

HAYCARB PLC

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



Interim Report
Year ended 31st March 2019

Quarter-4
(2018/19)

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

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E - mail : general@haycarb.com

Website: <http://www.haycarb.com>

Haycarb PLC
INCOME STATEMENTS

For the period ended	Unaudited		Change % + / (-)	Unaudited	
	12 months to	31.03.18		3 months to	31.03.18
	31.03.19	31.03.18		31.03.19	31.03.18
	Rs.'000	Rs.'000		Rs.'000	Rs.'000
CONSOLIDATED					
Revenue	20,917,945	15,518,079	35	6,604,106	4,623,145
Cost of sales	(16,878,500)	(12,424,085)	36	(5,386,659)	(3,707,725)
Gross profit	4,039,445	3,093,994	31	1,217,447	915,420
Other operating income	33,707	29,969	12	(11,681)	11,666
Other operating expense	(10,239)	-	100	(10,239)	-
Selling & distribution expenses	(160,130)	(154,270)	4	(66,139)	(36,351)
Administrative expenses	(2,378,084)	(1,879,251)	27	(624,295)	(501,126)
Results from operating activities	1,524,699	1,090,442	40	505,093	389,609
Finance income	468,810	120,379	289	(131,063)	60,881
Finance cost	(764,983)	(302,273)	153	(7,316)	(99,173)
Net finance income/ (cost)	(296,173)	(181,894)	63	(138,379)	(38,292)
Share of profit of equity accounted investee (net of tax)	124,372	17,875	596	131,719	10,952
Profit before income tax	1,352,898	926,423	46	498,433	362,269
Income tax expense	(271,196)	(152,799)	77	(89,541)	(62,054)
Profit for the period	1,081,702	773,624	40	408,892	300,215
Attributable to:					
Equity holders of the company	955,411	672,364	42	439,619	273,040
Non-controlling interests	126,291	101,260	25	(30,727)	27,175
	1,081,702	773,624	40	408,892	300,215
Earnings per share					
Basic earnings per share (Rs.)	32.16	22.63		14.80	9.19
COMPANY					
Revenue	7,576,802	6,368,778	19	1,939,479	1,602,001
Cost of sales	(6,743,216)	(5,253,081)	28	(1,639,363)	(1,420,413)
Gross profit	833,586	1,115,697	(25)	300,116	181,588
Other operating income	411,358	335,884	22	282,857	244,061
Selling & distribution expenses	(23,422)	(29,014)	(19)	(5,462)	(5,940)
Administrative expenses	(870,653)	(779,520)	12	(215,215)	(193,249)
Results from operating activities	350,869	643,047	(45)	362,296	226,460
Finance income	438,966	124,458	253	(67,542)	37,830
Finance cost	(511,108)	(113,282)	351	(6,195)	(38,364)
Net finance income/(cost)	(72,142)	11,176	(746)	(73,737)	(534)
Profit before income tax	278,727	654,223	(57)	288,559	225,926
Income tax expense	(7,594)	(47,469)	(84)	8,475	(16,469)
Profit for the period	271,133	606,754	(55)	297,034	209,457
Basic earnings per ordinary share (Rs.)	9.13	20.42		10.00	7.05

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

Figures in brackets indicate deductions.

Haycarb PLC
STATEMENTS OF OTHER COMPREHENSIVE INCOME

For the Year ended 31st March	Group		Company	
	2019 Rs. '000	2018 Rs. '000	2019 Rs. '000	2018 Rs. '000
Profit for the Period	1,081,702	773,624	271,133	606,754
Other comprehensive income				
Net Exchange differences on translation of foreign entities	341,646	221,557	-	-
Net gain/(loss) on available-for-sale financial assets	(30,516)	38,652	(30,516)	38,652
Actuarial gains and (losses) on defined benefit plans	(39,836)	(29,386)	(31,442)	(27,211)
Revaluation of land and buildings	195,945	-	99,464	-
Tax effect on OCI Adjustments	(16,674)	(65,009)	(9,523)	(50,494)
Movement in reserve in equity accounted investee	(53,817)	11,381	-	-
Other comprehensive income for the period (net of tax)	396,747	177,195	27,983	(39,053)
Total comprehensive income for the period (net of tax)	1,478,449	950,819	299,116	567,701
Attributable to:				
Equity holders of the parent	1,238,519	771,144	299,116	567,701
Non-controlling interests	239,930	179,675	-	-
	1,478,449	950,819	299,116	567,701
For the Three months ended 31st March	2019	2018	2019	2018
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Profit for the Period	408,892	300,215	297,034	209,457
Other comprehensive income				
Net Exchange differences on translation of foreign entities	(100,239)	119,594	-	-
Net gain/(loss) on available-for-sale financial assets	(28,482)	2,034	(28,482)	2,034
Actuarial gains and (losses) on defined benefit plans	(39,836)	(29,386)	(31,442)	(27,211)
Revaluation of land and buildings	195,945	-	99,464	-
Tax effect on OCI Adjustments	(16,674)	(65,009)	(9,523)	(50,494)
Movement in reserve in equity accounted investee	(6,545)	27,868	-	-
Other comprehensive income for the period (net of tax)	4,168	55,101	30,017	(75,671)
Total comprehensive income for the period (net of tax)	413,060	355,316	327,051	133,786
Attributable to:				
Equity holders of the parent	443,221	283,030	327,051	133,786
Non-controlling interests	(30,161)	72,286	-	-
	413,060	355,316	327,051	133,786

Haycarb PLC
STATEMENTS OF FINANCIAL POSITION

As at 31st March	Group		Company	
	Unaudited 2019 Rs.'000	Unaudited 2018 Rs.'000	Unaudited 2019 Rs.'000	Unaudited 2018 Rs.'000
ASSETS				
Non-Current Assets				
Property, plant & equipment	5,449,506	5,121,193	1,868,423	1,787,642
Intangible assets	248,504	285,856	17,820	27,095
Investments in subsidiaries	-	-	1,494,770	1,486,895
Investment in equity accounted investee	583,765	516,926	92,903	92,903
Non current receivables from subsidiaries	-	-	268,000	134,386
Other non-current financial assets	349,619	385,875	317,851	348,366
Deferred tax assets	29,772	81,551	-	-
	<u>6,661,166</u>	<u>6,391,401</u>	<u>4,059,767</u>	<u>3,877,287</u>
Current Assets				
Inventories	6,807,033	4,085,980	1,743,262	1,282,321
Trade & other receivables	4,061,569	3,279,716	1,638,249	1,165,886
Amounts due from subsidiaries	-	-	1,041,978	1,096,498
Amounts due from related parties	12,090	17,106	7,539	-
Amounts due from equity accounted investee	16,263	26,386	12	1,574
Other current assets	532,870	590,862	198,259	269,983
Cash and cash equivalents	884,141	891,006	216,151	206,165
	<u>12,313,967</u>	<u>8,891,056</u>	<u>4,845,450</u>	<u>4,022,427</u>
Total Assets	<u>18,975,132</u>	<u>15,282,457</u>	<u>8,905,217</u>	<u>7,899,714</u>
EQUITY & LIABILITIES				
Equity				
Stated capital	331,774	331,774	331,774	331,774
Capital reserves	675,744	648,703	442,458	356,919
Revenue reserves	7,242,868	6,447,363	3,999,725	4,202,121
Total equity attributable to equity holders of the company	<u>8,250,386</u>	<u>7,427,840</u>	<u>4,773,957</u>	<u>4,890,814</u>
Non-controlling interests	1,102,415	909,771	-	-
Total equity	<u>9,352,801</u>	<u>8,337,611</u>	<u>4,773,957</u>	<u>4,890,814</u>
Non-Current Liabilities				
Interest bearing loans & borrowings	55,218	219,487	52,426	123,821
Deferred tax liabilities	203,891	219,199	124,499	117,630
Retirement benefit obligations	561,000	464,424	449,605	387,455
Total non-current liabilities	<u>820,109</u>	<u>903,110</u>	<u>626,530</u>	<u>628,906</u>
Current Liabilities				
Trade & other payables	2,200,996	1,747,701	450,268	364,765
Interest bearing loans & borrowings	4,285,249	2,944,623	2,567,083	1,762,861
Other current liabilities	552,910	195,192	47,454	33,742
Amounts due to subsidiaries	-	-	252,239	169,754
Amounts due to related parties	1,580,262	1,066,820	187,685	48,872
Income tax payable	182,805	87,400	-	-
Total current liabilities	<u>8,802,222</u>	<u>6,041,736</u>	<u>3,504,729</u>	<u>2,379,994</u>
Total liabilities	<u>9,622,331</u>	<u>6,944,846</u>	<u>4,131,259</u>	<u>3,008,900</u>
Total equity and liabilities	<u>18,975,132</u>	<u>15,282,457</u>	<u>8,905,217</u>	<u>7,899,714</u>
Net assets per share (Rs.)	277.68	249.99	160.67	164.61

"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".

.....
Ms. M J A S Abeyratne
Finance Director

Signed for and on behalf of the Board,

.....
A M Pandithage
Chairman
14th May 2019

.....
H S R Kariyawasan
Managing Director

Haycarb PLC
STATEMENTS OF CHANGES IN EQUITY

For the period ended 31st March

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 01.04.2017	331,774	717,597	269,054	413,604	519,353	4,494,444	6,745,826	776,762	7,522,588
Profit for the period	-	-	-	-	-	672,364	672,364	101,260	773,624
Translation of foreign entities	-	-	-	142,376	-	-	142,376	79,181	221,557
Actuarial gains and (losses) on defined benefit plans	-	-	-	-	-	(28,620)	(28,620)	(766)	(29,386)
Income tax on other comprehensive income	-	(68,894)	-	-	-	3,892	(65,002)	(7)	(65,009)
Movement in reserve in equity accounted investee	-	-	-	-	-	11,381	11,381	-	11,381
Net gain on available-for-sale financial assets	-	-	38,652	-	-	-	38,652	-	38,652
Other comprehensive income for the period	-	(68,894)	38,652	142,376	-	(13,347)	98,787	78,408	177,195
Dividends	-	-	-	-	-	(89,137)	(89,137)	(46,659)	(135,796)
Balance as at 31.03.2018	331,774	648,703	307,706	555,980	519,353	5,064,324	7,427,840	909,771	8,337,611
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	-	-	-	-	-	955,411	955,411	126,291	1,081,702
Revaluation during the year	-	165,192	-	-	-	-	165,192	30,753	195,945
Translation of foreign entities	-	-	-	252,111	-	-	252,111	89,535	341,646
Actuarial gains and (losses) on defined benefit plans	-	-	-	-	-	(33,020)	(33,020)	(6,816)	(39,836)
Income tax on other comprehensive income	-	(20,351)	-	-	-	3,509	(16,842)	167	(16,674)
Movement in reserve in equity accounted investee	-	(117,800)	-	-	-	63,983	(53,817)	-	(53,817)
Net gain on available-for-sale financial assets	-	-	(30,516)	-	-	-	(30,516)	-	(30,516)
Other comprehensive income for the period	-	27,042	(30,516)	252,111	-	34,472	283,108	113,639	396,747
Dividends	-	-	-	-	-	(415,973)	(415,973)	(47,286)	(463,259)
Balance as at 31.03.2019	331,774	675,745	277,190	808,091	519,353	5,638,234	8,250,386	1,102,415	9,352,801

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 01.04.2017	331,774	411,155	519,353	269,054	2,880,914	4,412,250
Profit for the period	-	-	-	-	606,754	606,754
Actuarial gains and (losses) on defined benefit plans	-	-	-	-	(27,211)	(27,211)
Income tax on other comprehensive income	-	(54,236)	-	-	3,742	(50,494)
Net gain on available for sale financial asset	-	-	-	38,652	-	38,652
Other comprehensive income for the period	-	(54,236)	-	38,652	(23,469)	(39,053)
Dividends	-	-	-	-	(89,137)	(89,137)
Balance as at 31.03.2018	331,774	356,919	519,353	307,706	3,375,062	4,890,814
Balance as at 01.04.2018	331,774	356,919	519,353	307,706	3,375,062	4,890,814
Profit for the period	-	-	-	-	271,133	271,133
Revaluation during the year	-	99,464	-	-	-	99,464
Actuarial gains and (losses) on defined benefit plans	-	-	-	-	(31,442)	(31,442)
Income tax on other comprehensive income	-	(13,925)	-	-	4,402	(9,523)
Net gain on available for sale financial asset	-	-	-	(30,516)	-	(30,516)
Other comprehensive income for the period	-	85,539	-	(30,516)	(27,040)	27,983
Dividends	-	-	-	-	(415,973)	(415,973)
Balance as at 31.03.2019	331,774	442,458	519,353	277,190	3,203,182	4,773,957

Haycarb PLC
Haycarb PLC
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March	Group		Company	
	2019	2018	2019	2018
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Operating activities				
Profit before tax from continuing operations	1,352,898	926,423	278,727	654,223
Profit/(loss) before tax from discontinued operations				
Profit before tax	1,352,898	926,423	278,727	654,223
Non-cash adjustment to reconcile profit before tax to net cash flows:				
Depreciation and impairment of property, plant equipments	479,140	426,255	137,572	126,931
Amortisation and impairment of intangible assets	41,682	32,749	9,275	9,979
Gain on disposal of property, plant and equipment	(1,594)	1	-	-
(Gain)/loss on translation of foreign currencies	10,521	2,742	(307)	33,197
Exchange difference on translation of foreign entities	105,706	99,488	-	-
Impairment of property, plant & equipment	10,239	-	-	-
Finance income	(468,810)	(120,379)	(438,966)	(124,458)
Finance costs	764,983	302,273	511,108	113,282
Dividend income - subsidiaries	-	-	(261,327)	(209,626)
Share of profit of an associate	(124,372)	(17,875)	-	-
Provision for slow moving inventory	15,403	17,990	3,000	12,175
Provision for unrealized profit on inventories	109,501	10,810	-	-
Provision/(reversal) for bad and doubtful debts	(4,673)	3,527	-	-
Provision for retiring gratuity	85,934	74,189	67,872	60,172
Cash generated from operations before working capital changes	2,376,558	1,758,193	306,954	675,875
Working capital adjustments:				
(Increase)/decrease in trade and other receivables and prepayments	(737,010)	(590,283)	(400,639)	(162,152)
(Increase)/decrease in amounts receivable from related parties	15,139	(20,908)	(85,072)	(1,561)
(Increase)/decrease in inventories	(2,845,957)	(638,492)	(463,941)	(125,595)
Increase/(decrease) in trade and other payables	750,939	47,632	39,143	72,076
Increase/(decrease) in amounts due to related parties	392,684	(51,822)	100,546	(58,589)
	(47,647)	504,320	(503,009)	400,054
Interest paid	(311,998)	(187,952)	(133,383)	(76,703)
Income tax paid	(138,173)	(215,543)	(10,248)	(24,774)
Retiring gratuity paid	(38,593)	(7,522)	(37,164)	(6,159)
Net cash flows from operating activities	(536,411)	93,303	(683,804)	292,418
Investing activities				
Proceeds from sale of property, plant and equipment	5,384	15	-	-
Purchase of property, plant and equipment	(389,598)	(324,816)	(118,889)	(145,317)
Invest in subsidiary Shares	-	-	(7,874)	-
Proceeds from leased rental on assets under finance lease	9,342	4,221	-	-
Acquisition of intangible assets	-	(39,404)	-	(8,113)
Interest received	5,724	3,583	45,367	50,831
Dividend received from equity accounted investee	3,716	1,858	3,716	1,858
Other dividends received	28,774	10,315	290,099	218,083
Net cash flows used in investing activities	(336,658)	(344,228)	212,419	117,342
Net cash inflow/(outflow) before financing activities	(873,069)	(250,925)	(471,385)	409,760
Financing activities				
Repayment of borrowings	(229,807)	(437,506)	(84,124)	(259,549)
Dividends paid to equity holders of the parent	(235,150)	(177,132)	(235,150)	(177,132)
Dividends paid to non-controlling interests	(47,286)	(46,659)	-	-
Net cash flows from/(used in) financing activities	(512,243)	(661,297)	(319,274)	(436,681)
Net increase/(decrease) in cash and cash equivalents	(1,385,312)	(912,222)	(790,659)	(26,921)
Net foreign exchange difference				
Cash and cash equivalents at the beginning of period	(1,830,274)	(918,052)	(1,472,572)	(1,445,651)
Cash and cash equivalents at the end of period	(3,215,586)	(1,830,274)	(2,263,231)	(1,472,572)
Analysis of cash and cash equivalents as at 31st March				
B) Bank and cash balances	762,226	822,755	205,843	203,694
Short term deposits	121,915	68,251	10,308	2,471
	884,141	891,006	216,151	206,165
Bank overdrafts & short term loans	(4,099,727)	(2,721,280)	(2,479,382)	(1,678,737)
Cash and cash equivalents	(3,215,586)	(1,830,274)	(2,263,231)	(1,472,572)

Figures in brackets indicate deductions.

Haycarb PLC SEGMENT ANALYSIS

INDUSTRY SEGMENTS

Turnover-Net

	External Rs.'000	Intra-group Rs.'000	Group	
			31.03.2019 Rs.'000	31.03.2018 Rs.'000
Activated carbon	18,027,745	7,944,291	25,972,036	19,075,445
Environmental engineering	2,890,200	6,650	2,896,850	1,362,988
	<u>20,917,945</u>	<u>7,950,941</u>	<u>28,868,886</u>	<u>20,438,433</u>
Intra-group sales			(7,950,941)	(4,920,354)
			<u>20,917,945</u>	<u>15,518,079</u>

Industry segment results

Profit before tax

	Group	
	31.03.2019 Rs.'000	31.03.2018 Rs.'000
Activated carbon	1,301,952	726,759
Environmental engineering	301,042	399,945
Purification associate	(5,644)	1,956
Leisure - associate	130,016	15,919
	<u>1,727,366</u>	<u>1,144,579</u>
Consolidation adjustments	(264,967)	(207,346)
Unrealised profit on intra-group sales	(109,501)	(10,810)
	<u>1,352,898</u>	<u>926,423</u>

INVESTOR INFORMATION

	Twelve months ended		Three months ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Market value of shares				
Closing price	127.00 (29/03/2019)	120.00 (29/03/2018)	127.00 (29/03/2019)	120.00 (29/03/2018)
Highest price recorded for the period (Rs.)	154.90 (14/01/2019)	170.00 (12/07/2017)	154.90 (14/01/2019)	148.90 (03/01/2018)
Lowest price recorded for the period (Rs.)	119.10 (05/04/2018)	120.00 (29/03/2018)	120.00 (22/03/2019)	120.00 (29/03/2018)
Market capitalisation (Rs.)	3,773,471,625	3,565,485,000	3,773,471,625	3,565,485,000
P/E ratio	3.95	5.30		
Dividend payments				
1st Interim dividend - 2018/19 - Rs. 2/ per share			59,424,750	-
2nd Interim dividend - 2018/19 - Rs. 6/- per share			178,274,250	-
1st and final proposed Rs. 6/- Per share			-	178,274,250
Total for the year			<u>237,699,000</u>	<u>178,274,250</u>
Share trading information				
No of transactions	670	652	192	157
No of shares traded	574,349	380,507	188,307	64,453
Value of shares traded (Rs.)	73,607,820	58,495,343	24,598,259	8,400,204

Haycarb PLC
Notes

As at 31st March	2019 Rs.'000	2018 Rs.'000
1. Issued and fully paid ordinary shares		
At the beginning of the year-29,712,375 (01.04.17 - 29,712,375)	331,774	331,774
As at 31st March	331,774	331,774

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

The accounting standard SLFRS 15 and SLFRS 9 came in to effect from 1st January 2018 and consequently the Group has adopted these standards for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

SLFRS 15 Revenue from Contracts with Customers

SLFRS 15 supersedes LKAS 11 Construction Contracts, LKAS 18 Revenue and related Interpretations. It applies with limited exceptions, to all revenue arising from contracts with its customers. SLFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

SLFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted SLFRS 15 using the modified retrospective method of adoption. Based on the assessment performed, the Group concluded that SLFRS 15 does not have a material impact on the Group's Consolidated Financial Statements.

SLFRS 9 Financial Instruments

SLFRS 9 Financial Instruments replaces LKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

With the exception of hedge accounting, which the Group applied prospectively, the Group has applied SLFRS 9 retrospectively, with the initial application date of 1 April 2018. The nature of these adjustments are described below:

Classification and measurement

Under SLFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Group's business model was made as of the date of initial application, 1 April 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 April 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of SLFRS 9 did not have a significant impact on the Group.

Impairment

The adoption of SLFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing LKAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. SLFRS 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

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 2018.
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 MARCH, 2019

	Name of the Shareholder	No. of Shares as at 31/03/2019	%
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	National Savings Bank	413,914	1.39
6	Promar Overseas SA	397,682	1.34
7	Mrs. J. K. P. Singh	290,376	0.98
8	Bank of Ceylon No.1 Account	251,067	0.84
9	Dr. D. Jayantha	230,000	0.77
10	Harnam Holdings SDN BHD	175,000	0.59
11	E.W. Balasuriya & Co. (Pvt) Ltd	152,089	0.51
12	Mr. Z .G. Carimjee	135,000	0.45
13	Mr. S. Krishnananthan	128,717	0.43
14	Mr. H. S. Gill	123,000	0.41
15	Hallsville Trading Group Inc.	120,000	0.40
16	Commercial Bank of Ceylon PLC A/C No.04	107,100	0.36
17	Mr. J. S. A. B. Singh & Mrs. G. K. A. H. Singh	100,000	0.34
18	J.B. Cocoshell (Pvt) Ltd	96,356	0.32
19	Cocoshell Activated Carbon Company Limited	92,300	0.31
20	Mr. D.F.G. Dalpethado/ Mrs. H.F.A.K.D. Fonseka	78,006	0.26
	Others	4,081,065	13.74
	TOTAL	29,712,375	100.00

DIRECTORS SHAREHOLDING AS AT 31.03.2019

Name of the Director	No. of Shares as at 31.03.2019
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 31.03.2019	32.20%
Total No. of Shareholders representing the public holding	2094
Float adjusted market capitalization (Rs.)	1,215,057,863.25
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.	
Mr.K.D.D.Perera holds directly and indirectly 50.44% of the total issued shares of Hayleys PLC which has 20,125,103 shares in Haycarb PLC.	