



Interim Report

Second quarter, 6 months ended 30th September 2015

Hayleys Fabric PLC

Corporate Information

Name of Company

Hayleys Fabric PLC

Legal Form

A Quoted Public Company with Limited Liability
(Incorporated in Sri Lanka in 1993)

Company Registration Number

PQ 37.

Accounting year end

31st March

Principal Activity

Manufacturing of knitted fabric

Directors

A.M.Pandithage - *Chairman*

E.R.P. Goonetilleke - *Managing Director*

K.D.D.Perera

S.C.Ganegoda

H.Somashantha

R.N.Somaratne

Dr. N.S.J. Nawaratne

A.S.Jayatilleka

Ms.Yogadinusha Bhaskaran (*Alternative Director to K.D.D.Perera*) - *Appointed w.e.f.1st June 2015*

Secretaries

Hayleys Group Services (Pvt) Ltd.

400, Deans Road, Colombo 10.

Telephone: (94-11) 2627650- 2627653 (4 Lines)

Registered Office

400, Deans Road ,

Colombo 10.

Telephone: (94-11) 2627000

Main Office & Factory

Narthupana Estate , Neboda.

Telephone: 94 (34) 2297100, 2242055

Bankers

Standard Chartered Bank plc

HSBC

Hatton National Bank

Bank of Ceylon

NDB Bank

Sampath Bank

Commercial Bank of Ceylon Ltd.

Deutsche Bank

Citibank, N.A.

Seylan Bank

Pan Asia Bank

Auditors

Ernst & Young

Chartered Accountants,

201, De Saram Place,

Colombo 10.

Investor Information

Market value of shares	30.09.2015	30.09.2014
	(Rs.)	(Rs.)
Closing Price	19.10	18.80
Highest price recorded for the three months ending	19.80	20.40
Lowest price recorded for the three months ending	17.30	12.30
Highest price recorded for the six months ending	19.90	20.40
Lowest price recorded for the six months ending	17.30	9.90
Share Trading		
No. of transactions	6,768	10,755
No. of shares traded	26,511,919	61,891,838
Value of shares traded (Rs.)	502,475,646	889,356,807

First twenty Shareholders as at 30.09.2015

Name of Shareholder	No. of Shares	%
Hayleys PLC No.3 Share Investment Account	122,487,023	58.96
The Ceylon Investment PLC. A/C No 02.	11,602,954	5.59
The Ceylon Guardian Investment Trust PLC. A/C No 02.	11,185,451	5.38
Employees Provident Fund	5,540,727	2.67
Hayleys Advantis Limited	5,036,850	2.42
Hayleys Agriculture Holdings Limited	3,472,257	1.67
MAS Holdings (Pvt) Limited	3,011,364	1.45
The Ceylon Chamber of Commerce Account No.02	2,709,792	1.30
Ms.O.D.Gunewardene.	2,590,000	1.25
Mr. A.M.Weerasinghe	1,800,000	0.87
Hatton National Bank PLC A/C No. 4 (HNB Retirement Pension Fund)	1,628,934	0.78
East India Holding (Pvt) Ltd.	1,565,000	0.75
Mr. T.L.M. Imtiaz	1,064,376	0.51
The Sri Lanka Fund	1,036,132	0.50
Mrs.M.T.Moosajee	974,824	0.47
People's Leasing & Finance PLC / Mr.L.P.Hapangama	856,681	0.41
Freudenberg Shipping Agencies Limited	841,786	0.41
Mr.H.Yusoof	800,000	0.39
Bank of Ceylon A/C Eagle Growth Fund	774,565	0.37
Deutsche Bank AG As Trustee for Guardian Acuity Equity Fund	733,320	0.35
Total	179,712,036	86.51

The percentage of shares held by public as at 30th September, 2015 was 36.69%.

Number of shareholders representing Public Holding was 2,698

DIRECTORS' SHAREHOLDING AS AT 30.09.2015

Director	Direct holding
	No. of Shares
*Mr.K.D.D.Perera	4,090
Mr.R.N.Somarathne	20,000

* Mr.K.D.D.Perera holds 49.71% directly and indirectly of the total issued shares of Hayleys PLC which holds 122,487,023 shares in Hayleys Fabric PLC.

	30.09.2015	31.03.2015
Weighted average no. of shares	207,740,888	191,881,531
Number of shares	207,740,888	207,740,888
Net assets per share - USD	0.08	0.07
LKR	11.37	10.06

Hayleys Fabric PLC

STATEMENT OF FINANCIAL POSITION

As at 31.03.15		As at 30.09.15	As at 30.09.14
USD		USD	USD
Audited		Unaudited	Unaudited
ASSETS			
Non-Current Assets			
21,908,821	Property, plant and equipment	22,333,760	21,750,667
701,277	Intangible assets	585,211	785,055
22,610,098		22,918,971	22,535,722
Current Assets			
10,957,886	Inventories	11,002,860	11,000,339
6,348,374	Trade receivables	7,315,523	7,577,041
1,303,012	Other receivables	1,289,473	1,295,679
437,954	Advances and prepayments	468,659	420,789
3,459,919	Cash and cash equivalents	1,741,972	1,790,015
22,507,145		21,818,487	22,083,863
45,117,243	Total Assets	44,737,458	44,619,585
EQUITY AND LIABILITIES			
Capital and Reserves			
17,561,761	Stated capital	17,561,761	17,561,761
-	Reserve on amalgamation	-	6,203,893
1,401,337	Revaluation reserve	1,401,337	1,141,605
(3,453,369)	Retained earnings	(2,450,193)	(9,979,381)
15,509,729	Total Equity	16,512,905	14,927,878
Non-Current Liabilities			
4,113,993	Interest bearing loans and borrowings	2,542,233	4,023,510
1,463,509	Deferred tax liabilities	1,463,510	1,576,344
1,656,995	Retirement benefit obligations	1,681,073	1,496,637
7,234,497		5,686,816	7,096,491
Current Liabilities			
6,698,045	Trade and other payables	7,398,219	8,799,268
3,924,747	Current portion of interest bearing loans and borrowings	3,478,184	4,025,680
53,467	Amounts due to Hayleys PLC	45,224	47,084
80,171	Income tax payable	193,854	43,073
703,836	Other current non financial liabilities	216,530	91,580
10,912,751	Short term interest bearing loans and borrowings	11,205,726	9,588,531
22,373,017		22,537,737	22,595,216
45,117,243	Total Equity and Liabilities	44,737,458	44,619,585

The Statement of Financial Position as at 30th September 2015 and Statements of Profit or Loss and other Comprehensive Income, Changes in Equity and Cash Flow for six months then ended as well as the Statements of Profit or Loss and other Comprehensive Income for three months then ended are drawn up from the unaudited financial statements of the Company and they provide the information required by the Colombo Stock Exchange.

The Notes on page 7 form an integral part of these financial statements.

These financial statements are in compliance with the requirements of the Companies Act No : 07 of 2007.

Sgd.

Ruwan Rohitha Bandara
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the board by,

Sgd.

A.M.Pandithage
Chairman
Colombo
30th October 2015

Sgd.

E.R.P.Goonetilleke
Managing Director

Hayleys Fabric PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended		6 months to	6 months to	variance	3 months to	3 months to	variance
31.03.15		30.09.15	30.09.14		30.09.15	30.09.14	
	USD	USD	USD	%	USD	USD	%
	Audited	Unaudited	Unaudited		Unaudited	Unaudited	
65,031,509	Revenue	31,896,899	32,533,783	-2	17,034,947	17,579,433	-3
(58,228,263)	Cost of Sales	(27,555,033)	(28,997,469)	-5	(14,786,076)	(15,742,166)	-6
6,803,246	Gross Profit	4,341,866	3,536,314	+23	2,248,871	1,837,267	+22
42,590	Other Operating Income	3,928	3,017	+30	3,217	-	
(108,552)	Other Expenses	(181,000)	-		(70,000)	-	
(787,668)	Distribution Expenses	(488,037)	(544,650)	-10	(277,486)	(307,585)	-10
(4,256,918)	Administrative Expenses	(2,099,366)	(2,010,780)	+4	(905,680)	(979,747)	-8
(1,035,000)	Net Financing Costs	(460,533)	(664,064)	-31	(197,886)	(285,239)	-31
657,698	Profit Before Tax	1,116,858	319,837	+249	801,036	264,696	+203
22,222	Income Tax (Expense)/Reversal	(113,682)	(43,073)	+164	(58,044)	(23,637)	+146
679,920	Profit for the period	1,003,176	276,764	+262	742,992	241,059	+208
	Other Comprehensive Income						
259,732	Surplus on revaluation of land						
(86,999)	Actuarial gain/(loss) on defined benefit plans	-	-		-	-	
10,440	Income tax effect	-	-		-	-	
863,093	Total Comprehensive Income, Net of Tax	1,003,176	276,764		742,992	241,059	
0.004	Earnings per Share	0.005	0.002		0.004	0.001	

Hayleys Fabric PLC

STATEMENT OF CHANGES IN EQUITY

	Stated capital USD	Reserve on amalgamation USD	Revaluation reserve USD	Retained earnings USD	Total USD
For the period ended 30th September 2015					
Balance as at 31st March 2015	17,561,761	-	1,401,337	(3,453,369)	15,509,729
Profit for the period	-	-	-	1,003,176	1,003,176
Balance as at 30th September 2015	17,561,761	-	1,401,337	(2,450,193)	16,512,905
For the period ended 30th September 2014					
Balance as at 31st March 2014	13,563,304	6,203,893	1,141,605	(10,220,689)	10,688,113
Rights Issue of shares	3,998,457	-	-	-	3,998,457
Direct cost on issue of shares	-	-	-	(35,456)	(35,456)
Profit for the period	-	-	-	276,764	276,764
Balance as at 30th September 2014	17,561,761	6,203,893	1,141,605	(9,979,381)	14,927,878

Hayleys Fabric PLC

STATEMENT OF CASH FLOWS

year ended		6 months to	6 months to
31.03.15	Cash flows from / (used in) operating activities	30.09.15	30.09.14
USD		USD	USD
Audited		Unaudited	Unaudited
657,698	Profit before Income tax expense	1,116,858	319,837
	Adjustments for		
1,795,172	Depreciation on property, plant and equipment	891,939	897,877
219,813	Amortization of Intangible Assets	118,105	103,503
265,656	Provision for retiring gratuity	145,580	133,460
(79,259)	Net unrealised gain on translation of foreign currency	(104,276)	(66,120)
945,947	Net finance costs	400,141	664,064
(1,770)	Profit on disposal of property, plant and equipment	(1,599)	-
108,552	Loss on impairment of Property, Plant and Equipment	181,000	-
(40,820)	Debtors / Creditors write back	(2,329)	(3,017)
(2,162)	Provision / (reversal) of provision for bad and doubtful debts	22,088	(55,182)
59,891	Provision / (reversal) of slow moving inventories	(40,475)	(754)
3,928,718	Operating profit before working capital changes	2,727,032	1,993,668
381,879	(Increase)/decrease in trade and other receivables	(973,369)	(870,072)
(83,162)	Increase in advances and prepayments	(30,705)	(68,565)
(344,179)	Increase in inventories	(4,499)	(325,987)
(4,164,660)	Decrease in trade and other payables and other non financial liabilities	(49,830)	(3,140,332)
(281,404)	Cash flows from / (used in) operations	1,668,629	(2,411,288)
(33,085)	Retiring gratuity paid	(20,056)	(7,144)
(913,741)	Interest paid	(406,458)	(600,969)
(164,227)	Economic service charge paid	-	(77,379)
(1,392,457)	Net cash flows from/ (used in) operating activities	1,242,115	(3,096,780)
	Cash flows from / (used in) investing activities		
(1,583,121)	Purchase and construction of property, plant and equipment	(1,243,421)	(276,391)
1,770	Proceeds from disposal of property, plant and equipment	1,599	-
(143,519)	Purchase of Intangible Assets	(2,039)	(98,068)
11,943	Interest received	6,317	6,783
(1,712,927)	Net cash used in investing activities	(1,237,544)	(367,676)
	Cash flows from / (used in) financing activities		
9,000,000	Proceeds from long term loans	-	7,000,000
(2,772,723)	Repayment of term loans	(2,015,494)	(763,813)
3,958,523	Right Issue of Shares (Net)	-	3,963,001
10,185,800	Net cash flows from/(used in) financing activities	(2,015,494)	10,199,188
7,080,416	Net increase/ (decrease) in cash and cash equivalents	(2,010,922)	6,734,732
(14,533,248)	Cash and cash equivalents at the beginning of the year	(7,452,832)	(14,533,248)
(7,452,832)	Cash and cash equivalents at the end of the period	(9,463,754)	(7,798,516)
	Note A		
	Analysis of cash and cash equivalents		
3,459,919	Cash and bank balances	1,741,972	1,790,015
(10,912,751)	Short term borrowings	(11,205,726)	(9,588,531)
(7,452,832)		(9,463,754)	(7,798,516)

Hayleys Fabric PLC

Notes to the Financial Statements

1. These interim financial statements which have not been audited, comply with the Sri Lanka Accounting Standard LKAS 34-Interim financial reporting and they also provide the information required by the Colombo Stock Exchange.
2. The accounting policies adopted in these financial statements are consistent with the Accounting policies set out in the Annual Report for the year ended 31.03.2015.
3. Contingent liability as at 30th September, 2015 on bills discounted amounted to USD 417,500.
4. There were no material events that took place subsequent to the reporting date, which require disclosure in this Financial Statements.

Hayleys Fabric PLC

STATEMENT OF FINANCIAL POSITION TRANSLATED INTO LKR

As at 31.03.15		As at 30.09.15	As at 30.09.14
LKR '000		LKR '000	LKR '000
Audited		Unaudited	Unaudited
ASSETS			
Non-Current Assets			
2,951,556	Property, plant and equipment	3,195,068	2,866,085
94,476	Intangible assets	83,720	103,447
3,046,032		3,278,788	2,969,532
Current Assets			
1,476,246	Inventories	1,574,069	1,449,515
855,253	Trade receivables	1,046,559	998,427
175,542	Other receivables	184,472	170,732
59,002	Advances and prepayments	67,046	55,447
466,120	Cash and cash equivalents	249,207	235,870
3,032,163		3,121,353	2,909,991
6,078,195	Total Assets	6,400,141	5,879,523
EQUITY AND LIABILITIES			
Capital and Reserves			
1,968,193	Stated capital	1,968,193	1,968,193
-	Reserve on amalgamation	-	817,487
188,788	Revaluation reserve	200,475	150,429
(297,282)	Retained earnings	(159,571)	(1,195,017)
229,771	Exchange fluctuation reserve	353,239	225,954
2,089,470	Total Equity	2,362,336	1,967,046
Non-Current Liabilities			
554,237	Interest bearing loans and borrowings	363,692	530,178
197,164	Deferred tax liabilities	209,370	207,715
223,230	Retirement benefit obligations	240,494	197,212
974,631		813,556	935,105
Current Liabilities			
902,361	Trade and other payables	1,058,389	1,159,480
528,742	Current portion of interest bearing loans and borrowings	497,589	530,464
7,203	Amounts due to Hayleys PLC	6,470	6,204
10,801	Income tax payable	27,733	5,676
94,821	Other current non financial liabilities	30,977	12,067
1,470,166	Short term interest bearing loans and borrowings	1,603,091	1,263,481
3,014,094		3,224,249	2,977,372
6,078,195	Total Equity and Liabilities	6,400,141	5,879,523

The financial statements prepared and presented in US Dollars reflect the economic substance of underlying events and circumstances of the enterprise. The supplementary information in SL Rupees is presented for convenience purposes only. The statements presented in SL Rupees are not a full set of financial statements and are not purported to comply with Sri Lanka Accounting Standards. They represent selected information taken from the US Dollar financial statements, translated into SL Rupees generally using the principles set out in Sri Lanka Accounting Standards (LKAS) 21 for the translation of financial statements to a presentation currency from a measurement currency. Revenue and costs are converted using the average exchange rate for the period. Assets and liabilities are converted using the exchange rate at the end of the period. The revenue reserves incorporates the profit for the period reflected in the income statements.

In accordance with advice received from the Urgent Issue Task Force of the Institute of Chartered Accountants of Sri Lanka, stated capital is represented at it's original SL Rupee value.

Following exchange rates were used to convert the financial statements into LKR.	30.09.2015		30.09.2014	
	6 months	3 months	6 months	3 months
Statement of Profit or Loss and Other Comprehensive Income	137.28	138.35	131.78	131.67
Statement of Financial Position	143.06		131.77	

Hayleys Fabric PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME TRANSLATED INTO LKR

Year ended 31.03.15 LKR '000 Audited	6 months to 30.09.15 LKR '000 Unaudited	6 months to 30.09.14 LKR '000 Unaudited	variance %	3 months to 30.09.15 LKR '000 Unaudited	3 months to 30.09.14 LKR '000 Unaudited	variance %
8,635,534 Revenue	4,378,647	4,287,193	+2	2,356,728	2,314,743	+2
(7,732,131) Cost of Sales	(3,782,617)	(3,821,190)	-1	(2,045,604)	(2,072,823)	-1
903,403 Gross Profit	596,030	466,004	+28	311,124	241,919	+29
5,655 Other Operating Income	539	398	+36	445	-	
(14,415) Other Expenses	(24,847)	-		(9,684)	-	
(104,594) Distribution Expenses	(66,995)	(71,772)	-7	(38,389)	(40,501)	-5
(565,276) Administrative Expenses	(288,190)	(264,974)	+9	(125,298)	(129,007)	-3
(137,438) Net Financing Costs	(63,220)	(87,508)	-28	(27,377)	(37,558)	-27
87,335 Profit Before Tax	153,317	42,147	+264	110,821	34,853	+218
2,951 Income Tax (Expense)/Reversal	(15,606)	(5,676)	+175	(8,030)	(3,112)	+158
90,286 Profit for the period	137,711	36,471	+278	102,790	31,741	+224
Other Comprehensive Income						
34,490 Surplus on revaluation of land						
(11,553) Actuarial gain/(loss) on defined benefit plans						
1,386 Income tax effect	-	-				
114,609 Total Comprehensive Income, Net of Tax	137,711	36,471		102,790	31,741	
0.47 Earnings per Share	0.66	0.21		0.49	0.18	