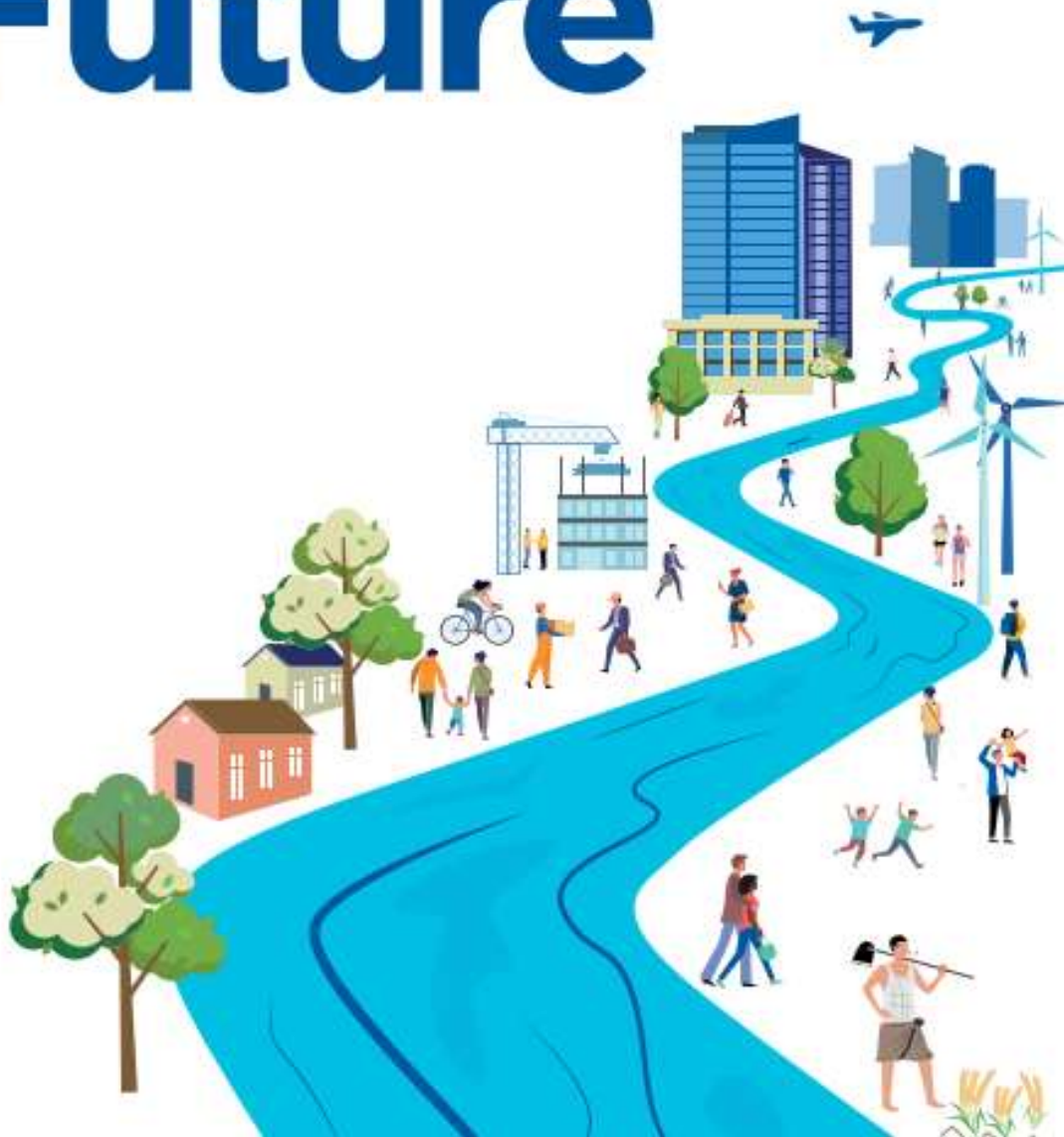


HAYLEYS PLC

Interim Report

The Hayleys Lifecycle: Enriching the

Future



SECOND QUARTER

Six months ended 30th September, 2022

STATEMENT OF PROFIT OR LOSS

Consolidated			Consolidated			Consolidated		
			Unaudited	Unaudited	Change	Unaudited	Unaudited	Change
			6 months to 30.09.22	6 months to 30.09.21		3 months to 30.09.22	3 months to 30.09.21	
Audited year ended 31.03.22		Notes	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
338,009,580	Revenue	4	253,573,081	150,048,922	69	129,931,777	79,438,158	64
(258,715,354)	Cost of sales		(189,330,521)	(115,200,642)	64	(99,041,679)	(61,330,333)	61
(1,920,345)	Direct interest cost		(2,079,650)	(909,159)	129	(1,204,453)	(473,647)	154
77,373,881	Gross profit		62,162,910	33,939,121	83	29,685,645	17,634,178	68
1,997,601	Other income		1,219,483	918,669	33	791,383	485,254	63
(12,514,847)	Distribution expenses		(7,130,022)	(5,918,128)	20	(3,247,009)	(3,181,998)	2
(32,842,133)	Administrative expenses		(22,134,819)	(14,950,779)	48	(11,309,478)	(7,516,901)	50
(420,743)	Other expenses		(64,225)	(75,377)	(15)	(21,566)	(43,422)	(50)
33,593,759	Results from operating activities		34,053,327	13,913,506	145	15,898,975	7,377,111	116
16,831,989	Finance income		16,800,719	2,195,464	665	3,954,354	1,526,651	159
(14,882,770)	Finance cost		(21,111,876)	(5,445,501)	288	(10,045,028)	(3,070,351)	227
1,949,219	Net finance cost		(4,311,157)	(3,250,037)	33	(6,090,674)	(1,543,700)	295
328,543	Change in fair value of investment properties		-	-	-	-	-	-
226,794	Share of profit of equity accounted investees (net of tax)		447,356	218,833	104	292,683	138,835	111
(381,570)	Value added tax on financial services		(172,112)	(152,634)	13	(91,130)	(82,996)	10
35,716,745	Profit before tax for the period	5	30,017,414	10,729,668	180	10,009,854	5,889,250	70
(7,617,844)	Tax expense		(6,564,268)	(2,711,076)	142	(2,852,657)	(1,461,068)	95
28,098,901	Profit for the period		23,453,146	8,018,592	192	7,157,197	4,428,182	62
	Profit for the period attributable to:							
18,256,527	Owners of the parent		14,535,134	4,959,193	193	4,046,309	2,787,704	45
9,842,374	Non-controlling interest		8,918,012	3,059,399	191	3,110,888	1,640,478	90
28,098,901	Profit for the period		23,453,146	8,018,592	192	7,157,197	4,428,182	62
	Earnings / per share							
24.34	Basic (Rs.)		19.38	6.61		5.40	3.72	
24.34	Diluted (Rs.)		19.38	6.61		5.40	3.72	

The Notes on pages 12 to 14 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF PROFIT OR LOSS

Company			Company			Company		
			Unaudited	Unaudited		Unaudited	Unaudited	
			6 months to	6 months to	Change	3 months to	3 months to	Change
Audited year ended 31.03.22		Notes	30.09.22	30.09.21		30.09.22	30.09.21	
Rs.'000			Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
497,642	Revenue		261,489	248,919	5	129,344	123,614	5
(379,217)	Cost of sales		(205,524)	(184,351)	11	(107,145)	(93,265)	15
118,425	Gross profit		55,965	64,568	(13)	22,199	30,349	(27)
5,145,509	Group dividend		3,308,392	1,611,263	105	2,163,545	795,692	172
13,111	Other income		-	12,845	(100)	-	11,861	(100)
257,512	Administrative expenses		243,166	338,259	(28)	135,601	128,188	6
(6,089)	Other expenses		(69)	(5,459)	(99)	-	-	100
5,528,468	Results from operating activities		3,607,454	2,021,476	78	2,321,345	966,090	140
188,410	Finance income		326,177	50,074	551	173,581	22,631	667
(2,219,372)	Finance cost		(2,324,449)	(1,048,817)	122	(1,366,117)	(530,811)	157
(2,030,962)	Net finance cost		(1,998,272)	(998,743)	100	(1,192,536)	(508,180)	135
9,250	Change in fair value of investment properties		-	-	-	-	-	-
3,506,756	Profit before tax for the period		1,609,182	1,022,733	57	1,128,809	457,910	147
139,979	Tax expense		(132,017)	-	>100	(94,986)	-	>100
3,646,735	Profit for the period		1,477,165	1,022,733	44	1,033,823	457,910	126

STATEMENT OF COMPREHENSIVE INCOME

Consolidated		Consolidated			Consolidated		
		Unaudited	Unaudited		Unaudited	Unaudited	
		6 months to	6 months to	Change	3 months to	3 months to	Change
Audited		30.09.22	30.09.21		30.09.22	30.09.21	
year ended							
31.03.22							
Rs.'000		Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
28,098,901	Profit for the period	23,453,146	8,018,592	192	7,157,197	4,428,182	62
	Other Comprehensive income						
	Items that will not be reclassified subsequently to Statement of Profit or Loss						
(455,365)	Actuarial loss on employee benefit obligations	-	-	-	-	-	-
94,263	Net change on equity instruments designated at fair value through other comprehensive income	1	104,212	(100)	254	54,021	(100)
(540,638)	Tax on other comprehensive income	-	-	-	-	-	-
	Items that will be reclassified subsequently to Statement of Profit or Loss						
7,963,619	Net exchange differences on translation of foreign operations	4,734,139	(26,406)	18,028	(1,088,254)	(319,192)	(241)
(1,782,572)	Net gain /(loss) on cash flow hedges	(950,397)	69,535	(1,467)	227,023	17,319	1,211
(341)	Share of other comprehensive income of equity accounted investees	876,816	-	>100	(97,251)	-	>100
8,761,803	Total other comprehensive income for the period, net of tax	4,660,559	147,341	(3,063)	(958,228)	(247,852)	(287)
36,860,704	Total comprehensive income for the period, net of tax	28,113,705	8,165,933	(244)	6,198,969	4,180,330	(48)
	Total comprehensive income for the period attributable to						
23,397,488	Owners of the parent	17,303,047	5,095,404	240	3,550,938	2,666,113	(33)
13,463,216	Non-controlling interest	10,810,658	3,070,529	252	2,648,031	1,514,217	(75)
36,860,704	Total comprehensive income for the period, net of tax	28,113,705	8,165,933	244	6,198,969	4,180,330	(48)

The Notes on pages 12 to 14 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF COMPREHENSIVE INCOME

Company		Company			Company		
		Unaudited	Unaudited	Change	Unaudited	Unaudited	Change
		6 months to 30.09.22 Rs.'000	6 months to 30.09.21 Rs.'000		3 months to 30.09.22 Rs.'000	3 months to 30.09.21 Rs.'000	
Audited year ended 31.03.22 Rs.'000				%			%
3,646,735	Profit/(Loss) for the period	1,477,165	1,022,733	44	1,033,823	457,910	126
	Other Comprehensive income						
	Items that will not be reclassified subsequently to Statement of Profit or Loss						
(140,653)	Actuarial loss on employee benefit obligations	-	-	-	-	-	-
-	Net change on equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-
2,730	Tax on other comprehensive income	-	-	-	-	-	-
	Items that will be reclassified subsequently to Statement of Profit or Loss						
-	Net exchange differences on translation of foreign operations	-	-	-	-	-	-
-	Net gain /(loss) on cash flow hedges	-	-	-	-	-	-
-	Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-
(137,923)	Total other comprehensive income for the period, net of tax	-	-	-	-	-	-
3,508,812	Total comprehensive income for the period, net of tax	1,477,165	1,022,733	44	1,033,823	457,910	126

STATEMENT OF FINANCIAL POSITION

Consolidated	Company		Consolidated		Company	
			Unaudited as at 30.09.22	Unaudited as at 30.09.21	Unaudited as at 30.09.22	Unaudited as at 30.09.21
Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS						
Non - current assets						
111,189,851	100,095	Property, plant & equipment	120,913,173	93,704,536	128,515	127,408
11,389,087	191,497	Right-of- use assets	11,396,484	10,238,364	159,581	223,413
2,601,101	88,850	Investment Properties	2,601,552	2,431,558	88,850	79,600
599,064	-	Biological assets	606,741	541,829	-	-
15,544,031	74,310	Intangible assets	15,669,582	15,974,077	68,469	57,134
-	38,903,712	Investments in subsidiaries	-	-	38,932,035	38,898,188
2,164,377	1,504,863	Investments in equity accounted investees	3,488,551	2,270,399	1,504,863	1,504,863
91,199	57,125	Other non-current financial assets	87,445	350,450	53,344	60,906
12,331,710	-	Non - current trade and other receivables	9,850,696	11,941,985	-	-
983,043	-	Other non-current assets	942,714	935,552	-	-
2,803,644	14,771	Deferred tax assets	3,019,553	2,431,453	14,771	24,524
-	610,000	Amounts due from subsidiaries	-	-	610,000	610,000
159,697,107	41,545,223	Total non-current assets	168,576,491	140,820,203	41,560,428	41,586,036
Current assets						
82,397,947	7,493	Inventories	105,322,273	68,238,452	37,241	1,812
-	3,897,840	Amounts due from subsidiaries	-	-	4,882,805	2,955,645
142,891	1,190	Amounts due from equity accounted investees	231,602	153,894	28,917	36,764
107,082,528	32,907	Trade and other receivables	118,874,437	78,955,321	32,052	60,050
4,179,463	31,555	Other current assets	6,984,143	4,473,085	245,762	180,111
837,838	68,645	Income tax recoverable	1,006,200	711,420	-	-
1,400,423	7,706	Other current financial assets	178,766	943,388	13,822	9,441
19,927,939	254,515	Short-term deposits	17,836,260	13,358,415	2,049,455	248,350
27,409,656	697,773	Cash in hand and at bank	28,932,413	21,886,229	168,044	392,074
-	-	Assets classified as held for sale	-	3,021	-	-
243,378,685	4,999,624	Total current assets	279,366,094	188,723,225	7,458,098	3,884,247
403,075,792	46,544,847	Total assets	447,942,585	329,543,428	49,018,526	45,470,283
EQUITY AND LIABILITIES						
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	711,546	688,416	13,226	13,226
30,077,359	-	Other components of equity	32,854,448	24,723,536	-	-
35,026,096	15,027,783	Revenue reserves	47,562,614	25,057,763	16,504,948	15,541,705
67,389,851	16,616,009	Total equity attributable to equity holders of the company	82,703,608	52,044,715	18,093,174	17,129,931
37,896,875	-	Non- controlling interest	44,067,658	29,836,778	-	-
105,286,726	16,616,009	Total Equity	126,771,266	81,881,493	18,093,174	17,129,931
Non - current liabilities						
63,540,193	18,265,278	Interest bearing borrowings	56,843,387	60,934,208	12,317,751	20,206,375
838,161	-	Grants	830,721	840,835	-	-
7,433,449	-	Deferred tax liabilities	7,649,185	5,612,553	-	-
1,462,347	-	Security deposits	1,449,748	1,367,478	-	-
1,637,526	-	Other Non-current Liabilities	1,630,158	1,690,553	-	-
2,317,848	-	Other non-current financial liabilities	5,232,190	2,489,870	-	-
11,208,145	1,298,429	Employee benefit obligations	12,184,020	10,602,983	1,390,242	1,141,965
88,437,669	19,563,707	Total non-current liabilities	85,819,409	83,538,480	13,707,993	21,348,340
Current liabilities						
79,256,611	1,268,500	Trade and other payables	84,851,979	63,516,776	916,081	412,529
7,725,691	29,704	Other current liabilities	7,964,033	4,236,605	47,629	20,744
9,828,666	-	Other current financial liabilities	10,735,171	9,662,982	-	-
-	672,807	Amounts due to subsidiaries	-	-	1,343,730	275,872
322	322	Amounts due to equity accounted investees	880	3,353	385	3,152
618,787	-	Deferred Revenue	1,502,413	569,265	-	-
3,527,178	-	Income tax payable	4,810,582	1,736,992	63,372	83,818
27,568,587	5,361,853	Current portion of long term interest bearing borrowings	32,805,837	21,429,845	8,632,433	5,185,885
80,825,555	3,031,945	Short-term interest bearing borrowings	92,681,015	62,967,305	6,213,729	1,010,012
-	-	Liabilities directly associated with assets classified as held for sale	-	332	-	-
209,351,397	10,365,131	Total current liabilities	235,351,910	164,123,455	17,217,359	6,992,012
297,789,066	29,928,838	Total liabilities	321,171,319	247,661,935	30,925,352	28,340,352
403,075,792	46,544,847	Total equity and liabilities	447,942,585	329,543,428	49,018,526	45,470,283

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
10th November 2022
The Notes on pages 12 to 14 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	Attributable to owners of the Company													
	Capital Reserves			Other Components of Equity				Revenue Reserves				Shareholders' Funds	Non-controlling interest	Total Equity
	Stated capital	Reserve on scrip issue	Other capital reserve	Revaluation reserve	Fair value reserve of financial assets at FVOCI	Cashflow hedge reserve	Foreign currency translation reserve	General reserve	Timber reserve	Bearer Biological reserve	Retained earnings			
	Rs. '000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Consolidated														
Balance as at 31st March 2022	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	32,604,745	67,389,851	37,896,875	105,286,726
Impact on surcharge tax	-	-	-	-	-	-	-	-	-	-	(1,914,179)	(1,914,179)	(555,201)	(2,469,380)
Balance as at 1st April 2022 - Adjusted	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	-	-	-	-	-	-	-	-	-	-	14,535,134	14,535,134	8,918,012	23,453,146
Other Comprehensive income														
Net exchange differences on translation of foreign operations	-	-	-	-	-	-	2,751,086	-	-	-	-	2,751,086	1,983,053	4,734,139
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-	876,816	-	-	-	-	876,816	-	876,816
Net gain on cash flow hedges	-	-	-	-	-	(859,991)	-	-	-	-	-	(859,991)	(90,406)	(950,397)
Net change on equity instruments designated at fair value through other comprehensive income	-	-	-	-	2	-	-	-	-	-	-	2	(1)	1
Total other comprehensive income	-	-	-	-	2	(859,991)	3,627,902	-	-	-	-	2,767,913	1,892,646	4,660,559
Total Comprehensive income for the period	-	-	-	-	2	(859,991)	3,627,902	-	-	-	14,535,134	17,303,047	10,810,658	28,113,705
Transactions with owners, recorded directly in equity														
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-	-	(4,000,567)	(4,000,567)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	-	-	-	(4,000,567)	(4,000,567)
Changes in ownership interests in subsidiaries														
Adjustment on changes to non-controlling interest in subsidiaries	-	51	99	11,721	16	(5,280)	2,719	6,422	-	-	(90,859)	(75,111)	(84,107)	(159,218)
Total changes in ownership interests in subsidiaries	-	51	99	11,721	16	(5,280)	2,719	6,422	-	-	(90,859)	(75,111)	(84,107)	(159,218)
Total transactions with owners	-	51	99	11,721	16	(5,280)	2,719	6,422	-	-	(90,859)	(75,111)	(4,084,674)	(4,159,785)
Balance as at 30th September 2022	1,575,000	175,687	535,859	24,102,877	15,663	(3,304,884)	12,040,792	2,286,962	129,106	11,705	45,134,841	82,703,608	44,067,658	126,771,266

The Notes on pages 12 to 14 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY

For the period ended 30th September	Attributable to owners of the Company												Non-controlling interest	Total Equity
		Capital Reserves		Other Components of Equity				Revenue Reserves				Shareholders' Funds		
	Consolidated	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			
	Rs. '000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1st April 2021	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
Profit for the period	-	-	-	-	-	-	-	-	-	-	4,959,193	4,959,193	3,059,399	8,018,592
Other Comprehensive income														
Net exchange differences on translation of foreign operations	-	-	-	-	-	-	2,440	-	-	-	-	2,440	(28,846)	(26,406)
Net loss on cash flow hedges	-	-	-	-	-	65,237	-	-	-	-	-	65,237	4,298	69,535
Net change on equity instruments designated at fair value through other comprehensive income	-	-	-	-	68,534	-	-	-	-	-	-	68,534	35,678	104,212
Realised gain on timber	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation of land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial loss on defined benefit obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	68,534	65,237	2,440	-	-	-	-	136,211	11,130	147,341
Total Comprehensive income for the period	-	-	-	-	68,534	65,237	2,440	-	-	-	4,959,193	5,095,404	3,070,529	8,165,933
Transactions with owners, recorded directly in equity														
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-	-	(1,407,000)	(1,407,000)
Transfers	-	-	-	(20,405)	-	-	-	1,624	-	-	18,781	-	-	-
Total contributions by and distributions to owners	-	-	-	(20,405)	-	-	-	1,624	-	-	18,781	-	(1,407,000)	(1,407,000)
Changes in ownership interests in subsidiaries														
Adjustment on changes to non-controlling interest in subsidiaries	-	5	-	(228,245)	1,445	-	100,047	(1,222)	-	-	(541,045)	(669,015)	581,108	(87,907)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(6,000)	(6,000)
Transfer to equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	17,886	17,886
Total changes in ownership interests in subsidiaries	-	5	-	(228,245)	1,445	-	100,047	(1,222)	-	-	(541,045)	(669,015)	592,994	(76,021)
Total transactions with owners	-	5	-	(248,650)	1,445	-	100,047	402	-	-	(522,264)	(669,015)	(814,006)	(1,483,021)
Balance as at 30th September 2021	1,575,000	175,437	512,979	21,460,257	146,450	(783,861)	3,900,690	2,280,116	114,574	10,015	22,653,058	52,044,715	29,836,778	81,881,493

The Notes on pages 12 to 14 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	Capital Reserve		Revenue Reserves		Total Equity
	Stated capital	Other capital reserve	General reserve	Retained earnings	
	Rs. '000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 31st March 2022	1,575,000	13,226	382,087	14,645,696	16,616,009
Profit for the period	-	-	-	1,477,165	1,477,165
Total other comprehensive income	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	1,477,165	1,477,165
Transactions with owners, recorded directly in equity					
Dividends to equity holders	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
Balance as at 30th September 2022	1,575,000	13,226	382,087	16,122,861	18,093,174
Balance as at 31st March 2021	1,575,000	13,226	382,087	14,136,885	16,107,198
Profit for the period	-	-	-	1,022,733	1,022,733
Total Comprehensive income for the period	-	-	-	1,022,733	1,022,733
Transactions with owners, recorded directly in equity					
Dividends to equity holders	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
Balance as at 30th September 2021	1,575,000	13,226	382,087	15,159,618	17,129,931

The Notes on pages 12 to 14 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

Consolidated	Company		Consolidated	Company
Audited Year ended 31.03.22	Audited Year ended 31.03.22		Unaudited 6 months to 30.09.22	Unaudited 6 months to 30.09.21
Rs.'000	Rs.'000		Rs.'000	Rs.'000
		Cash flows from operating activities		
17,183,289	5,147,092	Cash generated from operations (Note A)	21,268,478	2,688,417
(1,011,913)	(34,924)	Employee benefit paid	(501,842)	(359,328)
(6,635,021)	(667)	Income tax paid	(5,742,795)	(3,764,354)
-	-	Surcharge tax paid	(2,469,380)	-
9,536,355	5,111,501	Net cash inflow from operating activities	12,554,461	(1,435,265)
		Cash flows from investing activities		
(14,040,140)	(19,908)	Purchase and construction of property, plant & equipment	(8,142,815)	(4,680,788)
-	-	Purchase of intangible assets	(233,823)	(299,859)
(178,458)	-	Investments in other non-current assets	(132,780)	(23,407)
(10,594,939)	(7,278,000)	Investments in other current financial assets	(3,779,797)	(1,095,023)
(1,200)	-	Investments in other non-current financial assets	-	(1,200)
1,059	-	Development of biological assets	(7,677)	(11,286)
38,950	-	Grants received - capital	12,052	22,825
-	-	Improvements to investment property	(451)	-
166,971	30	Proceeds from disposal of property, plant & equipment/ Intangible	12,418	106,873
49,722	-	Proceeds from disposal of intangible assets	142	-
9,731,452	7,308,563	Proceeds from disposal of current financial assets	5,069,640	615,161
400,000	-	Proceeds from sale of investment property	-	400,000
30,592	-	Proceeds from disposal of subsidiaries	-	30,592
(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	-	(4,348,753)
-	249,921	Disposal of subsidiary shares	-	-
245,611	-	Proceeds from disposal of shares of non-current financial assets	-	-
1,301,488	99,828	Interest received	2,292,875	541,073
126,707	-	Net movement in deferred revenue	-	77,185
137,500	-	Dividends received from equity accounted investees	-	46,200
6,413	249	Dividends received from non-group companies	1,640	16,586
(17,674,379)	274,637	Net cash used in investing activities	(4,908,576)	(8,603,821)
(8,138,024)	5,386,138	Net cash inflow before financing	7,645,885	(10,039,086)
		Cash flows from financing activities		
(2,446,418)	-	Payment on lease	(606,575)	(792,885)
(9,955,142)	(2,173,690)	Interest paid (including interest capitalized)	(13,605,955)	(4,228,095)
(3,656,018)	-	Dividend paid to non-controlling interest	(4,000,567)	(1,407,000)
-	-	Proceeds from debenture issue	-	2,000,000
-	-	Debenture Redemption	(51,131)	(662,011)
37,806,769	5,800,000	Proceeds from interest-bearing borrowings	7,187,729	17,411,990
(28,099,956)	(6,275,000)	Repayment of interest-bearing borrowings	(12,642,798)	(13,364,373)
1,681,316	-	Net movement in financial liabilities	3,820,847	1,687,654
95,782	-	Net movement in security deposits	(12,599)	913
(152,815)	-	Acquisition of non-controlling interest	(159,218)	(87,907)
(3,132,708)	(3,132,708)	Dividends paid to equity holders of parent	-	(750,000)
(7,859,190)	(5,781,398)	Net cash inflow / (outflow) from financing activities	(20,070,267)	(191,714)
(15,997,214)	(395,260)	Net increase / (decrease) in cash and cash equivalents	(12,424,382)	(10,230,800)
(17,490,746)	(1,684,397)	Cash and cash equivalents at beginning of the year/period	(33,487,960)	(17,490,746)
(33,487,960)	(2,079,657)	Cash and cash equivalents at end of the year/period (Note B)	(45,912,342)	(3,996,230)

The Notes on pages 12 to 14 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

Consolidated	Company		Consolidated		Company	
Year ended 31.03.22	Year ended 31.03.22		Unaudited 6 months to 30.09.22	Unaudited 6 months to 30.09.21	Unaudited 6 months to 30.09.22	Unaudited 6 months to 30.09.21
Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000
A. Cash generated from operations						
35,716,745	3,506,756	Profit before tax	30,017,414	10,729,668	1,609,182	1,022,733
Adjustments for:						
(1,949,219)	2,030,962	Net finance costs	4,311,157	3,250,037	1,998,272	998,743
(226,794)	-	Share of profits from equity accounted investees	(447,356)	(218,833)	-	-
6,407,181	48,585	Depreciation on property, plant & equipment	4,088,603	2,848,766	18,067	19,379
97,620	-	Impairment of property, plant & equipment	24,307	-	5,785	5,785
1,752,023	63,832	Depreciation on right of use assets	832,231	977,635	31,916	31,916
(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	(21,376)	(56,423)	69	5,727
-	-	Gain on disposal of Non-current financial assets	-	-	-	(13,112)
(6,592)	(13,111)	(Gain)/loss on disposal of subsidiary shares	-	(6,593)	-	-
(7,378)	-	Gain on the disposal of investment properties	-	(7,378)	-	-
259,642	2,606	Amortisation of intangible assets	140,498	110,288	6,666	-
137,864	-	Impairment of goodwill	-	-	-	-
12,456,930	-	Net (gain)/loss on translation of foreign currency	9,176,737	515,257	-	-
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	-	-	-	-
1,514,224	137,836	Provision for post employee benefit obligations	1,387,856	1,016,494	115,163	89,880
(37,407)	-	Grants amortised	(19,492)	(18,608)	-	-
58,603,424	5,774,305		49,490,579	19,140,310	3,785,120	2,161,051
(40,063,552)	(1,247,436)	(Increase)/decrease in trade and other receivables and other current assets	(12,008,301)	(11,934,333)	(1,171,308)	(582,537)
(29,456,558)	(5,754)	(Increase)/decrease in inventories	(22,924,326)	(13,384,289)	(29,748)	(73)
28,099,975	625,977	Increase/(decrease) in trade and other payables	6,710,526	8,866,729	293,407	49,087
17,183,289	5,147,092		21,268,478	2,688,417	2,877,471	1,627,529
27,409,656	697,773	Cash in hand and at bank	28,932,413	21,887,344	168,044	392,074
19,927,939	254,515	Short - term deposits	17,836,260	13,358,415	2,049,455	248,350
47,337,595	952,288		46,768,673	35,245,759	2,217,499	640,424
(80,825,555)	(3,031,945)	Short-term interest bearing borrowings	(92,681,015)	(62,967,305)	(6,213,729)	(1,010,012)
(33,487,960)	(2,079,657)	Cash and cash equivalents	(45,912,342)	(27,721,546)	(3,996,230)	(369,588)

The Notes on pages 12 to 14 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	
				Unaudited	Unaudited
				6 months to 30.09.22	6 months to 30.09.21
Year ended 31.03.22					
Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000
11,131,215	Eco Solutions	11,296,470	1,134,512	10,161,958	5,257,534
37,857,909	Hand Protection	27,335,788	20,392	27,315,396	21,482,206
32,750,593	Purification Products	33,386,078	289,879	33,096,199	14,849,539
31,668,189	Textiles	32,158,754	482,933	31,675,821	14,123,796
9,517,691	Construction Materials	5,209,437	32,790	5,176,647	3,837,248
24,089,400	Agriculture	15,493,682	170,506	15,323,176	11,293,425
17,369,398	Plantations	14,788,707	149,562	14,639,145	8,505,985
69,272,861	Transportation & Logistics	73,428,947	170,383	73,258,564	27,978,603
83,542,867	Consumer & Retail	31,403,790	38,292	31,365,498	34,394,253
5,748,535	Industry Inputs	4,250,605	422,693	3,827,912	2,307,419
1,292,079	Power & Energy	793,009	13,697	779,312	736,443
3,419,504	Leisure	2,571,348	44,058	2,527,290	690,664
10,349,339	Others	5,760,394	1,334,231	4,426,163	4,591,807
338,009,580		257,877,009	4,303,928	253,573,081	150,048,922

NOTES TO THE FINANCIAL STATEMENTS

4 INDUSTRY SEGMENT RESULTS

Consolidated
Audited
Year ended
31.03.22
Rs.'000

717,994	Eco Solutions
2,896,253	Hand Protection
3,079,056	Purification Products
1,756,662	Textiles
1,487,728	Construction Materials
3,011,320	Agriculture
2,450,344	Plantations
8,421,628	Transportation & Logistics
8,502,120	Consumer & Retail
509,809	Industry Inputs
693,956	Power & Energy
(1,018,772)	Leisure
6,521,785	Others
39,029,883	Segment results
(5,436,125)	Non - segment income/(expenses)
33,593,759	Operating profit
1,949,219	Net finance cost
328,543	Change in fair value of investment properties
226,794	Share of profits from equity accounted investees
(381,570)	Value added tax on financial services
35,716,745	Profit before tax

5 STATED CAPITAL

Company
As at
31.03.22
Rs.'000

1,575,000	Issued and fully paid
	75,000,000 (75,000,000 - 31.03.2021) Ordinary Shares

Consolidated	
Unaudited	Unaudited
6 months to	6 months to
30.09.22	30.09.21
Rs.'000	Rs.'000
1,381,784	565,828
2,719,896	2,375,220
5,003,842	1,484,602
1,936,656	885,396
370,485	527,377
3,652,683	1,225,780
2,638,335	877,653
10,018,177	3,374,359
4,985,244	2,325,294
933,318	209,536
410,788	449,801
(687,825)	(939,951)
4,187,611	2,471,933
37,550,994	15,832,828
(3,497,667)	(1,919,322)
34,053,327	13,913,506
(4,311,157)	(3,250,037)
-	-
447,356	218,833
(172,112)	(152,634)
30,017,414	10,729,668

Company	
Unaudited	Unaudited
as at	as at
30.09.22	30.09.21
Rs.'000	Rs.'000

1,575,000	1,575,000
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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.

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 marginally 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.
- Continues control and monitoring measures taken to improve the recoveries from debtors to reduce the borrowings
- Strategic initiatives driven by the management to prioritise essential capital expenditure

II. Fluctuation of foreign currency and significant rupee depreciation

With the significant rupee depreciation, cost of materials have increased significantly resulting in higher working capital requirements. Further, price revisions have adversely affected the consumer demand.

The rupee depreciation positively affected the export company's within the group which resulted an increase in the topline and bottom line. However, maintaining the exchange rate at a fixed level for an extended period posed challenges in maintaining competitiveness in the international market place given the expected tax changes and high inflation rate. 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
- Adopting a proper mix of LKR and foreign currency working capital funding while closely monitoring the currency rate movement
- Entering into forward rate contracts to mitigate foreign currency risk
- Invoiced in foreign currency wherever 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:

	30.09.22 Rs.	30.09.21 Rs.
Last traded price	97.00	107.50
Highest price recorded for the three months ending	125.00	124.75
Lowest price recorded for the three months ending	59.00	73.80
Market capitalisation (Rs. Mn.)	72,750	80,625

RATIOS

Net assets per share	110.27	69.39
Price earnings ratio (times)	2.50	8.13

SHARE TRADING FROM 1ST APRIL, 2022 TO 30TH SEPTEMBER, 2022

No. of transactions	34,820
No. of shares traded	46,493,427
Value of shares traded (Rs.)	4,337,009,619

LISTED DEBENTURES

Details regarding the listed debentures are as follows;

DEBENTURE TRADING INFORMATION FOR THE THREE MONTHS ENDED - 30.09.2022

There were no transactions during the period.

Debenture 1

Listed, rated, senior, unsecured, redeemable, debentures,

Type A- Fixed rate at 12.50% p.a. payable semi annually redeemable on 31st July 2023

Interest rate of comparable Government Securities as at 30th September, 2022 23.72%

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, 2022 23.72%

Debenture 2

Listed, rated, senior, unsecured, redeemable, debentures,

Type A- Fixed coupon rate of 13% p.a. payable semi annually redeemable on 26th August 2024

Interest rate of comparable Government Securities as at 30th September, 2022 23.30%

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

Interest rate of comparable Government Securities as at 30th September, 2022 23.30%

RATIOS

	30.09.22	30.09.21
Debt/ equity ratio	1.50	1.54
Quick asset ratio	0.43	0.56
Interest cover	6.85	1.93

INVESTOR INFORMATION

FIRST TWENTY SHAREHOLDERS AS AT 30TH SEPTEMBER, 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 Sri Lanka Insurance Corporation Ltd-Life Fund	12,292,101	1.64
4 McLarens Holdings Ltd	11,768,045	1.57
5 Hayleys Group Services (Pvt) Ltd No.02 A/C	11,170,900	1.49
6 Mrs.R.N.Ponnambalam	6,100,880	0.81
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.S.D.Wickremasinghe	4,492,980	0.60
12 Mrs.P.M Godamunne	4,434,470	0.59
13 Mrs.A.M.L.Johnpulle & Mr.B.J.M.Johnpulle	4,411,650	0.59
14 Mrs.A.K.Wikramanayake	4,384,490	0.58
15 GF Capital Global Limited	3,604,000	0.48
16 Mrs.S.R.D.Wikramanayake	3,239,320	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
Total	567,365,935	75.65

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

PUBLIC HOLDING

Percentage of public holding as at 30th September, 2022	88.11%
Total number of Shareholders representing the Public Holding	15,623
Float- adjusted market capitalization (Rs.)	64,893,015,000
The Company complies with option 1 of the Listing Rules 7.13.1 (a) which no minimum Public Holding.	

DIRECTORS' SHAREHOLDINGS AS AT 30TH SEPTEMBER, 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

Hayleys 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
M M A R P Goonetilleke

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

Hayleys Group Services (Private) Limited
400, Deans Road, Colombo 10, Sri Lanka
Telephone: (94-11)2627650
Facsimile: (94-11)2627645
E-mail: info.sec@hayleys.com
Please direct any queries about the administration of shareholdings to the Company Secretaries

INVESTOR RELATIONS

Please contact Strategic Business Development Unit
Telephone: (94-11)2627662
E-mail: info@cau.hayleys.com