



# Enriching a Nation

*70 years of nurturing lives and serving the nation*

## Hemas Rebounds Strongly in the Second Half of FY 2019/20

### CEO's Review

Financial year 2019/20 has been the most challenging in the 70 year history of the Group with performance impacted by the aftermath of the Easter Sunday 2019 terrorist attacks coupled with the Covid-19 pandemic during the second half of March 2020. This has resulted in the Group recording a consolidated revenue of Rs.61.6Bn for the 12 months ended March 31, 2020, 3.8% lower than last year. Operating profits for the financial year stood at Rs.3.6Bn, a YoY decline of 37.1%.

During the year, Group continued its recovery from the aftermath of the Easter Sunday crisis with post tax profits of Rs.1.7Bn for the second half of the financial year, compared with the loss of Rs.298Mn reported in the first half. This is despite the impact of Covid-19 on March 2020 performance. This improvement has been driven by our core Consumer and Healthcare businesses. When adjusted for the divestment of N\*able in July 2019 and Travel and Aviation interests in March 2020, Q4 FY 2019/20 underlying revenue and operating profit grew by 2.0% and 3.5%.

The Group continues to show the same resilience as we respond to the Covid-19 pandemic with our Consumer and Healthcare businesses, which account for more than 90% of revenues and profits, showing month on month recovery in Q1 20/21. The Group has taken multiple measures including, engaging high quality medical and public health advice, social distancing, provision of protective equipment and working from home to safeguard the health of our employees and ensure compliance with directives issued by the Government of Sri Lanka. The health and safety of our staff is critical while we also recognise the need for us to continue operations due to the important role we play in the healthcare of the nation.

### Consumer

During the first two months of Q4, our Consumer businesses performed well with strong demand across all categories. Consumer spending experienced good growth with increased consumer confidence and improved disposable incomes driven by tax cuts. However, this encouraging performance was impacted by the Covid-19 outbreak in March and the nationwide lockdown bringing sales to a virtual standstill in the last two weeks of March 2020. This resulted in sales in anticipation of the Sinhala and Tamil New Year being depressed. As a result, revenue across the consumer segment fell by 22.4% compared with Q4 last year. The drop in revenue was mainly attributable to Home and Personal Care International segment and Atlas. However, operating profit grew by Rs.157.5Mn over Q4 last year.

For the full year, our Consumer businesses experienced a sharp contraction in the first two quarters following the Easter Sunday attacks and a strong recovery in Q3 and Q4 until the nationwide lockdown in March. As a result, Hemas consumer sector recorded a full year revenue of Rs.23.8Bn, a YoY decline of 6.8%, with sector profits of Rs.1.9Bn, a drop of 30.5% over last year.

In January, we launched our new health oriented personal wash brand "*Shield*". *Shield* has been well received in the market with Covid-19 driving interest in the anti-bacterial and germ killing capability of soap as a first line in defense. We have supplemented this soap range with hand sanitizer products. Similarly, Morison OTC brands experienced a successful first two months with *Gripe* and *Lacto* brands registering YoY growth. After a successful back-to-school season, Atlas performance was impacted during Q4 due to schools being closed 3 weeks ahead of its schedule for New Year holidays.

Our Home and Personal Care international business remained subdued throughout the quarter as a result of heavy competition in the value-added hair oil segment in Bangladesh and Covid-19 lockdowns impacting non-essential categories.

## **Healthcare**

Healthcare sector recorded Q4 revenues of Rs.8.9Bn, a YoY growth of 23.7%. Operating profit was impacted by the adoption of SLFRS16 and the VRS costs at Morisons warehouse. We have now outsourced Morisons warehousing to Spectra and anticipate that this will reduce costs going forward. Further, the island wide lockdown has resulted in slowness in collections for the last two weeks of March resulting in an increase of working capital financing. We have also seen net financing costs increase as capex has been incurred on Morisons new plant as it nears completion. As a result, sector operating profit and earnings registered a decline of 2.2% and 21.8% during the quarter.

The financial year closed with the sector recording a consolidated revenue of Rs.31.4Bn, a YoY increase of 13.4%. Operating profit grew by 3.6% whilst earnings declined by 6.5%. Our pharmaceutical distribution business registered satisfactory performance due to the price increase on price-controlled pharmaceuticals in May 2019 and the onboarding of a new significant principal in the nutrition segment during the quarter. Finance cost increases of 119.1Mn during the year were due to working capital financing at pharmaceutical distribution and the cost of constructing the new Morison manufacturing plant. This resulted in compressed full year earnings margins.

Morison PLC's pharmaceutical manufacturing segment achieved revenue of Rs.2.9Bn and operating profit of Rs.260.5Mn for the year ended March 31, 2020. Revenue growth was 11.9% with profitability increasing by 9.2%. After a challenging start to the year, the business has performed strongly in the second half, seeing record levels of production. Morison was impacted by the lockdown with the factory being unable to run at its optimum capacity levels during the last two weeks of March. This brought revenues and operating profitability down by 1.2% and 5.9% during the quarter. The new manufacturing facility at Homagama is delayed. We are at an advanced stage of completion, however in line with all major construction projects, the project was on hold from the last two weeks of March, with work recommencing in mid-May. As a result, we anticipate a delay in the completion of the project.

Both Thalawathugoda and Wattala hospitals recorded a strong recovery in revenues and profitability from the aftermath of the Easter Sunday attacks and completed the year with average occupancy of 68%. However, the patient footfall and elective surgeries reduced after the lockdown, resulting in lower than expected inpatient and outpatient revenue. EBITDA margins reached prior year levels despite being impacted by two crises during the financial year.

## **Leisure, Travel and Aviation**

Hemas Leisure, Travel and Aviation business performance declined with full year revenues and earnings down by Rs.1.4Bn and Rs.479.8Mn compared to last year. Although month-on-month recovery in tourist arrivals was faster than anticipated, arrivals in the fourth quarter of FY 2019/20 declined due to global travel advisories in the wake of the COVID-19 pandemic. This led to a 32% shortfall in tourist arrivals during Q4 compared to last year.

Serendib Group of Hotels recorded a revenue of Rs.1.6Bn, a 22.1% decline over last year with an average occupancy of 73% across its hotels during the quarter, 18% below the occupancy achieved in the same quarter last year. Rates across all properties were reduced in order to boost occupancy. This led to a drop in profitability during the peak season. However, with astute measures taken by the management, the SHOT group reported Rs.28.8Mn profit from operations.

As the risks from the Covid-19 outbreak intensified across the globe from January, many tour groups cancelled already booked travel plans which led to lower income generation at the inbound segment. Similarly, aviation experienced cancellation of flights. As a result, our travel and aviation segment reported a revenue drop of 31.0%.

Hemas divested 80.1% of Forbes Leisure Services (Private) Limited (FLS) in March for a consideration of Rs.201Mn, reporting a disposal loss of Rs.33.5Mn. Forbes Leisure Services consisted of businesses operating in outbound and inbound travel and airline representation. This transaction excluded Emirates Airline agency which will be positioned as a core component of Hemas Mobility sector. The remaining stake of 19.9% is reclassified as a non-current financial asset.

### **Mobility**

Hemas Logistics and Maritime recorded a revenue decrease of 17.8% over last year, with revenues of Rs.2.3Bn as at March 31, 2020. New business volumes in our Spectra distribution center have built up more slowly than planned. In maritime, due to weakened local economic conditions and global slowdown, year-to-date throughput has declined. Slowdown in transshipment volumes and movement in the export sector coupled with import restrictions have resulted in depressed revenues in the maritime segment.

### **Future Outlook**

The impact of the pandemic on the Group revenues and profitability has been negative, both in the last few weeks of FY 2019/20 and continuing into FY 2020/21. Cost cutting and cash conservation measures to protect the businesses have been initiated. We have deferred capital expenditure, curtailed discretionary spending and instituted salary cuts at senior levels in the Group and in Group businesses with very low revenues. Each business is executing detailed plans to rebuild demand and supply of key products and services and to conserve cash and contain costs. While the forecasted liquidity position of the Group is satisfactory, undertaking proactive steps will enable us to maintain a stronger balance sheet and facilitate a smoother and faster recovery trajectory.

More than 90% of Hemas revenues are generated from healthcare and consumer essentials and we are seeing these recover. However, it is not possible at this time to predict the full extent of the recovery. In addition, multiple new risks have emerged including increased exchange rate volatility, foreign currency availability, import restrictions and depressed economic growth.

We will continue to invest behind our core portfolios, while also adapting to shifts in consumer behavior that have been brought about by this unprecedented crisis. We believe increased consumer consciousness towards health and hygiene is an opportunity for Hemas. We will continue to innovate with existing and new brands to meet these emerging consumer needs, while aggressively focusing on cost management and cash conservation in order to navigate through these challenging times.

Great teams can, and will, overcome crisis after crisis!



Steven Enderby  
Group Chief Executive Officer  
June 17, 2020  
Colombo

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Three Months Ended 31 March			Twelve Months Ended 31 March		
	2020	2019	Change %	2020	2019	Change %
<b>Revenue from Contracts with Customers</b>	<b>14,615,390</b>	16,054,217	-9.0%	<b>61,632,071</b>	64,082,154	-3.8%
Cost of Sales	<b>(10,058,547)</b>	(10,430,549)	-3.6%	<b>(41,341,019)</b>	(42,604,605)	-3.0%
<b>Gross Profit</b>	<b>4,556,843</b>	5,623,668	-19.0%	<b>20,291,052</b>	21,477,549	-5.5%
Other Operating Income	<b>341,951</b>	169,355	101.9%	<b>689,389</b>	793,590	-13.1%
Selling and Distribution Expenses	<b>(1,330,018)</b>	(1,538,147)	-13.5%	<b>(6,484,661)</b>	(5,894,116)	10.0%
Administrative Expenses	<b>(2,638,549)</b>	(3,006,151)	-12.2%	<b>(10,815,271)</b>	(10,622,973)	1.8%
Share of Results of Joint Ventures and Associates	<b>54,578</b>	126,273	-56.8%	<b>(119,957)</b>	(92,725)	29.4%
<b>Operating Profit</b>	<b>984,805</b>	1,374,998	-28.4%	<b>3,560,552</b>	5,661,325	-37.1%
Finance Cost	<b>(255,715)</b>	(237,803)	7.5%	<b>(1,049,161)</b>	(1,046,212)	0.3%
Finance Income	<b>70,740</b>	150,401	-53.0%	<b>280,448</b>	478,027	-41.3%
<b>Profit Before Tax</b>	<b>799,830</b>	1,287,596	-37.9%	<b>2,791,839</b>	5,093,140	-45.2%
Income Tax Expense	<b>(272,749)</b>	(387,688)	-29.6%	<b>(1,429,132)</b>	(1,413,904)	1.1%
<b>Profit for the Period</b>	<b>527,081</b>	899,908	-41.4%	<b>1,362,707</b>	3,679,236	-63.0%
				-51%	-28%	
<b>Attributable to:</b>						
Equity Holders of the Parent	<b>479,774</b>	863,043	-44.4%	<b>1,235,717</b>	3,369,279	-63.3%
Non-Controlling Interests	<b>47,307</b>	36,865	28.3%	<b>126,990</b>	309,957	-59.0%
	<b>527,081</b>	899,908	-41.4%	<b>1,362,707</b>	3,679,236	-63.0%

	LKR			LKR	
<b>Earnings Per Share</b>					
Basic	<b>0.80</b>	1.45		<b>2.07</b>	5.65
Diluted	<b>0.80</b>	1.45		<b>2.07</b>	5.65
<b>Dividend Per Share</b>	<b>-</b>	3.08		<b>1.45</b>	4.93

All values are in LKR'000s, unless otherwise stated.  
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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended 31 March		Twelve Months Ended 31 March	
	2020	2019	2020	2019
Profit for the Period	527,081	899,908	1,362,707	3,679,236
<b>Other Comprehensive Income</b>				
<b>Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods</b>				
Net Movement on Hedges	(90,055)	(38,454)	(90,507)	(37,802)
Exchange Differences on Translation of Foreign Operations	(6,259)	(82,241)	25,508	111,387
Transfer of Exchange Differences on Translation of Foreign Operations	(9,518)	-	(51,481)	-
Income Tax Effect on Other Comprehensive Income	3,041	11,549	3,041	11,549
Share of Other Comprehensive Income/(Loss) of Joint Venture / Associates	(62,860)	(98,731)	(62,860)	(98,731)
	(165,651)	(207,877)	(176,299)	(13,597)
<b>Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods</b>				
Net Loss on Financial Assets at FVOCI (Equity)	(180,819)	(126,601)	(180,155)	(126,692)
Actuarial Loss on Defined Benefit Plans	(111,677)	(39,373)	(111,677)	(39,373)
Revaluation of Land and Building	-	12,205	-	12,205
Income Tax Effect on Other Comprehensive Income	64,442	3,532	64,442	3,532
Share of Other Comprehensive Income of Joint Venture / Associates	228	3,166	228	3,166
	(227,826)	(147,071)	(227,162)	(147,162)
<b>Other Comprehensive Income/ (Loss) for the Period, Net of Tax</b>	(393,477)	(354,948)	(403,461)	(160,759)
<b>Total Comprehensive Income for the Period, Net of Tax</b>	<b>133,604</b>	<b>544,960</b>	<b>959,246</b>	<b>3,518,477</b>
<b>Attributable to:</b>				
Equity Holders of the Parent	132,367	563,083	868,237	3,246,399
Non-Controlling Interests	1,237	(18,123)	91,009	272,078
	<b>133,604</b>	<b>544,960</b>	<b>959,246</b>	<b>3,518,477</b>

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# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 March	
	2020	2019
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	20,032,726	18,685,435
Right of Use Assets	2,028,296	-
Investment Properties	1,647,591	1,647,591
Leasehold Rights	-	731,276
Intangible Assets	3,439,125	3,468,946
Investment in Joint Ventures	701,461	883,620
Investment in Associates	-	5,868
Lease Receivables	172,486	-
Other Non-Current Financial Assets	540,670	655,457
Deferred Tax Asset	164,426	107,862
	<b>28,726,781</b>	<b>26,186,055</b>
<b>Current Assets</b>		
Inventories	13,559,991	11,200,949
Trade and Other Receivables	16,093,960	18,434,020
Tax Recoverable	240,567	299,270
Lease Receivables	58,385	-
Other Current Financial Assets	83,761	155,475
Cash and Short Term Deposits	5,616,972	6,473,631
	<b>35,653,636</b>	<b>36,563,345</b>
<b>Total Assets</b>	<b>64,380,417</b>	<b>62,749,400</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated Capital	7,734,054	7,734,054
Other Capital and Revenue Reserves	216,800	185,449
Other Components of Equity	1,389,205	1,682,492
Retained Earnings	18,574,233	18,496,649
<b>Equity Attributable to Equity Holders of the Parent</b>	<b>27,914,292</b>	<b>28,098,644</b>
Non-Controlling Interests	3,560,170	3,771,078
<b>Total Equity</b>	<b>31,474,462</b>	<b>31,869,722</b>
<b>Non-Current Liabilities</b>		
Interest Bearing Loans and Borrowings	4,738,157	1,369,067
Other Non-Current Financial Liabilities	2,206,681	1,955,697
Deferred Tax Liability	1,733,238	1,811,865
Employee Benefit Liability	1,018,623	968,964
	<b>9,696,699</b>	<b>6,105,593</b>
<b>Current Liabilities</b>		
Trade and Other Payables	17,937,272	18,599,450
Income Tax Liabilities	512,791	439,083
Interest Bearing Loans and Borrowings	3,363,156	3,553,237
Bank Overdraft	1,396,037	2,182,315
	<b>23,209,256</b>	<b>24,774,085</b>
<b>Total Equity and Liabilities</b>	<b>64,380,417</b>	<b>62,749,400</b>
<b>Net Assets per share - (LKR)</b>	<b>46.83</b>	<b>47.14</b>


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




**Zalmi Fazeel**  
Chief Financial Officer

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



**Husein Esufally**  
Chairman  
Colombo  
June 17, 2020



**Steven Enderby**  
Chief Executive Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent							Retained Earnings	Total	Non - Controlling Interests	Total Equity
	Stated Capital	Other Capital & Revenue Reserves	Revaluation Reserve	Foreign Currency Translation Reserve	Available for Sale Reserve	Fair Value Reserve of Financial Assets at FVOCI	Hedge Reserve				
<b>As at 31 March 2018</b>	5,960,450	141,775	1,928,834	41,654	(15,821)	-	1,230	18,522,441	26,580,563	4,440,044	31,020,607
Reclassification of Non-Controlling Interest to be Acquired	-	-	-	-	-	-	-	-	-	(790,720)	(790,720)
Fair Value changes in Non-Controlling Interest to be Acquired	-	-	-	-	-	-	-	(1,101,680)	(1,101,680)	-	(1,101,680)
Adjustment on acquisition	-	-	-	-	-	-	-	-	-	(58,879)	(58,879)
<b>As at 31 March 2018 (Restated)</b>	5,960,450	141,775	1,928,834	41,654	(15,821)	-	1,230	17,420,761	25,478,883	3,590,445	29,069,328
Effect of Adaption of New Accounting Standards	-	-	-	-	15,821	(15,821)	-	(17,223)	(17,223)	(9,220)	(26,443)
<b>As at 1 April 2018</b>	5,960,450	141,775	1,928,834	41,654	-	(15,821)	1,230	17,403,538	25,461,660	3,581,225	29,042,885
Profit for the Period	-	-	-	-	-	-	-	3,369,279	3,369,279	309,957	3,679,236
Other Comprehensive Income/(Loss)	-	-	7,496	105,760	-	(100,228)	(110,897)	(25,011)	(122,880)	(37,879)	(160,759)
<b>Total Comprehensive Income</b>	-	-	7,496	105,760	-	(100,228)	(110,897)	3,344,268	3,246,399	272,078	3,518,477
Final Dividend - 2017/18	-	-	-	-	-	-	-	(833,655)	(833,655)	-	(833,655)
First Interim Dividend - 2018/19	-	-	-	-	-	-	-	(229,981)	(229,981)	-	(229,981)
Second Interim Dividend - 2018/19 - Scrip Issue	1,771,630	-	-	-	-	-	-	(1,771,630)	-	-	-
Subsidiary Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	(32,938)	(32,938)
Transfer	-	-	(175,536)	-	-	-	-	175,536	-	-	-
Exercise of Share Options	1,974	-	-	-	-	-	-	-	1,974	-	1,974
Share Based Payments	-	43,674	-	-	-	-	-	-	43,674	-	43,674
Reclassification of Non-Controlling Interest to be Acquired	-	-	-	-	-	-	-	-	-	(135,887)	(135,887)
Fair Value Changes in Non-Controlling Interest to be Acquired	-	-	-	-	-	-	-	408,830	408,830	-	408,830
Adjustment in Respect of Changes In Group Holding	-	-	-	-	-	-	-	(257)	(257)	86,600	86,343
<b>As at 31 March 2019</b>	7,734,054	185,449	1,760,794	147,414	-	(116,049)	(109,667)	18,496,649	28,098,644	3,771,078	31,869,722
<b>As at 1 April 2019</b>	7,734,054	185,449	1,760,794	147,414	-	(116,049)	(109,667)	18,496,649	28,098,644	3,771,078	31,869,722
Profit for the Period	-	-	-	-	-	-	-	1,235,717	1,235,717	126,990	1,362,707
Other Comprehensive Income/(Loss)	-	-	20,831	(25,567)	-	(143,548)	(145,003)	(74,193)	(367,480)	(35,981)	(403,461)
<b>Total Comprehensive Income</b>	-	-	20,831	(25,567)	-	(143,548)	(145,003)	1,161,524	868,237	91,009	959,246
Final Dividend - 2018/19	-	-	-	-	-	-	-	(864,263)	(864,263)	-	(864,263)
Subsidiary Dividend to Non-Controlling Interest	-	-	-	-	-	-	-	-	-	(118,098)	(118,098)
Share Based Payments	-	31,351	-	-	-	-	-	-	31,351	-	31,351
Reclassification of Non-Controlling Interest to be Acquired	-	-	-	-	-	-	-	-	-	(97,094)	(97,094)
Fair value changes in Non-Controlling Interest to be Acquired	-	-	-	-	-	-	-	(211,754)	(211,754)	-	(211,754)
Disposal of Subsidiary	-	-	-	-	-	-	-	-	-	(22,749)	(22,749)
Adjustment in Respect of Changes in Group Holding	-	-	-	-	-	-	-	(7,923)	(7,923)	(63,976)	(71,899)
<b>As at 31 March 2020</b>	7,734,054	216,800	1,781,625	121,847	-	(259,597)	(254,670)	18,574,233	27,914,292	3,560,170	31,474,462

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## COMPANY STATEMENT OF PROFIT OR LOSS

	Three Months Ended 31 March			Twelve Months Ended 31 March		
	2020	2019	Change %	2020	2019	Change %
<b>Revenue from Contracts with Customers</b>	<b>202,949</b>	296,591	-31.6%	<b>818,918</b>	969,197	-15.5%
Cost of Sales	-	-	0.0%	-	-	0.0%
<b>Gross Profit</b>	<b>202,949</b>	296,591	-31.6%	<b>818,918</b>	969,197	-15.5%
Other Operating Income	<b>63,513</b>	140,423	-54.8%	<b>1,814,205</b>	358,647	405.8%
Administrative Expenses	<b>(466,518)</b>	(370,291)	26.0%	<b>(1,144,450)</b>	(1,092,105)	4.8%
<b>Operating Profit</b>	<b>(200,056)</b>	66,723	-399.8%	<b>1,488,673</b>	235,739	531.5%
Finance Cost	<b>(43,700)</b>	(76,451)	-42.8%	<b>(133,125)</b>	(214,041)	-37.8%
Finance Income	<b>25,033</b>	22,268	12.4%	<b>49,045</b>	58,329	-15.9%
<b>Profit Before Tax</b>	<b>(218,723)</b>	12,540	-1844.2%	<b>1,404,593</b>	80,027	1655.1%
Income Tax Expense	<b>19,436</b>	(45,640)	-142.6%	<b>(968)</b>	(66,777)	-98.6%
<b>Profit/(Loss) for the Period</b>	<b>(199,287)</b>	(33,100)	502.1%	<b>1,403,625</b>	13,250	10493.4%

## COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended 31 March		Twelve Months Ended 31 March	
	2020	2019	2020	2019
Profit/(Loss) for the Period	(199,287)	(33,100)	1,403,625	13,250
<b>Other Comprehensive Income</b>				
Net Loss on Financial Assets at FVOCI	(97,511)	(66,661)	(97,487)	(66,662)
Actuarial Gain on Defined Benefit Plans	2,780	1,286	2,780	1,286
Income Tax on Other Comprehensive Income	(778)	(360)	(778)	(360)
<b>Other Comprehensive Income/(Loss) for the Period, Net of Tax</b>	<b>(95,509)</b>	(65,735)	<b>(95,485)</b>	(65,736)
<b>Total Comprehensive Income/(Loss) for the Period, Net of Tax</b>	<b>(294,796)</b>	(98,835)	<b>1,308,140</b>	(52,486)

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## COMPANY STATEMENT OF FINANCIAL POSITION

	As at 31 March	
	2020	2019
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	118,835	150,359
Right of Use Assets	51,920	-
Investment Properties	699,300	657,950
Intangible Assets	99,897	72,946
Investment in Subsidiaries	17,330,481	17,498,412
Other Non-Current Financial Assets	148,999	243,046
	<b>18,449,432</b>	<b>18,622,713</b>
<b>Current Assets</b>		
Trade and Other Receivables	244,303	348,111
Tax Recoverable	29,360	22,558
Other Current Financial Assets	199,711	20,028
Cash and Short Term Deposits	347,738	524,287
	<b>821,112</b>	<b>914,984</b>
<b>Total Assets</b>	<b>19,270,544</b>	<b>19,537,697</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated Capital	7,734,054	7,734,054
Other Capital and Revenue Reserves	438,151	406,800
Other Components of Equity	(148,972)	(51,485)
Retained Earnings	9,744,584	9,203,220
<b>Total Equity</b>	<b>17,767,817</b>	<b>17,292,589</b>
<b>Non-Current Liabilities</b>		
Deferred Tax Liability	138,528	136,782
Employee Benefit Liability	45,776	47,394
	<b>184,304</b>	<b>184,176</b>
<b>Current Liabilities</b>		
Trade and Other Payables	480,645	505,919
Interest Bearing Loans and Borrowings	834,525	1,554,640
Bank Overdraft	3,253	373
	<b>1,318,423</b>	<b>2,060,932</b>
<b>Total Equity and Liabilities</b>	<b>19,270,544</b>	<b>19,537,697</b>

**Net Assets Per Share - (LKR)**

**29.81**

**29.01**


All values are in LKR'000s, unless otherwise stated.  
The above figures are provisional and subject to audit.

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




**Zalmi Fazeel**  
Chief Financial Officer

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



**Husein Esufally**  
Chairman  
Colombo  
June 17, 2020



**Steven Enderby**  
Chief Executive Officer

## COMPANY STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Other Capital Reserves	Other Components Of Equity		Retained Earnings	Total Equity
			Available for Sale Reserve	Fair Value Reserve of Financial Assets at FVOCI		
<b>As at 31 March 2018</b>	5,960,450	363,126	15,177	-	12,024,751	18,363,504
Effect of Adoption of New Accounting Standards	-	-	(15,177)	15,177	(441)	(441)
<b>As at 1 April 2018</b>	5,960,450	363,126	-	15,177	12,024,310	18,363,063
Profits for the Period	-	-	-	-	13,250	13,250
Other Comprehensive Income/(Loss)	-	-	-	(66,662)	926	(65,736)
<b>Total Comprehensive Income</b>	-	-	-	(66,662)	14,176	(52,486)
Exercise of Share Options	1,974	-	-	-	-	1,974
Share Based Payments	-	43,674	-	-	-	43,674
Final Dividend 2017/18	-	-	-	-	(833,655)	(833,655)
First Interim Dividend 2018/19	-	-	-	-	(229,981)	(229,981)
Second Interim Dividend - 2018/19 - Scrip Issue	1,771,630	-	-	-	(1,771,630)	-
<b>As at 31 March 2019</b>	<b>7,734,054</b>	<b>406,800</b>	-	<b>(51,485)</b>	<b>9,203,220</b>	<b>17,292,589</b>
<b>As at 1 April 2019</b>	7,734,054	406,800	-	(51,485)	9,203,220	17,292,589
Profit for the Period	-	-	-	-	1,403,625	1,403,625
Other Comprehensive Income/(Loss)	-	-	-	(97,487)	2,002	(95,485)
<b>Total Comprehensive Income</b>	-	-	-	(97,487)	1,405,627	1,308,140
Share Based Payments	-	31,351	-	-	-	31,351
Final Dividend 2018/19	-	-	-	-	(864,263)	(864,263)
<b>As at 31 March 2020</b>	<b>7,734,054</b>	<b>438,151</b>	-	<b>(148,972)</b>	<b>9,744,584</b>	<b>17,767,817</b>

All values are in LKR'000s, unless otherwise stated.  
The above figures are provisional and subject to audit.

## STATEMENT OF CASH FLOWS

Twelve Months Ended 31 March	Group		Company	
	2020	2019	2020	2019
<b>Operating Activities</b>				
Profit Before Taxation	2,791,839	5,093,140	1,404,593	80,027
<b>Adjustments for,</b>				
Depreciation	1,271,330	1,270,844	32,582	34,437
Amortization of Right of Use Assets	293,388	-	51,919	-
(Gain) on Disposal of Property, Plant and Equipment, Investment Properties	(72,995)	(25,048)	(14,100)	(4,969)
(Gain)/Loss on Fair Value Adjustment of Investment Properties	-	(140,117)	(41,350)	(65,825)
Net (Gain)/Loss on Sale of Non-Current Investments	51,680	(85,575)	-	-
Provision for Share Based Payment Expense	31,351	44,044	6,756	5,805
Provision for Impairment of Trade and Other Receivables	451,395	138,404	59,218	23,583
Provision/ (Reversal) for Obsolete Stocks	101,192	(97,824)	-	-
Amortisation/ Impairment of Intangible Assets	218,911	88,615	29,278	20,211
Impairment/(Reversal) of Investment in Subsidiaries/Joint Ventures/ Other Financial Assets	15,442	-	252,524	3,000
Amortisation of Leasehold Rights	-	5,627	-	-
Exchange (Gain)/Loss on Foreign Currency Borrowings	(13,301)	79,521	-	-
Finance Cost	1,049,162	1,046,212	133,125	214,041
Finance Income	(280,448)	(478,027)	(49,045)	(58,329)
Share of Results of Joint Ventures & Associates	119,527	92,725	-	-
Investment Income	-	-	(1,746,627)	(283,121)
Movement in Employee Benefit Liability	206,156	200,120	10,735	10,032
<b>Operating Cash Flows before Working Capital Changes</b>	<b>6,234,629</b>	<b>7,232,661</b>	<b>129,608</b>	<b>(21,108)</b>
<b>Working Capital Adjustments</b>				
(Increase)/Decrease in Inventories	(2,447,132)	(1,247,123)	-	-
(Increase)/Decrease in Trade and Other Receivables	(2,028,834)	(4,508,846)	16,441	304
Increase/(Decrease) in Trade and Other Payables	2,173,438	2,258,991	(26,249)	165,183
Increase/(Decrease) in Other Non-Current Financial Liabilities	(33,055)	319,299	-	-
<b>Cash Generated from Operations</b>	<b>3,899,046</b>	<b>4,054,982</b>	<b>119,800</b>	<b>144,379</b>
Finance Cost Paid	(894,263)	(1,044,430)	(124,763)	(214,041)
Finance Income Received	274,449	470,019	48,712	58,084
Income Tax Paid	(1,484,510)	(1,558,032)	(6,803)	(41,355)
Employee Retirement Benefit Paid	(151,457)	(109,118)	(8,597)	(9,917)
<b>Net Cash Flows From/(Used in) Operating Activities</b>	<b>1,643,265</b>	<b>1,813,421</b>	<b>28,349</b>	<b>(62,850)</b>
<b>Investing Activities</b>				
Purchase of Property, Plant and Equipment	(3,042,111)	(2,644,095)	(14,387)	(40,314)
Investment in Intangible Assets	(87,655)	(63,628)	(1,829)	(12,909)
Disposal of /(Investment in) Financial Assets	27,217	(69,419)	-	60,000
Investment in Joint Ventures/ Associate	(1,400)	(13,054)	-	-
Acquisition of /Investment in Subsidiaries	(23,768)	-	(84,593)	(134,097)
Disposal of Subsidiaries	372,795	442,826	-	-
Proceeds from Disposal of Preference Shares	-	-	-	483,490
Investment Income Received	-	-	1,746,627	283,121
Proceeds on Disposal of Property, Plant and Equipment/ Intangible Assets / Leasehold Properties/ Investment Properties	201,134	150,038	27,430	23,033
<b>Net Cash Flows From/(Used in) Investing Activities</b>	<b>(2,553,788)</b>	<b>(2,197,332)</b>	<b>1,673,248</b>	<b>662,324</b>
<b>Financing Activities</b>				
Interest Bearing Loans and Borrowings (Net)	1,830,339	(126,541)	(1,016,763)	735,942
Proceed from Exercise of Share Options	-	1,604	-	1,604
Proceed from/ (to) Non-Controlling Interest	(14,337)	86,343	-	-
Dividends Paid to Equity Holders of the Parent	(864,263)	(1,063,636)	(864,263)	(1,063,636)
Dividends Paid to Non-Controlling Interest	(118,098)	(32,938)	-	-
<b>Net Cash Flows From/(Used in) Financing Activities</b>	<b>833,641</b>	<b>(1,135,168)</b>	<b>(1,881,026)</b>	<b>(326,090)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	(76,882)	(1,519,079)	(179,429)	273,384
Net Foreign Exchange Difference	6,501	70,076	-	-
Cash and Cash Equivalents at the Beginning of the Period	4,291,316	5,740,319	523,914	250,530
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>4,220,935</b>	<b>4,291,316</b>	<b>344,485</b>	<b>523,914</b>

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## SEGMENTAL INFORMATION

Three Months Ended 31 March	Consumer		Healthcare		Leisure, Travel & Aviation		Mobility		Others		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Revenue from Contract with Customers</b>												
Segmental Revenue - Gross	4,074,985	5,249,404	9,268,651	7,270,055	1,115,689	1,892,456	586,011	693,240	296,885	1,427,196	15,342,221	16,532,351
Intra Segmental Revenue	(1,888)	(2,513)	(344,593)	(56,621)	-	-	(43,086)	(9,039)	(35,246)	(46,320)	(424,813)	(114,493)
Segment Revenue	4,073,097	5,246,891	8,924,058	7,213,434	1,115,689	1,892,456	542,925	684,201	261,639	1,380,876	14,917,408	16,417,858
Inter Segmental Revenue	-	-	-	-	-	-	(53,186)	(30,287)	(248,832)	(333,354)	(302,018)	(363,641)
<b>Total Revenue from Contract with Customers</b>	<b>4,073,097</b>	<b>5,246,891</b>	<b>8,924,058</b>	<b>7,213,434</b>	<b>1,115,689</b>	<b>1,892,456</b>	<b>489,739</b>	<b>653,914</b>	<b>12,807</b>	<b>1,047,522</b>	<b>14,615,390</b>	<b>16,054,217</b>
<b>Results</b>												
<b>Segmental Results</b>	120,534	(36,944)	656,771	671,336	135,205	284,049	221,681	70,791	(203,964)	119,376	930,227	1,108,608
Finance Cost	(16,081)	(108,906)	(158,203)	(89,077)	(34,348)	4,220	(22,560)	31,615	(24,523)	(75,655)	(255,715)	(237,803)
Finance Income	32,167	88,159	10,246	39,608	9,499	19,248	(3,839)	(10,281)	22,667	13,667	70,740	150,401
Change in Fair Value of Investment Properties	-	-	-	-	-	113,492	-	-	-	26,625	-	140,117
Share of Results of Joint Ventures & Associates	-	-	-	-	55,008	130,694	-	-	(430)	(4,421)	54,578	126,273
<b>Profit/(Loss) before Tax</b>	136,620	(57,691)	508,814	621,867	165,364	551,703	195,282	92,125	(206,250)	79,592	799,830	1,287,596
Income Tax	55,265	(81,897)	(145,987)	(144,139)	(98,776)	(20,761)	(63,479)	(29,823)	(19,772)	(111,068)	(272,749)	(387,688)
<b>Profit/(Loss) for the Period</b>	<b>191,885</b>	<b>(139,588)</b>	<b>362,827</b>	<b>477,728</b>	<b>66,588</b>	<b>530,942</b>	<b>131,803</b>	<b>62,302</b>	<b>(226,022)</b>	<b>(31,476)</b>	<b>527,081</b>	<b>899,908</b>
<b>Attributable to:</b>												
Equity Holders of the Parent	212,169	(69,991)	393,000	502,758	35,474	402,709	65,153	59,043	(226,022)	(31,476)	479,774	863,043
Non-Controlling Interests	(20,284)	(69,597)	(30,173)	(25,030)	31,114	128,233	66,650	3,259	-	-	47,307	36,865
	<b>191,885</b>	<b>(139,588)</b>	<b>362,827</b>	<b>477,728</b>	<b>66,588</b>	<b>530,942</b>	<b>131,803</b>	<b>62,302</b>	<b>(226,022)</b>	<b>(31,476)</b>	<b>527,081</b>	<b>899,908</b>

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## SEGMENTAL INFORMATION

	Consumer		Healthcare		Leisure, Travel & Aviation		Mobility		Others		Group	
Twelve Months Ended 31 March	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Revenue from Contract with Customers</b>												
Segmental Revenue - Gross	23,959,530	25,718,741	32,219,535	27,942,220	3,620,346	4,981,878	2,607,308	2,965,565	1,616,529	4,357,810	64,023,248	65,966,214
Intra Segmental Revenue	(153,419)	(163,696)	(801,326)	(244,980)	-	-	(91,760)	(35,505)	(132,585)	(187,540)	(1,179,090)	(631,721)
Segment Revenue	23,806,111	25,555,045	31,418,209	27,697,240	3,620,346	4,981,878	2,515,548	2,930,060	1,483,944	4,170,270	62,844,158	65,334,493
Inter Segmental Revenue	-	-	-	-	-	-	(184,244)	(95,095)	(1,027,843)	(1,157,244)	(1,212,087)	(1,252,339)
<b>Total Revenue from Contract with Customers</b>	<b>23,806,111</b>	<b>25,555,045</b>	<b>31,418,209</b>	<b>27,697,240</b>	<b>3,620,346</b>	<b>4,981,878</b>	<b>2,331,304</b>	<b>2,834,965</b>	<b>456,101</b>	<b>3,013,026</b>	<b>61,632,071</b>	<b>64,082,154</b>
<b>Results</b>												
<b>Segmental Results</b>	1,904,074	2,737,949	2,258,549	2,181,087	(11,605)	372,032	478,017	691,751	(948,526)	(368,886)	3,680,509	5,613,933
Finance Cost	(218,684)	(261,768)	(514,162)	(395,081)	(98,276)	(82,284)	(125,151)	(86,958)	(92,888)	(220,121)	(1,049,161)	(1,046,212)
Finance Income	119,950	233,683	50,889	117,116	42,842	53,669	34,278	40,143	32,489	33,416	280,448	478,027
Change in Fair Value of Investment Properties	-	-	-	-	-	113,492	-	-	-	26,625	-	140,117
Share of Results of Joint Ventures & Associates	-	-	-	-	(119,527)	(69,628)	-	-	(430)	(23,097)	(119,957)	(92,725)
<b>Profit/(Loss) before Tax</b>	<b>1,805,340</b>	<b>2,709,864</b>	<b>1,795,276</b>	<b>1,903,122</b>	<b>(186,566)</b>	<b>387,281</b>	<b>387,144</b>	<b>644,936</b>	<b>(1,009,355)</b>	<b>(552,063)</b>	<b>2,791,839</b>	<b>5,093,140</b>
Income Tax	(376,651)	(680,244)	(462,507)	(404,546)	(120,664)	(74,804)	(131,534)	(115,529)	(337,776)	(138,781)	(1,429,132)	(1,413,904)
<b>Profit/(Loss) for the Period</b>	<b>1,428,689</b>	<b>2,029,620</b>	<b>1,332,769</b>	<b>1,498,576</b>	<b>(307,230)</b>	<b>312,477</b>	<b>255,610</b>	<b>529,407</b>	<b>(1,347,131)</b>	<b>(690,844)</b>	<b>1,362,707</b>	<b>3,679,236</b>
<b>Attributable to:</b>												
Equity Holders of the Parent	1,267,116	1,889,987	1,396,022	1,492,759	(266,700)	213,081	186,410	464,296	(1,347,131)	(690,844)	1,235,717	3,369,279
Non-Controlling Interests	161,573	139,633	(63,253)	5,817	(40,530)	99,396	69,200	65,111	-	-	126,990	309,957
	<b>1,428,689</b>	<b>2,029,620</b>	<b>1,332,769</b>	<b>1,498,576</b>	<b>(307,230)</b>	<b>312,477</b>	<b>255,610</b>	<b>529,407</b>	<b>(1,347,131)</b>	<b>(690,844)</b>	<b>1,362,707</b>	<b>3,679,236</b>

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The above figures are provisional and subject to audit.

## 1 Basis of Preparation

The condensed interim financial statements have been prepared in accordance with Sri Lanka Accounting Standard LKAS- 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2019. Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the interim financial statements.

### Going Concern Assumption

The Group has evaluated the appropriateness of using the going concern basis in preparing the financial statements for the year ended 31 March 2020 based on the available information as a result of adverse impact due to Covid 19 . Despite the adverse impact from Covid 19 in some of the industry segments , our largest business pharmaceutical distribution has been operating at normal. The management has evaluated various alternatives, including the deferment of capital expenditure, curtailing of discretionary spending, sources for funding facilities and restructuring of debt repayments as per the government concessions granted to certain business segments. The Group has also developed and executed detailed plans to rebuild demand and supply of key products and services, and to conserve cash and contain costs in order to continue supply of goods and services. The Board of Hemas Holdings PLC is satisfied that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future, and therefore shall continue to adopt the going concern basis in preparing and presenting these financial statements.

### New standards, Interpretations and Amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's Annual Consolidated Financial Statements for the year ended 31 March 2019, except for the adoption of SLFRS 16 which is effective as of 1 April 2019. The Group has not early adopted any other standard, interpretation or amendment that have been issued but not yet effective.

### SLFRS 16 - Leases

SLFRS 16 supersedes LKAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions involving the legal form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. The Group has adopted SLFRS 16 using modified retrospective method from 1 April 2019, without restating comparatives for the 2018/19 reporting period, as permitted under the specific transitional provisions in the standard.

On adoption of SLFRS 16, the Group recognised Right-of-Use Assets and Lease Liabilities in relation to leases which had previously been classified as 'Operating Leases' under the principles of LKAS 17 - Leases.

### The effect of adopting SLFRS 16 is, as follows

The effect on the Statement of Financial Position (increase/(decrease)) as at 1 April 2019 and thereon;

	<b>LKR 000</b>
<b>Assets</b>	
<b>Non-Current Assets</b>	
Right of Use Assets	2,194,797
Lease Rentals Paid in Advance	(740,652)
<b>Current Assets</b>	
Lease Rentals Paid in Advance	(26,771)
<b>Total Assets</b>	<b>1,427,374</b>
<b>Equity and Liabilities</b>	
<b>Liabilities</b>	
<b>Non-Current Liabilities</b>	
Interest-Bearing Loans and Borrowings	(1,287,544)
<b>Current Liabilities</b>	
Interest-Bearing Loans and Borrowings	(139,830)
<b>Total Equity and Liabilities</b>	<b>(1,427,374)</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

### SLFRS 16 - Leases (Contd.)

Amounts recognised in the Statement of Financial Position and Income Statement set out below, are the carrying amounts of the Group's Right of use Assets and Lease Liabilities and the movements for the period ended 31 March 2020.

	Right of Use Assets	Lease Liability
<b>As at 31 March 2019</b>	-	<b>5,194</b>
Effect of Adoption of SLFRS 16	2,194,797	1,427,374
<b>As at 1 April 2019</b>	<b>2,194,797</b>	<b>1,432,568</b>
Additions/(Transfer)	126,887	124,977
Depreciation/ Amortisation	(293,388)	-
Interest Expense	-	153,117
Payments	-	(293,987)
<b>As at 31 March 2020</b>	<b>2,028,296</b>	<b>1,416,675</b>

The Lease Liabilities recognised as at 1 April 2019 can be reconciled to the Operating Lease Commitments as of 31 March 2019 as follows:

<b>Operating Lease Commitments as at 31 March 2019</b>	<b>2,209,448</b>
Discounted Operating Lease Commitments at 1 April 2019	1,069,472
Commitments Relating to Short-Term Leases	(28,050)
Payments in Optional Extension Periods not Recognised as at 31 March 2019	385,952
<b>Lease Liabilities as at 1 April 2019</b>	<b>1,427,374</b>

- 2 The Board of Directors, with the approval in principal of the Colombo Stock Exchange, and authorised by the shareholders at an Extraordinary General Meeting dated 10 April 2015, to create a Employee Share Option Scheme (ESOS) to offer 13,900,000 ordinary shares being 2.4% of the total number of shares in issue to Executive Directors and Senior Executives of the Company and its subsidiaries whom the Board deems to be eligible to be awarded the shares.

Accordingly, 3,053,750 employee share options were granted on the first Grant to the Executive Directors and Senior Executives of the company and its subsidiaries at the exercise price of LKR 82 with a vesting period of one year starting from 27 July 2015 and exercise period of 3 years starting from 27 July 2016, out of which 2,574,423 employee share options were vested during the year ended 31 March 2017.

At the second Grant 3,008,750 employee share options were granted at the exercise price of LKR 87.50 with a one year vesting period starting from 27 July 2016 and exercise period of 3 years starting from 27 July 2017, out of which 2,421,867 employee share options were vested on 27 July 2017.

At the third Grant 3,420,000 employee share options were granted at the exercise price of LKR 149.50 with a one year vesting period starting from 27 July 2017 and exercise period of 3 years starting from 27 July 2018, out of which 2,034,796 employee share options were vested on 27 July 2018.

At the fourth Grant 3,491,250 employee share options were granted at the exercise price of LKR 108.81 with a one year vesting period starting from 27 July 2018 and exercise period of 3 years starting from 27 July 2019, out of which 2,032,822 employee share options were vested on 27 July 2019.

Further, at the fifth Grant 4,115,000 employee share options were granted on 27 July 2019 at the exercise price of LKR 69.00 with a one year vesting period starting from 28 July 2020.

- 3 Group acquired controlling interest over Aviation Services (Pvt) Limited with effect from 1 April 2019 through the shareholders' agreement and changed the investment status from associate to subsidiary. However during the year, the said company was disposed along with Forbes Leisure Services (Pvt) Ltd.

On 1st October 2019, the Group increased its stake in Healthnet International (Pvt) Limited to 58% by changing its classification from an Associate to a Subsidiary. Further subsequent investment made during the year led to increase the stake to 74%.

- 4 Vishwa BPO (Private) Limited, a subsidiary of Hemas Holdings PLC, divested its 100% stake in N\*able (Pvt) Ltd. at a total consideration of LKR 450Mn on 12 July 2019.

Hemtours (Pvt) Ltd., a subsidiary of Hemas Holdings PLC divested its 80.1% stake in Forbes Leisure Services (Pvt) Ltd. at a total Consideration of LKR 201Mn on 13 March 2020.

Forbes Leisure Service (Pvt) Ltd. was the holding company of below subsidiary companies engaged in Travel & Aviation business.

- Diethelm Travel Lanka (Pvt) Ltd.
- Airserve Aviation Lanka (Pvt) Ltd.
- Hemas Air Services (Pvt) Ltd.
- Hemas Travels (Pvt) Ltd.
- Hemas Aviation (Pvt) Ltd.
- Discover the World Marketing (Pvt) Ltd.



## NOTES TO THE FINANCIAL STATEMENTS (CONTD...)

The fair value of assets and liabilities disposed were as follows:  
In LKR '000

	N*able Group	Forbes Leisure Service (Pvt) Ltd. Group
<b>Assets</b>		
Cash and Cash Equivalents	12,303	571,903
Trade and Other Receivables	2,712,436	1,454,533
Financial Assets	4,583	34,260
Inventories	-	219
Tax Recoverable	73,467	24,937
Intangible Assets	463	8,339
Deferred Tax Asset	19,618	29,985
Property, Plant and Equipment	36,646	103,649
<b>Liabilities</b>		
Bank Overdraft	(230,947)	(196,054)
Trade and Other Payables	(1,549,034)	(1,593,529)
Financial Liability	-	(24,808)
Deferred Tax Liability	-	(870)
Employee Benefit Liability	(56,837)	(63,636)
Interest Bearing Loans and Borrowing	(458,541)	(35,617)
<b>Total Identifiable Net Assets</b>	<b>564,157</b>	<b>313,311</b>
Non-Controlling Interests	-	(26,266)
Transfer of Foreign Translation Reserve	(41,963)	(9,518)
Goodwill	-	6,738
Investment in Fair Value Asset	-	(49,750)
Loss on Disposal	(72,194)	(33,515)
<b>Sales Consideration</b>	<b>450,000</b>	<b>201,000</b>
Sales Consideration - Cash	450,000	80,000
- Receivables	-	121,000
<b>Cash and Cash Equivalent Disposed</b>	<b>218,644</b>	<b>(375,849)</b>
<b>Net cash Inflow/(Outflow) on Disposal of Non-Current Investments</b>	<b>668,644</b>	<b>(295,849)</b>
<b>Reclassification of Other Comprehensive Income</b>		
Foreign Currency Translation Reserve	41,963	9,518

### 5 Impact due to the COVID -19

The COVID-19 pandemic has caused disruptions globally and locally from mid March 2020 onwards. This has resulted in varying adverse impacts on the Group's operations. The Group has evaluated all guidelines issued by the Government as well as international best practices and has developed health and safety guidelines to ensure suitable working arrangement for employees, customers and other stakeholders.

Our largest business, pharmaceutical distribution has been operating at normal levels amidst logistical challenges experienced in the first few weeks of FY 20/21. The most distinct impact of the pandemic is on the Group's hotel sector which historically has accounted for 3% of Group revenues. Dolphin Hotels PLC has been handed over to the government as a quarantine center.

Following the relaxation of curfew constraints on 11th May, 2020, we have been seeing an on-going recovery of our major businesses in Healthcare and Consumer. Most of the back office operations of the Group continued to function remotely and/or in the workplaces as required.

Group assessed its impact on financial statement line items as at 31 March 2020 due to COVID-19 and determined that no adjustment or specific disclosures are required as the resumption of business activities shows positive momentum. However, given the volatile business environment Group will continue to monitor the impacts on its operations and take proactive measures to ensure that business continues as seamlessly as possible.

6 There have been no events subsequent to the reporting date which require disclosure in the interim financial statements.

7 There have been no significant changes in the nature of the contingent liabilities which were disclosed in the Audited Financial Statements for the year ended 31 March 2019.

## INVESTOR INFORMATION

	Three Months Ended 31 March	
	2020	2019
<b>Market Value of Shares</b>		
Closing Price on 31 March (LKR)	56.20	75.00
Highest Price During the Period (LKR)	80.00	91.00
Lowest Price During the Period (LKR)	55.10	73.50
Market Capitalisation on 31 March (LKR)	33,498	44,703
<b>Ratios</b>		
Net Asset Per Share on 31 March (LKR)	46.83	47.14
Price Earnings Ratio on 31 March (Times)	69.82	51.80
<b>Debt Security Related Ratios</b>		
Debt/Equity Ratio	30.2%	22.3%
Quick Asset Ratio	0.95	1.02
Interest Cover (Times)	3.85	5.78
Interest Yield as at Date of Last Trade	-	-
Yield to Maturity of Trade Done	-	-
Interest Rate of Comparable Government Security (5 Year Treasury Bond Rate )	-	11.0%
<b>Share Trading</b>		
No of Transactions During the Period	706	556
No of Shares Traded During the Period	5,598,211	22,480,616
Value of Shares Traded During the Period (LKR. Mn)	390	1,875
<b>Number of Shares</b>	<b>596,043,425</b>	<b>596,043,425</b>
<b>Debentures 11% Fixed - Unsecured Redeemable</b>		
Highest Price During the Period (LKR)	-	-
Lowest Price During the Period (LKR)	-	-
Number of Debentures	-	10,000,000

On 29 April 2019 Company redeemed its unsecured redeemable debentures of ten million (AA-lka by Fitch Rating Lanka Limited) which carried coupon rate of 11% p.a.

## SHARE INFORMATION

List of 20 Major Shareholders as at 31 March	2020		2019	
	No. of Shares	%	No. of Shares	%
1 A Z Holdings (Pvt) Ltd.	94,092,305	15.79	94,092,305	15.79
2 Saraz Investments (Pvt) Ltd.	89,565,277	15.03	89,565,277	15.03
3 Blueberry Investments (Pvt) Ltd.	88,927,940	14.92	88,927,940	14.92
4 Amagroup (Pvt) Ltd.	88,927,333	14.92	88,927,333	14.92
5 HSBC Intl Nominees Ltd-JPLU-Franklin Templeton Investment Funds	34,134,070	5.73	34,134,070	5.73
6 Citi Bank New York S/A Norges Bank Account 2	17,815,148	2.99	17,815,148	2.99
7 HSBC International Nominees Ltd. -JPMCB- Templeton Global Investment Trust-Templeton Emerging Markets Small Cap Fund	15,513,186	2.60	15,513,186	2.60
8 BNYMSANV Re-First State Investments ICVC-Stewart Investors Indian Subcontinent Sustainability Fund.	12,042,539	2.02	12,401,434	2.08
9 BBH-Kopernik Global All Cap Fund	11,607,272	1.95	9,846,711	1.65
10 Phoenix Ventures (Pvt) Limited.	7,985,804	1.34	5,985,804	1.00
11 CB London s/a Verdipapirfondet Holberg Rurik	7,978,255	1.34	8,899,078	1.49
12 HSBC Intl Nom Ltd-JPMCB- Pacific Assets Trust PLC	7,043,079	1.18	7,043,079	1.18
13 BBH-Kopernik Global All Cap Equity Fund	6,583,225	1.10	5,477,055	0.92
14 Mr. M.A.H. Esufally	6,164,633	1.03	6,164,633	1.03
15 BNYMSANV Re-First State Investments ICVC-Stewart Investors Asia Pacific Sustainability Fund.	6,085,356	1.02	6,085,356	1.02
16 Mr. H.N. Esufally	5,791,640	0.97	5,791,640	0.97
17 Mr. M.J.Fernando	5,448,159	0.91	-	-
18 RUBBER INVESTMENT TRUST LTD A/C NO 01	5,382,525	0.90	-	-
19 Mr. I.A.H. Esufally	4,586,284	0.77	4,586,284	0.77
20 HSBC Intl. Nom. LTD-State Street Luxembourg c/o SSBT- Alliancebernstein Next 50 Emerging Markets(MASTER) Fund SICAV-SIF	4,215,354	0.71	4,215,354	0.71

Directors' Shareholding as at 31 March	2020	2019
	No. of Shares	No. of Shares
<b>DIRECTORS' INDIRECT SHAREHOLDING</b>		
A Z Holdings (Pvt) Ltd.	94,092,305	94,092,305
Saraz Investments (Pvt) Ltd.	89,565,277	89,565,277
Blueberry Investments (Pvt) Ltd.	88,927,940	88,927,940
Amagroup (Pvt) Ltd.	88,927,333	88,927,333
<b>DIRECTORS' DIRECT SHAREHOLDING</b>		
Mr. H.N. Esufally (Chairman)	5,791,640	5,791,640
Mr. A.N. Esufally	117,353	2,367,353
Mr. I.A.H. Esufally	4,586,284	4,586,284
Mr. M. A. H. Esufally	6,164,633	6,164,633
Mr. J. M Trivedi	-	-
Mr. R. Gopalakrishnan	-	-
Mr. A.S. Amaratunga	-	-
Mr. S.M. Enderby (Chief Executive Officer)	-	-
Dr. S.A.B Ekanayake	-	-
Prof. N.R. De Silva	-	-
	378,172,765	380,422,765

Public Holding as at 31 March	2020	2019
Issued Share Capital (No. of Shares)	596,043,425	596,043,425
Public Holding as a % of Issued Share Capital	35.70%	35.70%
Total Number of Shareholders	4,333	4,204
Number of Shareholders representing the Public Holding	4,318	4,192

### Minimum Public Holding Requirement as per Listing Rules 7.13.1

Float Adjusted Market Capitalisation - (LKR)	Public Holding Percentage	No of Shareholders	Option
Minimum Public Holding as at 31 March 2020	35.70%	4,318	1

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## CORPORATE INFORMATION

### Legal Form

A limited Liability Company incorporated in Sri Lanka and listed on the Colombo Stock Exchange on 15th October 2003.

### Date of Incorporation

10 December 1948

### Date of Registration

30 May 2007

### Company Registration Number

PQ 6

### Accounting year end

31 March

### Registered Office

Hemas House  
No. 75, Braybrooke Place,  
Colombo 2.

### Website

www.hemas.com

### Telephone

+ 94 11 4731731

### Auditors

Ernst & Young  
Chartered Accountants  
No. 201, De Saram Place, Colombo 10.

### Directors

Husein Esufally (Chairman)  
Steven Enderby (CEO)  
Imtiaz Esufally  
Murtaza Esufally  
Abbas Esufally  
Ramabadran Gopalakrishnan  
Dr. Anura Ekanayake  
Malinga Arsakularatne (Resigned w.e.f 13 March 2020)  
Amitha Saktha Amaratunga  
Jyotindra Manibhai Trivedi  
Prof. Nilanthi Renuka De Silva

### Secretaries

Hemas Corporate Services (Pvt) Ltd.  
No. 75, Braybrooke Place, Colombo 02.  
Telephone: +94 11 4731731 (hunting)  
Facsimile: +94 11 4731777

### Registrars

SSP Corporate Services (Pvt) Ltd.  
No. 101, Inner Flower Road, Colombo 03.  
Telephone: +94 11 2573894, +94 11 2576871  
Email: sspsec@sltnet.lk

### Lawyers to the Company

D.L. & F De Saram, Attorneys-at-law  
No. 47, Alexandra Place, Colombo 7.

### Investor Relations

Hemas Holdings PLC  
Hemas House, No 75, Braybrooke Place,  
Colombo 2  
Telephone: +94 11 4731731  
Email: ir@hemas.com

### Bankers

Commercial Bank of Ceylon PLC  
Deutsche Bank AG  
The Hongkong & Shanghai Banking Corp. Ltd.  
Hatton National Bank PLC  
Standard Chartered Bank  
Nations Trust Bank PLC  
People's Bank  
National Development Bank PLC  
Sampath Bank PLC  
DFCC Bank PLC  
Citi Bank N.A.  
Bank of Ceylon



சீடம், ஈடம், ஈகடுன் ஈடஈடு ஈகஈடுன்  
அஈறும், இஈறும், ஈஈறும் தேசத்திற்கே பணி  
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