

HAYCARB PLC

Co. Reg. No. PQ 59
No.400, Deans Road, Colombo-10, Sri Lanka



Interim Report
Six Months ended 30 September 2022

Quarter-2
(2022/23)

Corporate Information

NAME OF COMPANY

Haycarb PLC
(A quoted public company with limited liability, incorporated in Sri Lanka in 1973)

COMPANY REGISTRATION NUMBER

PQ 59

STOCK EXCHANGE LISTING

The ordinary shares of the company are listed with the Colombo Stock Exchange of Sri Lanka

DIRECTORS

Mohan Pandithage (Chairman)
Rajitha Kariyawasan (Managing Director)
Dhammika Perera (Resigned w.e.f. 10th June 2022)
Arjun Senaratna
Sarath Ganegoda
Ms Jeevani Abeyratne
Dr Sarath Abayawardana
Sujeewa Rajapakse
M.S.P. Udaya Kumara
Brahman Balaratnarajah
Ms. Yogadinusha Bhaskaran (Alternate director to Mr. Dhammika Perera)-
(Resigned w.e.f. 10th June 2022)
Ms. Sharmila Ragunathan (Resigned w.e.f 30th April 2022)
Ali Asgar Munaver Caderbhoy
James Naylor
M.H. Jamaldeen
Ms. Shamalie Gunawardana
Ms. Brindhiini Perera (appointed w.e.f. 19 October 2022)

SUBSIDIARIES AND ASSOCIATES

Carbokarn Co. Limited (Bangkok, Thailand)
CK Regen Systems Co. Limited (Bangkok, Thailand)
Shizuka Company Limited (Ratchaburi, Thailand)
Eurocarb Products Limited (Bristol, England)
Haycarb Holdings Australia (Pty) Limited (Victoria, Australia)
Haycarb Holdings Bitung Limited (Tortola, British Virgin Islands)
Haycarb USA Inc. (Woodlands, Texas, U.S.A)
PT Mapalus Makawanua Charcoal Industry (Bitung, Indonesia)
Puritas (Pvt) Limited
Recogen (Pvt) Limited
Ultracarb (Pvt) Limited
Haycarb Value Added Products (Pvt) Limited
PT. Haycarb Palu Mitra (Palu, Indonesia)
Carbotels (Pvt) Limited - Associate
Lakdiyatha (Pvt) Limited - Associate
Puricarb Pte.Ltd. (Singapore)
Haycarb Activated Carbon (Pvt) Limited (Chennai, India)

SECRETARIES

Hayleys Group Services (Pvt) Limited
400, Deans Road, Colombo 10, Sri Lanka.
Telephone +94 11 2627650
Fax: +94 11 2627645
E-mail: info.sec@hayleys.com

REGISTERED OFFICE

Hayley Building
400, Deans Road, Colombo 10, Sri Lanka.
Telephone: +94 11 2677364, 2687565, 2691289, 2677363
Fax: +94 11 2627450
E - mail : general@haycarb.com
Website: <http://www.haycarb.com>

Haycarb PLC
INCOME STATEMENT

For the period ended	Unaudited 6 months to		Change % + / (-)	Unaudited 3 months to		Change % + / (-)
	30.09.2022 Rs.'000	30.09.2021 Rs.'000		30.09.2022 Rs.'000	30.09.2021 Rs.'000	
CONSOLIDATED						
Revenue	33,386,078	14,849,536	125	18,344,396	7,453,002	146
Cost of sales	<u>(25,315,548)</u>	<u>(11,591,782)</u>	118	<u>(14,441,490)</u>	<u>(5,770,465)</u>	150
Gross profit	8,070,530	3,257,754	148	3,902,906	1,682,537	132
Other operating income	72,324	73,734	(2)	36,448	61,140	(40)
Selling & distribution expenses	(237,161)	(88,453)	168	(115,173)	(56,685)	103
Administrative expenses	<u>(2,907,955)</u>	<u>(1,758,434)</u>	65	<u>(1,405,367)</u>	<u>(914,568)</u>	54
Results from operating activities	4,997,738	1,484,601	237	2,418,814	772,424	213
Finance income	2,616,739	301,437	768	700,391	189,879	269
Finance cost	<u>(1,969,264)</u>	<u>(319,924)</u>	516	<u>(1,167,126)</u>	<u>(215,681)</u>	441
Net finance income/ (cost)	647,475	(18,487)	(3,602)	(466,735)	(25,802)	1,709
Share of profit of equity accounted investees (net of tax)	<u>(9,325)</u>	<u>(3,129)</u>	198	<u>(1,258)</u>	<u>(1,492)</u>	(16)
Profit before income tax	5,635,888	1,462,985	285	1,950,821	745,130	162
Tax expense	<u>(1,193,081)</u>	<u>(317,416)</u>	276	<u>(531,523)</u>	<u>(133,318)</u>	299
Profit for the period	4,442,807	1,145,569	288	1,419,298	611,812	132
Attributable to:						
Equity holders of the parent	4,091,292	975,259	320	1,201,102	533,271	125
Non-controlling interest	<u>351,515</u>	<u>170,310</u>	106	<u>218,196</u>	<u>78,541</u>	178
Profit for the period	4,442,807	1,145,569	288	1,419,298	611,812	132
Earnings per share						
Basic earnings per share (Rs.)*	13.77	3.28		4.04	1.79	
COMPANY						
Revenue	16,994,948	7,033,893	142	8,630,569	3,671,490	135
Cost of sales	<u>(12,533,644)</u>	<u>(5,830,028)</u>	115	<u>(6,775,868)</u>	<u>(3,011,735)</u>	125
Gross profit	4,461,304	1,203,865	271	1,854,701	659,755	181
Other operating income	609,875	303,165	101	470,580	133,461	253
Selling & distribution expenses	(47,426)	(14,439)	228	(22,148)	(5,959)	272
Administrative expenses	<u>(1,073,968)</u>	<u>(749,532)</u>	43	<u>(582,780)</u>	<u>(378,553)</u>	54
Results from operating activities	3,949,785	743,059	432	1,720,353	408,704	321
Finance income	1,565,283	217,750	619	158,946	142,387	12
Finance cost	<u>(795,135)</u>	<u>(203,642)</u>	290	<u>(443,264)</u>	<u>(155,255)</u>	186
Net finance income/(cost)	770,148	14,108	5,359	(284,318)	(12,868)	2,109
Profit before income tax	4,719,933	757,167	523	1,436,035	395,836	263
Tax expense	<u>(657,752)</u>	<u>(76,406)</u>	761	<u>(202,226)</u>	<u>(25,820)</u>	683
Profit for the period	4,062,181	680,761	497	1,233,809	370,016	233
Basic earnings per share (Rs.)	13.67	2.29		4.15	1.25	

Notes on pages 7 to 9 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Haycarb PLC
STATEMENT OF OTHER COMPREHENSIVE INCOME

For the Six month ended 30th September	Group		Company	
	Unaudited 2022 Rs. '000	Unaudited 2021 Rs. '000	Unaudited 2022 Rs. '000	Unaudited 2021 Rs. '000
Profit for the Period	4,442,807	1,145,569	4,062,181	680,761
Other comprehensive income				
Net Exchange differences on translation of foreign entities	1,423,258	(181,546)	-	-
Net gain/(loss) on available-for-sale financial assets	427,218	496,387	427,218	496,387
Other comprehensive income for the period (net of tax)	1,850,476	314,841	427,218	496,387
Total comprehensive income for the period (net of tax)	6,293,283	1,460,410	4,489,399	1,177,148
Attributable to:				
Equity holders of the parent	5,698,532	1,381,147	4,489,399	1,177,148
Non-controlling interests	594,751	79,263	-	-
	6,293,283	1,460,410	4,489,399	1,177,148
For the Three months ended 30th September	2022	2021	2022	2021
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Profit for the Period	1,419,298	611,812	1,233,809	370,016
Other comprehensive income				
Net Exchange differences on translation of foreign entities	(462,868)	(166,975)	-	-
Net gain/(loss) on available-for-sale financial assets	716,099	317,362	716,099	317,362
Other comprehensive income for the period (net of tax)	253,231	150,387	716,099	317,362
Total comprehensive income for the period (net of tax)	1,672,529	762,199	1,949,908	687,378
Attributable to:				
Equity holders of the parent	1,615,140	759,453	1,949,908	687,378
Non-controlling interests	57,389	2,746	-	-
	1,672,529	762,199	1,949,908	687,378

Haycarb PLC

STATEMENT OF FINANCIAL POSITION

Group	Company	As at	Group		Company	
			Unaudited	Unaudited	Unaudited	Unaudited
31.03.2022	31.03.2022		30.09.2022	30.09.2021	30.09.2022	30.09.2021
Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS						
Non-Current Assets						
8,895,684	3,546,621	Property, plant and equipment	9,634,604	6,837,622	3,665,831	3,141,343
105,870	69,126	Right-of-use assets	67,328	134,291	51,844	86,406
258,465	53,992	Intangible assets	252,097	235,712	48,183	29,693
-	1,494,769	Investments in subsidiaries	-	-	1,494,770	1,494,769
590,336	92,903	Investment in equity accounted investees	581,012	612,174	92,903	92,903
1,378,880	1,322,832	Other non-current financial assets	1,808,759	2,423,735	1,750,051	2,384,776
132,820	-	Deferred tax assets	167,814	62,394	-	-
<u>11,362,055</u>	<u>6,580,243</u>		<u>12,511,614</u>	<u>10,305,928</u>	<u>7,103,582</u>	<u>7,229,890</u>
Current Assets						
15,807,144	5,062,409	Inventories	19,156,424	9,762,481	6,672,394	2,622,515
8,473,480	5,423,774	Trade and other receivables	9,968,270	4,558,173	8,215,842	3,221,285
-	782,477	Amounts due from subsidiaries	-	-	689,648	256,581
177,244	100,916	Amounts due from related parties	158,656	60,404	73,067	38,653
63,611	3,802	Amounts due from equity accounted investees	80,191	49,059	216	166
1,010,819	425,250	Other current assets	1,354,144	779,325	787,581	265,184
3,117,724	831,017	Cash in hand and at bank	6,026,776	2,106,011	2,876,607	856,561
<u>28,650,022</u>	<u>12,629,645</u>		<u>36,744,461</u>	<u>17,315,453</u>	<u>19,315,355</u>	<u>7,260,945</u>
<u>40,012,077</u>	<u>19,209,888</u>	Total Assets	<u>49,256,075</u>	<u>27,621,381</u>	<u>26,418,937</u>	<u>14,490,835</u>
EQUITY & LIABILITIES						
Equity						
331,774	331,774	Stated capital	331,774	331,774	331,774	331,774
994,758	549,647	Capital reserves	994,758	686,284	567,096	442,458
16,845,411	7,919,373	Revenue reserves	21,139,436	13,377,965	11,089,167	7,582,492
18,171,943	8,800,794	Total equity attributable to equity holders of the company	22,465,968	14,396,023	11,988,037	8,356,724
2,648,637	-	Non-controlling interest	3,185,999	1,798,744	-	-
<u>20,820,580</u>	<u>8,800,794</u>	Total equity	<u>25,651,967</u>	<u>16,194,767</u>	<u>11,988,037</u>	<u>8,356,724</u>
Non-Current Liabilities						
677,152	670,906	Interest-bearing loans & borrowings	572,903	358,013	567,085	359,467
54,051	41,615	Non-current lease liability	27,765	83,471	21,377	62,656
368,658	294,955	Deferred tax liabilities	158,511	136,169	87,722	77,048
1,143,285	831,502	Employee benefit obligations	1,217,321	909,157	872,241	716,002
<u>2,243,146</u>	<u>1,838,978</u>	Total non-current liabilities	<u>1,976,500</u>	<u>1,486,810</u>	<u>1,548,425</u>	<u>1,215,173</u>
Current Liabilities						
3,398,755	1,721,652	Trade and other payables	4,526,686	1,869,593	2,447,077	790,301
10,328,363	6,361,400	Interest-bearing loans & borrowings	13,294,546	5,583,087	8,815,815	3,636,650
59,361	37,299	Current lease liability	51,171	67,875	39,398	33,430
547,047	72,349	Other current liabilities	550,435	519,605	117,076	57,229
-	84,827	Amounts due to subsidiaries	-	-	216,622	165,963
2,186,028	292,589	Amounts due to other related parties	2,301,054	1,736,316	635,017	229,686
428,797	-	Income tax payable	903,716	163,328	611,470	5,679
<u>16,948,351</u>	<u>8,570,116</u>	Total Current Liabilities	<u>21,627,608</u>	<u>9,939,804</u>	<u>12,882,475</u>	<u>4,918,938</u>
19,191,497	10,409,094	Total Liabilities	23,604,108	11,426,614	14,430,900	6,134,111
<u>40,012,077</u>	<u>19,209,888</u>	Total Equity and Liabilities	<u>49,256,075</u>	<u>27,621,381</u>	<u>26,418,937</u>	<u>14,490,835</u>
61.16	29.62	Net assets per share (Rs.)	75.61	48.45	40.35	28.13

"It is certified that the financial statements set out on pages 2 to 8 have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007".

Sgd.

Ms. M J A S Abeyratne
Finance Director

Signed for and on behalf of the Board,

Sgd.

A M Pandithage
Chairman
9th November 2022

Sgd.

H S R Kariyawasan
Managing Director

Haycarb PLC
STATEMENT OF CHANGES IN EQUITY

For the period ended 30th September

GROUP	Attributable to equity holders of the parent								
	Stated capital	Capital reserves	Other Reserves				Total	Non controlling interest	Total equity
			Fair value reserve of financial assets at FVOCI	Exchange fluctuation reserve	General reserve	Retained earnings			
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	
Balance as at 01.04.2021	331,774	686,284	1,847,727	1,374,755	519,353	8,641,244	13,401,137	1,751,304	15,152,441
Profit for the period	-	-	-	-	-	975,259	975,259	170,310	1,145,569
Translation of foreign entities	-	-	-	(90,499)	-	-	(90,499)	(91,047)	(181,546)
Net gain on equity instruments designated as FVOCI	-	-	496,387	-	-	-	496,387	-	496,387
Other comprehensive income for the period	-	-	496,387	(90,499)	-	-	405,888	(91,047)	314,841
Dividends	-	-	-	-	-	(386,261)	(386,261)	(31,823)	(418,084)
Balance as at 30.09.2021	331,774	686,284	2,344,114	1,284,256	519,353	9,230,242	14,396,023	1,798,744	16,194,767
Balance as at 01.04.2022	331,774	994,758	1,282,171	4,013,781	519,353	11,030,106	18,171,943	2,648,637	20,820,580
Charge relating to Surcharge Tax (Note 7)	-	-	-	-	-	(525,957)	(525,957)	-	(525,957)
Adjusted balance 01.04.2022	331,774	994,758	1,282,171	4,013,781	519,353	10,504,149	17,645,986	2,648,637	20,294,623
Profit for the period	-	-	-	-	-	4,091,292	4,091,292	351,515	4,442,807
Translation of foreign entities	-	-	-	1,180,022	-	-	1,180,022	243,236	1,423,258
Net gain on equity instruments designated as FVOCI	-	-	427,218	-	-	-	427,218	-	427,218
Other comprehensive income for the period	-	-	427,218	1,180,022	-	-	1,607,240	243,236	1,850,476
Dividends	-	-	-	-	-	(935,939)	(935,939)	-	(935,939)
Balance as at 30.09.2022	331,774	994,758	1,709,389	5,193,803	519,353	14,185,459	22,934,536	3,243,388	25,651,967

COMPANY	Stated capital	Capital reserves	General reserve	Fair value reserve of financial assets at FVOCI	Retained earnings	Total equity
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 01.04.2021	331,774	442,458	519,353	1,847,727	4,424,525	7,565,837
Profit for the period	-	-	-	-	680,761	680,761
Net gain on equity instruments designated as FVOCI	-	-	-	496,387	-	496,387
Other comprehensive income for the period	-	-	-	496,387	-	496,387
Dividends	-	-	-	-	(386,261)	(386,261)
Balance as at 30.09.2021	331,774	442,458	519,353	2,344,114	4,719,025	8,356,724
Balance as at 01.04.2022	331,774	549,647	519,353	1,282,171	6,117,849	8,800,794
Charge relating to Surcharge Tax (Note 7)	-	-	-	-	(366,217)	(366,217)
Adjusted balance 01.04.2022	331,774	549,647	519,353	1,282,171	5,751,632	8,434,577
Profit for the period	-	-	-	-	4,062,181	4,062,181
Net gain on equity instruments designated as FVOCI	-	-	-	427,218	-	427,218
Other comprehensive income for the period	-	-	-	427,218	-	427,218
Dividends	-	-	-	-	(935,939)	(935,939)
Balance as at 30.09.2022	331,774	549,647	519,353	1,709,389	9,244,091	11,988,037

Haycarb PLC
Statement Of Cash Flows

Group Audited	Company Audited		Group		Company	
31.03.2022	31.03.2022	For the period ended 30th September	2022	2021	2022	2021
Rs.' 000	Rs.' 000		Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
Operating activities						
4,655,988	2,924,493	Profit before tax from continuing operations	5,635,888	1,462,985	4,719,933	757,167
Non-cash adjustment to reconcile profit before tax to net cash flows:						
668,757	226,379	Depreciation and impairment of property, plant and equipment	424,691	330,680	121,992	109,278
13,719	8,437	Amortization of intangible assets	9,001	7,283	5,809	4,435
(91)	-	(Gain)/loss on disposal of property, plant and equipment	(500)	-	(500)	-
2,032,766	1,624,761	Gain/(loss) on translation on foreign currencies	1,442,902	56,706	1,318,563	10,797
2,407,675	-	Exchange difference on translation of foreign entities	1,047,959	(126,781)	-	-
(2,321,003)	(1,878,764)	Finance income	(2,616,739)	(301,437)	(1,565,283)	(217,750)
722,727	435,204	Finance cost	1,969,264	319,924	795,135	203,642
-	(601,617)	Dividend income - subsidiaries	-	-	(493,000)	(226,508)
21,344	-	Share of profit of an equity accounted investee	9,325	3,129	-	-
141,600	30,399	Provision/(reversal) for slow moving inventory	205,205	1,456	8,640	1,264
268,034	-	Provision / (reversal) for unrealized profit on inventories	754,675	22,330	-	-
65,345	-	Provision / (reversal) for expected credit loss	2,248	-	-	-
145,057	115,656	Provision for employee benefit obligations	84,261	67,591	72,000	54,000
8,821,918	2,884,948	Cash generated from operations before working capital changes	8,968,180	1,843,866	4,983,289	696,324
Working Capital Adjustments:						
(4,553,465)	(3,219,677)	(Increase)/decrease in trade and other receivables and Prepayments	(1,889,482)	(389,530)	(3,177,878)	(857,121)
(187,523)	(193,668)	(Increase)/decrease in amounts receivable from subsidiaries and related part	2,007	(56,131)	124,263	398,128
(7,595,756)	(2,531,438)	(Increase)/decrease in inventories	(4,309,160)	(1,165,245)	(1,618,625)	(62,409)
1,443,279	870,207	Increase/(decrease) in trade and other payables	941,419	(112,808)	580,252	(123,962)
778,756	(48,307)	Increase/(decrease) in amount due to related parties	(287,476)	318,981	71,721	8,077
(1,292,791)	(2,237,935)		3,425,488	439,133	963,022	59,037
(476,917)	(239,124)	Interest paid	(899,303)	(162,794)	(666,278)	(68,841)
(1,010,211)	(284,000)	Income tax paid	(914,184)	(754,635)	(230,036)	(229,266)
-	-	Surcharge Tax paid	(525,957)	-	(366,217)	-
(34,551)	(30,129)	Employee benefit paid	(33,547)	(19,929)	(31,261)	(10,670)
(2,814,470)	(2,791,188)	Net cash flows from/(used in) operating activities	1,052,497	(498,225)	(330,770)	(249,740)
Investing activities						
1,848	-	Proceeds from sale of property, plant and equipment	500	-	500	-
(1,677,730)	(858,646)	Purchase of property, plant and equipment	(747,804)	(768,817)	(223,920)	(478,185)
(38,078)	(38,078)	Acquisition of intangible assets	(2,104)	(9,777)	-	(9,777)
5,413	-	Proceeds from long-term loans and receivables	2,538	2,512	-	-
98,271	34,696	Interest received	122,208	44,212	112,441	16,623
3,623	3,623	Dividend received from equity accounted investees	-	-	-	-
101,873	699,860	Other dividends received	56,968	63,070	549,962	289,573
(1,504,780)	(158,545)	Net cash flows from/(used) in investing activities	(567,694)	(668,800)	438,983	(181,766)
(4,319,250)	(2,949,733)	Net cash inflow/(outflow) before financing activities	484,803	(1,167,025)	108,213	(431,506)
Financing activities						
507,783	500,000	Proceeds from borrowings	-	-	-	-
(272,274)	(257,850)	Repayment of borrowings	(202,810)	(123,511)	(190,449)	(112,033)
(80,357)	(44,136)	Lease rental paid	(42,382)	(36,707)	(22,068)	(22,068)
(603,769)	(603,769)	Dividends paid to equity holders of the parent	(343,537)	(148,536)	(343,537)	(148,536)
(367,642)	-	Dividends paid to non-controlling interest	-	(31,823)	-	-
(816,259)	(405,755)	Net cash flows from/(used in) financing activities	(588,730)	(340,577)	(556,054)	(282,637)
(5,135,509)	(3,355,488)	Net increase/(decrease) in cash and cash equivalents	(103,926)	(1,507,602)	(447,840)	(714,142)
(1,769,699)	(1,878,772)	Cash and cash equivalents at beginning of the period	(6,905,208)	(1,769,699)	(5,234,260)	(1,878,772)
(6,905,208)	(5,234,260)	Cash and cash equivalents at end of the period (Note A)	(7,009,134)	(3,277,301)	(5,682,100)	(2,592,914)
Analysis of cash and cash equivalents as at 30th September						
1,933,512	194,669	A) Cash in hand and at bank	4,604,868	1,178,923	1,984,558	424,139
1,184,212	636,348	Short-term deposits	1,421,908	927,088	892,049	432,422
3,117,724	831,017		6,026,776	2,106,011	2,876,607	856,561
(10,022,932)	(6,065,277)	Bank overdrafts and short-term loans	(13,035,910)	(5,383,312)	(8,558,707)	(3,449,475)
(6,905,208)	(5,234,260)	Cash and cash equivalents	(7,009,134)	(3,277,301)	(5,682,100)	(2,592,914)

Haycarb PLC
SEGMENT ANALYSIS

BUSINESS SEGMENTS

Turnover-Net

	External Rs.'000	Intra-group Rs.'000	Group	
			30.09.2022 Rs.'000	30.09.2021 Rs.'000
Activated carbon	32,989,586	14,363,331	47,352,917	19,133,327
Environmental engineering	396,492	11,952	408,444	868,991
	<u>33,386,078</u>	<u>14,375,283</u>	<u>47,761,361</u>	<u>20,002,318</u>
Intra-group sales			(14,375,283)	(5,152,782)
			<u>33,386,078</u>	<u>14,849,536</u>

Industry segment results

Profit before tax

	Group	
	30.09.2022 Rs.'000	30.09.2021 Rs.'000
Activated carbon	5,804,778	1,468,657
Environmental engineering	(158,979)	(2,543)
Purification associate	(11,262)	(6,259)
Leisure - associate	1,351	3,130
	<u>5,635,888</u>	<u>1,462,985</u>

INVESTOR INFORMATION

	Six months ended		Three months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Market value of shares				
Last traded price	74.00 (30/09/2022)	81.50 (30/09/2021)	74.00 (30/09/2022)	81.50 (30/09/2021)
Highest price recorded for the period (Rs.)	80.00 (20/09/2022)	119.75 (15/04/2021)	80.00 (20/09/2022)	119.75 (15/04/2021)
Lowest price recorded for the period (Rs.)	40.00 (22/06/2022)	76.40 (23/08/2021)	49.00 (11/07/2022)	76.40 (23/08/2021)
Market capitalisation (Rs.)	21,987,157,500	24,215,585,625	21,987,157,500	24,215,585,625
P/E ratio	2.69	12.41		
Dividend declared				
Final dividend 2021/22 - Rs. 0.40/- per share (2020/21 - Rs. 0.50/- per share)			118,849,500	148,561,875
1st Interim dividend - Rs. 2.75/- per share (2020/21 - Rs. 0.80/- per share)			817,090,313	237,699,000
Total for the Period			<u>935,939,813</u>	<u>386,260,875</u>

Share trading information

	Six months ended		Three months ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
No of transactions	12,495	66,313	8,381	32,683
No of shares traded	14,597,973	49,802,655	10,415,317	22,047,082
Value of shares traded (Rs.)	946,144,642	4,837,757,837	726,932,763	1,949,903,270

Haycarb PLC
Notes

As at 30th September

2022
Rs.'000

2021
Rs.'000

1. Stated capital

Issued and fully paid - 297,123,750 (297,123,750 - 31.03.2022) Ordinary shares

331,774

331,774

2. These un audited interim financial statements have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS). They also provide the information required by the Colombo Stock Exchange and LKAS 34 - Interim Financial Reporting. There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report for the year ended 31 March 2022.
3. No circumstances have arisen since the Statement of Financial Position date, which would require adjustments to the Interim Financial statements.
5. There has not been a significant change in the nature of the contingent liabilities which are disclosed in the Annual Report for the year ended 31st March 2022.
6. Where necessary, comparative figures have been re-classified to conform with the current period's presentation
7. 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 Haycarb Group as the cumulative taxable income of 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. 525.9 mn.(company Rs. 366.2/-) , and the first installment of Rs. 262.9 mn (Company Rs. 183.1/-) was paid by group entities on 20th April 2022 and the balance on 20th July 2022.

This has been recognised for the Group and the Company as an opening adjustment to the 1 April 2022 retained earnings in the statement of Changes in Equity as per the Addendum to the Statement of Alternative Treatment (SoAT) issued by The Institute of Chartered Accountants of Sri Lanka. According to the said Act, the surcharge tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment which commenced on 1 April 2020.

8. Impact of Recent Economic Conditions

The Directors are continuously monitoring the existing and the anticipated effects of the Sri Lanka economic crisis, the circumstances of the global external environment, the resultant consequences to the company and are taking appropriate measures to manage the impact.

1. Increase in interest rates

The sharp increase in interest rates adversely impacted net interest cost which increased by 85% and 91% for the group and the company respectively. The impact was exacerbated by the increase in working capital value due to LKR depreciation.

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

- Fixed the interest of short – term working capital loans for a longer period based on money market conditions.
- Taken actions to improve the management of working capital to reduce the borrowings.
- Strategic focus on capex planning to prioritise essential capex while deferring the other capex requirements.

2. Significant rupee depreciation and local inflation

The rupee depreciation positively affected the company's top line and bottom line. However, maintaining the exchange at a fixed level for an extended period posed challenges in maintaining competitiveness in the international market place.

The local inflation has created steep cost increases in operational expenses and overheads. The management continues to focus on productivity improvements and lean initiatives to mitigate the impact.

3. Other considerations – environmental engineering

The current slowdown of the construction sector and suspension of government funded projects, have impacted the water and waste water treatment solutions business segment of Environmental Engineering sector. The Company has renewed efforts to procure overseas projects whilst the operations teams focus on improving production efficiencies and reducing costs. The fluctuations will be claimed for all the existing projects to mitigate the impact of exorbitant cost escalations.

HAYCARB PLC

FIRST TWENTY SHAREHOLDERS AS AT 30TH SEPTEMBER, 2022

	Name of the Shareholder	No. of Shares as at 30/09/2022	%
1	Hayleys PLC No. 3 Share Investment Account	201,251,030	67.73
2	Employee's Provident Fund	13,230,763	4.45
3	Mr. T. Ueda	3,912,060	1.32
4	Dr. D. Jayantha	3,210,000	1.08
5	Mr. H. S. R. Kariyawasan/Mrs. K.H.S. Kariyawasan	2,379,508	0.80
6	Mrs. J. K. P. Singh	2,000,000	0.67
7	Mr. Z .G. Carimjee	1,350,000	0.45
8	Mrs. L. Sivagurunathan (deceased)	1,287,170	0.43
9	Mr. H. S. Gill	1,230,000	0.41
10	Employees Trust Fund Board	1,013,392	0.34
11	Mrs. V. Saraswathi/Mr. S. Vasudevan	945,120	0.32
12	Harnam Holdings SDN BHD	770,000	0.26
13	Mrs. J. N. Ambani	755,000	0.25
14	Miss. M. P. Radhakrishnan	730,100	0.25
15	Miss A. Radhakrishnan	729,000	0.25
16	Mr. A. A. Thakshann	710,780	0.24
17	Mr. W. K. G. N. Perera	700,000	0.24
18	Mr. R. Maheswaran	670,010	0.23
19	Seylan Bank PLC/Mr. M. N. Deen	649,877	0.22
20	Dr. C.C. Miranda	550,000	0.19
	OTHERS	59,049,940	19.87
	TOTAL	297,123,750	100.00

Name of the Director	No. of Shares as at 30.09.2022
Mr. Mohan Pandithage	23,790
Mr. Rajitha Kariyawasan*	2,379,508
Mr. Sarath Ganegoda	58,150
Mr. Sujeewa Rajapakse	-
Mr. Arjun Senaratna	-
Ms. Jeevani Abeyratne	-
Mr. Sarath Abayawardana	-
Mr. Prasanna Udaya Kumara	4,620
Mr. Brahman Balaratnarajah	30,040
Mr. Ali Asgar Munaver Caderbhoy	-
Mr. James Naylor	-
Mr. Hisham Jamaldeen	-
Ms. Shamalie Gunawardana	-
Ms. Brindhini Perera (appointed w.e.f. 19 October 2022)	-

* Shares held jointly with Mrs. K. H. S. Kariyawasan

Percentage of public holding as at 30.09.2022 (%)	31.43
Total No. of Shareholders representing the public holding	8074
Float adjusted market capitalization (Rs.)	6,966,595,199
Market capitalization (Rs.)	22,165,431,750
The Company complies with option 3 of the Listing Rules 7.14.1 (i) (a) – which requires 7.5% Public Holding.	