



HAYLEYS PLC  
Debenture Issue Prospectus 2015



Joint Managers to the Issue



**HAYLEYS PLC**  
**DEBENTURE ISSUE 2015**

**Issue of 20,000,000 (Twenty Million) Senior, Unsecured, Listed, Redeemable, Rated Four Year (2015/2019) and Five Year (2015/2020) Debentures of LKR100.00 each to raise Sri Lanka Rupees Two Billion (LKR2,000,000,000)**

**To be listed on the Colombo Stock Exchange**

**Rated 'AA-' by Lanka Rating Agency Limited**

**Issue opens on  
26 February 2015**

**This Prospectus is dated Monday, 16 February 2015.**

**The CSE has taken reasonable care to ensure full and fair disclosure of information in this Prospectus. However, the CSE assumes no responsibility for accuracy of the statements made, opinions expressed or reports included in this Prospectus. Moreover, the CSE does not regulate the pricing of the Debentures issued herein.**

**The delivery of this Prospectus shall not under any circumstance constitute a representation or create any implication or suggestion that there has been no material change in the affairs of the Company since the date of this Prospectus.**

**If you are in doubt regarding the contents of this document or if you require any clarification or advice in this regard, you should consult the Joint Managers to the issue, your stockbroker, lawyer or any other professional advisor.**

## **Responsibility for the Content of the Prospectus**

This Prospectus has been prepared by Capital Alliance Partners Limited and Commercial Bank of Ceylon PLC on behalf of Hayleys PLC. Hayleys PLC (hereinafter referred to as “HAYL” or the “Company”) and its Directors confirm that to the best of their knowledge and belief this Prospectus contains all information regarding the Company and Debentures offered herein which is material; such information is true and accurate in all material aspects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Company are honestly held or made and are not misleading in any material respect; this Prospectus contains all material facts and presents them in a clear fashion in all material respects and all proper inquiries have been made to ascertain and to verify the foregoing. The Company accepts responsibility for the information contained in this Prospectus.

No person has been sanctioned to make any representations not contained in this Prospectus in connection with this Offer for Subscription of the Company’s Debentures. If such representations are made, they must not be relied upon as having been authorised. Neither the delivery of this Prospectus nor any sale made in the Offering shall, under any circumstances, create an implication that there has not been any change in the facts set forth in this Prospectus or in the affairs of the Company since the date of this Prospectus.

Investors should be informed that the value of investments can vary and that past performance is not necessarily indicative of future performance. In making such investment decisions, prospective investors must rely on their knowledge, examination and assessments on HAYL and the terms of the Debentures issued (knowledge, perception together with their own examination and assessment on HAYL and the terms and conditions of the Debentures issued) including risks associated.

The delivery of this Prospectus shall not under any circumstance constitute a representation or create any implication or suggestion, that there has been no material change in the affairs of the Company since the date of this Prospectus.

## **Registration of the Prospectus**

A copy of this Prospectus has been delivered for registration to the Registrar General of Companies in Sri Lanka in accordance with the Companies Act No. 07 of 2007 (the “Companies Act”). The following documents were attached to the copy of the Prospectus delivered to the Registrar General of Companies in Sri Lanka:

1. The written consent by the Managers to the Issue, Lawyers to the Issue, Bankers to the Issue, Auditors and Reporting Accountants to the Issue, Trustees to the Issue and Registrar to the Issue for the inclusion of their respective names in this Prospectus.

2. A declaration by each of the Directors of the Company in terms of the Companies Act and confirming that each of them have read the provisions of the Companies Act and CSE Listing Rules relating to the issue of a Prospectus and that those provisions have been complied with.
3. The said Managers to the Issue, Lawyers to the Issue, Bankers to the Issue, Auditors and Reporting Accountants to the Issue, Trustees to the Issue and Registrar to the Issue have not, before the delivery of a copy of the Prospectus for registration with the Registrar General of Companies in Sri Lanka withdrawn such consent.

### **Registration of the Prospectus in Jurisdictions Outside of Sri Lanka**

This Prospectus has not been registered with any authority outside of Sri Lanka. Non-resident investors may be affected by the laws of the jurisdiction of their residence. Such investors are responsible to comply with the laws relevant to the country of residence and the laws of Sri Lanka, when making the investment.

### **Investment Considerations**

It is important that this Prospectus is read carefully prior to making an investment decision. For information concerning certain risk factors, which should be considered by prospective investors, see "Risks Related to the Debentures" in Section 5.17 of this Prospectus.

### **Forward Looking Statements**

Any statements included in this Prospectus that are not statements of historical fact constitute "Forward Looking Statements". These can be identified by the use of forward looking terms such as "expect", "anticipate", "intend", "may", "plan to", "believe", "could" and similar terms or variations of such terms. However, these words are not the exclusive means of identifying Forward Looking Statements. As such, all or any statements pertaining to expected financial position, business strategy, plans and prospects of the Company are classified as Forward Looking Statements.

Such Forward Looking Statements involve known and unknown risks, uncertainties and other factors including but not limited to regulatory changes in the sectors in which the Company operates and its ability to respond to them, the Company's ability to successfully adapt to technological changes, exposure to market risks, general economic and fiscal policies of Sri Lanka, inflationary pressures, interest rate volatilities, the performance of financial markets both globally and locally, changes in domestic and foreign laws, regulation of taxes and changes in competition in the industry and further uncertainties that may or may not be in the control of the Company.

Such factors may cause actual results, performance and achievements to materially differ from any future results, performance or achievements expressed or implied by Forward Looking

Statements herein. Forward Looking Statements are also based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future.

Given the risks and uncertainties that may cause the Company's actual future results, performance or achievements to materially differ from that expected, expressed or implied by Forward Looking Statements in this Prospectus, investors are advised not to place sole reliance on such statements.

## ISSUE AT A GLANCE

<b>Instrument</b>	Senior, Unsecured, Listed, Redeemable, Rated Debentures
<b>Rating</b>	AA- by Lanka Rating Agency Limited
<b>Number of Debentures to be Issued</b>	Twenty Million (20,000,000) Debentures
<b>Aggregate Face Value / Investment Value of the Issue</b>	LKR2,000,000,000 (Rupees Two Billion)
<b>Face Value / Issue Price of Debenture</b>	LKR100.00
<b>Tenure of Debentures</b>	<b>Type A:</b> 4 Years (2015/2019) <b>Type B:</b> 5 Years (2015/2020)
<b>Interest Rates</b>	At the discretion of the investor; <b>Type A:</b> Fixed Coupon Rate of 7.60% p.a. payable Semi-annually (AER – 7.74%) <b>Type B:</b> Fixed Coupon Rate of 7.85% p.a. payable Semi-annually (AER – 8.00%)
<b>Minimum subscription</b>	Minimum subscription per application is 100 debentures (LKR10,000/-) and Applications exceeding the minimum subscription should be in multiples of 100 debentures (LKR10,000/-)
<b>Issue Opening Date</b>	26 February 2015, however, applications may be submitted forthwith
<b>Issue Closing Date</b>	18 March 2015 or such earlier date on which the 20,000,000 (Twenty Million) Debentures are fully subscribed in terms of this Prospectus. (Refer section 5.15)
<b>Basis of Allotment</b>	60% of the issue value will receive preferential allotment and the remaining 40% would be allotted at the discretion of the Board of Directors in a fair manner within seven (7) market days from the date of closure (Refer Section 6.7)
<b>Taxation</b>	Exempted from Withholding Tax and Corporate Income Tax, as the prevalent taxation laws.
<b>Date of Payment of Interest</b>	Interest Payments will be made no later than three (3) market days from the due date of interest. (Excluding such due date of interest)
<b>Method of Payment of Principal and Interest</b>	By cheque marked "Account Payee Only" or through an electronic fund transfer mechanism recognised by the banking system of Sri Lanka such as SLIPS and RTGS (arranged only at the expense of the investor). RTGS transfers however could be effected only for amounts over and above the maximum value that can be accommodated via SLIPS transfers

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## 1.0 CORPORATE INFORMATION

<b>The Company</b>	Hayleys PLC
<b>Legal Form of the Company</b>	Hayleys PLC is a listed company domicile in Sri Lanka incorporated under the Companies Ordinance, No 51 of 1938. The company was re-registered under the new Companies Act No.07 of 2007.
<b>Date of Incorporation</b>	31 <sup>st</sup> of May 1952
<b>Company Registration No.</b>	PQ22
<b>Place of Incorporation</b>	Colombo, Sri Lanka
<b>Registered/ Business Office</b>	Hayleys PLC 400, Deans Road, Colombo 10. T: +94 11 2627000 F: +94 11 2699299 E: <a href="mailto:info@cau.hayleys.lk">info@cau.hayleys.lk</a> W: <a href="http://www.hayleys.com">www.hayleys.com</a>
<b>Company Secretary</b>	Hayleys Group Services (Pvt) Ltd 400, Deans Road, Colombo 10.
<b>Auditors to the Company</b>	M/s. Ernst & Young Chartered Accountants, 201, De Saram Place, Colombo 10.
<b>Credit Rating Agency</b>	Lanka Rating Agency Limited 11, Melbourne Avenue, Colombo 04.
<b>Bankers</b>	Bank of Ceylon Citi Bank Commercial Bank of Ceylon PLC Deutsche Bank DFCC Bank PLC Hatton National Bank PLC Habib Bank Hong Kong and Shanghai Banking Corporation NDB Bank PLC Seylan Bank Standard Chartered Bank
<b>Board of Directors</b>	Mr. Mohan Pandithage - Executive Chairman/CEO Mr. Dhammika Perera - Co-Chairman/Non-Executive Mr. Rizvi Zaheed - Director (Executive) Mr. Nimal Perera - Director (Non-Executive) Mr. Sarath Ganegoda - Director (Executive)

	Mr. Rajitha Kariyawasan - Director (Executive)
	Dr. Harsha Cabral - Director (Independent Non-executive)
	Dr. Mahesha Ranasoma - Director (Executive)
	Mr. Lalin Smarawickrama - Director (Executive)
	Mr. Mangala Goonatileke - Director (Independent Non-executive)
	Mr. Ruwan Waidyaratne - Director (Executive)
	Mr. Hisham Jamaldeen - Director (Independent Non-executive)

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## 2.0 RELEVANT PARTIES TO THE ISSUE

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<b>Managers to the Issue</b>	Capital Alliance Partners Limited Level 5, "Millennium House", 46/58, Navam Mawatha, Colombo 02. T: +94 11 2317777 F: +94 11 2317788  Commercial Bank of Ceylon PLC Investment Banking Unit "Commercial House", No.21, Sir Razeek Fareed Mawatha, Colombo 01. T: +94 11 5331544 F: +94 11 5377881
<b>Lawyer to the Issue</b>	Nithya Partners 97 A, Galle Road, Colombo 03. T: +94 11 4712625 F: +94 11 2328817
<b>Registrar to the Issue</b>	P.W. Corporate Secretarial (Pvt) Ltd 3/17, Kynsey Road, Colombo 08. T: +94 11 4640360 F: +94 11 4740588
<b>Bankers to the Issue</b>	NDB Bank PLC No.40, Nawam Mawatha, Colombo 02. T: +94 11 2445010 F: +94 11 2449889
<b>Trustee to the Issue</b>	Deutsche Bank AG – Colombo Branch 86, Galle Road, Colombo 03. T: +94 11 2437701 F: +94 11 2440262
<b>Auditor and Reporting Accountant to the Issue</b>	M/s. Ernst & Young Chartered Accountants, 201, De Saram Place, Colombo 10. T: +94 11 2463500 F: +94 11 2697369

### 3.0 ABBREVIATIONS USED IN THE PROSPECTUS

<b>AER</b>	Annual Equivalent Rate
<b>ATS</b>	Automated Trading System
<b>AWPLR</b>	Average Weighted Prime Lending Rate
<b>CAL</b>	Capital Alliance Partners Limited
<b>CBSL</b>	Central Bank of Sri Lanka
<b>CDS</b>	Central Depository Systems (Private) Limited
<b>COMB</b>	Commercial Bank of Ceylon PLC
<b>CSE</b>	Colombo Stock Exchange
<b>FY</b>	Financial Year
<b>HAYL</b>	Hayleys PLC
<b>LCB</b>	Licensed Commercial Bank
<b>LRA</b>	Lanka Rating Agency Limited
<b>NIC</b>	National Identity Card
<b>POA</b>	Power of Attorney
<b>RGFCA</b>	Resident Guest Foreign Currency Account
<b>Rs./LKR</b>	Sri Lankan Rupees
<b>SEC</b>	Securities and Exchange Commission of Sri Lanka
<b>SIA</b>	Securities Investment Account
<b>SLIPS</b>	Sri Lanka Interbank Payment System
<b>USD</b>	US Dollar
<b>VAT</b>	Value Added Tax
<b>WHT</b>	Withholding Tax
<b>YoY</b>	Year on Year

## 4.0 GLOSSARY OF TERMS RELATED TO THE ISSUE

<b>Applicant/s</b>	Any investor who submits an Application Form under this Prospectus
<b>Application Form/Application</b>	The application form that constitutes part of this Prospectus through which the investors may apply for the Debentures in issue
<b>Board/Board of Directors/Directors</b>	The Board of Directors of Hayleys PLC
<b>Closure Date</b>	The date of closure of the subscription list as set out in Section 5.15 of this Prospectus
<b>Date of Allotment</b>	The date on which the Debentures will be allotted by the Company to Applicant subscribing hereto
<b>Date of Redemption</b>	The date on which Redemption of the Debentures will take place as referred to in Section 5.8
<b>Debentures</b>	All of Senior, Unsecured, Listed, Redeemable, Rated 4 year (2015/2019) and 5 year (2015/2020) Debentures to be issued pursuant to this Prospectus
<b>Entitlement Date</b>	The Market day immediately preceding the Interest Payment Date
<b>Interest Payment Date</b>	The dates on which the interest payment shall fall due in respect of the Debentures, being semi-annually at the expiration of every Six (06) month period commencing from the Date of Allotment of the Debentures and thereafter. Interest would be paid within three (03) market days from each interest payment date (Excluding such interest payment date)
<b>Interest Period</b>	The period between two interest payment dates, which is inclusive of the interest payment date and the date immediately preceding the next interest payment date (inclusive of the aforementioned commencement date and end date); shall include the period commencing from the Date of Allotment and ending on the day prior to the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period commencing from the last of such Interest Payment Dates and ending on the date preceding the Date of Redemption
<b>Local Time</b>	Sri Lanka Time (UTC+05:30)
<b>Market Day</b>	Any day on which CSE is open for trading
<b>Prospectus</b>	This Prospectus dated 16 February 2015
<b>Redemption</b>	The repayment of Principal at maturity together with any interest accruing up to that time
<b>Senior</b>	In relation to the Debentures, senior means that the claims of

	all the Debenture holders shall in the event of winding up of the Company rank equal and pari passu with all other unsecured creditors of the Company, and in priority to the subordinated creditors of the Company and in priority to and over the claims and rights of the Shareholder/s of the Company
<b>Trust Deed</b>	Trust Deed dated 26 January 2015 between Hayleys PLC and the Trustee
<b>The Company/Issuer/HAYL</b>	Hayleys PLC
<b>Unsecured</b>	The Debentures will not be secured by any specific assets of the Company

## 5.0 ISSUE DETAILS

### 5.1 Issue Summary

The Board of Directors of HAYL on 9 December 2014 resolved to borrow from the public, LKR2,000,000,000 (Rupees Two Billion) by way of issuing Senior, Unsecured, Listed, Redeemable, Rated Four (4) year (2015/2019) and Five (5) year (2015/2020) Debentures as outlined in this Prospectus.

Two types of Debentures will be offered to the public:

Type	Tenure	Interest rate	Issue Price	Face Value
Type A	4 Years (2015/2019)	Fixed rate of 7.60% per annum payable Semi-annually in arrears (AER of 7.74%)	LKR100.00	LKR100.00
Type B	5 Years (2015/2020)	Fixed rate of 7.85% per annum payable Semi-annually in arrears (AER of 8.00%)	LKR100.00	LKR100.00

These Debentures will be listed on the CSE.

The face value shall be Rupees Two Billion (LKR2,000,000,000).

The public could subscribe for any number (subject to the minimum subscription and the maximum issue value) of Debentures mentioned above. The minimum subscription would be Rupees Ten Thousand (LKR10,000) and thereafter in multiples of Rupees Ten Thousand (LKR10,000).

### 5.2 Objectives of the Issue

The proposed debenture issued up to a maximum of LKR2 billion (Rupees two billion) contemplated through this prospectus would be utilised for the purpose of:

- To restructure the debt portfolio of the company (LKR1,735M)
- For working capital requirements of the company (LKR265M)

#### Borrowings to be re-financed (Outstanding amounts at 13<sup>th</sup> January 2015)

Loan Amount	Current Interest Rate	Tenor	Settlement Date
450,000,000	6.00%	Short term revolving money market loan	Revolving ST
465,000,000	5.75%	Short term revolving money market loan	Revolving ST
499,000,000	6.00%	Short term revolving money market loan	Revolving ST
321,000,000	6.00%	Short term revolving money market loan	Revolving ST



### 5.3 Nature of the New Debentures

This is an issue of Twenty Million (20,000,000) Senior, Unsecured, Listed, Redeemable, Rated Four (4) year (2015/ 2019), and Five (5) year (2015/ 2020) Debentures which shall rank pari passu to each other without any preference or priority over the other, except for the interest rate offered.

### 5.4 Size of the Issue

If the Twenty Million (20,000,000) Debentures are fully subscribed the issue would raise Rupees Two Billion (LKR2,000,000,000) in total.

### 5.5 Interest Rate Options

- **Type A:** Four Year (2015/2019) Debentures with a Fixed Coupon Rate of 7.60% p.a. payable semi-annually (AER- 7.74%).
- **Type B:** Five Year (2015/2020) Debentures with a Fixed Coupon Rate of 7.85% p.a. payable semi-annually (AER- 8.00%).

The interest payments in respect of the Debenture options will be as follows:

The semi-annual interest payment would fall on the expiry of every six (06) months from the Date of Allotment of the Debentures until the Date of Redemption and will be payable no later than three (3) market days from the due date (Excluding such due date).

The first interest payment in respect of the Debentures shall fall due on the date of expiry of six (06) months from the Date of Allotment. The final interest payment will be paid with the Principal Sum on the Date of Maturity/Redemption of the Debentures.

The interest calculation will be based upon the actual number of days in each interest payment period (Actual/Actual).

In order to accommodate the Debenture interest cycles in the Automated Trading System (ATS), interest payments shall not include the Debenture holders holding Debentures in the ATS as at the last day of the Payment Cycle but one day prior to the due date of interest (entitlement date). If the entitlement date is a holiday, interest shall be calculated including the entitlement date.

Interest income on debentures listed after 1<sup>st</sup> January 2013 is exempted from Income Tax (including Withholding Tax) pursuant to the 2013 budget proposal which came in to effect from 1<sup>st</sup> January 2013. However, any statutory taxes and dues that may be brought in subsequently will be deducted.

### 5.6 Listing

An application has been made to the CSE for permission to deal in and obtain a quotation for these Senior, Unsecured, Listed, Redeemable, Rated Debentures at a par value of LKR100/- each, all of which are offered to the public by way of this Debenture issue and has been approved in principle.

**The CSE however, assumes no responsibility for the correctness of the statements made or opinions expressed or reports included in this Prospectus. A Listing on the CSE is not to be taken as an indication of the merits of Hayleys PLC or of the Debentures issued.**

### **5.7 Payment of Principal and Interest**

Payment of Principal and interest will be made in Sri Lankan Rupees after deducting any taxes and charges thereon (if any) to the Debenture holders registered as at the date of payment (in case of joint debenture holders, the payment will be made to the one whose name stands first in the Register of Debenture Holders) to the address registered with the CDS through registered post to the debenture holder, by crossed cheques marked "Account Payee Only". Interest payable will be made only by cheques within three (3) market days from the end of each period.

At maturity/redemption, the payment of principal along with the balance interest payment due will be made by cheques marked "Account Payee Only".

But if prior arrangements are made with Debenture holders, an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as RTGS (arranged only at the expense of the investor) or SLIPS will be used for payment of principal and interest. RTGS transfers however shall be accommodated only for amounts over and above the maximum value that can be accommodated via SLIPS transfers.

In order to accommodate the Debenture Interest cycles in the Automated Trading System (ATS), interest payments shall not include the Debenture holders holding Debentures in the ATS as at the last day of the Payment Cycle but one day prior to the due date of interest (entitlement date).

### **5.8 Redemption**

The Debentures are redeemable at the maturity on the expiry of four (4) and five (5) years from the Date of Allotment in accordance with the provisions contained in the Trust Deed.

Notwithstanding the foregoing, these Debentures may be redeemed by the Company prior to maturity in accordance with Clause 13.2 of the Trust Deed which provides for the Company to prepay the Debentures before maturity of the Principal sum subject to the approval of 3/4<sup>th</sup> of the face value of the Debentures outstanding, at a price mutually agreed between the Company and the Debenture holders.

The Debenture Holders shall not have any right or option to call for redemption of the Debentures before the date of maturity of such debentures, except in the circumstances where the Debentures have become immediately payable in terms of Clause 10 of the Trust Deed.

On the date of maturity/redemption of the Debentures, the Company shall in accordance with the provisions contained in the Trust Deed pay to the Debenture Holders the principal sum of the

Debentures which ought to be redeemed and interest (if any) remaining unpaid up to the date of maturity/redemption of the Debenture.

If the date of maturity/redemption falls on a holiday (non-market), then the Debentures shall be redeemed on the subsequent market day, with interest payable irrespective of holidays up to the date immediately preceding such date of maturity/redemption (No interest on interest payable for the interim period).

## **5.9 Trustees to the offering**

Deutsche Bank AG – Colombo Branch of 86, Galle Road, Colombo 03 has agreed in writing to act as the Trustee to the Debenture issue and has issued a consent letter to this effect. The Company has entered into an agreement with the Trustee (hereinafter called the “Trust Deed”). Debenture Holders in their application for subscription will be required irrevocably to authorise the Trustee, subject to overriding clauses in the Trust Deed, to act as their agent in entering into such deeds, writings, instruments with the Company and to act as agents and Trustees for the debenture holders in order to facilitate the protection of the debenture holders investment and return.

The rights and obligations of the Trustee are set out in the Trust Deed, a copy of which is available for inspection as mentioned in Section 5.16 of this Prospectus. The Debentures shall be subject to the terms and conditions and confer such rights as are incorporated in the said Trust Deed. There is no conflict of interest arising between the Trustee or its Directors and the Entity.

## **5.10 Cost of the Issue**

The directors estimate that the total cost of the issue including the Listing fee, Trustee fee, Brokerage, Printing, Marketing, Managers and Registrars fees and other costs connected with the issue will be approximately LKR10 million and will be funded by Hayleys PLC.

## **5.11 Brokerage**

Brokerage at the rate of 0.15 per centum of the investment value of the Debentures will be paid in respect of the number of Debentures allotted on applications bearing the stamp of any member and trading member of the CSE and any agent appointed by the Company.

## **5.12 Rights of Debenture holders**

### **Debenture holders are entitled to the following rights**

- Receive principal on the date of maturity/redemption and interest on the Debentures as per Sections 5.5, 5.7 and 5.8 of this Prospectus and the provisions contained in the Trust Deed.
- In the event of liquidation, rank above the ordinary voting and non-voting shareholders and preference shareholders of the Company.
- Call, receive notice, attend and vote at the meetings of the Debenture holders in accordance with the provisions contained in the Trust Deed pertaining to this Debenture issue.
- The other rights of the holders of these Debentures are set out in the Trust Deed.

### **Debenture holders are NOT entitled to the following rights**

- Attending and voting at meetings of holders of shares and other types of debentures.
- Sharing in the profits of the Company
- Participating in any surplus in the event of liquidation

### **Obligations on the Debentures**

- The Company shall repay the principal sum on the date of maturity/redemption and interest on the Debentures as per Sections 5.5, 5.7 and 5.8 of this Prospectus and the provisions contained in the Trust Deed and comply with all other terms and conditions stipulated in the Trust Deed in respect of these Debentures.
- When making payment of the principal sum and interest on the Debentures, the Company shall always act on the information furnished by the CDS and it shall be the responsibility/obligation of each Debenture Holder to keep all the information in respect of such Debenture holder updated in the CDS. Each Debenture Holder shall absolve the Company from any responsibility or liability in respect of any error or absence of necessary changes in the information recorded with the CDS. In addition the Debenture Holder shall absolve CDS and CSE from any responsibility or liability in respect of any error or absence of any necessary changes initiated by the Debenture Holder in the information recorded with the CDS.

### **5.13 Credit Rating**

Lanka Rating Agency Limited has assigned AA- rating to the Company's Senior, Unsecured, Listed, Redeemable, Rated Debentures from the report dated January 2015. The rating report issued by Lanka Rating Agency Limited is set out in Annexure II of this Prospectus.

### **5.14 Transfer of Debentures**

- These Debentures shall be freely transferable as long as the Debentures are listed in the CSE and the registration of such transfer shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements.
- Subject to provisions contained in the Trust Deed, the Company may register without assuming any liability any transfer of Debentures, which are in accordance with the statutory requirements and rules and regulations in force for the time being as laid down by the CSE, SEC and the CDS
- In the case of the death of a Debenture Holder
  - The survivor where the deceased was a joint holder; and
  - The executors or administrators of the deceased (or where the administration of the estate of the deceased is in law not compulsory, the heirs of the deceased) where such Debenture Holder was the sole or only surviving holder; shall be the only persons recognised by the issuer as having any title to his/her Debentures.
- Any person becoming entitled to any Debenture in consequence of bankruptcy or winding up of any Debenture holder, upon producing proper evidence that such debenture holder sustains the character in respect of which such debenture holder proposes to act or such debenture holder's title as the Board of Directors of the Company thinks sufficient, may at the discretion of the Board be substituted and accordingly, registered as a Debenture

holder in respect of such Debentures subject to the applicable laws, rules and regulations of the Company, CDS, CSE and SEC.

- No change of ownership in contravention of the above conditions will be recognised by the Company.

### **5.15 Subscription List and Closure Date**

The subscription list for the Senior, Unsecured, Listed, Redeemable, Rated Debentures pursuant to this Prospectus will open at 9.00 a.m. on 26 February 2015 and shall remain open for fourteen (14) market days until closure at 4.30 p.m. on 18 March 2015.

However, in the event of an over subscription of the Twenty Million (20,000,000) Debentures, the subscription list will close at 4.30 p.m. on the same day on which it is fully subscribed, with the notification of CSE.

Applications may however be made forthwith in the manner set out in Section 6.0 and accordingly, duly completed application forms will be accepted from (Applications available dates), by Managers to the issue, Registrars to the Issue or by any member/trading member firm of the CSE as set out in the Collection Points of Annex III of this Prospectus.

### **5.16 Inspection of Documents**

Certified copies of the Articles of Association of the Company, the Audited financial statements of the Company for the last five years ending 31 March, 2010, 2011, 2012, 2013 and 2014, Rating Report, Trust Deed and all other documents pertaining to the Company to which references are made in this Prospectus could be inspected by the public during normal business hours at the Registered Office of Hayleys PLC from the date hereof, until the date of maturity of the Debentures issued.

In terms of Rule 3.3.11 (b) of the CSE Listing Rules; the Prospectus, Articles of Association of the Company and the Trust Deed are also hosted in the Company's website, [www.hayleys.com](http://www.hayleys.com), and the CSE website, [www.cse.lk](http://www.cse.lk), from the date of opening of the subscription list until the Date of Redemption of the Debentures.

### **5.17 Risks Related to the Debentures**

#### **1. Reinvestment Risk**

Interests on the Debentures are payable semi-annually. An investor may decide to reinvest this interest payment and earn interest from that point onwards until maturity. Depending on the prevailing interest rates at the point of reinvestment, the interest rates at which Debenture Holders will reinvest such interest received being higher or lower than the return offered by the Debentures is known as reinvestment risk.

#### **2. Interest Rate Risk**

The price of a typical debenture will have a negative correlation with the market interest rates. Interest rate risk captures this relationship between market interest rates and the value of

Debentures. If market interest rates rise, the value of the Debentures may fall: as market interest rates fall the value of Debentures may rise (all other factors being equal). If the investor wishes to sell the Debenture prior to its maturity, he might be facing a capital loss (gain) if the market interest rates have increased (decreased) subsequently. Interest rate risk is irrelevant for the investor who wishes to hold the Debenture till maturity.

### **3. Credit Risk**

Risk of the issuer not being able to pay interest and principal payments as promised on a timely basis is default risk/credit risk. It is advisable for prospective investors of the Debenture to take into account the credit rating awarded to the Company and to its Debentures by Lanka Rating Agency Limited, present financial strength as reflected in the Balance Sheet of the Company, asset and earnings growth and experience and skills of the Directors and senior management when forming an opinion on default risk. Lanka Rating Agency Limited has assigned a credit rating of AA- for HAYL Debenture issue (Refer Annex II for Rating Report) and this credit rating will be reviewed periodically.

### **4. Liquidity Risk**

Liquidity risk refers to the ease with which the debenture can be sold in the secondary market, after the initial placement. Since the HAYL Debentures are listed, should an investor require an exit option, they will be able to sell the Debentures through the CSE in order to convert them to cash and exit from the investment. Therefore the liquidity risk is mitigated to a greater degree in the HAYL Debenture. Investors have to be mindful of the fact that even though the Debentures are listed, trading of listed debt is not at an advanced stage as the equity markets in Sri Lanka.

### **5. Inflation Risk**

An increase in inflation rates will cause a decrease in the real value of coupon cash flows of the debenture. The Debenture which offers the fixed coupon is subject to inflation risk since the interest rates are not adjusted upwards depending on the inflation rate.

### **6. Call Risk**

Call risk refers to the risk that the issuer will retire all of the principal value of the debentures before maturity. The risk to investor is in that, the timing of the call is not known and the investor will be faced with a re-investment risk in the event the call is made at a time when the market interest rates have declined.

These Debentures shall not be redeemed by the Company prior to maturity for any reason whatsoever except due to unforeseen circumstances beyond the control of the Company. If redemption is to be done before maturity, it will be done subject to the approval of 3/4<sup>th</sup> of the Debenture holders in nominal value of the Debentures outstanding as set out under Clause 13.2 of the Trust Deed, when the principal sum is repaid before maturity.

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## 6.0 APPLICATION PROCEDURE

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### 6.1 Eligible Applicants

Applications are invited from the following categories of investors:

- Citizens of Sri Lanka who are resident in Sri Lanka and above 18 years of age; or
- Companies, corporations or institutions incorporated or established within Sri Lanka; or
- Approved Unit Trusts licensed by the SEC; or
- Approved provident funds and contributory pension schemes registered/incorporated/established in Sri Lanka (in this case, Applications should be in the name of the Trustee/Board of Management in order to facilitate the opening of the CDS account)
- Foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas); or
- Global, regional and country funds approved by the SEC; or
- Non-residents: foreign institutional investors, corporate bodies incorporated or established outside Sri Lanka, individuals and Sri Lankans resident outside Sri Lanka.

Please note that Applications made by **individuals less than 18 years of age** or those in the names of **sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies** will be rejected.

“Individuals resident outside Sri Lanka” will have the same meaning as in the notice published under the Exchange Control Act in Gazette No. 15007 dated 21<sup>st</sup> April 1972.

When permitting Non-Residents to invest in the Debentures, the Company will comply with the relevant Exchange Control Regulations including the conditions stipulated in the notice under the Exchange Control Act with regard to the issue and transfer of debentures of companies incorporated in Sri Lanka to foreign investors as published in the Government Gazette (Extraordinary) No. 1681/11 on 22nd November 2010, Government Gazette (Extraordinary) No. 1733/19 on 22nd November 2011 and Government Gazette (Extraordinary) No. 1864/39 on 28<sup>th</sup> May 2014.

### 6.2 Application methodology

Applicants applying for the New Debentures should submit their Applications in the manner as set out in this Prospectus.

The Prospectus will be made available free of charge from the collection points listed in Annex III. The Prospectus can also be downloaded from [www.cse.lk](http://www.cse.lk) and the Company website [www.hayleys.lk](http://www.hayleys.lk)

#### 6.2.1 How to Apply

Applications should be made on the Application Forms, issued with the Prospectus. Application Forms and Prospectuses are issued free of charge from the places/institutions covered in Section 2.0 and Annexure III of the Prospectus. Application Forms could also be

downloaded from the Company's web site, [www.hayleys.com](http://www.hayleys.com) and CSE web site [www.cse.lk](http://www.cse.lk) (Exact size photocopies of Application Forms too would be accepted).

Care must be taken to follow the instructions given on the reverse side of the Application Form. Applications that do not strictly conform to such instructions and/or the terms and conditions set out in this Prospectus or which are incomplete or illegible may be rejected.

Applications should be made for a minimum of One Hundred (100) Debentures each. Applications exceeding the minimum subscription should be in multiples of One hundred (100) Debentures (LKR10,000). Applications which are not in line with these guidelines will be rejected.

Applicants should apply only for one Type of Debentures (i.e. either Type A or Type B) under one Application Form. In the event an Applicant wishes to apply for more than one Type of Debentures, separate Application Forms should be used. Once an Application Form has been submitted for a particular Type of Debentures, it will not be possible for an Applicant to switch between the Types of Debentures. More than one Application submitted by an Applicant under the same Type of Debentures will not be accepted. If more than one Application Form is submitted for one Type of Debentures from a single Applicant, those would be construed as multiple Applications and the Company reserves the right to reject such multiple Applications or suspected multiple Applications.

In the case of Corporate Applicants, the common seal of the company should be affixed and attested if required by the Articles of Association or such other constitutional documents of such Applicants or as per the statutes governing them. In case of approved provident funds, trust funds and approved contributory pension schemes, the Applications should be in the name of the Trustees/Board of Management.

### **6.2.2 Minimum Subscription and Underwriting**

The offering is not conditional upon any minimum subscription amount being raised through this Issue. The Company has not entered into any underwriting arrangement with regards to this Issue.

In the event the issue is under subscribed, the subscribers shall be allotted in full and funds raised shall be utilized to meet the objectives of the issue as stipulated in Section 5.2 of the Prospectus.

### **6.2.3 Identification Information**

All Applicants should disclose their identification/registration information by filling in the space provided in the Application Form for this purpose.

Applicants are requested to state their residency and nationality in the appropriate spaces provided in the Application Form.



**The NIC, passport or company registration number as the case may be, must be stated in the Application Form and any Application Form which does not provide the appropriate identification information will be rejected.**

Resident Applicants may use the passport for purposes of identification only if they do not have a NIC number.

Tabulated below is the relevant identification information that a prospective investor should provide depending on the legal status:

Citizenship / Legal Form	Identification Information			
	NIC Number	Passport Number	Company Registration Number	Common Seal or Rubber Stamp
Sri Lankan Citizens	✓			
Sri Lankan Citizens with no NIC Number – <b>Note I</b>		✓		
Foreign Citizens – <b>Note II</b>		✓		
Corporate Entities – <b>Note III</b>			✓	✓

**Note I:** In the case of Sri Lankan citizens, the passport number will be accepted only when the NIC number is not available. The CDS account must be for the same passport number.

**Note II:** Foreign citizens must state the passport number in the space provided.

**Note III:** The company registration number must be provided. The common seal or rubber stamp should be affixed and the Application Form duly signed as stipulated in the constitutional documents of such Applicants.

Non-resident investors may be affected by the laws of the jurisdiction of their residence. If the non-resident investors wish to apply for the Debentures, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

#### **6.2.4 Margin Trading**

Applicants who wish to apply through their margin trading account, should submit the Application in the name of the “margin provider/Applicant’s name” signed by the margin provider. The Applicants should state the relevant CDS account number relating to the margin trading account in the space provided for the CDS account number in the Application Form.

**The NIC, passport or company registration number of the Applicant, as the case may be, must be stated in the Application Form.**

Resident Applicants may use the passport for purposes of identification, only if they do not have a NIC number.

A photocopy of the margin trading agreement must be submitted along with the Application.

Please note that the margin provider can apply under its own name and such Applications will not be construed as multiple Applications. Multiple applications will not be entertained. The Issuer reserves the right to reject all multiple applications or suspected multiple applications.

### **6.2.5 Applications Made Under Power of Attorney**

In the case of Applications made under Power of Attorney (POA), a copy of the said POA, certified by a Notary Public to be a true copy of the original, should be lodged with the Registrar to the Issue along with the Application Form. The original POA should not be attached.

### **6.2.6 Joint Applications**

Joint Applications may be made. However, an applicant of a joint application will not be eligible to send a separate application individually or jointly. The interest and capital payments/repayments (if any) will be drawn in favour of the principal applicant as given in the Application Form.

### **6.2.7 Submission of Applications**

Application Forms properly and legibly filled in accordance with the instructions thereof, along with the applicable remittance (cheque or bank draft or bank guarantee only) for the full amount payable on Application should be enclosed in a sealed envelope marked “**Hayleys PLC – Debenture Issue 2015**” on the top left-hand corner and be addressed and **dispatched** by post or courier or delivered by hand to the Registrar to the Issue at the following address **prior to 4.30 p.m. Local Time on the Closure Date.**

**PW Corporate Secretarial (Pvt) Ltd – 3/17, Kynsey Road, Colombo 08.**

Applications may also be handed over to the Financial Advisors and Managers to the Issue, members and trading members of the CSE as set out in Annex III prior to 4.30 p.m. Local Time on the Closure Date.

In the case of Applications dispatched by courier or post, such Applications should reach the Registrar to the Issue no later than 4.30 p.m. Local Time on the Market Day immediately following the Closure Date. Any Applications received after the above deadline shall be rejected even though the courier or postmark is dated prior to the Closure Date.

## **6.3 Payment of Application Monies**

### **6.3.1 Mode of Remittance**

Payment should be made separately in respect of each Application by cheque or bank draft or bank guarantee drawn upon any licensed commercial bank operating in Sri Lanka or RTGS transfer through any licensed commercial bank operating in Sri Lanka, as the case may be, subject to the below (a) through (c).

- a) Remittances on Applications will be deposited in a separate bank account in the name of **"Hayleys PLC Debenture Issue 2015"**.
- b) **Payment for Applications for Debentures of a value of below LKR100,000,000/-** could be supported by a cheque or bank draft or bank guarantee. In such instances, Application Form should be accompanied by only one cheque or bank draft or bank guarantee and should be issued for the full amount indicated in the Application Form. An Application for Debentures of a value of below LKR100,000,000/- accompanied by two or more cheques/bank drafts/bank guarantees or RTGS transfers will be rejected at the outset.
- c) **Applicants making Applications for Debentures of a value of above LKR100,000,000/-** will be permitted to submit;
- Bank draft drawn upon any licensed commercial bank operating in Sri Lanka
  - Bank guarantee issued by a licensed commercial bank
  - RTGS transfer with value on the date of the issue Opening Date
  - Multiple cheques drawn upon any LCB, each of which should be for a value less than LKR100,000,000/-.

**CASH WILL NOT BE ACCEPTED. ANYONE WISHING TO PAY CASH SHOULD OBTAIN A BANK DRAFT FROM A LICENSED COMMERCIAL BANK IN SRI LANKA.**

### **6.3.2 RTGS Transfers**

In case of RTGS transfers (only for Application values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR100,000,000/-) such transfer should be made to the credit of **"Hayleys PLC Debenture Issue 2015"** bearing account number **101000251028** at **NDB Bank PLC** with value on the Issue Opening Date (i.e. the funds to be made to the above account on the issue opening date).

The Applicant should obtain a confirmation from the Applicant's bank, to the effect that arrangements have been made to transfer payment in full for the total value of Debentures applied for the credit of **"Hayleys PLC Debenture Issue 2015"** bearing account number **101000251028** at **NDB Bank PLC** with value on the Issue Opening Date (i.e. the funds to be made to the above account on the issue opening date) and should be attached with the Application Form.

For such RTGS transfers, an interest rate of 2% per annum **(on actual/actual basis)** will be paid from the date of such transfer up to the Date of Allotment.

No interest will be paid for funds prior to the Issue Opening Date, if those fund transfers are effected prior to the Issue Opening Date.

No interest will be paid if the RTGS transfers are not realised before 4.30 p.m. of the Closure Date.

### **6.3.3 Cheques or Bank Drafts – Resident Sri Lankan Investors**

Cheques or bank drafts should be drawn on any LCB in Sri Lanka and crossed “**Account Payee Only**” and made payable to “**Hayleys PLC Debenture Issue 2015**”.

Cheques or bank drafts accompanying Application Forms should be made for a minimum of One Hundred (100) Debentures for each Type of Debenture. Applications exceeding the minimum subscription should be in multiples of One Hundred (100) Debentures. Applications which are not in line with these guidelines will be rejected (as mentioned in Section 6.2.1) and will not be sent for clearing and shall be returned via ordinary post at the risk of the Applicant, or in the case of joint Applicants, to the first named Applicant.

In the event that cheques are not realised within two (02) Market Days from the day of presenting the same to the bank for clearing, the cheques will be returned and no allocation of Debentures will be made to the Applicants.

Cheques must be honoured on first presentation to the bank for the Application to be valid. Applications supported by cheques which are not honoured on the first presentation will be rejected.

### **6.3.4 Foreign Currency Remittance**

**This section is applicable to citizens of Sri Lanka who are above 18 years of age and resident overseas, corporate bodies incorporated or established outside Sri Lanka, global, regional or country funds approved by the SEC and foreign citizens (irrespective of whether they are resident in Sri Lanka or overseas) who are above 18 years of age.**

The above mentioned Applicants should be made only out of funds received as inward remittances or available to the credit of “Securities Investment Account” (SIA) maintained with any LCB in Sri Lanka in accordance with directions given by the Controller of Exchange in that regard to licensed commercial banks.

An endorsement by way of a letter by the LCB in Sri Lanka in which the Applicant maintains the SIA, should be attached to the Application Form to the effect that such payment through bank draft/bank guarantee/RTGS has been made out of the funds available in the SIA.

### **6.3.5 Restrictions Applicable to Foreign Citizens Resident in Sri Lanka**

Foreign citizens resident in Sri Lanka may make payments through Sri Lanka Rupee accounts only if they possess dual citizenship where one such citizenship is Sri Lankan. Foreign citizens having Sri Lankan citizenship should attach a certified copy of the citizenship certificate with the Application Form.

Foreign citizens residing in Sri Lanka having valid residency visas should note that they cannot make remittances via cheques or bank drafts or bank guarantees or RTGS transfers drawn on Sri Lanka Rupee accounts maintained with any LCB in Sri Lanka but may do so via

SIA/FCBU/RGFCR/RGRCA accounts. Applications made by foreign citizens not in accordance to the foregoing shall be rejected.

### **6.3.6 Bank Guarantees**

Applications made by Sri Lankan investors backed by bank guarantees presented in line with the requirements set out in Section 6.3.1, will be accepted. Bank guarantees will be presented to the respective banks only after the new Debentures have been allotted. Bank guarantees should be issued by any LCB in Sri Lanka and in favour of **“Hayleys PLC Debenture Issue 2015”** in a manner acceptable to the Company and be payable on demand.

**Bank guarantees should be valid for a minimum of one (01) month from the date of the Issue.**

Investors are encouraged to discuss with their relevant bankers with regard to the issuance of bank guarantees and all related charges that would be incurred by the investors.

### **6.4 Rejection of Applications**

- Application Forms which are incomplete in any way and/or are not in accordance with the terms and conditions set out in Section 6.0 of this Prospectus will be rejected at the absolute discretion of the Company.
- Any Application Form which does not provide the NIC, passport (where NIC is not available) or company registration number as the case may be, will be rejected.
- Applications delivered by hand after 4.30 p.m. Local Time on the Closure Date of the Issue will be rejected. Applications received by courier/post after 4.30 p.m. Local Time on the succeeding Market Day immediately following the Closure Date of the Issue, will also be rejected even if they carry a courier acceptance date/postmark date earlier than the Closure Date.
- Applications made for less than one hundred (100) Debentures or for a number which is not in multiples of one hundred (100) Debentures will be rejected.
- Applications which do not carry a valid CDS account number, or which indicate an inaccurate or incorrect CDS account number, shall be rejected and no allotment will be made.
- The Company reserves the right to reject multiple Applications and suspected multiple Applications which are not allowed, or to accept only one Application Form at their discretion, in such instance.
- Payment for Applications of Debentures accompanied by cheques or bank drafts or bank guarantees which are not in accordance with Section 6.3.1 (b) and (c) will be rejected at the outset.
- Applications made by individuals below 18 years of age or those in the names of sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies will be rejected.

**Notwithstanding any provision contained herein, the Board of Directors shall reserve the right to refuse any Application or to accept any Application in full or part.**

## **6.5 Banking of Payments**

All cheques or bank drafts or bank guarantees received in respect of Applications will not be banked or called on until the Market Day after the Closure Date of the subscription list, in terms of the CSE Listing Rules.

## **6.6 Returning of Monies of Rejected Applications**

Where an Application Form is rejected, the cheque or bank draft or bank guarantee received in respect of the Application will be returned via ordinary post at the risk of the Applicant. In the case of joint Applicants, the cheque or bank draft or bank guarantee received in respect of the Application will be returned to the first named Applicant.

Where the Application Form is accepted and the cheque or bank draft or bank guarantee is not honoured at the first presentation, the Application will also be rejected and the dishonoured cheque or bank draft or bank guarantee will be returned via ordinary post at the risk of the Applicant. In the case of joint Applicants, the dishonoured cheque or bank draft or bank guarantee will be returned to the first named Applicant. Funds received via SIA will be returned to the respective SIA as applicable therefore applicants who remit money via the SIA accounts shall mention the accurate SIA account numbers in the application form to enable refunds being made to such accounts.

## **6.7 Allotment of Debentures in Issue/Basis of Allotment**

In the case of an oversubscription, the Board of Directors of the HAYL will endeavour to decide and announce to the CSE a fair basis of allotment, within seven (07) Market Days from the Closure Date. Further, the Board reserves the right to allocate up to 60% of the issue value on a preferential basis, to investor/s of strategic importance with whom they might partner with in future endeavours.

A written confirmation informing successful Applicants on their allotment of New Debentures will be dispatched as required by the CSE within ten (10) market days of the closure of the subscription list.

The Board of Directors of HAYL reserves the right to refuse any application or to accept any Application in part only, without assigning any reason therefore.

## **6.8 Refunds on Applications**

Where an Application is accepted only in part, the balance of the monies received on Application will be refunded. Refunds on New Debentures that have not been allotted will be refunded on or before the expiry of ten (10) Market Days from the Closure Date (excluding the Closure Date) as required by the CSE Listing Rules. Applicants would be entitled to receive interest at the last quoted AWPLR published by the CBSL plus 5%, on any refunds not made by the expiry of the above mentioned period.

### **6.8.1 Refunds via SLIPS**

Monies will be refunded where;

- an Application is rejected for reasons given in Section 6.4
- the Application is accepted only in part

If the Applicant has provided accurate and complete details of his bank account in the Application, the Bankers to the Issue will make refund payments up to and inclusive of Rupees Five Million (LKR 5,000,000/-) to the bank account specified by the Applicant, through cheques or SLIPS and a payment advice will be sent.

In the event of refunds over Rupees Five Million (LKR 5,000,000/-) or if the Applicant has not provided accurate and correct details of his bank account in the application, the company will make such refund payment to the Applicant by way of a cheque and sent by post at the risk of the Applicant.

In the case of joint Application, the cheques will be drawn in favour of the Applicant's name appearing first in the Application Form.

Refunds on Applications rejected or partly allotted Debentures would be made within 10 Market Days excluding the Closure Date.

### **6.9 Successful Applicants and CDS Lodgement**

The New Debentures allotted will be directly uploaded to the respective CDS account given in the Application Form before the expiry of eighteen (18) Market Days from the Closure Date of the Issue as required by the CSE Listing Rules.

All Applicants should indicate in the Application for Debentures, their NIC number or the company registration number as the case may be. The passport number may be indicated only if the Applicant does not have a NIC number.

As per the Directive of the Securities and Exchange Commission made under Circular No. 08/2010 dated November 22, 2010 and Circular No. 13/2010 issued by the Central Depository System (Private) Limited dated November 30, 2010, all Debentures allotted shall be directly uploaded to the CDS accounts. As such, all Applicants should indicate their CDS account number in the Application Form. Applicants who do not have a CDS account are advised to open a Valid CDS account prior to submitting the Application, in order to facilitate the uploading of allotted Debentures to their CDS account.

Applicants, who wish to open a CDS Account, may do so through any member/trading member of the CSE as set out in the Annex III or through any Custodian Bank as set out in Annex IV of this Prospectus.

Please note that upon the allotment of Debentures under this Issue, for Applicants who have indicated their CDS account details in the Application Form, **the allotted Debentures would be credited to the applicant's CDS account so indicated.**

**Please note that debenture certificates shall not be issued.**

Applications which do not carry the CDS account number, which is not opened at the time of the closure of the subscription list or which indicate an inaccurate/incorrect CDS account number, shall be rejected and no allotment will be made.

Written confirmation, upon the completion of crediting the respective CDS account will be sent to the Debenture holder within two (02) Market Days of crediting the CDS accounts by ordinary post to the address provided by each Debenture holder in their respective Applications.

#### **6.10 Declaration to the CSE and Secondary Market Trading**

The Company will submit to the CSE a declaration on the Market Day immediately following the day on which Applicants' CDS accounts are credited with the New Debentures. Trading of the New Debentures on the secondary market will commence on or before the third (3rd) Market Day from the receipt of the declaration by the CSE as per the CSE Listing Rules.



## 7.0 FINANCIAL INFORMATION

The following financial information is hosted on the CSE web site [www.cse.lk](http://www.cse.lk) and [www.hayleys.com](http://www.hayleys.com);

- Audited financial statements of the Entity for the year ended 31 March 2014
- Interim financial statements of the Entity for the nine months ended 31 December 2014
- Summarized financial statement for the five years commencing from 1 April 2009 to 31 March 2014 stating the accounting policies adopted by the Entity certified by the auditors. Qualifications carried in any of the Auditors Reports covering the period in question and any material changes in accounting policies during the relevant period.

### 7.1 Details of borrowings of Hayleys PLC as at 31 December 2014

Type of Borrowing	Year of Issue	Lender / Arranger	Face Value (LKR)	Tenure (Years)	Outstanding (LKR)
Long term loan	2010	Hatton National Bank	900,000,000	5	90,000,000
Long term loan	2010	Hatton National Bank	1,100,000,000	5	220,000,000
Long term loan	2013	Hatton National Bank	1,000,000,000	5	800,000,000
Long term loan	2014	Commercial Bank	1,000,000,000	5	1,000,000,000
Long term loan	2011	DFCC Bank	400,000,000	6	166,666,663
Long term loan	2013	Standard Chartered Bank (USD)	10,000,000	3	650,921,702
Debenture	2013	Multiple	2,000,000,000	3	1,989,083,098
OD/Money market	2014	Commercial Bank	500,000,000		450,000,000
OD/Money market	2014	Citi Bank	500,000,000		465,000,000
OD/Money market	2014	Seylan Bank	1,000,000,000		499,000,000
OD/Money market	2014	Amana Bank	250,000,000		240,000,000
OD/Money market	2003	Deutsche Bank	500,000,000		70,844,734
OD/Money market	2013	Habib Bank	200,000,000		66,405,783

\*Hayleys PLC does not hold any convertible debt in issue.

### 7.2 Litigation, disputes and contingent liabilities

Apart from legal proceedings in the normal course of its business, the Company and its subsidiaries are not a party to any litigation or arbitration proceedings and is not aware of any pending or threatened litigation or arbitration that, if decided adversely to the Company, would have a significant effect upon the Company's financial position nor has it been a party to any such proceedings in the recent past.

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## ANNEX I – STATUTORY DECLARATIONS

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### Statutory Declaration by the Directors

We, the undersigned who are named in the Prospectus issued by Hayleys PLC 'The Company' in connection with its issue of up to 20,000,000 Senior, Unsecured, Listed, Redeemable, Rated, debentures ('The Prospectus'), as Directors of the Company, hereby declare and confirm that we have seen and read the provisions Companies Act No.07 of 2007 and the Listing Rules of CSE relating to the issue of the Prospectus and those provisions have been complied with.

This Prospectus has been seen, read and approved by the directors of the Entity and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that provisions of the CSE Listing Rules and of the Companies Act No. 07 of 2007 and any amendments to it from time to time have been complied with and after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the Entity have been given in the Prospectus, such representations have been made after due and careful enquiry of the information available to the Entity and making assumptions that are considered to be reasonable at the present point in time in the best judgement of the directors.

An application has been made to the Colombo Stock Exchange for permission to deal in and for a listing of all securities in a particular class issued by the Entity and those Securities of the same class which are the subject of this issue. Such permission will be granted when the Securities are listed on the Colombo Stock Exchange. The Colombo Stock Exchange assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports included in this Prospectus. Listing on the Colombo Stock Exchange is not to be taken as an indication of the merits of the Entity or of the Securities issued.

Name	Designation	Signature
Mr. Mohan Pandithage	Executive Chairman/CEO	Signed
Mr. Dhammika Perera	Co-Chairman/Non-Executive	Signed
Mr. Rizvi Zaheed	Director (Executive)	Signed
Mr. Nimal Perera	Director (Non-Executive)	Signed
Mr. Sarath Ganegoda	Director (Executive)	Signed
Mr. Rajitha Kariyawasan	Director (Executive)	Signed
Dr. Harsha Cabral	Director (Independent Non-executive)	Signed
Dr. Mahesha Ranasoma	Director (Executive)	Signed
Mr. Lalin Smarawickrama	Director (Executive)	Signed
Mr. Mangala Goonatileke	Director (Independent Non-executive)	Signed
Mr. Ruwan Waidyaratne	Director (Executive)	Signed
Mr. Hisham Jamaldeen	Director (Independent Non-executive)	Signed

## **Statutory Declaration by Joint-manager to the Issue**

Wednesday, 7<sup>th</sup> of January 2015

We, Capital Alliance Partners Limited, of Level 5, Millennium House, 46/58, Navam Mawatha, Colombo 02 being a Joint-manager to the Issue of Hayleys PLC, hereby declare and confirm to the best of our knowledge and belief that the Prospectus constitutes full and true disclosure of all material facts about the Issue and about Hayleys PLC, whose Debentures are being listed.

Signed by two directors of Capital Alliance Partners Limited, being duly authorised thereto, at Colombo on this Wednesday, 7<sup>th</sup> of January 2015

Signed  
Kishan Vairavanathan  
Chief Executive Officer/Director

Signed  
Ajith Fernando  
Director

## **Statutory Declaration by Joint-manager to the Issue**

Monday, 12<sup>th</sup> of January 2015

We, Commercial Bank of Ceylon PLC, of Commercial House, No.21, Sir Razeek Fareed Mawatha, Colombo 01 being a Joint-manager to the Issue of Hayleys PLC, hereby declare and confirm to the best of our knowledge and belief that the Prospectus constitutes full and true disclosure of all material facts about the Issue and about Hayleys PLC, whose Debentures are being listed.

Signed by authorised signatories of Commercial Bank of Ceylon PLC, being duly authorised thereto, at Colombo on this Monday, 12<sup>th</sup> of January 2015

Signed  
Sushara Vidyasagara  
Chief Manager  
Investment Banking

Signed  
Naveen Sooriyarachchi  
Asst. General Manager  
Corporate & Investment Banking



*Our Ref. No: LRA/06/2015*

08<sup>th</sup> January 2015

Mr. Sarath Ganegoda  
Director  
**Hayleys PLC,**  
400, Deans Road,  
Colombo 10

Dear Mr. Sarath Ganegoda,

**Hayleys PLC – Credit Update**

Lanka Rating Agency has reaffirmed the long and short- term corporate credit ratings of Hayleys PLC at **AA-** and **P1**. The outlook on the long-term rating carries a stable outlook. Concurrently, we have also reaffirmed the long-term issue ratings of the Company's LKR 2 billion Listed, Unsecured, Redeemable Debenture at **AA-**. Also, the we have also assigned a preliminary issue rating for the LKR 2 billion, Listed, Unsecured, Redeemable Debenture at **AA-**.

The long-term rating of **AA-** reflects;

"A strong capacity to meet financial obligations. The entity is resilient against adverse changes in circumstances, economic conditions and/or operating environments"

The short-term rating of **P1** reflects;

"A strong capacity to meet short-term financial obligations. This is the highest short-term corporate credit rating assigned by Lanka Rating Agency"

**Surveillance**

Lanka Rating Agency will continue to keep your Company under surveillance and request you to keep us informed of any material events that affect your organisation. Further, please forward us the quarterly information as per the mandate in the format already forwarded.

Finally, we would like to thank your staff for the co-operation extended to us during the rating review.

Thank you.

Yours faithfully,



Adrian Perera  
**Managing Director / CEO**

**Material Events**

1. Change in ownership / composition over 5%
2. Change in senior management positions and board.
3. Acquisitions and mergers
4. Commencement/Discontinuation of a product or business
5. New credit lines and withdrawals of such lines.
6. New issues of shares, debentures, loans
7. Large investments or disposal of such (10% and over of the share holders' funds)

# CREDIT RATING RATIONALE

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## Hayleys PLC

- Corporate Credit Update
- LKR 2.0 billion Senior, Unsecured, Redeemable Debenture (2013/2016)
- Proposed LKR 2.0 billion Senior, Unsecured, Redeemable Debenture (2015/2020)

January 2015



Lanka Rating Agency Limited  
No 11,  
Melbourne Avenue,  
Colombo 4

T-2553089 F- 2553090  
E- [lra@lra.com.lk](mailto:lra@lra.com.lk)  
[www.lra.com.lk](http://www.lra.com.lk)



# CREDIT RATING RATIONALE

## CORPORATE RATINGS

January 2015

### Analysts:

#### Lead

Haran Vythilingam  
ACCA, ACS  
(9411) 2553089  
haran@lra.com.lk

#### Associate

Abilaazh Kamalanathan  
BSc (Hons), BBA  
(9411) 2553089  
abilaazh@lra.com.lk

### Principal Activity:

Hand protection,  
purification,  
transportation,  
agriculture, plantations,  
textiles, construction  
materials, fibre,  
consumer, industry  
solutions, power and  
energy, leisure and  
aviation.

### Ratings:

Long-term: AA-  
[Reaffirmed]  
Short-term: P1  
[Reaffirmed]

### Instrument:

(i) LKR 2.0 billion  
Senior, Unsecured,  
Redeemable  
Debentures  
(2013/2016)

### HAYLEYS PLC

#### – Credit Update

Methodology Used: LRA – Corporate Profile Rating

### Summary

Lanka Rating Agency ("LRA"), former RAM Rating Lanka's, technical partner is CRISIL India ("CRISIL"). CRISIL is a global analytical company providing ratings, research, and risk and policy advisory services. CRISIL is India's leading ratings agency and is also the foremost provider of high-end research to the world's largest banks and leading corporations. CRISIL's majority shareholder is Standard and Poor's ("S&P"). S&P, a part of McGraw Hill Financial (formerly The McGraw-Hill Companies) ("NYSE:MHFI"), is the world's foremost provider of credit ratings.

LRA reaffirms Hayleys PLC's ("Hayleys" or "the Company") long- and short-term corporate credit ratings at AA- and P1 respectively. Concurrently, LRA also reaffirms the long-term issue rating of AA- to the Company's issued LKR 2.0 billion Senior, Unsecured, and Redeemable Debentures (2013/2016). Furthermore, LRA also assigns an initial preliminary issue rating of AA- to the Company's proposed LKR 2.0 billion Senior, Unsecured, Redeemable Debentures (2015/2020). All long-term ratings are recommended to carry a stable outlook.

Hayleys is a diversified conglomerate with wide ranging business interests in hand protection, purification, transportation, agriculture, plantations, textiles, construction materials, fibre, consumer, industrial solutions, power and energy together with leisure and aviation. (Hayleys, along with its subsidiaries will collectively be referred to as "Hayleys Group" or "the Group")

The newly assigned rating is preliminary, based primarily on information provided by the issuer and its agent, or the rated institution. Lanka Rating Agency Limited does not verify the accuracy or completeness of such material and is not responsible for any errors or omissions, or the results obtained from the use of the same. This preliminary rating is contingent upon final documents conforming to information already received, and the resolution of outstanding matters deemed pertinent by LRA. Subsequent information may result in the assignment of the final rating that differs from the preliminary rating. LRA's rating is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or its suitability for a particular investor, nor does it involve any audit by LRA.



(ii) Proposed LKR 2.0 billion Senior, Unsecured, Redeemable Debentures (2015/2020)

**Ratings:**

(i) AA- [Reaffirmed]

(ii) AA- [Assigned]

**Rating Outlook:**  
Stable

**Coupon Rates:**

(i) 14.25% p.a (payable quarterly)

(ii) Type A: 7.74% p.a. (payable semi-annually)  
Type A: 8.00% p.a. (payable semi-annually)

**Last Rating Action:**  
December 2013

The ratings reflect the following strengths:

- **Diversified business interests**

LRA observes that Hayleys is a well-diversified conglomerate with a widespread array of revenue contributions stemming from a number of key sub-sectors. The Group does not place significant reliance on any single sub-sector, as evidenced from its revenue composition, with no sub-sector accounting for more than 20% of the Group's total revenue. Hayleys' business portfolio is divided into its three major sectors, namely, global markets and manufacturing, agriculture and plantations and services. The diversification has allowed the Group to withstand the adversities affecting a particular industry sector, as weaker showings in one business line can be off-set by the strong performance in another.

- **Strong market positions in business lines**

The Group continues to hold strong market positions in several of its key businesses. In purification, it is the largest producer of coconut shell based activated carbon in the world, with an estimated global market share of around 15%. Meanwhile, in the non-medical rubber gloves market the Group commands a global market share of around 5%. In the transportation industry, the Hayleys' subsidiary Hayleys Advantis Limited ("Advantis") is a strong player in the domestic logistics industry. In plantations, the Group is a significant player in the production of tea and rubber. In addition, Hayleys is also a strong player in aluminium extrusions manufacturing.

- **Adequate debt protection metrics**

The Group's gearing levels continued to remain stable during FY Mar 2014, with the gearing ratio being recorded at 0.71 times as at end-fiscal 2014 and end-fiscal 2013. Hayleys' total debts increased by 9.73% y-o-y, primarily to fund capacity expansion in its key business lines, and to satisfy the Group's higher working capital requirements. The gearing ratio increased slightly at 0.75 times as at end-1H fiscal 2015. Going forward, despite the issuance of the LKR 2.0 billion debenture, which is raised primarily to restructure the Group's gearing levels; Hayleys' gearing ratio is anticipated to hover at similar levels. Moreover, the Group's debt protection metrics also continues to be adequate. The Group's FFO improved 8.50% y-o-y to LKR 8.78 billion during fiscal 2014. Subsequently, the Group's FFO debt coverage remained stable at 0.34 times by end-fiscal 2014 and end-fiscal 2013. Moreover, the ratio improved to 0.37 times in 1H fiscal 2015 owing to a marked improvement in the Group's FFO.



The preceding strengths are however moderated by the following weaknesses;

- **Average liquidity levels**

The Group's liquidity position which improved in FY Mar 2014 with its LKR 2 billion debenture issue, however remains average compared to our similar rated peers; its cash and bank balances amounted to LKR 2.64 billion as at end- FY Mar 2014, compared to short term debts amounting to LKR 16.68 billion, which accounted for 64.44% of the Group's total borrowings (FY Mar 2013: 75.96%). This resulted in an improved CCE to short-term debt of 0.25 times (FY Mar 2013: 0.17 times), relatively average compared to our similar rated peers. Meanwhile, the Company's liquidity position declined marginally during 1H FY Mar 2015 on the back of an increase in short-term borrowings to LKR 18.77 billion, primarily raised to satisfy the Group's working capital requirements. Nevertheless, our concerns are somewhat mitigated given the Group's ability to obtain debt-financing through its strong relationships with banks, as well as the financial flexibility derived from the listed status of several of its key subsidiaries. Moreover, the proposed debenture issuance of LKR 2.0 billion, raised primarily to restructure the Group's short-term borrowings are expected to further improve the Group's liquidity position.

- **Vulnerable to volatilities in commodity prices**

The Group's key businesses are sensitive to fluctuations in commodity prices which in turn are governed by a range of factors including global supply, demand and weather conditions. For instance, the performance of the Group's plantation sector is directly correlated to the prices fetched by tea and rubber. Meanwhile, rubber and coconut are key inputs to the Group's hand protection and activated carbon businesses respectively. However, given the Group's backward linkages between the segments, this risk is somewhat mitigated (rise in the rubber prices will benefit plantation segment, though it will adversely impact the hand protection segment). Thus volatilities in the prices of these raw materials directly affect the Group's margins in the short term.

- **Exposure to foreign exchange ("forex") and environmental risks**

Hayleys is exposed to foreign exchange volatility given its reliance on international trading. A majority of the Group's sales are denominated in foreign currency while their costs are largely rupee denominated; any movements in exchange rate would have an impact on the profitability. That said, the Group's Central Treasury provides consultation to Group companies on minimising forex risk, thus mitigating this risk to a certain extent.



Corporate Information- Hayleys PLC			
Date of Incorporation:	1953		
Commencement of Business:	1878		
Major Shareholders as at 30 September 2014:	KDD Perera	40.93%	
	SRL/ KDD Perera	4.53%	
	Trustees of DS Jayawardena Trust	11.80%	
	Hayleys PLC-Employees Share Trust	9.14%	
	Employees Provident Fund	4.09%	
	Valibhai One PLC	2.91%	
	Lanka Orix Leasing Company PLC	2.27%	
Directors:	AM Pandithage	Chairman/ Chief Executive	
	KDD Perera	Co- Chairman (Non-Executive)	
	MR Zahed	Executive	
	WDNH Perera	Non-Executive	
	SC Ganegoda	Executive	
	HSR Kariyawasam	Executive	
	Dr H Cabral, PC	Independent/Non-Executive	
	Dr KIM Ranawansa	Executive	
	MDS Goonetilleke	Independent/Non-Executive	
	LT Samarawickrama	Executive	
	L.R.Waidyaratne	Executive	
	M.H.Janakkann	Independent/Non-Executive	
Auditor:	Ernst & Young		
Listing:	Main Board of Colombo Stock Exchange		
Key Management (General Management Committee members)	AM Pandithage	HCS Mendis	
	MR Zahed	Dr A Sivagananathan	
	SC Ganegoda	LDEA De Silva	
	HSR Kariyawasam	R. Rajadurai	
	Dr KIM Ranawansa	R. Goonetilleke	
	LT Samarawickrama	G A Dandeniya	
	R.Waidyaratne	Ma D.S. Amarasinghe	
	J Wijesinghe		
Listed Subsidiaries:	Haycarb PLC	67.70%	
	Hayleys Fibre PLC	65.00%	
	Dipped Products PLC	55.17%	
	Hayleys MGT Knitting Mills PLC	82.80%	
	The Kingsbury PLC	58.40%	
	Amaya Leisure PLC	63.60%	
	Talawakelle Plantations PLC	27.40%	
	Kisari Valley Plantations PLC	39.10%	
	Alumex PLC	55.70%	
	Alufab PLC	82.48%	
	Hunas Falls Hotels PLC	56.30%	
Capital History:	Year	Remarks	Amount (LKR million)
			Cumulative Total (LKR million)
		Brought forward	-
	2014		-



## FINANCIAL SUMMARY

### Hayleys PLC – Group

	unaudited				
STATEMENT OF FINANCIAL POSITION (LKR million)	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14	30-Sep-14
Property, Plant & Equipment	24,445.80	31,013.72	37,431.89	38,483.91	41,804.80
Investments in Associates/Jointly-Controlled Entities	483.85	305.83	268.80	247.34	238.75
Deferred Tax Assets	197.34	239.30	352.21	397.60	393.71
Other Investments & Non-Current Assets	1,195.30	1,282.74	1,245.88	2,128.02	2,655.81
Goodwill & Intangible Assets	3,381.55	5,164.38	5,358.55	5,541.29	5,655.57
<b>Total Non-Current Assets</b>	<b>29,683.88</b>	<b>37,885.78</b>	<b>44,867.11</b>	<b>48,788.16</b>	<b>60,808.48</b>
Inventory	8,720.29	10,397.62	10,277.47	12,098.86	12,158.88
Trade Receivables	6,486.85	7,140.32	9,503.37	11,565.33	17,968.76
Other Current Assets	7,289.15	7,678.34	7,179.89	8,709.60	1,894.10
Amounts Due from Holding/Related Companies & Directors	0.00	0.00	0.00	0.00	0.00
Amounts Due from Associates/Jointly-Controlled Entities	3.72	0.00	1.33	9.04	9.09
Cash & Bank Balances	1,487.23	1,755.42	2,125.51	2,637.71	2,484.19
Money Market Instruments	14.85	915.07	998.85	1,536.10	1,090.13
<b>Total Current Assets</b>	<b>24,002.08</b>	<b>27,888.77</b>	<b>30,088.22</b>	<b>34,668.84</b>	<b>36,602.84</b>
<b>Total Assets</b>	<b>53,685.42</b>	<b>65,872.64</b>	<b>74,748.33</b>	<b>81,364.79</b>	<b>88,409.37</b>
Equity Share Capital	1,575.00	1,575.00	1,575.00	1,575.00	1,575.00
Equity-Like Hybrid Capital	0.00	0.00	0.00	0.00	0.00
Reserves	9,788.11	7,104.33	9,888.85	9,911.33	9,895.84
Retained Profit/(Accumulated Losses)	4,282.89	9,892.41	10,788.13	12,236.71	13,114.00
Non-Controlling Interests	8,052.43	10,077.10	11,173.10	12,614.22	13,998.46
<b>Total Equity</b>	<b>23,698.42</b>	<b>28,448.84</b>	<b>33,434.89</b>	<b>36,337.27</b>	<b>38,583.31</b>
Short-Term Private Debt Securities	0.00	0.00	0.00	0.00	0.00
Amounts Due to Holding/Related Companies & Directors	0.00	0.00	0.00	0.00	0.00
Amounts Due to Associates/Jointly-Controlled Entities	52.58	21.16	30.13	10.02	10.00
Other Short-Term Debts	12,153.63	16,516.61	17,892.26	16,871.20	18,762.82
Trade Payables	4,484.50	3,255.36	4,081.85	4,757.17	11,586.39
Taxation	399.05	297.51	571.36	373.34	381.35
Dividends Payable	0.00	80.06	76.17	96.83	0.00
Other Current Liabilities	3,602.41	6,454.95	6,892.07	7,279.64	483.90
<b>Total Current Liabilities</b>	<b>20,682.16</b>	<b>26,825.86</b>	<b>29,548.64</b>	<b>29,188.20</b>	<b>31,224.28</b>
Long-Term Liabilities	4,842.22	5,585.72	6,103.85	6,022.30	6,906.83
Debt-Like Hybrid Capital	0.00	0.00	0.00	0.00	0.00
Long-Term Private Debt Securities	0.00	0.00	0.00	0.00	0.00
Other Long-Term Debts	4,432.62	5,212.34	5,871.15	9,207.02	9,895.16
<b>Total Non-Current Liabilities</b>	<b>9,274.84</b>	<b>10,798.08</b>	<b>11,774.80</b>	<b>15,828.32</b>	<b>18,801.79</b>
<b>Total Liabilities</b>	<b>29,957.00</b>	<b>37,423.70</b>	<b>41,318.44</b>	<b>45,017.62</b>	<b>48,028.28</b>
<b>Total Equity + Total Liabilities</b>	<b>53,685.42</b>	<b>65,872.64</b>	<b>74,748.33</b>	<b>81,364.79</b>	<b>88,409.37</b>



Hayleys PLC

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## FINANCIAL SUMMARY

### Hayleys PLC – Group

	unaudited				
STATEMENT OF COMPREHENSIVE INCOME (LKR million)	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14	30-Sep-14
Revenue	64,224.80	66,806.71	74,301.85	80,564.11	46,486.47
Operating Profit(Loss) before Depreciation, Interest & Tax	3,887.17	6,287.04	7,999.71	8,792.10	4,881.36
Depreciation & Amortisation	(1,262.89)	(1,556.38)	(1,771.64)	(2,003.41)	(1,173.57)
Operating Profit(Loss) before Interest & Tax	2,624.29	4,730.66	6,228.07	6,788.69	3,467.79
Finance Costs	(1,209.85)	(1,512.90)	(2,694.13)	(2,407.60)	(1,252.99)
Debt-Related Foreign Exchange Gain/(Loss)	196.85	(395.58)	340.95	(184.26)	0.00
Operating Profit(Loss) before Tax	1,611.48	1,822.20	3,874.89	4,196.83	2,204.79
Other Income/(Loss)	374.31	734.89	1,041.34	875.93	504.84
Non-Recurring Items	(5.28)	0.00	0.00	0.00	0.00
Share of Associates/Jointly-Controlled Entities Profits/(Losses)	51.07	3.81	0.35	1.24	(1.46)
Pre-Tax Profit(Loss)	2,031.58	2,660.90	4,916.58	5,074.00	2,708.17
Taxation	(903.85)	(738.70)	(1,411.98)	(1,365.01)	(678.85)
Net Profit(Loss)	1,127.73	1,822.20	3,504.60	3,708.99	2,029.31
Other Comprehensive Income/(Loss)	0.00	188.07	2,829.20	(155.24)	4.94
Total Comprehensive Income/(Loss)	1,127.73	2,010.28	6,333.80	3,553.75	2,034.25
Additional Disclosure:					
Net Profit Attributable to Non-Controlling Interests	450.55	608.36	1,743.45	1,900.47	1,072.80
Dividends - Ordinary Shares & Preference Shares	536.27	300.00	337.50	375.00	0.00

	unaudited				
STATEMENT OF CASHFLOW (LKR million)	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14	30-Sep-14
Pre-Tax Profit(Loss)	2,031.58	2,660.90	4,916.58	5,074.00	2,708.17
Adjustments	3,207.45	3,987.88	4,347.98	3,081.38	3,181.34
Operating Profit(Loss) before Working Capital Changes	5,239.04	6,648.78	9,264.56	8,155.38	5,889.51
Tax Paid	(746.49)	(1,066.72)	(1,173.68)	(1,379.18)	(804.84)
Funds from Operations	4,492.55	5,582.06	8,090.87	6,776.21	5,084.66
Changes in Working Capital	(1,847.14)	(2,884.83)	(375.89)	(2,876.90)	(1,638.00)
Other Income/(Expenses)	(230.43)	(344.78)	(416.61)	(498.36)	(262.78)
Net Cashflow from Operating Activities	2,415.98	2,472.45	7,298.26	3,400.95	3,183.88
Capital Expenditure	(2,834.93)	(3,053.43)	(3,148.90)	(3,453.47)	(2,705.13)
Free Operating Cashflow	(418.95)	(580.98)	2,147.66	(52.52)	478.75
Other Investing Outflows	(3,319.51)	(3,529.05)	(781.35)	(827.04)	(1,285.82)
Investing Inflows	1,594.40	3,469.83	1,225.29	590.82	285.75
Pre-Financing Cashflow	(2,047.06)	(2,640.41)	2,611.61	1,311.06	(811.09)
Interest Payments	(1,209.85)	(1,478.67)	(2,679.11)	(2,387.46)	(1,140.34)
Net Changes in Borrowings	2,205.28	892.88	8.11	3,000.17	220.88
Dividend Payments	(150.00)	(300.00)	(300.00)	(337.50)	(375.00)
Others	(93.00)	(438.37)	(983.87)	(837.84)	(800.52)
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,495.44)	(4,008.05)	(1,648.26)	6,548.48	(2,206.06)
Opening Cash Balance	(3,597.95)	(7,536.10)	(11,839.19)	(13,182.43)	(9,834.02)
Closing Cash Balance	(7,854.85)	(11,865.15)	(13,487.45)	(6,633.95)	(12,040.08)



Hayleys PLC

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## FINANCIAL RATIO'S

### Hayleys PLC – Group

KEY RATIOS	unaudited				
	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14	30-Sep-14
<b>PROFITABILITY (%):</b>					
OPBDIT Margin	7.17%	8.03%	10.77%	10.91%	10.18%
OPBIT Margin	4.84%	5.67%	8.38%	8.43%	7.60%
Pre-Tax Profit Margin	3.75%	3.89%	6.62%	6.30%	5.95%
Net Profit Margin	2.08%	2.77%	4.72%	4.60%	4.46%
Return on Capital Employed	7.55%	8.90%	12.75%	12.32%	11.82%
<b>CAPITALISATION (TIMES):</b>					
Gearing Ratio	0.70	0.76	0.71	0.71	0.75
Net Gearing Ratio	0.64	0.70	0.64	0.64	0.68
Debt-Capital Ratio	0.41	0.43	0.41	0.42	0.43
<b>DEBT COVERAGE (TIMES):</b>					
Interest Coverage Ratio	3.84	2.77	3.40	3.39	3.70
OPBDIT Debt Coverage Ratio	0.23	0.24	0.34	0.34	0.32
Funds from Operations Debt Coverage Ratio	0.27	0.25	0.34	0.34	0.37
Operating Cashflow Debt Coverage Ratio	0.15	0.11	0.31	0.22	0.24
Free Operating Cashflow Debt Coverage Ratio	(0.03)	(0.12)	0.09	0.08	0.05
<b>LIQUIDITY (TIMES):</b>					
Current Ratio	1.16	1.05	1.02	1.18	1.14
Quick Ratio	0.74	0.66	0.67	0.77	0.75
Cash and Cash Equivalents to Short-Term Debts	0.12	0.16	0.17	0.25	0.19
Short-Term Debts to Total Debts (%)	73.36%	76.04%	75.96%	64.44%	65.48%
<b>CASH CYCLE (DAYS)</b>					
Receivables Cycle	43.66	39.60	46.66	52.40	72.08
Payables Cycle	38.14	22.66	25.98	28.11	59.44
Inventory Cycle	74.17	72.39	65.41	71.50	62.37
Operating Cash Cycle	79.69	89.33	85.12	95.79	75.00

OPBDIT= Operating Profit Before Depreciation, Interest & Tax

OPBIT= Operating Profit Before Interest & Tax



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## FINANCIAL RATIO'S

### Hayleys PLC – Group

KEY FINANCIAL RATIOS	FORMULAE
<b>PROFITABILITY (%)</b>	
OPSDIT Margin	$OPSDIT / Revenue$
Adjusted OPSDIT Margin	$Operating Lease-Adjusted OPSDIT / Revenue$
OPST Margin	$OPST / Revenue$
Adjusted OPST Margin	$Operating Lease-Adjusted OPST / Revenue$
Pre-Tax Profit Margin	$Pre-Tax Profit / Revenue$
Net Profit Margin	$Net Profit / Revenue$
Return on Capital Employed	$(Pre-Tax Profit + Finance Costs^* + Debt-Related Foreign Exchange Loss/Gain) / (Total Debt + Total Equity)$
Adjusted Return on Capital Employed	$(Pre-Tax Profit + Operating Lease-Adjusted Finance Costs^* + Debt-Related Foreign Exchange Loss/Gain) / (Total Adjusted Debt + Total Equity)$
<b>CAPITALISATION (TIMES)</b>	
Gearing Ratio	$Total Debt / Total Equity$
Adjusted Gearing Ratio	$Total Adjusted Debt / Total Equity$
Net Gearing Ratio	$(Total Debt - Cash & Bank Balances) / Total Equity$
Adjusted Net Gearing Ratio	$(Total Adjusted Debt - Cash & Bank Balances) / Total Equity$
Debt-Capital Ratio	$Total Debt / (Total Equity + Total On-Balance Sheet Debt)$
Adjusted Debt-Capital Ratio	$Total Adjusted Debt / (Total Equity + Total Adjusted Debt)$
<b>DEBT COVERAGE (TIMES)</b>	
Interest Coverage Ratio	$OPSDIT / (Finance Costs^* + Preference Share Dividends + Interest Capitalised + Realised Debt-Related Foreign Exchange Loss/Gain)$
Adjusted Interest Coverage Ratio	$Operating Lease-Adjusted OPSDIT / (Operating Lease-Adjusted Finance Costs^* + Preference Share Dividends + Interest Capitalised + Realised Debt-Related Foreign Exchange Loss/Gain)$
OPSDIT Debt Coverage Ratio	$OPSDIT / Total Debt$
Adjusted OPSDIT Debt Coverage Ratio	$Operating Lease-Adjusted OPSDIT / Total Adjusted Debt$
Funds from Operations Debt Coverage Ratio	$Funds from Operations / Total Debt$
Adjusted Funds from Operations Debt Coverage Ratio	$Operating Lease-Adjusted Funds from Operations / Total Adjusted Debt$
Operating Cashflow Debt Coverage Ratio	$Net Operating Cashflow / Total Debt$
Adjusted Operating Cashflow Debt Coverage Ratio	$Operating Lease-Adjusted Net Operating Cashflow / Total Adjusted Debt$
Free Operating Cashflow Debt Coverage Ratio	$Free Operating Cashflow / Total Debt$
Adjusted Free Operating Cashflow Debt Coverage Ratio	$Operating Lease-Adjusted Free Operating Cashflow / Total Adjusted Debt$
<b>LIQUIDITY (TIMES)</b>	
Current Ratio	$(Current Assets - Amounts Due from Related Parties) / (Current Liabilities - Amounts Due to Related Parties)$
Quick Ratio	$(Current Assets - Amounts Due from Related Parties - Inventory) / (Current Liabilities - Amounts Due to Related Parties)$
Cash and Cash Equivalents to Short-Term Debt	$(Cash & Bank Balances + Money Market Instruments) / Short-Term Debt$
Short-Term Debt to Total Debt (%)	$Short-Term Debt / Total Debt$
<b>CASH CYCLE (DAYS)</b>	
Receivables Cycle	$Trade Receivables / Revenue \times 365$
Payables Cycle	$Trade Payables / Cost of Sales \times 365$
Inventory Cycle	$Total Inventory / Cost of Sales \times 365$
Operating Cash Cycle	$Receivables Cycle - Payables Cycle + Inventory Cycle$
Adjusted ratios take into consideration non-cancellable operating leases and/or other liabilities excluded from statement of financial position, where applicable.	
* Includes on-going, non-discretionary payments on hybrid securities, if any.	
OPSDIT = Operating Profit (before Depreciation, Interest & Tax)	
OPST = Operating Profit (before Interest & Tax)	





## CREDIT RATING DEFINITIONS

### Corporate Credit Ratings

A Corporate Credit Rating ("CCR") is Lanka Rating Agency's current opinion on the overall capacity of an entity to meet its financial obligations. The opinion is not specific to any particular financial obligation, as it does not take into account the expressed terms and conditions of any specific financial obligation.

#### Long-Term Ratings

AAA	An entity rated AAA has a superior capacity to meet its financial obligations. This is the highest long-term CCR assigned by Lanka Rating Agency.
AA	An entity rated AA has a strong capacity to meet its financial obligations. The entity is resilient against adverse changes in circumstances, economic conditions and/or operating environments.
A	An entity rated A has an adequate capacity to meet its financial obligations. The entity is more susceptible to adverse changes in circumstances, economic conditions and/or operating environments than those in higher-rated categories.
BBB	An entity rated BBB has a moderate capacity to meet its financial obligations. The entity is more likely to be weakened by adverse changes in circumstances, economic conditions and/or operating environments than those in higher-rated categories. This is the lowest investment-grade category.
BB	An entity rated BB has a weak capacity to meet its financial obligations. The entity is highly vulnerable to adverse changes in circumstances, economic conditions and/or operating environments.
B	An entity rated B has a very weak capacity to meet its financial obligations. The entity has a limited ability to withstand adverse changes in circumstances, economic conditions and/or operating environments.
C	An entity rated C has a high likelihood of defaulting on its financial obligations. The entity is highly dependent on favourable changes in circumstances, economic conditions and/or operating environments, the lack of which would likely result in it defaulting on its financial obligations.
D	An entity rated D is currently in default on either all or a substantial portion of its financial obligations, whether or not formally declared. The D rating may also reflect the filing of bankruptcy and/or other actions pertaining to the entity that could jeopardise the payment of financial obligations.

#### Short-Term Ratings

P1	An entity rated P1 has a strong capacity to meet its short-term financial obligations. This is the highest short-term CCR assigned by Lanka Rating Agency.
P2	An entity rated P2 has an adequate capacity to meet its short-term financial obligations. The entity is more susceptible to the effects of deteriorating circumstances than those in the highest-rated category.
P3	An entity rated P3 has a moderate capacity to meet its short-term financial obligations. The entity is more likely to be weakened by the effects of deteriorating circumstances than those in higher-rated categories. This is the lowest investment-grade category.
NP	An entity rated NP has a doubtful capacity to meet its short-term financial obligations. The entity faces major uncertainties that could compromise its capacity for payment of financial obligations.
D	An entity rated D is currently in default on either all or a substantial portion of its financial obligations, whether or not formally declared. The D rating may also reflect the filing of bankruptcy and/or other actions pertaining to the entity that could jeopardise the payment of financial obligations.

For long-term ratings, Lanka Rating Agency applies signs plus (+), flat or minus (-) in each category from AA to C. The sign plus (+) indicates that the entity ranks at the higher end of its generic rating category; the sign flat indicates a mid-ranking; and the sign minus (-) indicates that the entity ranks at the lower end of its generic rating category.



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## CREDIT RATING DEFINITIONS

### Issue Ratings

An Issue Rating is Lanka Rating Agency's current opinion on the creditworthiness of a particular debt issue. It reflects the overall capacity and willingness of an issuer to meet the financial obligations on a particular debt issue on a full and timely basis, taking into account its expressed terms and conditions.

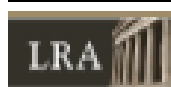
#### Long-Term Ratings

AAA	An issue rated AAA has a superior capacity to meet its financial obligations. This is the highest long-term issue Rating assigned by Lanka Rating Agency.
AA	An issue rated AA has a strong capacity to meet its financial obligations. The entity is resilient against adverse changes in circumstances, economic conditions and/or operating environments.
A	An issue rated A has an adequate capacity to meet its financial obligations. The entity is more susceptible to adverse changes in circumstances, economic conditions and/or operating environments than those in higher-rated categories.
BBB	An issue rated BBB has a moderate capacity to meet its financial obligations. The entity is more likely to be weakened by adverse changes in circumstances, economic conditions and/or operating environments than those in higher-rated categories. This is the lowest investment-grade category.
BB	An issue rated BB has a weak capacity to meet its financial obligations. The entity is highly vulnerable to adverse changes in circumstances, economic conditions and/or operating environments.
B	An issue rated B has a very weak capacity to meet its financial obligations. The entity has a limited ability to withstand adverse changes in circumstances, economic conditions and/or operating environments.
C	An issue rated C has a high likelihood of defaulting on its financial obligations. The entity is highly dependent on favourable changes in circumstances, economic conditions and/or operating environments, the lack of which would likely result in it defaulting on its financial obligations.
D	An issue rated D is currently in default on either all or a substantial portion of its financial obligations, whether or not formally declared. The D rating may also reflect the filing of bankruptcy and/or other actions pertaining to the entity that could jeopardise the payment of the financial obligations.

#### Short-Term Ratings

P1	An issue rated P1 has high safety for payment of financial obligations in the short term. This is the highest short-term issue Rating assigned by Lanka Rating Agency.
P2	An issue rated P2 has adequate safety for payment of financial obligations in the short term. The issuer is more susceptible to the effects of deteriorating circumstances than those in the highest-rated category.
P3	An issue rated P3 has moderate safety for payment of financial obligations in the short term. The issuer is more likely to be weakened by the effects of deteriorating circumstances than those in higher-rated categories. This is the lowest investment-grade category.
NP	An issue rated NP has doubtful safety for payment of financial obligations in the short term. The issuer faces major uncertainties that could compromise its capacity for payment of a particular debt issue.
D	An issue rated D is either currently in default or faces imminent default on its financial obligations, whether or not formally declared. The D rating may also reflect a distressed exchange, the filing of bankruptcy and/or other actions pertaining to the issuer that could jeopardise the payment of a particular debt issue.

For long-term ratings, Lanka Rating Agency applies signs plus (+), flat or minus (-) in each category from AA to C. The sign plus (+) indicates that the issue ranks at the higher end of its generic rating category; the sign flat indicates a mid-ranking; and the sign minus (-) indicates that the issue ranks at the lower end of its generic rating category.



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## **ANNEX III – COLLECTION POINTS**

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Copies of the Prospectus and the Application Form can be obtained free of charge from the following collection points.

### **Managers to the Issue**

Capital Alliance Partners Limited  
Level 5, Millennium House,  
46/58 Navam Mawatha,  
Colombo 02  
T: +94 11 2317777  
F: +94 11 2317788

### **Registrar to the Issue**

PW Corporate Secretarial (Pvt) Limited  
3/17, Kinsey Road,  
Colombo 08  
T: +94 11 4640360  
F: +94 11 4740588

### **Managers to the Issue**

Commercial Bank of Ceylon PLC  
Commercial House  
No.21, Sir Razeek Fareed Mawatha,  
Colombo 01.  
T: +94 11 5331544  
F: +94 11 5377881

### **Members of the CSE**

Acuity Stockbrokers (Private) Limited  
Level 6, Acuity House,  
No. 53, Dharmapala Mawatha,  
Colombo 03  
T: +94 11 2206206  
F: +94 11 2206298-9  
E: [sales@acuitystockbrokers.com](mailto:sales@acuitystockbrokers.com)

Asha Phillip Securities Limited  
2nd Floor, Lakshmans Building,  
No. 321, Galle Road,  
Colombo 03  
T: +94 11 2429100  
F: +94 11 2429199  
E: [apsl@ashaphillip.net](mailto:apsl@ashaphillip.net)

Asia Securities (Private) Limited  
Level 21, West Tower,  
World Trade Centre,  
Echelon Square,  
Colombo 01  
T: +94 11 2423905, 5320000  
F: +94 11 2336018  
E: [enquiry@asiacapital.lk](mailto:enquiry@asiacapital.lk)

Assetline Securities (Private) Limited  
120, 120A,  
Pannipitiya Road,  
Battaramulla  
T: +94 11 4700111, 2307366  
F: +94 11 4700112, 2307365  
E: [colombo.dpglobal@dpmcfs.com](mailto:colombo.dpglobal@dpmcfs.com)

Nation Lanka Equities (Private) Limited  
44, Guildford Crescent,  
Colombo 07  
T: +94 11 4889061-3, 2684483  
F: +94 11 2688899  
E: [info@nlequities.com](mailto:info@nlequities.com)

CT CLSA Securities (Pvt) Limited  
4-14, Majestic City,  
10, Station Road, Colombo 04  
T: +94 11 2552290-4  
F: +94 11 2552289  
E: [ctssales@sltnet.lk](mailto:ctssales@sltnet.lk)

John Keells Stockbrokers (Private) Limited  
186, Vauxhall Street,  
Colombo 02  
T: +94 11 2342066-7, 2306250  
F: +94 11 2342068  
E: [jkstock@keells.com](mailto:jkstock@keells.com)

Lanka Securities (Private) Limited  
228/1, Galle Road,  
Colombo 04  
T: +94 11 4706757, 2554942  
F: +94 11 4706767  
E: [lankasec@sltnet.lk](mailto:lankasec@sltnet.lk)

NDB Stockbrokers (Private) Limited  
5th Floor, NDB Building,  
40, Navam Mawatha,  
Colombo 02  
T: +94 11 2314170-8  
F: +94 11 2314180  
E: [mail@ndbs.lk](mailto:mail@ndbs.lk)

SC Securities (Private) Limited  
2nd Floor,  
55, D.R. Wijewardena Mawatha,  
Colombo 10  
T: +94 11 4711000-1  
F: +94 11 2394405  
E: [ceo@sampathsecurities.lk](mailto:ceo@sampathsecurities.lk)

Capital Trust Securities (Private) Limited  
42, Mohamed Macan Markar Mawatha,  
Colombo 03  
T: +94 11 2174174  
F: +94 11 2174173  
E: [inquiries@capitaltrust.lk](mailto:inquiries@capitaltrust.lk)

### **Trading Members (Equity)**

Softlogic Stockbrokers (Private) Limited  
37th Lane, Queens Road,  
Colombo 03  
T: +94 11 7277000  
F: +94 11 7277099  
E: [info@equity.softlogic.lk](mailto:info@equity.softlogic.lk)

J B Securities (Private) Limited  
150, St Joseph Street,  
Colombo 14  
T: +94 11 2490900, 077 2490900,  
F: +94 11 2430070, 2446085  
E: [jbs@jb.lk](mailto:jbs@jb.lk)

Somerville Stockbrokers (Private) Limited  
137, Vauxhall Street,  
Colombo 02  
T: +94 11 2329201-5, 2332827,  
F: +94 11 2338291  
E: [ssb-web@sltnet.lk](mailto:ssb-web@sltnet.lk)

First Capital Equities (Pvt) Limited.  
01, Level 02,  
Lake Crescent,  
Colombo 02  
T: +94 11 2145000  
F: +94 11 5736264  
E: [inquiries@firstcapital.lk](mailto:inquiries@firstcapital.lk)

Bartleet Religare Securities (Private) Limited  
Level "G", "Bartleet House"  
65, Braybrooke Place,  
Colombo 02  
T: +94 11 5 220 200  
F: +94 11 2 434 985  
E-mail: [info@bartleetstock.com](mailto:info@bartleetstock.com)

Capital Alliance Securities (Private) Limited  
Level 5, "Millennium House",  
46/58, Navam Mawatha,  
Colombo 02  
T: +94 11 2317777  
F: +94 11 2317788  
E: [info@cal.lk](mailto:info@cal.lk)

Claridge Stockbrokers (Private) Limited  
10, Gnanartha Pradeepa Mawatha,  
Colombo 08  
T: +94 11 2697974  
F: +94 11 2689250  
E: [csb@mackwoods.com](mailto:csb@mackwoods.com)

Candor Securities Limited  
Level 8, "Millennium House",  
46/58 Nawam Mawatha,  
Colombo 02  
T: +94 11 2359 100  
F: +94 11 2305 522  
E: [info.cel@candorh.com](mailto:info.cel@candorh.com)

LOLC Securities (Private) Limited  
Level 18, West Tower,  
World Trade Centre,  
Colombo 01  
T: +94 11 5880880  
F: +94 11 2 434771

Taprobane Securities (Private) Limited  
2nd Floor, 10, Gotham Road,  
Colombo 08  
T: +94 11 5328200  
F: +94 11 5328277  
E: [info@taprobane.lk](mailto:info@taprobane.lk)

Richard Pieris Securities (Pvt) Ltd  
55/20, Vauxhall Lane,  
Colombo 02  
T: +94 11 7448900, 5900800  
F: +94 11 2330711  
E: [dilruk@rpsecurities.com](mailto:dilruk@rpsecurities.com)

SMB Securities (Private) Limited  
102/1, Dr. N.M. Perera Mawatha,  
Colombo 08  
T: +94 11 4 388 138  
F: +94 11 2670294  
E: [admin@smbsecurities.lk](mailto:admin@smbsecurities.lk)

First Guardian Equities (Private) Limited  
L32, East Tower, World Trade Centre,  
Colombo 01  
T: +94 11 5884400  
F: +94 11 5884401  
E: [info@firstguardianequities.com](mailto:info@firstguardianequities.com)

Enterprise Ceylon Capital (Pvt) Limited  
27th Floor, East Tower,  
World Trade Centre,  
Colombo 01  
T: +94 11 2333000  
F: +94 11 2333383  
E: [info@ecc.lk](mailto:info@ecc.lk)

Navara Securities (Pvt) Ltd  
2nd Floor, 45/2, Braybrooke Street,  
Colombo 02  
T: +94 11 2358700  
F: +94 11 2358701  
E: [info@nws.lk](mailto:info@nws.lk)

TKS Securities (Private) Limited  
19-01, East Tower, World Trade Centre,  
Colombo 01  
T: +94 11 7857799  
F: +94 11 7857857  
E: [info@tks.lk](mailto:info@tks.lk)

First Capital Markets Limited  
75, Arnold Ratnayake Mawatha,  
Colombo 10  
T: +94 11 2639898, 2681888  
F: +94 11 2639899, 2681460  
E: [info@firstcapital.lk](mailto:info@firstcapital.lk)

### **Trading Members (Debt)**

First Capital Markets Limited  
02, Deal Place,  
Colombo 03  
T: +94 11 2 639 898  
F: +94 11 2 639 899

Capital Alliance Limited  
Level 5, "Millennium House",  
46/58, Navam Mawatha,  
Colombo 02  
T: +94 11 2317777  
F: +94 11 2317788

Wealthtrust Securities Limited  
32, Castle Street,  
Colombo 08  
T: +94 11 2689823  
F: +94 11 2689605

Perpetual Treasuries Limited  
Level 3, Prince Alfred Tower,  
10, Alfred House Gardens,  
Colombo 03  
T: +94 11 2206123  
F: +94 11 2206110

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## ANNEX IV – CUSTODIAN BANKS

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Bank of Ceylon  
Head Office,  
11th Floor,  
04, Bank of Ceylon Mawatha,  
Colombo 01  
Tel: 011 2317777, 011 2448348

Commercial Bank of Ceylon PLC  
Commercial House,  
21, Bristol Street,  
P.O. Box 853,  
Colombo 01  
Tel: 011 2445010-15, 011 238193-5

Hatton National Bank PLC  
HNB Towers,  
479, T. B. Jayah Mawatha,  
Colombo 10  
Tel: 011 2664664

People's Bank  
Head Office, 5th Floor,  
Sir Chittampalam A Gardiner Mawatha,  
Colombo 02  
Tel: 011 2781481, 011 237841-9,

Sampath Bank PLC  
110, Sir James Peiris Mawatha,  
Colombo 02  
Tel: 011 5331441

Seylan Bank PLC  
Level 8, Ceylinco Seylan Towers,  
90, Galle Road,  
Colombo 03  
Tel: 011 2456789, 011 4701812

Citi Bank, N A  
65 C, Dharmapala Mawatha,  
P.O. Box 888,  
Colombo 07  
Tel: 011 2447316-8, 011 2447318

Deutsche Bank AG  
P.O. Box 314,  
86, Galle Road,  
Colombo 03  
Tel: 011 2447062, 011 2438057

The Hong Kong and Shanghai Banking  
Corporation Limited  
24, Sir Baron Jayathilake Mawatha,  
Colombo 01  
Tel: 011 2325435, 011 2446591

Standard Chartered Bank  
37, York Street,  
P. O. Box 112,  
Colombo 01  
Tel: 011 4794400, 011 2480000

State Bank of India  
16, Sir Baron Jayathilake Mawatha,  
Colombo 01  
Tel: 011 2326133-5, 011 2439405-6

Union Bank of Colombo Limited  
15A, Alfred Place,  
Colombo 03  
Tel: 011 2370870

Nations Trust Bank PLC  
256, Sri Ramanathan Mawatha,  
Colombo 15  
Tel: 011 4313131

Pan Asia Banking Corporation PLC  
Head Office  
450, Galle Road,  
Colombo 03  
Tel: 011 2565565

National Savings Bank  
255, Galle Road,  
Colombo 03  
Tel: 011 2573008-15

Public Bank Berhard  
340, R.A De Mel Mawatha,  
Colombo 03  
Tel: 011 2576 289