

HAYCARB PLC

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



Interim Report
Nine months ended 31st December 2019

Quarter-3
(2019/20)

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

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)

Ms. Sharmila Ragunathan

Ali Asgar Munaver Caderbhoy

James Naylor

M.H. Jamaldeen

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

Audited year ended 31.03.19 Rs.'000	For the period ended	Unaudited 9 months to 31.12.19 Rs.'000	Unaudited 31.12.18 Rs.'000	Change % + / (-)	Unaudited 3 months to 31.12.19 Rs.'000	Unaudited 31.12.18 Rs.'000
CONSOLIDATED						
20,917,945	Revenue	17,580,785	14,313,839	23	6,271,129	5,327,587
(16,878,500)	Cost of sales	(13,621,401)	(11,491,841)	19	(4,824,014)	(4,300,449)
4,039,445	Gross profit	3,959,384	2,821,998	40	1,447,115	1,027,138
33,707	Other operating income	97,778	45,388	>100	63,724	20,083
(10,239)	Other operating expenses	-	-	-	-	-
(160,130)	Selling & distribution expenses	(124,186)	(93,991)	32	(45,443)	(20,852)
(2,378,084)	Administrative expenses	(2,086,403)	(1,753,789)	19	(664,934)	(620,968)
1,524,699	Results from operating activities	1,846,573	1,019,606	81	800,462	405,401
468,810	Finance income	127,234	599,873	(79)	19,495	263,887
(764,983)	Finance cost	(388,218)	(757,667)	(49)	(81,603)	(311,367)
(296,173)	Net finance income/ (cost)	(260,984)	(157,794)	65	(62,108)	(47,480)
124,372	Share of profit of equity accounted investees (net of tax)	(7,330)	(7,347)	(0)	(5,079)	(6,285)
1,352,898	Profit before income tax	1,578,259	854,465	85	733,275	351,636
(271,196)	Tax expense	(302,933)	(181,655)	67	(114,694)	(107,058)
1,081,702	Profit for the period	1,275,326	672,810	90	618,581	244,578
Attributable to:						
955,411	Equity holders of the parent	1,095,766	515,792	112	488,808	211,449
126,291	Non-controlling interests	179,560	157,018	14	129,773	33,129
1,081,702	Profit for the period	1,275,326	672,810	90	618,581	244,578
Earnings per share						
32.16	Basic earnings per share (Rs.)	36.88	17.36		16.45	7.12
COMPANY						
7,576,802	Revenue	6,365,787	5,637,323	13	1,897,235	1,775,729
(6,743,216)	Cost of sales	(5,017,640)	(5,103,853)	(2)	(1,420,647)	(1,564,809)
833,586	Gross profit	1,348,147	533,470	>100	476,588	210,920
411,358	Other operating income	285,946	128,501	>100	98,713	62,145
(23,422)	Selling & distribution expenses	(21,866)	(17,960)	22	(8,958)	(5,518)
(870,653)	Administrative expenses	(820,944)	(655,438)	25	(279,622)	(229,289)
350,869	Results from operating activities	791,283	(11,427)	>100	286,721	38,258
438,966	Finance income	126,480	506,508	(75)	6,522	220,782
(511,108)	Finance cost	(211,567)	(504,913)	(58)	(18,303)	(253,093)
(72,142)	Net finance income/(cost)	(85,087)	1,595	<100	(11,781)	(32,311)
278,727	Profit before income tax	706,196	(9,832)	>100	274,940	5,947
(7,594)	Tax expense	(79,734)	(16,069)	>100	(25,001)	-
271,133	Profit for the period	626,462	(25,901)	>100	249,939	5,947
9.13	Basic earnings per share (Rs.)	21.08	(0.87)		8.41	0.20

Notes on pages 7 and 8 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Haycarb PLC
STATEMENT OF OTHER COMPREHENSIVE INCOME

For the Nine months ended 31st December	Group		Company	
	2019 Rs. '000	2018 Rs. '000	2019 Rs. '000	2018 Rs. '000
Profit for the Period	1,275,326	672,810	626,462	(25,901)
Other comprehensive income				
Net Exchange differences on translation of foreign entities	294,167	441,885	-	-
Net gain/(loss) on available-for-sale financial assets	24,412	(2,034)	24,412	(2,034)
Movement in reserves of equity accounted investees	24,707	(47,272)	-	-
Other comprehensive income for the period (net of tax)	343,286	392,579	24,412	(2,034)
Total comprehensive income for the period (net of tax)	1,618,612	1,065,389	650,874	(27,935)
Attributable to:				
Equity holders of the parent	1,340,724	795,298	650,874	(27,935)
Non-controlling interests	277,888	270,091	-	-
	1,618,612	1,065,389	650,874	(27,935)
For the Three months ended 31st December	2019 Rs. '000	2018 Rs. '000	2019 Rs. '000	2018 Rs. '000
Profit for the Period	618,581	244,578	249,939	5,947
Other comprehensive income				
Net Exchange differences on translation of foreign entities	115,708	351,533	-	-
Net gain/(loss) on available-for-sale financial assets	16,275	32,550	16,275	32,550
Movement in reserve in equity accounted investees	25,926	(12,300)	-	-
Other comprehensive income for the period (net of tax)	157,909	371,783	16,275	32,550
Total comprehensive income for the period (net of tax)	776,490	616,361	266,214	38,497
Attributable to:				
Equity holders of the parent	617,211	481,987	266,214	38,497
Non-controlling interests	159,279	134,374	-	-
	776,490	616,361	266,214	38,497

Haycarb PLC

STATEMENT OF FINANCIAL POSITION

Group		Company		Group		Company	
Audited	Audited	As at 31st December		Unaudited	Unaudited	Unaudited	Unaudited
31.03.2019	31.03.2019			2019	2018	2019	2018
Rs.'000	Rs.'000			Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS							
Non-Current Assets							
5,449,506	1,868,423	Property, plant & equipment		5,857,522	5,310,428	2,141,510	1,749,972
-	-	Right-of-use assets		141,096	-	96,123	-
248,504	17,820	Intangible assets		231,234	257,530	12,197	20,003
-	1,494,769	Investments in subsidiaries		-	-	1,494,769	1,494,770
583,765	92,903	Investment in equity accounted investees		599,564	458,591	92,903	92,903
-	268,000	Non current receivables from subsidiaries		-	-	256,000	268,000
349,619	317,851	Other non-current financial assets		373,178	385,594	342,265	346,333
29,772	-	Deferred tax assets		30,361	90,207	-	-
6,661,166	4,059,766			7,232,955	6,502,350	4,435,767	3,971,981
Current Assets							
6,807,033	1,743,262	Inventories		7,070,708	7,252,152	2,226,391	2,267,871
4,061,569	1,638,249	Trade & other receivables		3,963,875	3,618,112	1,424,011	1,458,482
-	1,041,978	Amounts due from subsidiaries		-	-	605,654	1,057,580
12,090	7,539	Amounts due from related parties		20,000	14,977	5,539	4,069
16,263	12	Amounts due from equity accounted investees		12,013	36,625	125	3,000
532,870	198,259	Other current assets		589,235	316,084	174,500	97,871
884,141	216,151	Cash and cash equivalents		839,518	714,147	93,778	183,171
12,313,966	4,845,450			12,495,349	11,952,097	4,529,998	5,072,044
18,975,132	8,905,216	Total Assets		19,728,304	18,454,447	8,965,765	9,044,025
EQUITY & LIABILITIES							
Equity							
331,774	331,774	Stated capital		331,774	331,774	331,774	331,774
675,744	442,458	Capital reserves		675,744	648,703	442,458	356,919
7,242,868	3,999,725	Revenue reserves		8,399,671	7,004,962	4,472,325	3,936,487
8,250,386	4,773,957	Total equity attributable to equity holders of the company		9,407,189	7,985,439	5,246,557	4,625,180
1,102,415	-	Non-controlling interests		1,380,303	1,179,862	-	-
9,352,801	4,773,957	Total equity		10,787,492	9,165,301	5,246,557	4,625,180
Non-Current Liabilities							
55,218	52,427	Interest bearing loans & borrowings		164,106	78,526	164,106	71,310
-	-	Lease liability		114,102	-	81,784	117,630
203,891	124,499	Deferred tax liabilities		197,953	219,199	124,499	-
561,000	449,605	Retirement benefit obligations		637,214	496,716	500,444	404,834
820,109	626,531	Total non-current liabilities		1,113,375	794,441	870,833	593,774
Current Liabilities							
2,200,996	450,267	Trade & other payables		2,036,338	1,733,900	454,262	283,568
4,285,249	2,567,083	Interest bearing loans & borrowings		3,391,971	4,517,514	1,995,585	2,893,383
552,910	47,454	Other current liabilities		553,948	701,518	51,678	105,579
-	252,239	Amounts due to subsidiaries		-	-	232,362	411,266
1,580,262	187,685	Amounts due to related parties		1,741,682	1,370,205	105,714	131,275
182,805	-	Income tax payable		103,498	171,568	8,774	-
8,802,222	3,504,728	Total current liabilities		7,827,437	8,494,705	2,848,375	3,825,071
9,622,331	4,131,259	Total liabilities		8,940,812	9,289,146	3,719,208	4,418,845
18,975,132	8,905,216	Total equity and liabilities		19,728,304	18,454,447	8,965,765	9,044,025
277.68	160.67	Net assets per share (Rs.)		316.61	268.76	176.58	155.67

"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.

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Ms. M J A S Abeyratne
Finance Director

Signed for and on behalf of the Board,

Sgd.

.....
A M Pandithage
Chairman
11th February 2020

Sgd.

.....
H S R Kariyawan
Managing Director

Haycarb PLC
STATEMENT OF CHANGES IN EQUITY

For the period ended 31st December

GROUP	Attributable to equity holders of the parent						Total	Non controlling interest	Total equity
	Stated capital	Capital reserves	Other Reserves			Retained earnings			
			Available -for-sale reserve	Exchange fluctuation on reserve	General reserve				
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	
Balance as at 01.04.2018	331,774	648,703	307,706	555,980	519,353	5,064,324	7,427,840	909,771	8,337,611
Profit for the period	-	-	-	-	-	515,792	515,792	157,018	672,810
Translation of foreign entities	-	-	-	328,812	-	-	328,812	113,073	441,885
Movement in reserves of equity accounted investees	-	-	-	-	-	(47,272)	(47,272)	-	(47,272)
Net gain on available-for-sale financial assets	-	-	(2,034)	-	-	-	(2,034)	-	(2,034)
Other comprehensive income for the period	-	-	(2,034)	328,812	-	(47,272)	279,506	113,073	392,579
Dividends	-	-	-	-	-	(237,699)	(237,699)	-	(237,699)
Balance as at 31.12.2018	<u>331,774</u>	<u>648,703</u>	<u>305,672</u>	<u>884,792</u>	<u>519,353</u>	<u>5,295,145</u>	<u>7,985,439</u>	<u>1,179,862</u>	<u>9,165,301</u>
Balance as at 01.04.2019	331,774	675,745	277,190	808,091	519,353	5,638,234	8,250,386	1,102,415	9,352,801
Effect of transition to SLFRS 16	-	-	-	128	-	(5,775)	(5,647)	-	(5,647)
Profit for the period	-	-	-	-	-	1,095,766	1,095,766	179,560	1,275,326
Translation of foreign entities	-	-	-	195,839	-	-	195,839	98,328	294,167
Movement in reserves of equity accounted investees	-	-	-	-	-	24,707	24,707	-	24,707
Net gain on available-for-sale financial assets	-	-	24,412	-	-	-	24,412	-	24,412
Other comprehensive income for the period	-	-	24,412	195,839	-	24,707	244,958	98,328	343,286
Dividends	-	-	-	-	-	(178,274)	(178,274)	-	(178,274)
Balance as at 31.12.2019	<u>331,774</u>	<u>675,745</u>	<u>301,602</u>	<u>1,004,058</u>	<u>519,353</u>	<u>6,574,658</u>	<u>9,407,189</u>	<u>1,380,303</u>	<u>10,787,492</u>

COMPANY	Stated capital	Capital reserves	General reserve	Available for sale reserve	Retained earnings	Total equity
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 01.04.2018	331,774	356,919	519,353	307,706	3,375,062	4,890,814
Profit for the period	-	-	-	-	(25,901)	(25,901)
Net gain on available for sale financial asset	-	-	-	(2,034)	-	(2,034)
Other comprehensive income for the period	-	-	-	(2,034)	-	(2,034)
Dividends	-	-	-	-	(237,699)	(237,699)
Recovery for the period	-	-	-	-	-	-
Balance as at 31.12.2018	<u>331,774</u>	<u>356,919</u>	<u>519,353</u>	<u>305,672</u>	<u>3,111,462</u>	<u>4,625,180</u>
Balance as at 01.04.2019	331,774	442,458	519,353	277,190	3,203,182	4,773,957
Profit for the period	-	-	-	-	626,462	626,462
Net gain on available for sale financial asset	-	-	-	24,412	-	24,412
Other comprehensive income for the period	-	-	-	24,412	-	24,412
Dividends	-	-	-	-	(178,274)	(178,274)
Balance as at 31.12.2019	<u>331,774</u>	<u>442,458</u>	<u>519,353</u>	<u>301,602</u>	<u>3,651,370</u>	<u>5,246,557</u>

Haycarb PLC

Statement Of Cash Flows

Group Audited		Company Audited		For the Nine months ended 31st December			
31.03.2019	31.03.2019			Group		Company	
Rs.' 000	Rs.' 000			2019	2018	2019	2018
				Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
CASH FLOWS FROM OPERATING ACTIVITIES							
1,352,898	278,727	Profit before tax		1,578,259	854,465	706,196	(9,832)
Adjustments for :							
479,139	137,572	Depreciation and impairment of property, plant & equipment		419,787	350,503	129,853	102,138
41,682	9,275	Amortization of intangible assets		19,441	28,326	5,864	7,092
(1,594)	-	(Gain)/loss on disposal of property, plant & equipment		(8,210)	(1,042)	(6,705)	-
10,521	(308)	Gain/(loss) on translation on foreign currencies		1,476	75,002	(2,706)	74,011
105,706	-	Exchange difference on translation of foreign entities		99,224	170,618	-	-
10,239	-	Impairment of property, plant & equipment		-	-	-	-
(468,810)	(438,966)	Finance income		(127,234)	(599,873)	(126,480)	(506,508)
764,983	511,108	Finance cost		388,218	757,667	211,567	504,913
-	(261,327)	Dividend income - subsidiaries/associates		-	-	(172,294)	(18,508)
(124,372)	-	Share of profit from equity accounted investees		7,330	7,347	-	-
15,403	3,000	Provision/(reversal) for slow moving inventory		4,042	12,020	2,250	2,250
109,501	-	Provision / (reversal) for unrealized profit on inventories		106,216	58,453	-	-
(4,673)	-	Provision / (reversal) of bad and doubtful debts		-	1,049	-	-
85,934	67,872	Provision for retiring gratuity		77,090	66,200	56,700	57,500
2,376,558	306,953	Operating cash flows before working capital changes		2,565,639	1,780,735	804,245	213,056
Working Capital Adjustments:							
(737,010)	(400,639)	(Increase)/decrease in trade and other receivables and Prepayments		46,528	(61,643)	201,363	(111,887)
15,139	(85,072)	(Increase)/decrease in amounts receivable from subsidiaries and related parties		(3,660)	(8,110)	395,133	(100,191)
(2,845,957)	(463,941)	(Increase)/decrease in inventories		(373,933)	(3,236,645)	(485,379)	(987,800)
750,939	39,142	Increase/(decrease) in trade and other payables		(142,776)	460,184	9,186	199,811
392,684	100,546	Increase/(decrease) in amount due to related parties		230,249	276,150	(13,142)	55,168
(47,647)	(503,010)			2,322,046	(789,329)	911,406	(731,843)
(311,998)	(133,383)	Interest paid		(260,708)	(227,044)	(107,195)	(97,118)
(138,173)	(10,248)	Income tax paid		(393,966)	(109,167)	(34,326)	(24,666)
(38,593)	(37,164)	Retiring gratuity paid		(5,861)	(41,248)	(5,861)	(40,121)
(536,411)	(683,805)	Net cash flows from operating activities		1,661,511	(1,166,788)	764,024	(893,748)
CASH FLOWS FROM INVESTING ACTIVITIES							
5,384	-	Proceeds from sale of property, plant & equipment		8,918	1,085	7,018	-
(389,598)	(118,889)	Purchase of property, plant & equipment		(600,376)	(268,516)	(386,291)	(64,468)
-	(7,874)	Investment in subsidiary Shares		-	-	-	(7,875)
-	-	Acquisition of intangible assets		(975)	-	(241)	-
9,342	-	Proceeds from long-term loans and receivables		3,995	2,951	-	-
5,724	45,367	Interest received		10,416	4,641	31,349	32,455
3,716	3,716	Dividend received from equity accounted investees		1,580	3,716	1,580	3,716
28,774	290,099	Other dividends received		8,138	21,233	233,930	36,025
(336,658)	212,419	Net cash flows used in investing activities		(568,304)	(234,890)	(112,655)	(147)
(873,069)	(471,386)	Net cash inflow/(outflow) before financing activities		1,093,208	(1,401,678)	651,369	(893,895)
CASH FLOWS FROM FINANCING ACTIVITIES							
(229,807)	(84,124)	Repayment of borrowings		(144,802)	(164,942)	(72,226)	(66,843)
-	-	Lease rentals paid		(44,971)	-	(22,898)	-
(235,150)	(235,150)	Dividends paid to equity holders of the parent company		(267,947)	(178,123)	(267,947)	(178,123)
(47,286)	-	Dividends paid to non-controlling interests		-	-	-	-
(512,243)	(319,274)	Net cash flows from / (used in) financing activities		(277,880)	(343,065)	(183,231)	(244,966)
(1,385,312)	(790,659)	Net increase/(decrease) in cash and cash equivalents		815,328	(1,744,743)	468,137	(1,138,860)
(1,830,274)	(1,472,572)	Cash and cash equivalents at the beginning of period		(3,215,586)	(1,830,274)	(2,263,231)	(1,472,572)
(3,215,586)	(2,263,231)	Cash and cash equivalents at the end of period (Note A)		(2,400,258)	(3,575,017)	(1,795,094)	(2,611,432)
Analysis of cash and cash equivalents as at 31st December							
762,226	205,843	A) Bank and cash balances		760,356	623,195	83,449	180,700
121,915	10,308	Short term deposits		79,162	90,952	10,329	2,471
884,141	216,151			839,518	714,147	93,778	183,171
(4,099,727)	(2,479,382)	Bank overdrafts & short term loans		(3,239,776)	(4,289,164)	(1,888,872)	(2,794,603)
(3,215,586)	(2,263,231)	Cash and cash equivalents		(2,400,258)	(3,575,017)	(1,795,094)	(2,611,432)

Haycarb PLC SEGMENT ANALYSIS

BUSINESS SEGMENTS

Turnover-Net

	External Rs.'000	Intra-group Rs.'000	Group	
			31.12.2019 Rs.'000	31.12.2018 Rs.'000
Activated carbon	14,845,661	5,887,849	20,733,510	18,963,546
Environmental engineering	2,735,124	1,924	2,737,048	1,378,779
	<u>17,580,785</u>	<u>5,889,773</u>	23,470,558	<u>20,342,325</u>
Intra-group sales			(5,889,773)	(6,028,486)
			<u>17,580,785</u>	<u>14,313,839</u>

Industry segment results

Profit before tax

	Group	
	31.12.2019 Rs.'000	31.12.2018 Rs.'000
Activated carbon	1,527,090	783,964
Environmental engineering	58,798	77,847
Purification associate	(14,820)	(6,297)
Leisure - associate	7,191	(1,049)
	<u>1,578,259</u>	<u>854,465</u>

INVESTOR INFORMATION

	Nine months ended		Three months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Market value of shares				
Closing price	190.00 (31/12/2019)	130.00 (31/12/2018)	190.00 (31/12/2019)	130.00 (31/12/2018)
Highest price recorded for the period (Rs.)	198.90 (01/11/2019)	146.20 (18/05/2018)	198.90 (01/11/2019)	140.50 (09/11/2018)
Lowest price recorded for the period (Rs.)	122.20 (26/04/2019)	119.10 (05/04/2018)	145.50 (03/10/2019)	120.00 (20/12/2018)
Market capitalisation (Rs.)	5,645,351,250	3,862,608,750	5,645,351,250	3,862,608,750
P/E ratio	3.86	5.62		
Dividend payments				
2nd Interim dividend - 2018/19 - Rs. 6/- per share			178,274,250	
1st interim 2019/20 Rs. 3/- (1st and final 2017/18 Rs. 6/- Per share)			89,137,125	178,274,250
Total for the Period			<u>267,411,375</u>	<u>178,274,250</u>
Share trading information				
No of transactions	1,056	374	542	142
No of shares traded	686,040	345,503	253,897	105,222
Value of shares traded (Rs.)	105,772,319	43,755,056	46,624,158	13,107,719

Haycarb PLC
Notes

As at 31st December	2019	2018
	Rs.'000	Rs.'000
1. Issued and fully paid ordinary shares		
At the beginning of the year- 29,712,375 (01.04.18 - 29,712,375)	331,774	331,774
As at 31st December	331,774	331,774

2. Changes in Accounting policies and disclosures
New and amended standards and interpretations

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 March 31, 2019 except for the Accounting Policies and methods of computation adopted to be in compliant with the requirements of the Sri Lanka Accounting Standard SLFRS - 16 on Leases, which became effective for Annual Financial periods from January 01, 2019. SLFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('Lessee'] and the supplier ('Lessor']. SLFRS 16 replaced Sri Lanka Accounting Standard – LKAS 17 (Leases) and related interpretations. “

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 Company 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.

The effect of adoption of SLFRS 16 (increase/(decrease) is as follows:

Assets	Group	Company
Right of use assets - as at 1st April 2019	<u>174,287</u>	<u>113,086</u>
Equity and liabilities		
Exchange reserve	128	-
Revenue reserves	(5,775)	-
Lease liability - as at 1st April 2019	<u>180,190</u>	<u>113,086</u>
	<u>174,543</u>	<u>113,086</u>

Set out below, are the carrying amounts of right of use assets and lease liability and the movements for the period.

	Group		Company	
	Right of use asset		Right of use asset	
	Land and buildings	Total	Land and buildings	Total
As at 1 April 2019	174,287	174,287	113,086	113,086
Amortisation expense	(33,191)	(33,191)	(16,963)	(16,963)
As at 31 December 2019	<u>141,096</u>	<u>141,096</u>	<u>96,123</u>	<u>96,123</u>
	Lease liability		Lease liability	
	Land and buildings	Total	Land and buildings	Total
As at 1 April 2019	180,190	180,190	113,086	113,086
Net settlement	(29,319)	(29,319)	(12,821)	(12,821)
As at 31 December 2019	<u>150,871</u>	<u>150,871</u>	<u>100,265</u>	<u>100,265</u>

3. There are no material post balance sheet events that require adjustments to or disclosure in the financial statements,
4. 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 2019.
5. Where necessary, comparative figures have been re-classified to conform with the current period's presentation

HAYCARB PLC

FIRST TWENTY SHAREHOLDERS AS AT 31ST DECEMBER, 2019

	Name of the Shareholder	No. of Shares as at 31/12/2019	%
1	Hayleys PLC No. 3 Share Investment Account	20,125,103	67.73
2	Employees Provident Fund	1,417,565	4.77
3	Employees Trust Fund Board	780,829	2.63
4	Mr. T. Ueda	417,206	1.40
5	Promar Overseas SA	397,682	1.34
6	Mrs. J. K. P. Singh	290,376	0.98
7	J.B. Cocoshell (Pvt) Ltd	281,270	0.95
8	Bank of Ceylon No.1 Account	251,067	0.84
9	Dr. D. Jayanthra	240,000	0.81
10	National Savings Bank	169,474	0.57
11	Harnam Holdings SDN BHD	168,050	0.57
12	E.W. Balasuriya & Co. (Pvt) Ltd	152,089	0.51
13	Mr. Z .G. Carimjee	135,000	0.45
14	Mrs. L. Sivagurunathan	128,717	0.43
15	Mr. H. S. Gill	123,000	0.41
16	Hallsville Trading Group Inc.	120,000	0.40
17	Commercial Bank of Ceylon PLC A/C No.04	107,100	0.36
18	Mr. J. S. A. B. Singh & Mrs. G. K. A. H. Singh	100,000	0.34
19	Cocoshell Activated Carbon Company (Private) Limited	79,000	0.27
20	Ms. M.P. Radhakrishnan	76,610	0.26
	Others	4,152,237	13.97
	TOTAL	29,712,375	100.00

DIRECTORS SHAREHOLDING AS AT 31.12.2019

Name of the Director	No. of Shares as at 31.12.2019
Mr.A.M.Pandithage	2,379
Mr.S.C.Ganegoda	1,815
Mr. H. S. R. Kariyawan *	15,500
Mr. M.S.P. Udaya Kumara	462
Mr. B. Balaratnarajah	1,004
Total	21,160

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

Percentage of public holding as at 31.12.2019	32.20%
Total No. of Shareholders representing the public holding	2128
Float adjusted market capitalization (Rs.)	1,817,803,102.50
Mr.K.D.D.Perera holds directly and indirectly 51.01% of the total issued shares of Hayleys PLC which has 20,125,103 shares in Haycarb PLC.	
The Company complies with option 5 of the Listing Rules 7.13.1 (a) – Less than Rs.2.5Bn Float Adjusted Market Capitalization which requires 20% minimum Public Holding.	