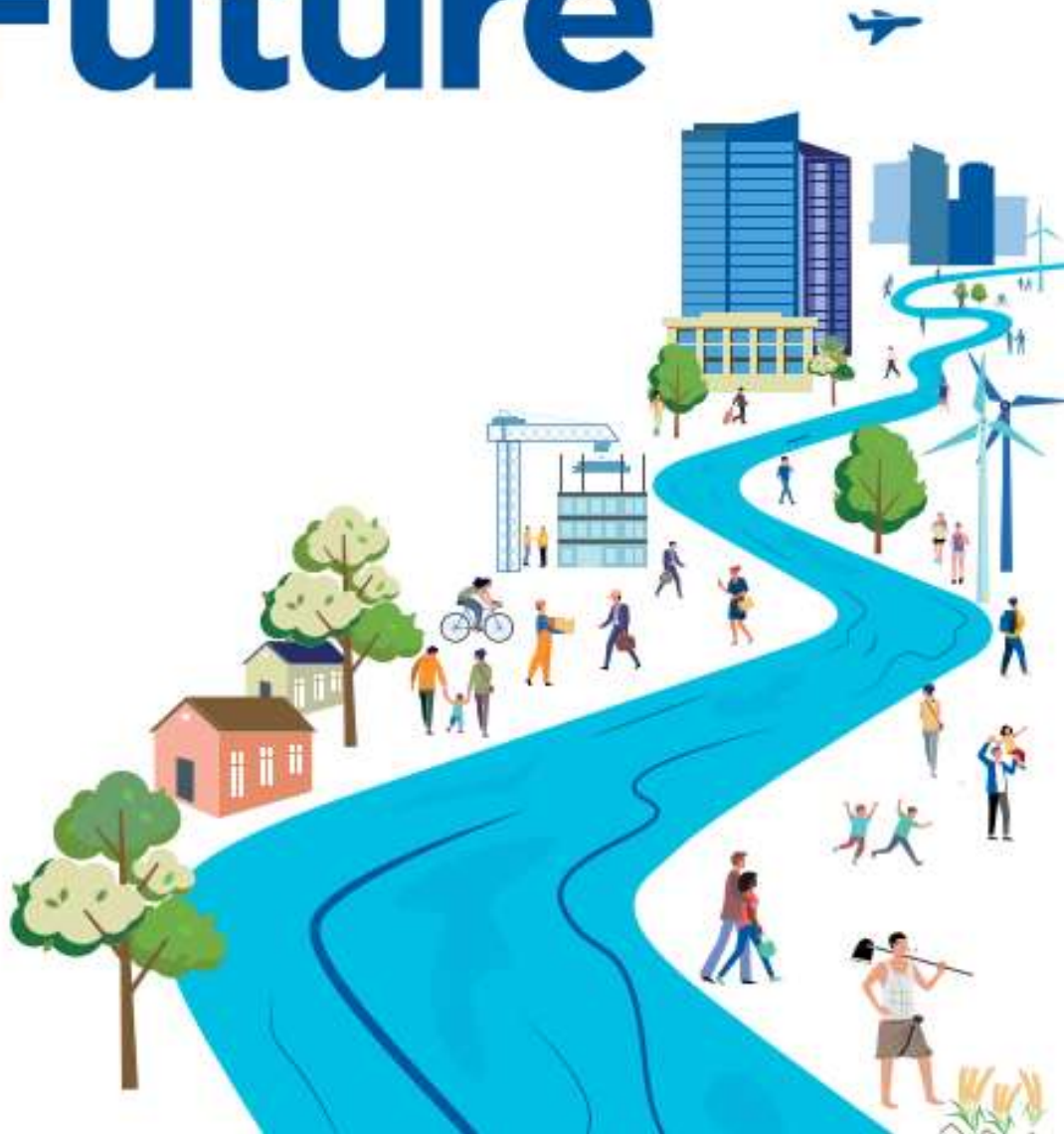


HAYLEYS PLC

Interim Report

The Hayleys Lifecode: Enriching the

Future



FOURTH QUARTER

Twelve months ended 31st March, 2023

STATEMENT OF PROFIT OR LOSS

	Notes	Consolidated			Consolidated		
		Unaudited 12 months to 31.03.23	Audited 12 months to 31.03.22	Change	Unaudited 3 months to 31.03.23	Unaudited 3 months to 31.03.22	Change
		Rs.'000	Rs.'000		Rs.'000	Rs.'000	%
Revenue	4	487,430,881	338,009,580	44	117,507,228	95,743,008	23
Cost of sales		(363,772,324)	(258,715,354)	41	(88,048,088)	(73,423,463)	20
Direct interest cost		(4,424,524)	(1,920,345)	130	(1,081,204)	(531,189)	104
Gross profit		119,234,033	77,373,881	54	28,377,936	21,788,356	30
Other income		4,242,625	1,997,601	112	2,465,708	717,513	244
Distribution expenses		(13,764,885)	(12,514,847)	10	(2,302,777)	(3,113,914)	(26)
Administrative expenses		(47,498,694)	(32,842,133)	45	(14,059,390)	(9,980,723)	41
Other expenses		(1,140,332)	(420,743)	171	(1,033,945)	(277,976)	272
Results from operating activities		61,072,747	33,593,759	82	13,447,532	9,133,256	47
Finance income		20,720,866	16,831,989	23	2,153,622	13,437,581	(84)
Finance cost		(39,538,267)	(14,882,770)	166	(9,724,514)	(6,494,582)	50
Net finance cost		(18,817,401)	1,949,219	(>1000)	(7,570,892)	6,942,999	(209)
Change in fair value of investment properties		347,457	328,543	6	347,457	328,543	6
Share of profit of equity accounted investees (net of tax)		540,978	226,794	139	101,600	(22,763)	(546)
Value added tax on financial services		(394,713)	(381,570)	3	(128,715)	(126,598)	2
Profit before tax for the period	5	42,749,068	35,716,745	20	6,196,982	16,255,437	(62)
Tax expense		(15,076,768)	(7,617,844)	98	(2,802,718)	(2,801,798)	0
Profit for the period		27,672,300	28,098,901	(2)	3,394,264	13,453,639	(75)
Profit for the period attributable to:							
Owners of the parent		16,351,845	18,256,527	(10)	1,797,921	8,763,676	(79)
Non-controlling interest		11,320,455	9,842,374	15	1,596,343	4,689,963	(66)
Profit for the period		27,672,300	28,098,901	(2)	3,394,264	13,453,639	(75)
Earnings / per share							
Basic (Rs.)		21.80	24.34		2.40	11.68	
Diluted (Rs.)		21.80	24.34		2.40	11.68	

The Notes on pages 12 to 15 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF PROFIT OR LOSS

	Notes	Company			Company		
		Unaudited 12 months to 31.03.23	Audited 12 months to 31.03.22	Change	Unaudited 3 months to 31.03.23	Unaudited 3 months to 31.03.22	Change
		Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Revenue		608,270	497,642	22	215,331	123,746	74
Cost of sales		(467,357)	(379,217)	23	(135,371)	(101,393)	34
Gross profit		140,913	118,425	19	79,960	22,353	258
Group dividend		5,897,496	5,145,509	15	1,342,464	1,494,884	(10)
Other income		-	13,111	(100)	-	262	(100)
Administrative expenses		721,291	257,512	180	224,472	(19,895)	(1,228)
Other expenses		(306)	(6,089)	(95)	(267)	(587)	100
Results from operating activities		6,759,394	5,528,468	22	1,646,629	1,497,017	10
Finance income		609,056	188,410	223	106,398	101,054	5
Finance cost		(5,276,184)	(2,219,372)	138	(1,440,163)	(595,236)	142
Net finance cost		(4,667,128)	(2,030,962)	130	(1,333,765)	(494,182)	170
Change in fair value of investment properties		5,900	9,250	(36)	5,900	9,250	(36)
Profit before tax for the period		2,098,166	3,506,756	(40)	318,764	1,012,085	(69)
Tax expense		(197,146)	139,979	(241)	(169,227)	150,022	(213)
Profit for the period		1,901,020	3,646,735	(48)	149,537	1,162,107	(87)

The Notes on pages 12 to 15 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF COMPREHENSIVE INCOME

	Consolidated			Consolidated		
	Unaudited 12 months to 31.03.23	Audited 12 months to 31.03.22	Change %	Unaudited 3 months to 31.03.23	Unaudited 3 months to 31.03.22	Change %
	Rs.'000	Rs.'000		Rs.'000	Rs.'000	
Profit for the period	27,672,300	28,098,901	(2)	3,394,264	13,453,639	(75)
Other Comprehensive income						
Items that will not be reclassified subsequently to Statement of Profit or Loss						
Revaluation of land	-	3,482,837	-	-	3,202,928	-
Actuarial loss on employee benefit obligations	(319,375)	(455,365)	30	(319,375)	(455,365)	30
Net change on equity instruments designated at fair value through other comprehensive income	16,102	94,263	(83)	16,214	(19,702)	182
Tax on other comprehensive income	(1,220,325)	(540,638)	(126)	(336,647)	(540,638)	38
Items that will be reclassified subsequently to Statement of Profit or Loss						
Net exchange differences on translation of foreign operations	2,794,488	7,963,619	(65)	(3,427,959)	8,620,339	(140)
Net gain /(loss) on cash flow hedges	154,017	(1,782,572)	109	843,990	(1,929,525)	144
Share of other comprehensive income of equity accounted investees	664,640	(341)	>1000	(212,176)	(341)	(>1000)
Total other comprehensive income for the period, net of tax	2,089,547	8,761,803	(76)	(3,435,953)	8,877,696	(139)
Total comprehensive income for the period, net of tax	29,761,847	36,860,704	(19)	(41,689)	22,331,335	(100)
Total comprehensive income for the period attributable to						
Owners of the parent	17,552,656	23,397,488	(25)	(217,486)	13,885,260	(102)
Non-controlling interest	12,209,191	13,463,216	(9)	175,797	8,446,075	(98)
Total comprehensive income for the period, net of tax	29,761,847	36,860,704	(19)	(41,689)	22,331,335	(100)

The Notes on pages 12 to 15 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF COMPREHENSIVE INCOME

	Company			Company		
	Unaudited 12 months to 31.03.23	Audited 12 months to 31.03.22	Change	Unaudited 3 months to 31.03.23	Unaudited 3 months to 31.03.22	Change
	Rs.'000	Rs.'000		Rs.'000	Rs.'000	
Profit for the period	1,901,020	3,646,735	(48)	149,537	1,162,107	(87)
Other Comprehensive income						
Items that will not be reclassified subsequently to Statement of Profit or Loss						
Actuarial loss on employee benefit obligations	(47,227)	(140,653)	66	(47,227)	(140,653)	66
Tax on other comprehensive income	2,125	2,730	(22)	2,125	2,730	(22)
Total other comprehensive income for the period, net of tax	(45,102)	(137,923)	67	(45,102)	(137,923)	67
Total comprehensive income for the period, net of tax	1,855,918	3,508,812	(47)	104,435	1,024,184	(90)

The Notes on pages 12 to 15 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

	Consolidated		Company	
	Unaudited as at 31.03.23	Audited as at 31.03.22	Unaudited as at 31.03.23	Audited as at 31.03.22
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS				
Non - current assets				
Property, plant & equipment	126,306,986	111,189,851	202,883	100,095
Right-of- use assets	12,190,393	11,389,087	127,664	191,497
Investment Properties	1,948,326	2,601,101	94,750	88,850
Biological assets	1,313,068	599,064	-	-
Intangible assets	16,376,051	15,544,031	65,245	74,310
Investments in subsidiaries	-	-	39,630,538	38,903,712
Investments in equity accounted investees	3,364,373	2,164,377	1,504,863	1,504,863
Other non-current financial assets	941,292	91,199	49,563	57,125
Non - current trade and other receivables	8,359,072	12,331,710	-	-
Other non-current assets	951,608	983,043	-	-
Deferred tax assets	3,411,813	2,803,644	68,643	14,771
Amounts due from subsidiaries	-	-	-	610,000
Total non-current assets	175,162,982	159,697,107	41,744,149	41,545,223
Current assets				
Inventories	87,502,323	82,397,947	36,535	7,493
Amounts due from subsidiaries	-	-	4,264,131	3,897,840
Amounts due from equity accounted investees	159,463	142,891	986	1,190
Trade and other receivables	98,651,672	107,082,528	36,558	32,907
Other current assets	5,508,223	4,179,463	56,203	31,555
Income tax recoverable	944,281	837,838	-	68,645
Other current financial assets	855,239	1,400,423	14,891	7,706
Short-term deposits	19,780,454	19,927,939	1,489,160	254,515
Cash in hand and at bank	24,177,336	27,409,656	1,144,208	697,773
Total current assets	237,578,991	243,378,685	7,042,672	4,999,624
Total assets	412,741,973	403,075,792	48,786,821	46,544,847
EQUITY AND LIABILITIES				
Stated capital	1,575,000	1,575,000	1,575,000	1,575,000
Capital reserves	760,344	711,396	13,226	13,226
Other components of equity	31,464,513	30,077,359	-	-
Revenue reserves	45,130,447	35,026,096	12,871,201	15,027,783
Total equity attributable to equity holders of the company	78,930,304	67,389,851	14,459,427	16,616,009
Non- controlling interest	43,776,353	37,896,875	-	-
Total Equity	122,706,657	105,286,726	14,459,427	16,616,009
Non - current liabilities				
Interest bearing borrowings	59,158,207	63,540,193	13,185,518	18,265,278
Grants	924,138	838,161	-	-
Deferred tax liabilities	12,602,194	7,433,449	-	-
Security deposits	1,468,392	1,462,347	-	-
Other Non-current Liabilities	2,083,838	1,637,526	-	-
Other non-current financial liabilities	5,844,248	2,317,848	-	-
Employee benefit obligations	12,845,248	11,208,145	1,560,016	1,298,429
Total non-current liabilities	94,926,265	88,437,669	14,745,534	19,563,707
Current liabilities				
Trade and other payables	66,405,057	79,256,611	4,843,225	1,268,500
Other current liabilities	7,815,736	7,725,691	67,602	29,704
Other current financial liabilities	13,355,662	9,828,666	-	-
Amounts due to subsidiaries	-	-	305,479	672,807
Amounts due to equity accounted investees	456	322	385	322
Deferred Revenue	954,310	618,787	-	-
Income tax payable	6,040,416	3,527,178	118,116	-
Current portion of long term interest bearing borrowings	31,573,389	27,568,587	9,080,337	5,361,853
Short-term interest bearing borrowings	68,964,025	80,825,555	5,166,716	3,031,945
Total current liabilities	195,109,051	209,351,397	19,581,860	10,365,131
Total liabilities	290,035,316	297,789,066	34,327,394	29,928,838
Total equity and liabilities	412,741,973	403,075,792	48,786,821	46,544,847

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
19th May 2023

sgd.

Sarath Ganegoda
Director

The Notes on pages 12 to 15 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY

For the period ended 31st March	Attributable to owners of the Company													
		Capital Reserves		Other Components of Equity				Revenue Reserves						
	Stated capital	Reserve on scrip issue	Other capital reserve	Revaluation reserve	Fair value reserve of financial assets at FVOCI	Cashflow hedge reserve	Foreign currency translation reserve	General reserve	Timber arer reserve	Biological reserve	Retained earnings	Shareholders' Funds	Non-controlling interest	Total Equity
	Rs. '000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
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	-	-	-	-	-	-	-	-	-	-	(1,915,963)	(1,915,963)	(553,417)	(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	30,688,782	65,473,888	37,343,458	102,817,346
Profit for the period	-	-	-	-	-	-	-	-	41,665	6,246	16,303,934	16,351,845	11,320,455	27,672,300
Other Comprehensive income														
Net exchange differences on translation of foreign operations	-	-	-	-	-	-	1,700,985	-	-	-	-	1,700,985	1,093,503	2,794,488
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-	664,591	-	-	-	56	664,647	(7)	664,640
Net gain on cash flow hedges	-	-	-	-	-	117,835	-	-	-	-	-	117,835	36,182	154,017
Net change on equity instruments designated at fair value through other comprehensive income	-	-	-	-	14,942	-	-	-	-	-	-	14,942	1,160	16,102
Realised gain on timber	-	-	-	-	-	-	-	-	(9,120)	-	9,120	-	-	-
Actuarial loss on defined benefit obligations	-	-	-	-	-	-	-	-	-	-	(248,659)	(248,659)	(70,716)	(319,375)
Deferred tax on other comprehensive income	-	-	-	(1,121,904)	-	-	-	-	-	-	72,965	(1,048,939)	(171,386)	(1,220,325)
Total other comprehensive income	-	-	-	(1,121,904)	14,942	117,835	2,365,576	-	(9,120)	-	(166,518)	1,200,811	888,736	2,089,547
Total Comprehensive income for the period	-	-	-	(1,121,904)	14,942	117,835	2,365,576	-	32,545	6,246	16,137,416	17,552,656	12,209,191	29,761,847
Transactions with owners, recorded directly in equity														
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	(4,012,500)	(4,012,500)	(6,361,116)	(10,373,616)
Transfers	-	-	48,591	(5,285)	-	-	-	-	-	-	(43,306)	-	-	-
Total contributions by and distributions to owners	-	-	48,591	(5,285)	-	-	-	-	-	-	(4,055,806)	(4,012,500)	(6,361,116)	(10,373,616)
Changes in ownership interests in subsidiaries														
Adjustment on changes to non-controlling interest in subsidiaries	-	52	305	32,540	364	(25,369)	8,455	11,620	-	-	(111,707)	(83,740)	(95,310)	(179,050)
Acquisition of Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	680,130	680,130
Total changes in ownership interests in subsidiaries	-	52	305	32,540	364	(25,369)	8,455	11,620	-	-	(111,707)	(83,740)	584,820	501,080
Total transactions with owners	-	52	48,896	27,255	364	(25,369)	8,455	11,620	-	-	(4,167,513)	(4,096,240)	(5,776,296)	(9,872,536)
Balance as at 31st March 2023	1,575,000	175,688	584,656	22,996,507	30,951	(2,347,147)	10,784,202	2,292,160	161,651	17,951	42,658,685	78,930,304	43,776,353	122,706,657

The Notes on pages 12 to 15 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY

For the period ended 31st March	Attributable to owners of the Company													Non-controlling interest	Total Equity
	Consolidated	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			
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	-	-	-	-	-	-	-	-	(2,170)	1,668	18,257,029	18,256,527	9,842,374	28,098,901	
Other Comprehensive income															
Net exchange differences on translation of foreign operations	-	-	-	-	-	-	4,609,638	-	-	-	-	4,609,638	3,353,981	7,963,619	
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	-	-	-	-	-	(330)	(330)	(11)	(341)	
Net loss on cash flow hedges	-	-	-	-	-	(1,588,176)	-	-	-	-	-	(1,588,176)	(194,396)	(1,782,572)	
Net change on equity instruments designated at fair value through other comprehensive income	-	-	-	-	57,781	-	-	-	-	-	-	57,781	36,482	94,263	
Realised gain on timber	-	-	-	-	-	-	-	-	16,444	-	(16,444)	-	-	-	
Revaluation of land	-	-	-	2,963,118	-	-	-	-	-	-	-	2,963,118	519,719	3,482,837	
Actuarial loss on defined benefit obligations	-	-	-	-	-	-	-	-	-	-	(427,344)	(427,344)	(28,021)	(455,365)	
Income tax on other comprehensive income	-	-	-	(533,279)	448	-	-	-	-	-	59,105	(473,726)	(66,912)	(540,638)	
Total other comprehensive income	-	-	-	2,429,839	58,229	(1,588,176)	4,609,638	-	16,444	-	(385,013)	5,140,961	3,620,842	8,761,803	
Total Comprehensive income for the period	-	-	-	2,429,839	58,229	(1,588,176)	4,609,638	-	14,274	1,668	17,872,016	23,397,488	13,463,216	36,860,704	
Transactions with owners, recorded directly in equity															
Dividends to equity holders	-	-	-	-	-	-	-	-	-	-	(3,000,000)	(3,000,000)	(3,656,018)	(6,656,018)	
Transfers	-	-	22,175	(116,685)	(120,513)	-	-	150	-	-	214,873	-	-	-	
Total contributions by and distributions to owners	-	-	22,175	(116,685)	(120,513)	-	-	150	-	-	(2,785,127)	(3,000,000)	(3,656,018)	(6,656,018)	
Changes in ownership interests in subsidiaries															
Adjustment on changes to non-controlling interest in subsidiaries	-	204	606	69,095	1,458	(2,339)	2,330	676	258	22	(698,273)	(625,963)	473,148	(152,815)	
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(6,000)	(6,000)	
Transfer to equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	42,274	42,274	
Total changes in ownership interests in subsidiarie:	-	204	606	69,095	1,458	(2,339)	2,330	676	258	22	(698,273)	(625,963)	509,422	(116,541)	
Total transactions with owners	-	204	22,781	(47,590)	(119,055)	(2,339)	2,330	826	258	22	(3,483,400)	(3,625,963)	(3,146,596)	(6,772,559)	
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	

The Notes on pages 12 to 15 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY

For the period ended 31st March		Capital Reserve	Revenue Reserves		
Company	Stated capital	Other capital reserve	General reserve	Retained earnings	Total Equity
	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	-	-	-	1,901,020	1,901,020
					-
Other Comprehensive income					
Net change in fair value of available-for-sale financial assets	-	-	-	-	-
Actuarial losses on defined benefit obligations	-	-	-	(47,227)	(47,227)
Income tax on other comprehensive income	-	-	-	2,125	2,125
Total other comprehensive income	-	-	-	(45,102)	(45,102)
Total Comprehensive income for the period	-	-	-	1,855,918	1,855,918
Transactions with owners, recorded directly in equity					
Dividends to equity holders	-	-	-	(4,012,500)	(4,012,500)
Total contributions by and distributions to owners	-	-	-	(4,012,500)	(4,012,500)
Total transactions with owners	-	-	-	(4,012,500)	(4,012,500)
Balance as at 31st March 2023	1,575,000	13,226	382,087	12,489,114	14,459,427
Balance as at 31st March 2021	1,575,000	13,226	382,087	14,136,884	16,107,197
Profit for the period	-	-	-	3,646,735	3,646,735
Other Comprehensive income					
Actuarial losses on defined benefit obligations	-	-	-	(140,653)	(140,653)
Income tax on other comprehensive income				2,730	2,730
Total other comprehensive income	-	-	-	(137,923)	(137,923)
Total Comprehensive income for the period	-	-	-	3,508,812	3,508,812
Transactions with owners, recorded directly in equity					
Dividends to equity holders	-	-	-	(3,000,000)	(3,000,000)
Total contributions by and distributions to owners	-	-	-	(3,000,000)	(3,000,000)
Total transactions with owners	-	-	-	(3,000,000)	(3,000,000)
Balance as at 31st March 2022	1,575,000	13,226	382,087	14,645,696	16,616,009

The Notes on pages 12 to 15 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

	Consolidated		Company	
	Unaudited	Audited	Unaudited	Audited
	12 months to 31.03.23 Rs.'000	12 months to 31.03.22 Rs.'000	12 months to 31.03.23 Rs.'000	12 months to 31.03.22 Rs.'000
Cash flows from operating activities				
Cash generated from operations (Note A)	74,564,230	17,183,289	5,967,806	5,147,092
Employee benefit paid	(1,481,118)	(1,011,913)	(36,172)	(34,924)
Income tax paid	(9,949,083)	(6,635,021)	(62,132)	(667)
Surcharge tax paid	(2,469,380)	-	-	-
Net cash inflow from operating activities	60,664,649	9,536,355	5,869,502	5,111,501
Cash flows from investing activities				
Purchase and construction of property, plant & equipment	(17,128,378)	(14,040,140)	(151,959)	(19,908)
Purchase of intangible assets	(608,985)	(487,147)	(4,095)	(15,885)
Net investments in other non- current assets	(275,472)	(178,458)	-	-
Investments in other current financial assets	(9,665,751)	(10,594,939)	(1,450,169)	(7,278,000)
Investments in other non -current financial assets	(841,495)	(1,200)	-	-
Development of biological assets	16,170	1,059	-	-
Grants received - capital	19,111	38,950	-	-
Improvements to investment property	(94,769)	-	-	-
Proceeds from disposal of property, plant & equipment/ Intangible assets	1,977,196	166,971	548	30
Proceeds from disposal of intangible assets	2,526	49,722	-	-
Proceeds from disposal of current financial assets	10,379,875	9,731,452	1,442,977	7,308,563
Proceeds from sale of investment property	-	400,000	-	-
Disposal of subsidiaries	-	30,592	-	249,921
Long term investments in group companies and others	(1,171,650)	(4,608,960)	(116,775)	(70,161)
Proceeds from disposal of non-current financial assets	-	245,611	-	-
Interest received	4,531,247	1,301,488	560,913	99,828
Net movement in deferred revenue	335,523	126,707	-	-
Dividends received from equity accounted investees	113,321	137,500	-	-
Dividends received from non-group companies	3,851	6,413	1,323	249
Net cash used in investing activities	(12,407,680)	(17,674,379)	282,763	274,637
Net cash inflow before financing	48,256,969	(8,138,024)	6,152,265	5,386,138
Cash flows from financing activities				
Payment on lease	(1,428,317)	(2,446,418)	-	-
Interest paid (including interest capitalized)	(28,292,442)	(9,955,142)	(5,213,789)	(2,173,690)
Dividend paid to non-controlling interest	(6,361,116)	(3,656,018)	-	-
Debenture redemption net of issue expenses	(305,746)	-	-	-
Proceeds from interest-bearing borrowings	21,159,381	37,806,769	4,000,000	5,800,000
Repayment of interest-bearing borrowings	(27,307,101)	(28,099,956)	(5,392,167)	(6,275,000)
Net movement in financial liabilities	7,053,396	1,681,316	-	-
Net movement in security deposits	6,045	95,782	-	-
Acquisition of non-controlling interest	(286,844)	(152,815)	-	-
Dividends paid to equity holders of parent	(4,012,500)	(3,132,708)	-	(3,132,708)
Net cash inflow / (outflow) from financing activities	(39,775,244)	(7,859,190)	(6,605,956)	(5,781,398)
Net increase / (decrease) in cash and cash equivalents	8,481,725	(15,997,214)	(453,691)	(395,260)
Cash and cash equivalents at beginning of the year/period	(33,487,960)	(17,490,746)	(2,079,657)	(1,684,397)
Cash and cash equivalents at end of the year/period (Note B)	(25,006,235)	(33,487,960)	(2,533,348)	(2,079,657)

The Notes on pages 12 to 15 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

	Consolidated		Company	
	Unaudited 12 months to 31.03.23	Audited 12 months to 31.03.22	Unaudited 12 months to 31.03.23	Audited 12 months to 31.03.22
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
A. Cash generated from operations				
Profit before tax	42,749,068	35,716,745	2,098,166	3,506,756
Adjustments for:				
Net finance costs	18,817,401	(1,949,219)	4,667,128	2,030,962
Share of profits from equity accounted investees	(540,978)	(226,794)	-	-
Depreciation on property, plant & equipment	8,052,642	6,407,181	48,623	48,585
Impairment of property, plant & equipment	(86,851)	97,620	-	-
Depreciation on right of use assets	1,644,327	1,752,023	63,832	63,832
Change in fair value of investment properties	(347,457)	(328,543)	(5,900)	(9,250)
Change in fair value of agricultural produce on bearer biological assets	-	(2,511)	-	-
Change in fair value of biological assets	(138,628)	(67,692)	-	-
Gain on the disposal of property, plant & equipment	(963,523)	(37,258)	306	6,089
Profit on sale of intangible assets	173	-	-	-
Gain on disposal of subsidiary shares	-	(6,592)	-	(13,112)
Gain on the disposal of investment properties	-	(7,378)	-	-
Amortisation of intangible assets	317,937	259,642	13,160	2,606
Impairment of goodwill	-	137,864	-	-
Net loss on translation of foreign currency	8,645,760	12,456,930	22,578	-
Impairment of trade & other receivables	169,352	925,027	-	-
Provision for unrealised profit and write-down of inventories	1,923,455	1,915,933	-	-
Gain on bargain purchase	(209,689)	(12,305)	-	-
Impairment/ amortisation of other non-current assets	100,386	95,904	-	-
Impairment/ amortisation of other non-current financial assets	7,563	-	-	-
Provision for post employee benefit obligations	2,215,028	1,514,224	250,533	137,836
Grants amortised	(39,608)	(37,407)	-	-
	82,316,358	58,603,394	7,158,426	5,774,304
(Increase)/decrease in trade and other receivables and other current assets	11,542,042	(40,063,522)	(394,437)	(1,247,436)
(Increase)/decrease in inventories	(6,384,313)	(29,456,558)	(29,042)	(5,754)
Increase/(decrease) in trade and other payables	(12,909,857)	28,099,975	(767,141)	625,977
	74,564,230	17,183,289	5,967,806	5,147,092
Cash in hand and at bank	24,177,336	27,409,656	1,144,208	697,773
Short - term deposits	19,780,454	19,927,939	1,489,160	254,515
	43,957,790	47,337,595	2,633,368	952,288
Short-term interest bearing borrowings	(68,964,025)	(80,825,555)	(5,166,716)	(3,031,945)
B. Cash and cash equivalents	(25,006,235)	(33,487,960)	(2,533,348)	(2,079,657)

The Notes on pages 12 to 15 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** No circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the Financial Statements. The presentation and classification of the Financial Statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.

4 INDUSTRY SEGMENT REVENUE

	Consolidated			
	Total	Intra-group	External	
			Unaudited 12 months to 31.03.23	Audited 12 months to 31.03.22
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Eco Solutions	18,437,162	3,216,145	15,221,016	11,131,215
Hand Protection	51,363,422	7,999	51,355,423	37,857,909
Purification Products	60,943,256	586,087	60,357,169	32,750,593
Textiles	61,740,020	1,725,585	60,014,435	31,668,189
Construction Materials	10,214,848	90,764	10,124,084	9,517,691
Agriculture	34,427,007	1,429,005	32,998,003	24,089,400
Plantations	28,669,373	26,796	28,642,577	17,369,398
Transportation & Logistics	134,746,066	451,275	134,294,791	69,272,861
Consumer & Retail	64,014,134	121,415	63,892,719	83,542,867
Industry Inputs	8,316,875	928,304	7,388,571	5,748,535
Power & Energy	1,329,346	-	1,329,346	1,292,079
Leisure	7,052,550	365,935	6,686,614	3,419,504
Others	17,636,801	2,510,668	15,126,132	10,349,339
	498,890,859	11,459,978	487,430,881	338,009,580

NOTES TO THE FINANCIAL STATEMENTS

5 INDUSTRY SEGMENT RESULTS

	Consolidated	
	Unaudited	Audited
	12 months to	12 months to
	31.03.23	31.03.22
	Rs.'000	Rs.'000
Eco Solutions	2,429,978	717,994
Hand Protection	4,073,794	3,107,453
Purification Products	8,274,284	3,079,056
Textiles	4,128,866	1,756,662
Construction Materials	1,222,479	1,487,728
Agriculture	7,378,599	3,011,320
Plantations	5,515,369	2,450,344
Transportation & Logistics	15,737,195	8,421,628
Consumer & Retail	7,457,327	8,543,771
Industry Inputs	1,689,825	509,809
Power & Energy	565,272	693,956
Leisure	(901,149)	(1,018,772)
Others	9,572,946	6,508,783
Segment results	67,144,786	39,269,732
Non - segment income/(expenses)	(6,072,039)	(5,675,973)
Operating profit	61,072,747	33,593,759
Net finance cost	(18,817,401)	1,949,219
Change in fair value of investment properties	347,457	328,543
Share of profits from equity accounted investees	540,978	226,794
Value added tax on financial services	(394,713)	(381,570)
Profit before tax	42,749,068	35,716,745

6 STATED CAPITAL

	Company	
	Unaudited	Audited
	as at	as at
	31.03.23	31.03.22
	Rs.'000	Rs.'000
Issued and fully paid		
750,000,000 (750,000,000 - 31.03.2022) 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.

7 CHANGE IN INCOME TAX RATES

The Group has used the new tax rate introduced by the Inland Revenue (Amendment) Act No. 45 of 2022 certified on 19 December 2022, (with retrospective effect from 01 October 2022) for income and deferred taxation. Accordingly, income tax rates of, 18% for manufacturing business profits, 14% for export profits, 24% for trading and other income and 10.5% for agro processing have been used for the first six months and a standard rate of 30% has been used for profits of all segments for the second six months (unless another act supersedes this amendment).

As a result, the Rate of 30% has been used for Deferred Tax and the resultant impact has been recognised in the Statement of Profit or Loss and Other Comprehensive Income. Income tax rates used in FY 2021/22 were 18% for manufacturing business profits, 14% for export profits, 24% for trading and other income and 10.5% for agro processing .

8 ACQUISITION OF SUBSIDIARIES

During the year, the Group acquired three companies; Horana Plantations PLC, Colombo Cargo Express (Pvt) Ltd. and ROZENBAL POLSKA Sp. ZOO.

On March 2023, Hayleys Plantations Services (Pvt) Ltd. acquired a stake of 51% in Horana Plantations PLC for a consideration of Rs. 699.98 mn. In November 2022, Hayleys Advantis Ltd. acquired a 100% stake in Colombo Cargo Express (Pvt) Ltd. for a consideration of Rs. 106.79 mn. In April 2022, ICOGUANTI S.p.A (Italy) acquired a stake of 96.5% in ROZENBAL POLSKA Sp. ZOO for a consideration of Rs. 373 (EUR 1). The fair values of assets acquired and liabilities assumed through the business combinations are given below.

	Horana Plantations PLC	Colombo Cargo Express	ROZENBAL POLSKA Sp. ZOO	Total
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Net identifiable assets and liabilities acquired excluding cash and cash equivalents				
Cash in hand and bank acquired	1,389,600	(322)	134,495	1,523,773
Short term borrowings	37,379	49,292	82,800	169,471
Total net assets acquired including cash & cash Equivalent	(497,003)	(37,358)	-	(534,361)
Less : Non-controlling interests	929,976	11,612	217,295	1,158,883
	(672,525)	-	(7,605)	(680,130)
Goodwill acquired/(Negative goodwill)	257,451	11,612	209,690	478,753
Value of investment	442,524	95,173	(209,690)	328,007
	699,975	106,785	0	806,760

NOTES TO THE FINANCIAL STATEMENTS

9 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

LKR and USD interest rates in the domestic market moderated during the quarter ended March 31, 2023 with the policy measures adopted by CBSL. However, the elevated market interest rates, both LKR and USD, results in adverse implications on the interest cost of the Group and the company. The LKR interest rates are expected to decline further in the coming months with the deceleration of inflation in the domestic economy, coupled with resultant improvement of the economic condition of the country with the engagement of the IMF program.

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

- Minimised borrowings by reducing credit periods offered to the customers whilst encouraging advance payments, thereby improving the liquidity of the company.
- Continuous control and monitoring measures taken to streamline the recoveries from debtors in order to reduce the borrowings.
- Strategic initiatives driven by the management to prioritise essential capital expenditure.
- Initiatives driven 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

The LKR appreciated during the quarter ended March 31, 2023 from LKR/USD 365 levels to 325 levels due to the prudent policy measures adopted by CBSL, along with the resultant decline in importer demand and improvement of the Balance of Payment of the country. The sudden appreciation of Rupee during March 2023, adversely affected export companies to be competitive in the international market place, given the tax amendments, high cost of operations and inflation. However, we envisage the cost adjustments will ease the immediate challenges in the months to come. Further, Government initiatives to lighten import restrictions and floating of exchange rates might result in some volatilities in the months ahead.

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:

	31.03.23 Rs.	31.03.22 Rs.
Last traded price	71.90	76.00
Highest price recorded for the three months ending	82.50	151.50
Lowest price recorded for the three months ending	63.50	74.00
Market capitalisation (Rs. Mn.)	53,925	57,000

RATIOS

Net assets per share	105.24	89.85
Price earnings ratio (times)	3.30	3.12

SHARE TRADING FROM 1ST APRIL, 2022 TO 31ST MARCH, 2023

No. of transactions	94,111
No. of shares traded	120,459,556
Value of shares traded (Rs.)	9,809,768,441.90

LISTED DEBENTURES

Details regarding the listed debentures are as follows;

DEBENTURE TRADING INFORMATION FOR THE TWELVE MONTHS ENDED - 31.03.2023

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 March, 2023 24.95%

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 March 2023 24.95%

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 March, 2023 26.70%

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 March , 2023 26.70%

RATIOS

	31.03.23	31.03.22
Debt/ equity ratio	1.90	1.60
Quick asset ratio	0.36	0.48
Interest cover	1.29	2.54

INVESTOR INFORMATION

FIRST TWENTY SHAREHOLDERS AS AT 31ST MARCH, 2023

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	12,027,045	1.60
4 Hayleys Group Services (Pvt) Ltd No.02 A/C	11,170,900	1.49
5 Mrs.R.N.Ponnambalam	6,100,880	0.81
6 Mrs.R.M.Spittel	5,646,970	0.75
7 Seylan Bank PLC / Mr.M.N.Deen	4,881,889	0.65
8 Mrs.Y.M.Spittel (Deceased)	4,655,610	0.62
9 Mrs.S.D.Wickremasinghe	4,492,980	0.60
10 GF Capital Global Limited	4,454,000	0.59
11 Mrs.P.M Godamunne	4,434,470	0.59
12 Mrs.A.K.Wikramanayake	4,384,490	0.58
13 Mr.S.Rameshan	4,007,620	0.53
14 Senthilverl Holdings (Pvt) Ltd	3,988,845	0.53
15 Mrs.A.M.L.Johnpulle & Mr.B.J.M.Johnpulle	3,721,650	0.50
16 Mrs.S.R.D.Wikramanayake	3,239,320	0.43
17 Mrs.G.V.De Silva	2,850,830	0.38
18 Miss.S.H.De Silva	2,850,830	0.38
19 Miss. N.K.R.H.De Silva	2,834,010	0.38
20 Dr. D. Jayanththa	2,580,000	0.34
Total	557,899,479	74.39

There were no non-voting shares as at 31st March, 2023.

PUBLIC HOLDING

Percentage of public holding as at 31st March, 2023	37.10%
Total number of Shareholders representing the Public Holding	16,384
Float- adjusted market capitalization (Rs.)	20,034,000,000
The Company complies with option 1 of the Listing Rules 7.13.1 (a) which no minimum Public Holding.	

DIRECTORS' SHAREHOLDINGS AS AT 31ST MARCH, 2023

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 Talpawewa
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
M Wijewardene
R J Karunarajah
W Jayasekara
M M A R P Goonetilleke
R H P Janadheera - Appointed w.e.f. 1st January 2023
T M Hewagama - Appointed w.e.f. 31st January 2023

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
K D G Gunaratne - Appointed w.e.f 21st April 2023

NOMINATION COMMITTEE

A M Pandithage – Chairman
K D D Perera - Resigned w.e.f. 10th June 2022
Dr H Cabral, PC
M Y A Perera - Appointed w.e.f 21st April 2023

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