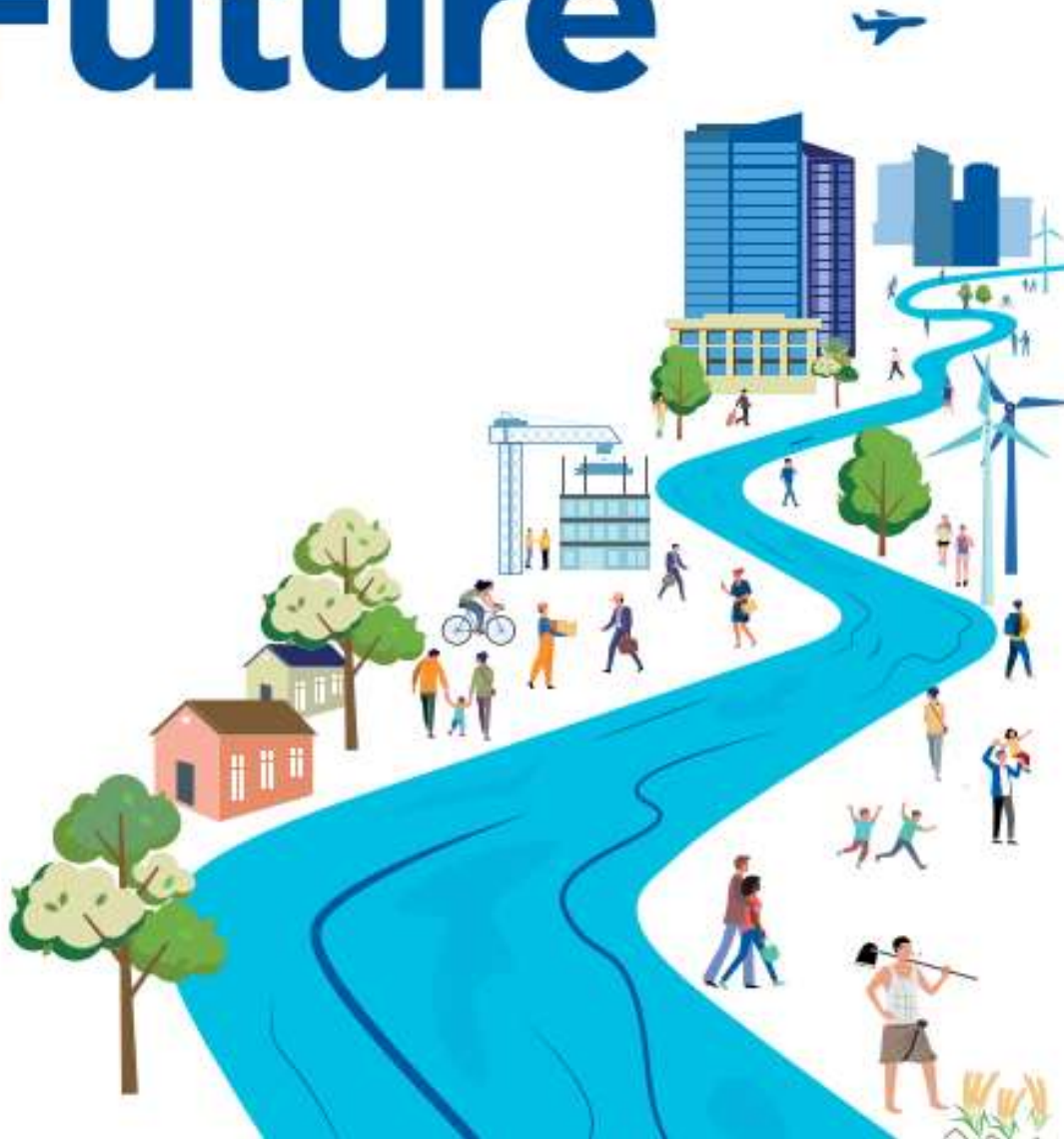


HAYLEYS PLC

Interim Report

The Hayleys Lifecode: Enriching the

Future



THIRD QUARTER

Nine months ended 31st December, 2022

STATEMENT OF PROFIT OR LOSS

Consolidated			Consolidated			Consolidated		
			Unaudited 9 months to 31.12.22	Unaudited 9 months to 31.12.21	Change	Unaudited 3 months to 31.12.22	Unaudited 3 months to 31.12.21	Change
Audited year ended 31.03.22		Notes	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
338,009,580	Revenue	4	369,923,653	242,266,572	53	116,350,572	92,217,650	26
(258,715,354)	Cost of sales		(275,724,236)	(185,291,891)	49	(86,393,715)	(70,091,249)	23
(1,920,345)	Direct interest cost		(3,343,320)	(1,389,156)	141	(1,263,670)	(479,997)	163
77,373,881	Gross profit		90,856,097	55,585,525	63	28,693,187	21,646,404	33
1,997,601	Other income		1,776,917	1,280,088	39	557,434	361,419	54
(12,514,847)	Distribution expenses		(11,462,108)	(9,400,933)	22	(4,332,086)	(3,482,805)	24
(32,842,133)	Administrative expenses		(33,439,304)	(22,861,410)	46	(11,304,485)	(7,910,631)	43
(420,743)	Other expenses		(106,387)	(142,767)	(25)	(42,162)	(67,390)	(37)
33,593,759	Results from operating activities		47,625,215	24,460,503	95	13,571,888	10,546,997	29
16,831,989	Finance income		18,567,244	3,394,408	447	1,766,525	1,198,944	47
(14,882,770)	Finance cost		(29,813,753)	(8,388,188)	255	(8,701,877)	(2,942,687)	196
1,949,219	Net finance cost		(11,246,509)	(4,993,780)	125	(6,935,352)	(1,743,743)	298
328,543	Change in fair value of investment properties		-	-	-	-	-	-
226,794	Share of profit of equity accounted investees (net of tax)		439,378	249,557	76	(7,978)	30,724	(126)
(381,570)	Value added tax on financial services		(265,998)	(254,972)	4	(93,886)	(102,338)	(8)
35,716,745	Profit before tax for the period	5	36,552,086	19,461,308	88	6,534,672	8,731,640	(25)
(7,617,844)	Tax expense		(12,274,050)	(4,816,046)	155	(5,709,782)	(2,104,970)	171
28,098,901	Profit for the period		24,278,036	14,645,262	66	824,890	6,626,670	(88)
	Profit for the period attributable to:							
18,256,527	Owners of the parent		14,553,924	9,492,851	53	18,790	4,533,658	(100)
9,842,374	Non-controlling interest		9,724,112	5,152,411	89	806,100	2,093,012	(61)
28,098,901	Profit for the period		24,278,036	14,645,262	66	824,890	6,626,670	(88)
	Earnings / per share							
24.34	Basic (Rs.)		19.41	12.66		0.03	6.04	
24.34	Diluted (Rs.)		19.41	12.66		0.03	6.04	

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	
			9 months to	9 months to	Change	3 months to	3 months to	Change
Audited year ended 31.03.22		Notes	31.12.22	31.12.21		31.12.22	31.12.21	
Rs.'000			Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
497,642	Revenue		392,939	373,896	5	131,450	124,977	5
(379,217)	Cost of sales		(331,986)	(277,824)	19	(126,462)	(93,473)	35
118,425	Gross profit		60,953	96,072	(37)	4,988	31,504	(84)
5,145,509	Group dividend		4,555,032	3,650,625	25	1,246,640	2,039,362	(39)
13,111	Other income		-	12,849	(100)	-	4	(100)
257,512	Administrative expenses		496,819	277,407	79	253,653	(60,852)	(517)
(6,089)	Other expenses		(39)	(5,502)	(99)	30	(43)	100
5,528,468	Results from operating activities		5,112,765	4,031,451	27	1,505,311	2,009,975	(25)
188,410	Finance income		502,658	87,356	475	176,481	37,282	373
(2,219,372)	Finance cost		(3,836,021)	(1,624,136)	136	(1,511,572)	(575,319)	163
(2,030,962)	Net finance cost		(3,333,363)	(1,536,780)	117	(1,335,091)	(538,037)	148
9,250	Change in fair value of investment properties		-	-	-	-	-	-
3,506,756	Profit before tax for the period		1,779,402	2,494,671	(29)	170,220	1,471,938	(88)
139,979	Tax expense		(27,919)	(10,043)	178	104,098	(10,043)	(1,137)
3,646,735	Profit for the period		1,751,483	2,484,628	(30)	274,318	1,461,895	(81)

STATEMENT OF COMPREHENSIVE INCOME

Consolidated		Consolidated			Consolidated		
		Unaudited	Unaudited		Unaudited	Unaudited	
		9 months to	9 months to	Change	3 months to	3 months to	Change
		31.12.22	31.12.21		31.12.22	31.12.21	
Audited		Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
year ended							
31.03.22							
Rs.'000							
28,098,901	Profit for the period	24,278,036	14,645,262	66	824,890	6,626,670	(88)
	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	(112)	113,965	(100)	(113)	9,753	(101)
(540,638)	Tax on other comprehensive income	(883,678)	-	-	(883,678)	-	-
	Items that will be reclassified subsequently to Statement of Profit or Loss						
7,963,619	Net exchange differences on translation of foreign operations	6,222,447	(376,811)	1,751	1,488,308	(350,405)	525
(1,782,572)	Net gain /(loss) on cash flow hedges	(689,973)	146,953	(570)	260,424	77,418	236
(341)	Share of other comprehensive income of equity accounted investees	876,816	-	100	-	-	-
8,761,803	Total other comprehensive income for the period, net of tax	5,525,500	(115,893)	4,868	864,941	(263,234)	429
36,860,704	Total comprehensive income for the period, net of tax	29,803,536	14,529,369	(105)	1,689,831	6,363,436	73
	Total comprehensive income for the period attributable to						
23,397,488	Owners of the parent	17,770,142	9,512,228	87	467,095	4,416,824	89
13,463,216	Non-controlling interest	12,033,394	5,017,141	140	1,222,736	1,946,612	37
36,860,704	Total comprehensive income for the period, net of tax	29,803,536	14,529,369	105	1,689,831	6,363,436	73

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
		9 months to	9 months to		3 months to	3 months to	
		31.12.22	31.12.21		31.12.22	31.12.21	
Audited		Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
year ended							
31.03.22							
Rs.'000							
3,646,735	Profit/(Loss) for the period	1,751,483	2,484,628	(30)	274,318	1,461,895	(81)
	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	1,751,483	2,484,628	(30)	274,318	1,461,895	(81)

STATEMENT OF FINANCIAL POSITION

Consolidated	Company		Consolidated		Company	
			Unaudited as at 31.12.22	Unaudited as at 31.12.21	Unaudited as at 31.12.22	Unaudited as at 31.12.21
Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS						
Non - current assets						
111,189,851	100,095	Property, plant & equipment	122,996,853	96,874,902	122,972	117,463
11,389,087	191,497	Right-of- use assets	11,522,169	10,272,315	143,623	207,455
2,601,101	88,850	Investment Properties	2,601,552	2,431,558	88,850	79,600
599,064	-	Biological assets	609,722	544,909	-	-
15,544,031	74,310	Intangible assets	15,764,948	15,939,015	65,893	57,134
-	38,903,712	Investments in subsidiaries	-	-	39,002,887	38,902,041
2,164,377	1,504,863	Investments in equity accounted investees	3,474,785	2,246,261	1,504,863	1,504,863
91,199	57,125	Other non-current financial assets	86,306	112,677	51,453	59,016
12,331,710	-	Non - current trade and other receivables	8,993,692	12,347,146	-	-
983,043	-	Other non-current assets	948,706	929,598	-	-
2,803,644	14,771	Deferred tax assets	3,549,974	2,435,618	171,427	24,524
-	610,000	Amounts due from subsidiaries	-	-	610,000	610,000
159,697,107	41,545,223	Total non-current assets	170,548,707	144,133,999	41,761,968	41,562,096
Current assets						
82,397,947	7,493	Inventories	98,790,091	70,569,448	41,303	2,625
-	3,897,840	Amounts due from subsidiaries	-	-	5,147,072	3,512,639
142,891	1,190	Amounts due from equity accounted investees	166,158	143,100	3,333	38,597
107,082,528	32,907	Trade and other receivables	112,545,866	78,951,481	30,466	342,153
4,179,463	31,555	Other current assets	6,757,589	4,040,087	238,309	130,553
837,838	68,645	Income tax recoverable	1,026,046	847,592	-	-
1,400,423	7,706	Other current financial assets	762,280	1,754,310	13,360	274,012
19,927,939	254,515	Short-term deposits	17,193,746	14,596,135	1,878,582	251,444
27,409,656	697,773	Cash in hand and at bank	30,688,439	23,740,389	151,899	175,336
243,378,685	4,999,624	Total current assets	267,930,215	194,642,542	7,504,324	4,727,359
403,075,792	46,544,847	Total assets	438,478,922	338,776,541	49,266,292	46,289,455
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	711,764	688,435	13,226	13,226
30,077,359	-	Other components of equity	33,295,310	24,484,167	-	-
35,026,096	15,027,783	Revenue reserves	47,696,256	29,708,099	16,779,266	17,003,600
67,389,851	16,616,009	Total equity attributable to equity holders of the company	83,278,330	56,455,701	18,367,492	18,591,826
37,896,875	-	Non- controlling interest	43,960,681	30,617,616	-	-
105,286,726	16,616,009	Total Equity	127,239,011	87,073,317	18,367,492	18,591,826
Non - current liabilities						
63,540,193	18,265,278	Interest bearing borrowings	57,233,464	60,413,662	12,898,919	19,651,099
838,161	-	Grants	826,489	843,907	-	-
7,433,449	-	Deferred tax liabilities	11,451,528	5,670,922	-	-
1,462,347	-	Security deposits	1,458,431	1,393,702	-	-
1,637,526	-	Other Non-current Liabilities	1,674,196	1,712,822	-	-
2,317,848	-	Other non-current financial liabilities	5,339,869	2,199,468	-	-
11,208,145	1,298,429	Employee benefit obligations	12,330,833	10,809,017	1,447,823	1,168,255
88,437,669	19,563,707	Total non-current liabilities	90,314,810	83,043,500	14,346,742	20,819,354
Current liabilities						
79,256,611	1,268,500	Trade and other payables	77,159,195	61,254,969	1,318,187	569,488
7,725,691	29,704	Other current liabilities	9,966,309	5,823,723	54,037	5,627
9,828,666	-	Other current financial liabilities	11,841,961	10,115,569	-	-
-	672,807	Amounts due to subsidiaries	-	-	1,824,731	371,037
322	322	Amounts due to equity accounted investees	385	3,403	385	3,152
618,787	-	Deferred Revenue	1,182,521	693,606	-	-
3,527,178	-	Income tax payable	6,557,090	2,310,172	115,931	93,861
27,568,587	5,361,853	Current portion of long term interest bearing borrowings	32,388,188	23,431,134	8,756,370	5,363,838
80,825,555	3,031,945	Short-term interest bearing borrowings	81,829,452	65,027,148	4,482,417	471,272
209,351,397	10,365,131	Total current liabilities	220,925,101	168,659,724	16,552,058	6,878,275
297,789,066	29,928,838	Total liabilities	311,239,911	251,703,224	30,898,800	27,697,629
403,075,792	46,544,847	Total equity and liabilities	438,478,922	338,776,541	49,266,292	46,289,455

The Financial Statements have been prepared in compliance with the requirements of the Companies Act no 7 of 2007 .

Sgd.
Milinda Hewagama
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
13th February 2023

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 31st December	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 arer reserve	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	-	-	-	-	-	-	-	-	-	-	14,553,924	14,553,924	9,724,112	24,278,036
Other Comprehensive income														
Net exchange differences on translation of foreign operations	-	-	-	-	-	-	3,693,143	-	-	-	-	3,693,143	2,529,304	6,222,447
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-	876,816	-	-	-	-	876,816	-	876,816
Net gain on cash flow hedges	-	-	-	-	-	(633,874)	-	-	-	-	-	(633,874)	(56,099)	(689,973)
Net change on equity instruments designated at fair value through other comprehensive income	-	-	-	-	(111)	-	-	-	-	-	-	(111)	(1)	(112)
Deferred tax on other comprehensive income	-	-	-	(719,756)	-	-	-	-	-	-	-	(719,756)	(163,922)	(883,678)
Total other comprehensive income	-	-	-	(719,756)	(111)	(633,874)	4,569,959	-	-	-	-	3,216,218	2,309,282	5,525,500
Total Comprehensive income for the period	-	-	-	(719,756)	(111)	(633,874)	4,569,959	-	-	-	14,553,924	17,770,142	12,033,394	29,803,536
Transactions with owners, recorded directly in equity														
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-	-	(5,395,784)	(5,395,784)
Transfers	-	-	-	(7,169)	-	-	-	-	-	-	7,169	-	-	-
Total contributions by and distributions to owners	-	-	-	(7,169)	-	-	-	-	-	-	7,169	-	(5,395,784)	(5,395,784)
Changes in ownership interests in subsidiaries														
Adjustment on changes to non-controlling interest in subsidiaries	-	51	317	12,166	1,895	(8,796)	3,637	6,422	-	-	16,824	32,516	(100,713)	(68,197)
Acquisition of Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	82,110	82,110
Total changes in ownership interests in subsidiaries	-	51	317	12,166	1,895	(8,796)	3,637	6,422	-	-	16,824	32,516	(18,603)	13,913
Total transactions with owners	-	51	317	4,997	1,895	(8,796)	3,637	6,422	-	-	23,993	32,516	(5,414,387)	(5,381,871)
Balance as at 31st December 2022	1,575,000	175,687	536,077	23,376,397	17,429	(3,082,283)	12,983,767	2,286,962	129,106	11,705	45,268,483	83,278,330	43,960,681	127,239,011

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 31st December	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			
	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	75,198,581
Profit for the period	-	-	-	-	-	-	-	-	-	-	9,492,851	9,492,851	14,645,262
Other Comprehensive income													
Net exchange differences on translation of foreign operations	-	-	-	-	-	-	(189,757)	-	-	-	(189,757)	(187,054)	(376,811)
Net loss on cash flow hedges	-	-	-	-	-	133,737	-	-	-	-	133,737	13,216	146,953
Net change on equity instruments designated at fair value through other comprehensive income	-	-	-	-	75,397	-	-	-	-	-	75,397	38,568	113,965
Realised gain on timber	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation of land	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial loss on defined benefit obligations	-	-	-	-	-	-	-	-	-	-	-	-	-
Income tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	75,397	133,737	(189,757)	-	-	-	19,377	(135,270)	(115,893)
Total Comprehensive income for the period	-	-	-	-	75,397	133,737	(189,757)	-	-	-	9,492,851	9,512,228	14,529,369
Transactions with owners, recorded directly in equity													
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	-	(2,546,130)	(2,546,130)
Transfers	-	-	-	(20,405)	(120,513)	-	-	1,624	-	-	139,294	-	-
Total contributions by and distributions to owners	-	-	-	(20,405)	(120,513)	-	-	1,624	-	-	139,294	-	(2,546,130)
Changes in ownership interests in subsidiaries													
Adjustment on changes to non-controlling interest in subsidiaries	-	15	9	(230,303)	1,453	(540)	100,615	(3,662)	-	-	(542,440)	(674,853)	(120,389)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(6,000)	(6,000)
Transfer to equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	17,886	17,886
Total changes in ownership interests in subsidiaries	-	15	9	(230,303)	1,453	(540)	100,615	(3,662)	-	-	(542,440)	(674,853)	(108,503)
Total transactions with owners	-	15	9	(250,708)	(119,060)	(540)	100,615	(2,038)	-	-	(403,146)	(669,015)	(2,654,633)
Balance as at 31st December 2021	1,575,000	175,447	512,988	21,458,199	32,808	(715,901)	3,709,061	2,277,676	114,574	10,015	27,305,834	56,461,539	87,073,317

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 31st December					
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	-	-	-	1,751,483	1,751,483
Total other comprehensive income	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	1,751,483	1,751,483
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 31st December 2022	1,575,000	13,226	382,087	16,397,179	18,367,492
Balance as at 31st March 2021	1,575,000	13,226	382,087	14,136,885	16,107,198
Profit for the period	-	-	-	2,484,628	2,484,628
Total Comprehensive income for the period	-	-	-	2,484,628	2,484,628
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 31st December 2021	1,575,000	13,226	382,087	16,621,513	18,591,826

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 9 months to 31.12.22	Unaudited 9 months to 31.12.21
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)	48,178,235	14,514,895
(1,011,913)	(34,924)	Employee benefit paid	(1,046,295)	(625,120)
(6,635,021)	(667)	Income tax paid	(7,445,835)	(5,387,643)
-	-	Surcharge tax paid	(2,469,381)	-
9,536,355	5,111,501	Net cash inflow from operating activities	37,216,724	8,502,132
		Cash flows from investing activities		
(14,040,140)	(19,908)	Purchase and construction of property, plant & equipment	(11,331,392)	(9,344,796)
-	-	Purchase of intangible assets	(310,263)	(331,230)
(178,458)	-	Investments in other non-current assets	(193,237)	(73,029)
(10,594,939)	(7,278,000)	Investments in other current financial assets	(5,365,886)	(7,613,523)
(1,200)	-	Investments in other non-current financial assets	-	(1,200)
1,059	-	Development of biological assets	(10,658)	(14,366)
38,950	-	Grants received - capital	17,569	35,255
-	-	Improvements to investment property	(451)	-
166,971	30	Proceeds from disposal of property, plant & equipment/ Intangible	88,829	165,286
49,722	-	Proceeds from disposal of intangible assets	132	6,689
9,731,452	7,308,563	Proceeds from disposal of current financial assets	6,106,970	6,345,838
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	Acquisition/Disposal of subsidiary shares	(12,051)	-
245,611	-	Proceeds from disposal of non-current financial assets	-	245,611
1,301,488	99,828	Interest received	3,528,844	981,703
126,707	-	Net movement in deferred revenue	-	201,526
137,500	-	Dividends received from equity accounted investees	-	101,062
6,413	249	Dividends received from non-group companies	1,967	18,492
(17,674,379)	274,637	Net cash used in investing activities	(7,479,627)	(13,194,843)
(8,138,024)	5,386,138	Net cash inflow before financing	29,737,097	(4,692,711)
		Cash flows from financing activities		
(2,446,418)	-	Payment on lease	(850,128)	(1,672,298)
(9,955,142)	(2,173,690)	Interest paid (including interest capitalized)	(21,572,917)	(6,258,303)
(3,656,018)	-	Dividend paid to non-controlling interest	(5,395,784)	(2,546,130)
-	-	Proceeds from debenture issue	-	2,000,000
-	-	Debenture redemption net of issue expense amortization	4,510	(583,364)
37,806,769	5,800,000	Proceeds from interest-bearing borrowings	12,041,941	26,218,242
(28,099,956)	(6,275,000)	Repayment of interest-bearing borrowings	(19,387,340)	(20,930,398)
1,681,316	-	Net movement in financial liabilities	5,035,316	108,336
95,782	-	Net movement in security deposits	(3,916)	27,137
(152,815)	-	Acquisition of non-controlling interest	(68,086)	(120,389)
(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	(30,196,404)	(4,507,167)
(15,997,214)	(395,260)	Net increase / (decrease) in cash and cash equivalents	(459,307)	(9,199,878)
(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)	(33,947,267)	(26,690,624)

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 9 months to 31.12.22	Unaudited 9 months to 31.12.21	Unaudited 9 months to 31.12.22	Unaudited 9 months to 31.12.21
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	36,552,086	19,461,308	1,779,402	2,494,671
Adjustments for:						
(1,949,219)	2,030,962	Net finance costs	11,246,509	4,993,780	3,338,922	1,536,779
(226,794)	-	Share of profits from equity accounted investees	(439,378)	(249,557)	-	-
6,407,181	48,585	Depreciation on property, plant & equipment	6,188,064	4,333,138	27,571	30,478
97,620	-	Impairment of property, plant & equipment	27,200	-	47,874	8,678
1,752,023	63,832	Depreciation on right of use assets	1,212,178	1,434,407	8,678	47,874
(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	(10,303)	(92,251)	40	5,764
-	-	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	216,125	172,062	9,992	-
137,864	-	Impairment of goodwill	-	-	-	-
12,456,930	-	Net (gain)/loss on translation of foreign currency	11,327,516	716,243	62,356	-
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	(209,690)	-	-	-
95,904	-	Impairment/ amortisation of other non -current assets	-	38,898	-	-
1,514,224	137,836	Provision for post employee benefit obligations	2,046,449	1,520,697	179,190	135,295
(37,407)	-	Grants amortised	(29,241)	(27,966)	-	-
58,603,424	5,774,305		68,127,515	32,286,788	5,454,025	4,246,427
(40,063,552)	(1,247,436)	(Increase)/decrease in trade and other receivables and other current assets	(4,260,306)	(12,002,957)	(1,455,739)	(1,364,500)
(29,456,558)	(5,754)	(Increase)/decrease in inventories	(16,234,858)	(15,715,285)	(33,810)	(886)
28,099,975	625,977	Increase/(decrease) in trade and other payables	545,884	9,946,349	1,226,007	242,347
17,183,289	5,147,092		48,178,235	14,514,895	5,190,483	3,123,389
27,409,656	697,773	Cash in hand and at bank	30,688,439	23,740,389	151,899	175,336
19,927,939	254,515	Short - term deposits	17,193,746	14,596,135	1,878,582	251,444
47,337,595	952,288		47,882,185	38,336,524	2,030,481	426,780
(80,825,555)	(3,031,945)	Short-term interest bearing borrowings	(81,829,452)	(65,027,148)	(4,482,417)	(471,272)
(33,487,960)	(2,079,657)	B. Cash and cash equivalents	(33,947,267)	(26,690,624)	(2,451,936)	(44,492)

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
				9 months to 31.12.22	9 months to 31.12.21
Year ended 31.03.22					
Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000
11,131,215	Eco Solutions	15,173,021	2,704,362	12,468,659	8,268,711
37,857,909	Hand Protection	39,993,895	25,885	39,968,010	30,213,904
32,750,593	Purification Products	48,093,711	420,313	47,673,398	22,896,979
31,668,189	Textiles	47,143,496	1,057,363	46,086,133	22,567,541
9,517,691	Construction Materials	7,605,557	83,911	7,521,646	6,200,749
24,089,400	Agriculture	25,800,375	237,001	25,563,374	17,295,510
17,369,398	Plantations	21,708,129	162,630	21,545,499	12,467,544
69,272,861	Transportation & Logistics	101,735,031	291,479	101,443,552	47,954,932
83,542,867	Consumer & Retail	48,586,995	80,303	48,506,692	60,229,429
5,748,535	Industry Inputs	6,252,320	654,545	5,597,775	3,941,368
1,292,079	Power & Energy	1,118,234	-	1,118,234	1,069,984
3,419,504	Leisure	4,667,744	85,115	4,582,629	1,930,799
10,349,339	Others	9,810,697	1,962,645	7,848,052	7,229,122
338,009,580		377,689,205	7,765,552	369,923,653	242,266,572

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
Audited
As at
31.03.22
Rs.'000

1,575,000	Issued and fully paid 750,000,000 (750,000,000 - 31.03.2022) Ordinary Shares
-----------	---

Consolidated	
Unaudited 9 months to 31.12.22 Rs.'000	Unaudited 9 months to 31.12.21 Rs.'000
1,556,017	889,717
3,530,502	3,237,978
7,038,953	2,518,549
2,963,801	1,459,031
649,207	909,512
5,796,037	2,273,425
3,512,062	1,213,790
13,049,972	5,935,776
6,874,016	5,401,257
1,273,892	393,364
562,503	647,359
(730,026)	(958,896)
5,027,642	2,685,542
51,104,578	26,606,404
(3,479,363)	(2,145,901)
47,625,215	24,460,503
(11,246,509)	(4,993,780)
-	-
439,378	249,557
(265,998)	(254,972)
36,552,086	19,461,308

Company	
Unaudited as at 31.12.22 Rs.'000	Unaudited as at 31.12.21 Rs.'000
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.

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 market interest rates, both LKR and USD, adversely impacted the interest cost of the group and the company. 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 LKR interest rates are expected to decrease marginally in the coming months with the recent policy measures adopted by CBSL.

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
- Initiatives drive towards converting the LKR borrowings of companies to dollar borrowings
(Prudent management of working capital facilities with a proper mix between LKR and USD borrowings to manage cost of borrowing)

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.

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 to diversify the risk arising due to negative externalities, 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:

	31.12.22 Rs.	31.12.21 Rs.
Last traded price	68.00	130.00
Highest price recorded for the three months ending	99.80	138.00
Lowest price recorded for the three months ending	63.80	94.50
Market capitalisation (Rs. Mn.)	51,000	97,500

RATIOS

Net assets per share	111.04	75.27
Price earnings ratio (times)	4.67	7.70

SHARE TRADING FROM 1ST APRIL, 2022 TO 31ST DECEMBER, 2022

No. of transactions	71,319
No. of shares traded	79,872,025
Value of shares traded (Rs.)	6,745,698,332.50

LISTED DEBENTURES

Details regarding the listed debentures are as follows;

DEBENTURE TRADING INFORMATION FOR THE NINE MONTHS ENDED - 31.12.2022

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 31st December, 2022 25.53%

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, 2022 25.53%

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 31st December, 2022 27.44%

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 31st December, 2022 27.44%

RATIOS

	31.12.22	31.12.21
Debt/ equity ratio	1.42	1.37
Quick asset ratio	0.45	0.69
Interest cover	3.55	2.49

INVESTOR INFORMATION

FIRST TWENTY SHAREHOLDERS AS AT 31ST DECEMBER, 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.K.Wikramanayake	4,384,490	0.58
14 Mrs.A.M.L.Johnpulle & Mr.B.J.M.Johnpulle	4,158,626	0.55
15 Mr.S.Rameshan	4,007,620	0.53
16 GF Capital Global Limited	3,604,000	0.48
17 Mrs.S.R.D.Wikramanayake	3,239,320	0.43
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	567,950,711	75.73

There were no non voting shares as at 31st December, 2022.

PUBLIC HOLDING

Percentage of public holding as at 31st December, 2022	37.10%
Total number of Shareholders representing the Public Holding	16,029
Float- adjusted market capitalization (Rs.)	18,921,000,000
The Company complies with option 1 of the Listing Rules 7.13.1 (a) which no minimum Public Holding.	

DIRECTORS' SHAREHOLDINGS AS AT 31ST DECEMBER, 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
T M Hewagama - Appointed w.e.f. 31st January 2023
Ms. D Talpahewa
C De Silva - Resigned w.e.f. 10th February 2023
N R Ranatunge
D W P N Dediwela
H Prematillake
Ng Soon Huat - Resigned w.e.f. 18th January 2023
R H P Janadheera - Appointed w.e.f. 1st January 2023
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