ended 31.03.22 Rs.'000					
<b>Cash flows from operating activities</b>						
17,183,289	5,147,092	Cash generated from operations (Note A)	6,940,143	468,072	359,478	986,255
(1,011,913)	(34,924)	Employee benefit paid	(243,565)	(213,068)	(9,369)	-
(6,635,021)	(667)	Income tax paid	(2,745,100)	(1,625,677)	-	-
-	-	Surcharge tax paid	(1,234,690)	-	-	-
9,536,355	5,111,501	<b>Net cash inflow from operating activities</b>	<b>2,716,788</b>	<b>(1,370,673)</b>	<b>350,109</b>	<b>986,255</b>
<b>Cash flows from investing activities</b>						
(14,040,140)	(19,908)	Purchase and construction of property, plant & equipment	(4,141,162)	(2,746,437)	(17,491)	(790)
-	-	Purchase of intangible assets	(46,820)	(11,526)	(825)	(3,531)
(178,458)	-	Investments in other non-current assets	(28,891)	(5,937)	-	-
(10,594,939)	(7,278,000)	Investments in other current financial assets	(3,770,001)	(1,071,672)	(1,450,000)	-
(1,200)	-	Investments in other non-current financial assets	-	(1,200)	-	-
1,059	-	Development of biological assets	(2,938)	(2,349)	-	-
38,950	-	Grants received - capital	1,390	13,262	-	-
-	-	Improvements to investment property	(451)	-	-	-
166,971	30	Proceeds from disposal of property, plant & equipment/ Intangible	42,729	115,386	-	-
49,722	-	Proceeds from disposal of intangible assets	-	-	-	-
9,731,452	7,308,563	Proceeds from disposal of current financial assets	4,541,283	628,066	1,450,000	-
400,000	-	Proceeds from sale of investment property	-	-	-	-
30,592	-	Proceeds from disposal of subsidiaries	-	30,593	-	-
(487,147)	(15,885)	On acquisition of right to generate hydro power/ ERP system	-	-	-	-
(4,608,960)	(70,161)	Long term investments in group companies and others	-	(3,951,870)	(4,194)	-
-	249,921	Disposal of subsidiary shares	-	-	-	984
245,611	-	Proceeds from disposal of shares of non-current financial assets	-	-	-	-
1,301,488	99,828	Interest received	1,005,045	191,004	99,486	25,426
126,707	-	Net movement in deferred revenue	820,680	(20,929)	-	-
137,500	-	Dividends received from equity accounted investees	-	46,200	-	-
6,413	249	Dividends received from non-group companies	306	2,959	151	101
(17,674,379)	274,637	<b>Net cash used in investing activities</b>	<b>(1,578,830)</b>	<b>(6,784,450)</b>	<b>77,127</b>	<b>22,190</b>
(8,138,024)	5,386,138	<b>Net cash inflow before financing</b>	<b>1,137,958</b>	<b>(8,155,123)</b>	<b>427,236</b>	<b>1,008,445</b>
<b>Cash flows from financing activities</b>						
(2,446,418)	-	Payment on lease	(325,160)	(201,536)	-	-
(9,955,142)	(2,173,690)	Interest paid (including interest capitalized)	(5,499,873)	(2,031,885)	(945,469)	(506,067)
(3,656,018)	-	Dividend paid to non-controlling interest	-	(465,676)	-	-
-	-	Proceeds from debenture issue	-	2,000,000	-	-
-	-	Debenture Redemption	(177,063)	(42,396)	-	-
37,806,769	5,800,000	Proceeds from interest-bearing borrowings	6,206,193	11,486,254	-	900,000
(28,099,956)	(6,275,000)	Repayment of interest-bearing borrowings	(6,079,434)	(6,730,133)	(1,275,000)	(1,510,000)
-	-	Long term loan facility fee	-	-	-	-
1,681,316	-	Net movement in financial liabilities	3,516,055	1,209,121	-	-
95,782	-	Net movement in security deposits	(10,039)	(41,060)	-	-
(152,815)	-	Acquisition of non-controlling interest	1,123	14,507	-	-
(3,132,708)	(3,132,708)	Dividends paid to equity holders of parent	(628,953)	(750,000)	-	(750,000)
(7,859,190)	(5,781,398)	<b>Net cash inflow / (outflow) from financing activities</b>	<b>(2,997,151)</b>	<b>4,447,196</b>	<b>(2,220,469)</b>	<b>(1,866,067)</b>
(15,997,214)	(395,260)	<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1,859,193)</b>	<b>(3,707,927)</b>	<b>(1,793,233)</b>	<b>(857,622)</b>
(17,490,746)	(1,684,397)	<b>Cash and cash equivalents at beginning of the year/period</b>	<b>(33,487,960)</b>	<b>(17,490,746)</b>	<b>(2,079,657)</b>	<b>(1,684,397)</b>
<b>(33,487,960)</b>	<b>(2,079,657)</b>	<b>Cash and cash equivalents at end of the year/period (Note B)</b>	<b>(35,347,153)</b>	<b>(21,198,673)</b>	<b>(3,872,890)</b>	<b>(2,542,019)</b>

The Notes on pages 9 to 11 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.



## STATEMENT OF CASH FLOWS

Consolidated	Company		Consolidated		Company	
			Unaudited 3 months to 30.06.22 Rs.'000	Unaudited 3 months to 30.06.21 Rs.'000	Unaudited 3 months to 30.06.22 Rs.'000	Unaudited 3 months to 30.06.21 Rs.'000
Year ended 31.03.22 Rs.'000	Year ended 31.03.22 Rs.'000					
		<b>A. Cash generated from operations</b>				
35,716,745	3,506,756	Profit before tax	20,007,560	4,840,418	480,373	564,823
		<b>Adjustments for:</b>				
(1,949,219)	2,030,962	Net finance costs	(1,779,517)	1,706,337	805,736	490,562
(226,794)	-	Share of profits from equity accounted investees	(154,673)	(79,998)	-	-
6,407,181	48,585	Depreciation on property, plant & equipment	2,143,646	1,349,186	11,658	12,489
97,620	-	Impairment of property, plant & equipment	-	-	-	-
1,752,023	63,832	Depreciation on right of use assets	432,585	545,079	15,958	15,958
(328,543)	(9,250)	Change in fair value of investment properties	-	-	-	-
(2,511)	-	Change in fair value of agricultural produce on bearer biological assets	-	-	-	-
(67,692)	-	Change in fair value of biological assets	-	-	-	-
(37,258)	6,089	(Gain)/loss on the disposal of property, plant & equipment	(5,049)	(19,581)	68	5,460
(6,592)	(13,111)	(Gain)/loss on disposal of subsidiary shares	-	(6,593)	-	(984)
(7,378)	-	Gain on the disposal of investment properties	-	-	-	-
259,642	2,606	Amortisation of intangible assets	74,671	53,404	3,316	-
137,864	-	Impairment of goodwill	-	-	-	-
12,456,930	-	Net (gain)/loss on translation of foreign currency	9,342,450	391,491	-	-
925,027	-	Impairment of trade & other receivables	-	-	-	-
1,915,933	-	Provision for unrealised profit and write-down of inventories	-	-	-	-
(12,305)	-	Gain on bargain purchase	-	-	-	-
95,904	-	Impairment/ amortisation of other non-current assets	44,304	60,354	-	-
1,514,224	137,836	Provision for post employee benefit obligations	803,727	453,263	57,898	45,139
(37,407)	-	Grants amortised	(10,363)	(9,304)	-	-
58,603,424	5,774,305		30,899,341	9,284,056	1,375,007	1,133,447
(40,063,552)	(1,247,436)	(Increase)/decrease in trade and other receivables and other current assets	(19,249,511)	(9,019,163)	(706,435)	(338,210)
(29,456,558)	(5,754)	(Increase)/decrease in inventories	(17,909,656)	(4,011,988)	(8,365)	(60)
28,099,975	625,977	Increase/(decrease) in trade and other payables	13,199,969	4,215,167	(300,729)	191,078
17,183,289	5,147,092		6,940,143	468,072	359,478	986,255
27,409,656	697,773	Cash in hand and at bank	35,634,271	17,805,357	42,063	369,360
19,927,939	254,515	Short-term deposits	26,973,362	13,165,387	2,716,151	245,145
47,337,595	952,288		62,607,633	30,970,744	2,758,214	614,505
(80,825,555)	(3,031,945)	Short-term interest bearing borrowings	(97,954,786)	(52,169,417)	(6,631,104)	(3,156,524)
(33,487,960)	(2,079,657)	<b>Cash and cash equivalents</b>	<b>(35,347,153)</b>	<b>(21,198,673)</b>	<b>(3,872,890)</b>	<b>(2,542,019)</b>

The Notes on pages 9 to 11 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 2022.

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 2022.

### 3 INDUSTRY SEGMENT REVENUE

Consolidated		Consolidated			
		Total	Intra-group	External	
Year ended 31.03.22	Rs.'000	Rs.'000	Rs.'000	Unaudited 3 months to 30.06.22	Unaudited 3 months to 30.06.21
				Rs.'000	Rs.'000
11,131,215	Eco Solutions	6,246,384	1,701,599	<b>4,544,785</b>	2,212,815
37,857,909	Hand Protection	13,356,777	10,688	<b>13,346,089</b>	12,277,082
32,750,593	Purification Products	15,041,682	147,715	<b>14,893,967</b>	7,396,534
31,668,189	Textiles	15,090,219	137,153	<b>14,953,066</b>	5,763,154
9,517,691	Construction Materials	2,911,930	46,280	<b>2,865,650</b>	1,356,191
24,089,400	Agriculture	8,526,919	173,686	<b>8,353,233</b>	5,038,704
17,369,398	Plantations	7,428,475	58,157	<b>7,370,318</b>	4,494,702
69,272,861	Transportation & Logistics	35,934,221	65,674	<b>35,868,547</b>	12,302,312
83,542,867	Consumer & Retail	16,275,389	25,972	<b>16,249,417</b>	16,267,104
5,748,535	Industry Inputs	2,161,296	210,965	<b>1,950,331</b>	973,223
1,292,079	Power & Energy	405,741	6,297	<b>399,444</b>	345,933
3,419,504	Leisure	1,192,263	30,899	<b>1,161,364</b>	301,075
10,349,339	Others	2,192,341	507,248	<b>1,685,093</b>	1,881,935
<b>338,009,580</b>		<b>126,763,637</b>	<b>3,122,333</b>	<b>123,641,304</b>	<b>70,610,764</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 4 INDUSTRY SEGMENT RESULTS

Consolidated		Consolidated	
Year ended 31.03.22		Unaudited 3 months to 30.06.22	Unaudited 3 months to 30.06.21
Rs.'000		Rs.'000	Rs.'000
717,994	Eco Solutions	914,913	220,176
2,896,253	Hand Protection	1,921,392	1,263,739
3,079,056	Purification Products	2,585,028	712,177
1,756,662	Textiles	1,002,870	335,371
1,487,728	Construction Materials	219,506	128,189
3,011,320	Agriculture	2,361,042	492,303
2,450,344	Plantations	1,247,951	443,414
8,421,628	Transportation & Logistics	4,872,947	1,494,864
8,502,120	Consumer & Retail	2,667,571	1,279,096
509,809	Industry Inputs	451,929	86,538
693,956	Power & Energy	200,557	198,356
(1,018,772)	Leisure	(367,261)	(469,814)
6,521,785	Others	1,403,793	1,724,256
39,029,883	<b>Segment results</b>	19,482,238	7,908,666
(5,436,125)	Non - segment income/(expenses)	(1,327,886)	(1,372,271)
33,593,759	<b>Operating profit</b>	18,154,352	6,536,395
1,949,219	Net finance cost	1,779,517	(1,706,337)
328,543	Change in fair value of investment properties	-	-
226,794	Share of profits from equity accounted investees	154,673	79,998
(381,570)	Value added tax on financial services	(80,982)	(69,638)
35,716,745	<b>Profit before tax</b>	20,007,560	4,840,418

### 5 STATED CAPITAL

Company		Company	
As at 31.03.22		Unaudited as at 30.06.22	Unaudited as at 30.06.21
Rs.'000		Rs.'000	Rs.'000
1,575,000	Issued and fully paid 75,000,000 (75,000,000 - 31.03.2021) Ordinary Shares	1,575,000	1,575,000

## NOTES TO THE FINANCIAL STATEMENTS

### 6 SURCHARGE TAX

The Surcharge Tax Act No. 14 of 2022 was enacted on 8th April 2022, confirming the imposition of a one-time tax of 25% on entities in which the taxable income exceeded Rs. 2 bn for the financial year ended 31st March 2021. The surcharge tax is applicable to the Hayleys Group as the cumulative taxable income of the group entities calculated, in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, exceeded the set threshold.

The total Surcharge Tax liability of the group amounted to Rs. 2.47 bn, and the first installment of Rs. 1.23 bn was paid by the group entities on 20th April 2022 and the balance on 20th July 2022.

The impact to the profit for the year ended 31st March 2021 as a result of the surcharge tax under the Surcharge Tax Act is as below;

	Consolidated (Rs.000')	Company (Rs.000')
Profit after tax for the year ended 31 March 2021 (Previously reported)	14,046,207	1,198,634
Surcharge Tax charge	(2,469,380)	-
Profit for the year ended 31st March 2021 (Restated)	11,576,827	1,198,634

### 7 IMPACT OF RECENT ECONOMIC CONDITION

The Directors are continuously monitoring the existing and the anticipated effects of the economic crisis, the circumstances of the external environment, as well as the resulting consequences to the company in order to take appropriate measures to manage the impact.

#### I. Increase in interest rates

The sharp increase in interest rates adversely impacted the interest cost of the group and the company and it is expected to increase in the coming months as well. This increment in finance cost was mainly due to higher working capital requirements in the group as a result of the sharp depreciation of the Rupee along with curtailing of supplier credits by foreign suppliers due to the downgrade of the country's credit rating by international credit rating agencies subsequent to the weakening of the economic stability of Sri Lanka.

The following measures were taken to reduce the impact of increase in interest rates;

- Fixed the interest of short – term working capital loans for a longer period based on money market conditions.
- Minimised borrowings by reducing credit periods offered to the customers whilst encouraging advance payments, thereby improving the liquidity of the company.
- Took aggressive actions to improve the recoveries from debtors in an attempt to reduce the borrowings.
- Took strategic focus on capex planning to prioritise essential capex while deferring the other capex requirements.

#### II. Fluctuation of foreign currency and significant rupee depreciation

With the significant rupee depreciation, cost of materials has increased significantly resulting in higher working capital requirements. Further, price revisions have adversely affected the consumer demand. The Group was not in a position to mitigate the foreign exchange risk through forward forex contracts due to regulatory restrictions and shortages in forex liquidity in the market.

The rupee depreciation positively affected the export company's under the group which resulted in increase in the top line and bottom line. However, maintaining the exchange at a fixed level for an extended period posed challenges in maintaining competitiveness in the international market place. Strategic measures were taken to obtain working capital funding in local currency whilst closely monitoring the currency rate movement

The following measures were taken to reduce the impact of a significant depreciation of the Rupee;

- Implemented prudent strategies to revise price in a timely manner based on market outlook
- Accelerated payments to avoid potential additional costs due to adverse currency rate movement in the absence of forward forex contracts
- Invoiced in foreign currency where ever possible whilst being compliant to regulations

#### III. Other Considerations

Despite the current slowdown of the economy, the marketing and business development teams of the group continues to pursue new businesses whilst the operational teams focus on improving production efficiencies and reducing costs in order to increase the gross profit margins.

# INVESTOR INFORMATION

## MARKET VALUE OF SHARES

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

	<b>30.06.22</b>	30.06.21
	<b><u>Rs.</u></b>	<u>Rs.</u>
Last traded price	<b>64.00</b>	74.90
Highest price recorded for the three months ending	<b>80.00</b>	85.40
Lowest price recorded for the three months ending	<b>50.00</b>	61.10
Market capitalisation (Rs. Mn.)	<b>48,000</b>	56,175

## RATIOS

Net assets per share	<b>105.67</b>	63.45
Price earnings ratio (times)	<b>22.10</b>	25.87

## SHARE TRADING FROM 1ST APRIL, 2022 TO 30TH JUNE, 2022

No. of transactions	15,590
No. of shares traded	19,519,228
Value of shares traded (Rs.)	1,339,480,073

## 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 June, 2022 20.82%

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

Interest rate of comparable Government Securities as at 30th June, 2022 20.82%

### DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.06.2022

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 June, 2022 20.83%

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 June, 2022 20.83%

### DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.06.2022

There were no transactions during the period.

## RATIOS

	<b>30.06.22</b>	30.06.21
Debt/ equity ratio	<b>1.70</b>	1.60
Quick asset ratio	<b>0.56</b>	0.42
Interest cover	<b>1.36</b>	2.04

# INVESTOR INFORMATION

## FIRST TWENTY SHAREHOLDERS AS AT 30TH JUNE, 2022

Name of the Shareholder	No.of Shares	%
1 Mr.K.D.D.Perera	382,596,970	51.01
2 Trustees of the D.S.Jayasundera Trust	86,980,170	11.60
3 McLarens Holdings Ltd	11,768,045	1.57
4 Hayleys Group Services (Pvt) Ltd No.02 A/C	11,170,900	1.49
5 Mrs.R.N.Ponnambalam	6,383,380	0.85
6 Sri Lanka Insurance Corporation Ltd-Life Fund	6,383,159	0.85
7 Mrs.R.M.Spittel	5,646,970	0.75
8 Seylan Bank PLC / Janashakthi Capital Limited	5,000,000	0.67
9 Seylan Bank PLC / Mr.M.N.Deen	4,881,889	0.65
10 Mrs.Y.M.Spittel (Deceased)	4,655,610	0.62
11 Mrs.A.M.L.Johnpulle & Mr.B.J.M.Johnpulle	4,501,650	0.60
12 Mrs.S.D.Wickremasinghe	4,492,980	0.60
13 Mrs.P.M Godamunne	4,434,470	0.59
14 Mrs.A.K.Wikramanayake	4,384,490	0.58
15 Mrs.S.R.D.Wikramanayake	3,239,320	0.43
16 GF Capital Global Limited	3,189,937	0.43
17 Mr.S.Rameshan	3,169,820	0.42
18 Mrs.G.V.De Silva	2,850,830	0.38
19 Miss.S.H.De Silva	2,850,830	0.38
20 Miss. N.K.R.H.De Silva	2,834,010	0.38
<b>Total</b>	<b>561,415,430</b>	<b>74.86</b>

There were no non voting shares as at 30th June, 2022.

## PUBLIC HOLDING

Percentage of public holding as at 30th June, 2022	88.11%
Total number of Shareholders representing the Public Holding	15,012
Float- adjusted market capitalization (Rs.)	42,160,635,000
The Company complies with option 1 of the Listing Rules 7.13.1 (a) which no minimum Public Holding.	

## DIRECTORS' SHAREHOLDINGS AS AT 31ST JUNE, 2022

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

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

# 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) - Resigned  
w.e.f. 10th June 2022  
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 Karunarajah  
K D G Gunaratne  
Ms. A A K Amarasinghe (Alternate to K D D Perera) - Ceased  
w.e.f 10th June 2022

## 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 Karunarajah  
W Jayasekara

## AUDIT COMMITTEE

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

## REMUNERATION COMMITTEE

Dr H Cabral, PC – Chairman  
K D D Perera - Resigned w.e.f. 10th June 2022  
M H Jamaldeen  
M Y A Perera

## NOMINATION COMMITTEE

A M Pandithage – Chairman  
K D D Perera - Resigned w.e.f. 10th June 2022  
Dr H Cabral, PC

## RELATED PARTY TRANSACTION REVIEW COMMITTEE

Dr H Cabral, PC - Chairman  
S C Ganegoda  
M Y A Perera

## SECRETARIES

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## INVESTOR RELATIONS

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