



First Capital

A Janashakthi Group Company

First Capital Treasuries PLC

PROVISIONAL FINANCIAL STATEMENTS

Quarter ended
30 June 2024

REVIEW OF OPERATIONS

First Capital Treasuries PLC (the Company) recorded a Profit after Tax of Rs. 464Mn for the quarter ended 30 June 2024 compared to Rs. 2.73Bn in the corresponding period of the previous year. The government securities market was not conducive during the period under review amidst the delay in the IMF Board approval for 3rd tranche coupled with the delay in the debt restructuring negotiations. On the contrary, we experienced a considerable decline in interest rates in the corresponding period of the previous year (2023/24) in response to substantial easing of monetary policy rates by the Central Bank of Sri Lanka.

The net trading income reported for the quarter includes a trading gain on sale of government securities portfolio amounting to Rs. 1.19Bn and net interest income of Rs. 387Mn (2023/24 – trading gain on sale of government securities portfolio of Rs. 2.13Bn and net interest income of Rs. 1.13Bn were included).

The Company's investment in Government Securities portfolio (total) as of 30 June 2024 stood at Rs. 78.10Bn compared to Rs. 61.22Bn at the commencement of the financial year.

The Company reported total net assets amounting to Rs. 8.14Bn as of 30 June 2023 (31 March 2024 – Rs. 7.68Bn).

(Sgd.)
Sachith Perera
Chief Executive Officer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period	Notes	April - June	
		2024	2023
		(Unaudited)	(Unaudited)
Income		3,090,673	5,299,488
Direct income		3,083,649	5,297,597
Direct expenses		(1,534,572)	(2,036,134)
Net trading income		1,549,077	3,261,463
Other income		7,024	1,891
Gain on fair valuation of financial assets recognised through profit or loss - measured at fair value		(727,632)	1,442,551
		828,469	4,705,905
Operating expenses			
Administrative expenses		(117,243)	(527,461)
Sales and distribution expenses		(938)	(1,998)
Other operating expenses		(37,426)	(190,856)
		(155,607)	(720,315)
Profit before tax		672,862	3,985,590
Income tax expense	1	(208,793)	(1,253,668)
Profit for the period		464,069	2,731,922
Other comprehensive income			
<i>Items that will never be reclassified to profit or loss</i>		-	-
<i>Item that are or may be reclassified to profit or loss</i>		-	-
Other comprehensive income		-	-
Total comprehensive income for the period		464,069	2,731,922
Earnings per share (Rs.)	2	0.75	4.44

Figures in bracket indicate deductions.

Note: All values are in Rupees '000 unless otherwise stated.

STATEMENT OF FINANCIAL POSITION

As at		30 June 2024 (Unaudited)	31 March 2024 (Audited)
	Notes		
ASSETS			
Cash at banks and in hand		47,130	29,161
Derivative financial instruments		122,067	51,933
Financial assets recognised through profit or loss - measured at fair value		65,159,604	56,684,886
Financial assets -at amortised cost		12,940,939	4,539,304
Amounts due from related companies		6,995	5,245
Other assets		433,738	2,922,901
Property, plant and equipment and right of use assets		315,923	321,891
Intangible assets		742	622
TOTAL ASSETS		79,027,138	64,555,943
LIABILITIES			
Derivative financial instruments		25,167	71,742
Securities sold under re-purchase agreements		67,963,943	48,482,468
Creditors and other payables		385,694	4,279,710
Amounts due to related companies		12,209	279,955
Deferred tax liability		13,723	16,276
Tax payable		1,682,404	2,971,647
Borrowing on listed debentures	4	788,464	764,042
Retirement benefit obligations		12,097	10,735
TOTAL LIABILITIES		70,883,701	56,876,575
EQUITY			
Stated capital	5	256,500	256,500
Risk reserve		2,836,153	2,789,746
Retained earnings		5,052,784	4,635,122
Fair valuation reserve		(2,000)	(2,000)
TOTAL EQUITY		8,143,437	7,679,368
TOTAL EQUITY & LIABILITIES		79,027,138	64,555,943
Net assets per share (Rs.)		13.23	12.47

Note: All values are in Rupees '000 unless otherwise stated.

The above figures are subject to audit.

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



Mangala Jayashantha
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.



Dilshan Wirasekara
Director



Manjula Mathews
Chairperson

12 August 2024
Colombo

STATEMENT OF CHANGES IN EQUITY

For the quarter ended 30 June 2024

	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Total Equity
Balance as at 1 April 2023 (Audited)	256,500	1,675,433	3,534,080	(2,000)	5,464,013
<u>Total comprehensive income for the period</u>					
Profit for the period	-	-	2,731,922	-	2,731,922
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	2,731,922	-	2,731,922
<u>Transactions with equity holders</u>					
Distribution to equity holders	-	-	-	-	-
Total distribution to equity holders	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-
Transfer to risk reserve	-	273,192	(273,192)	-	-
Total transactions with equity holders	-	273,192	(273,192)	-	-
Balance as at 30 June 2023 (Unaudited)	256,500	1,948,625	5,992,810	(2,000)	8,195,935
Balance as at 1 April 2024 (Audited)	256,500	2,789,746	4,635,122	(2,000)	7,679,368
<u>Total comprehensive income for the period</u>					
Profit for the period	-	-	464,069	-	464,069
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	464,069	-	464,069
<u>Transactions with equity holders</u>					
Distribution to equity holders	-	-	-	-	-
Total distribution to equity holders	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-
Transfer to risk reserve	-	46,407	(46,407)	-	-
Total transactions with equity holders	-	46,407	(46,407)	-	-
Balance as at 30 June 2024 (Unaudited)	256,500	2,836,153	5,052,784	(2,000)	8,143,437

Figures in bracket indicate deductions.

Note: All values are in Rupees '000 unless otherwise stated.

STATEMENT OF CASH FLOWS

For the period	April - June	
	2024	2023
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Interest receipts and gains realised	3,052,075	5,284,784
Interest payments and other direct cost	(249,786)	(2,455,825)
Other receipts	7,024	1,891
Cash payments to employees and suppliers	17,842,936	(719,029)
Operating profit before changes in operating assets and liabilities	20,652,249	2,111,821
(Increase)/Decrease in financial assets recognised through profit or loss measured at fair value	(9,319,059)	11,028,184
Increase in financial asset at amortised cost	(8,370,061)	(623,750)
(Increase)/ Decrease in receivable from related companies	(1,750)	(29,426)
Increase in other assets	2,489,163	(294,757)
Increase/ (Decrease) in creditors and accrued charges	(19,104,576)	1,787,099
Increase/ (Decrease) in payable to related companies	(267,746)	(8,638)
Increase/ (Decrease) in securities sold under repurchase agreements	18,221,111	(11,180,477)
Cash used in operations	4,299,331	2,790,056
Tax paid	(1,500,000)	(146,456)
Net cash used in operating activities	2,799,331	2,643,600
Cash flow from investing activities		
Purchase of property, plant and equipment	(11,650)	(546)
Net cash used in investing activities	(11,650)	(546)
Cash flow from financing activities		
Dividend paid	(2,769,712)	(923,400)
Net cash From/ (used in) financing activities	(2,769,712)	(923,400)
Net cash outflow for the period	17,969	1,719,654
Cash and cash equivalents at the beginning of the period	29,161	24,023
Cash and cash equivalents at the end of the period	47,130	1,743,677

Figures in bracket indicate deductions.

Note: All values are in Rupees '000 unless otherwise stated.

6 Financial instruments- Fair Value Measurement

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements in accordance with SLFRS 13.

Level - 1

Financial instruments that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level - 2

Financial instruments that are measured at fair value on a recurring basis. As market quotes generally are not readily available or accessible for these securities, their fair value measures are determined using relevant information generated by market transactions involving comparable securities.

Level - 3

Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

6.1 Fair values versus the Carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follow:

	As at 30.06.2024		As at 31.03.2024	
	Carrying Amount Rs. '000	Fair Value Rs. '000	Carrying Amount Rs. '000	Fair Value Rs. '000
Financial assets measured at fair value				
Derivative financial instruments	122,067	122,067	51,933	51,933
Financial assets recognised through profit or loss - measured at fair value	65,159,604	65,159,604	56,684,886	56,684,886
	65,281,671	65,281,671	56,736,819	56,736,819
Financial assets not measured at fair value				
Cash at banks and in hand	47,130	47,130	29,161	29,161
Financial assets at amortised cost	12,940,939	12,940,939	4,539,304	4,539,304
Amounts due from related companies	6,995	6,995	5,245	5,245
Trade receivable	-	-	2,534,825	2,534,825
	12,995,064	12,995,064	7,108,535	7,108,535
Total financial assets	78,276,735	78,276,735	63,845,354	63,845,354
Financial liabilities measured at fair value				
Derivative financial instruments	25,167	25,167	71,742	71,742
	25,167	25,167	71,742	71,742
Financial liabilities not measured at fair value				
Securities sold under re-purchase agreements	67,963,943	68,076,547	48,482,468	48,698,838
Amounts due to related companies	12,209	12,209	279,955	279,955
Borrowings on listed debentures	788,464	765,482	764,042	759,959
	68,764,616	68,854,238	49,526,465	49,738,752
Total financial liabilities	68,789,783	68,879,405	49,598,207	49,810,494

NOTES TO THE FINANCIAL STATEMENTS

6.2 Financial instruments- Fair Value

The following tables show an analysis of financial instruments at fair value and by level of fair value hierarchy.

As at 30 June 2024	Total Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial assets measured at fair value					
Derivative financial instruments					
Forward purchase contracts	3,493	3,493	-	-	3,493
Forward sale contracts	118,574	118,574	-	-	118,574
	122,067	122,067	-	-	122,067
Financial assets recognised through profit or loss - measured at fair value					
Investment in government securities	65,159,604	65,159,604	-	-	65,159,604
	65,159,604	65,159,604	-	-	65,159,604
Financial assets - fair value through other comprehensive					
	-	-	-	-	-
	65,281,671	65,281,671	-	-	65,281,671
Financial assets not measured at fair value					
Cash at banks and in hand	47,130	-	-	47,130	47,130
Financial assets at amortised cost	12,940,939	-	-	12,940,939	12,940,939
Amounts due from related companies	6,995	-	-	6,995	6,995
	12,995,064	-	-	12,995,064	12,995,064
Total financial investments	78,276,735	65,281,671	-	12,995,064	78,276,735
Financial liabilities measured at fair value					
Derivative financial instruments					
Forward purchase contracts	18,603	18,603	-	-	18,603
Forward sale contracts	6,564	6,564	-	-	6,564
	25,167	25,167	-	-	25,167
Financial liabilities not measured at fair value					
Securities sold under re-purchase agreements	67,963,943	-	-	68,076,547	68,076,547
Amounts due to related companies	12,209	-	-	12,209	12,209
Borrowings on debentures	788,464	-	765,482	-	765,482
	68,764,616	-	765,482	68,088,756	68,854,238
Total financial liabilities	68,789,783	25,167	765,482	68,088,756	68,879,405

NOTES TO THE FINANCIAL STATEMENTS

6.2 Financial instruments- Fair Value (Contd.)

As at 31 March 2024	Total Carrying Value Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Fair Value Rs.'000
Financial assets measured at fair value					
Derivative financial instruments					
Forward purchase contracts	49,989	49,989	-	-	49,989
Forward sale contracts	1,944	1,944	-	-	1,944
	51,933	51,933	-	-	51,933
Financial assets recognised through profit or loss - measured at fair value					
Investment in government securities	56,684,886	56,684,886	-	-	56,684,886
	56,684,886	56,684,886	-	-	56,684,886
Financial assets recognised through other comprehensive income	-	-	-	-	-
	56,736,819	56,736,819	-	-	56,736,819
Financial assets not measured at fair value					
Cash at banks and in hand	29,161	-	-	29,161	29,161
Financial assets at amortised cost	4,539,304	-	-	4,539,304	4,539,304
Amounts due from related companies	5,245	-	-	5,245	5,245
Trade receivable	2,534,825	-	-	2,534,825	2,534,825
	7,108,535	-	-	7,108,535	7,108,535
Total financial assets	63,845,354	56,736,819	-	7,108,535	63,845,354
Financial liabilities measured at fair value					
Derivative financial instruments					
Forward purchase contracts	202	202	-	-	202
Forward sale contracts	71,540	71,540	-	-	71,540
	71,742	71,742	-	-	71,742
Financial liabilities not measured at fair value					
Securities sold under re-purchase agreements	48,482,468	-	-	48,698,838	48,698,838
Amounts due to related companies	279,955	-	-	279,955	279,955
Borrowings on listed debentures	764,042	-	759,959	-	759,959
	49,526,465	-	759,959	48,978,793	49,738,752
Total financial liabilities	49,598,207	71,742	759,959	48,978,793	49,810,494

NOTES TO THE FINANCIAL STATEMENTS

6.3 Financial instruments - Accounting classifications

As at 30 June 2024

	Financial assets - FVTPL	Financial assets/ liabilities at amortised cost	Financial assets - FVTOCI	Total carrying amount	Fair value
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial assets measured at fair value					
Derivative financial instruments	122,067	-	-	122,067	122,067
Financial assets - FVTPL	65,159,604	-	-	65,159,604	65,159,604
	65,281,671	-	-	65,281,671	65,281,671
Financial assets not measured at fair value					
Cash at banks and in hand	-	47,130	-	47,130	47,130
Financial assets at amortised cost	-	12,940,939	-	12,940,939	12,940,939
Amounts due from related companies	-	6,995	-	6,995	6,995
	-	12,995,064	-	12,995,064	12,995,064
Total financial assets	65,281,671	12,995,064	-	78,276,735	78,276,735
Financial liabilities measured at fair value					
Derivative financial instruments	25,167	-	-	25,167	25,167
	25,167	-	-	25,167	25,167
Financial liabilities not measured at fair value					
Securities sold under re-purchase agreements	-	67,963,943	-	67,963,943	68,076,547
Amounts due to related companies	-	12,209	-	12,209	12,209
Borrowings on debentures	-	788,464	-	788,464	765,482
	-	68,764,616	-	68,764,616	68,854,238
Total Financial Liabilities	25,167	68,764,616	-	68,789,783	68,879,405

NOTES TO THE FINANCIAL STATEMENTS

6.3 Financial instruments - Accounting classifications (Contd.)

As at 31 March 2024

	Financial assets - FVTPL	Financial assets/ liabilities at amortised cost	Financial assets - FVTOCI	Total carrying amount	Fair value
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial assets measured at fair value					
Derivative Financial Instruments	51,933	-	-	51,933	51,933
Financial assets - FVTPL	56,684,886	-	-	56,684,886	56,684,886
	56,736,819	-	-	56,736,819	56,736,819
Financial assets not measured at fair value					
Cash at banks and in hand	-	29,161	-	29,161	29,161
Financial assets at amortised cost	-	4,539,304	-	4,539,304	4,539,304
Receivable from related companies	-	5,245	-	5,245	5,245
Trade receivable	-	2,534,825	-	2,534,825	2,534,825
	-	7,108,535	-	7,108,535	7,108,535
Total financial assets	56,736,819	7,108,535	-	63,845,354	63,845,354
Financial liabilities measured at fair value					
Derivative Financial Instruments	71,742	-	-	71,742	71,742
	71,742	-	-	71,742	71,742
Financial liabilities not measured at fair value					
Securities sold under re-purchase agreements	-	48,482,468	-	48,482,468	43,837,662
Amounts due to related companies	-	279,955	-	279,955	279,955
Borrowings on debentures	-	764,042	-	764,042	759,959
	-	49,526,465	-	49,526,465	44,877,576
Total Financial Liabilities	71,742	49,526,465	-	49,598,207	44,949,318

7 The above figures are provisional and subject to audit. The same accounting policies as in the Annual Report for the year ended 31 March 2024 have been followed in the preparation of the above provisional financial statements.

8 The presentation and classification of figures for the corresponding period of the previous year have been reclassified to be comparable with those of the current year where necessary.

9 There have been no significant changes in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year 2023/24.

10 There have been no significant changes to the commitments, which were disclosed in the Annual Report for the year ended 31 March 2024, other than the following.

* The value of forward purchase contracts (Government Securities) as at 30 June 2024 is Rs.1,738Mn (31 March 2024 -

Rs.14,567Mn) and the value of forward sales contracts (Government Securities) as at 30 June 2024 is Rs.11,834Mn (31 March 2024

- Rs. 7,162Mn).

11 There have been no material events subsequent to the reporting date that require disclosures/ adjustments to these provisional financial statements.

INVESTOR INFORMATION

Information of Listed Debentures

Allotment Date	Frequency on Interest Payment	No. of Debentures issued and allotted*	Face Value Rs.000	Rate of Interest	Tenure	Date of Maturity
30 January 2020	Semi annually	7,500,000	750,000	12.75% (AER - 13.16%)	5 Years	30 January 2025

* Listed, Rated, Subordinated, Unsecured, Redeemable Debentures.

Objectives of the Issue

The Company has achieved the following objectives as stipulated in the prospectus issued to raise Rs. 750Mn via the Debenture Issue made in January 2020.

Objective as per prospectus	Amount allocated as per Prospectus in Rs.	Amount allocated from proceeds in Rs. (A)	% of total proceeds	Amount Utilised in Rs. (B)	% of Utilisation against allocation (B / A)
1. To finance the redemption of Listed Debentures matured on 6 February 2020	500Mn	500Mn	66.67%	500Mn	100%
2. To invest in Government Securities	250Mn	250Mn	33.33%	250Mn	100%

Market value of Listed Debentures as at 30 June 2023

Debentures with 5 year maturity have not been traded during the quarter ended 30 June 2024. Hence, par value is recognised as its market value. Hence, yield to maturity on trade done is also not applicable.

Debt Ratios

	As at 30 June 2024	As at 31 March 2024
Debt/ equity ratio (times)	8.44	6.41
Quick asset ratio (times)	1.15	1.21
Interest cover (times)	1.45	3.11

Debenture Interest Yield (last traded)

5 year fixed rate (12.75 % p.a. payable semi annually)

April-June 2024/25	April-June 2023/24
N/A	N/A

Yield of comparable Government Securities (%)

5-year Treasury bond (maturity - 15 January 2025)

As at 30 June 2024	As at 31 March 2024
10.04%	10.46%

INVESTOR INFORMATION

Information on Ordinary Shares

Market Price per Share	Quarter ended	Quarter ended
	30 June 2024	30 June 2023
	Rs.	Rs.
Highest market price recorded	25.80	28.20
Lowest market price recorded	23.50	19.00
Closing market price recorded	23.60	25.80

LIST OF TWENTY MAJOR SHAREHOLDERS AS AT 30 JUNE 2024

Names of shareholders	No. of shares as at 30 June 2024	Holding (%)
1 First Capital Limited	550,093,968	89.36%
2 Employees Trust Fund Board	25,924,978	4.21%
3 Deutsche Bank Ag-National Equity Fund	1,100,931	0.18%
4 Dr. K.A.S.S. Rodrigo	1,050,000	0.17%
5 Mr. D.N.P. Rathnayake	850,942	0.14%
6 Mr. J.M Wanigasekara	805,712	0.13%
7 Mr. P.A.C. Priyantha	753,645	0.12%
8 Mr. E.N. Weerakoon	531,041	0.09%
9 Miss. D.R. Edussuriya	500,000	0.08%
10 People's Leasing & Finance PLC/Mr.K.J. Gamage	492,899	0.08%
11 Mr. T.F. Raheem	450,000	0.07%
12 Mr. N. Muhunthan	443,049	0.07%
13 People's Leasing And Finance PLC/H.Guruge	377,331	0.06%
14 Mr. R.V.D. Piyathilake	313,000	0.05%
15 Deutsche Bank Ag As Trustee To Assetline Income Plus Growth Fund	300,000	0.05%
15 Mr. C.D.S. Rathnayake	300,000	0.05%
17 Mr. G.R. Weerakoon	275,000	0.04%
18 Bank of Ceylon No. 1 Account	274,936	0.04%
19 Mrs. N.C. Madanayake	250,000	0.04%
19 Merchant Bank of Sri Lanka PLC/M.Batuwantudawa	250,000	0.04%
	585,337,432	95.07%

Shareholding of the Directors/Chief Executive Officer

Name of the Director/Chief Executive Officer	Designation	No. of Shares as at 30 June 2024
Ms. Manjula Mathews	Chairperson	Nil
Mr. Dilshan Wirasekara	Director	Nil
Mr. Ramesh Schaffter	Director	Nil
Ms. Minette Perera	Director	Nil
Dr. Nishan de Mel	Director	Nil
Mr. Sachith Perera	Chief Executive Officer	Nil

Disclosure in accordance with the Section 7.4 (b) (ii) - Appendix 7A (a) (Item 6 (a)) of CSE Listing Rules (Compliance relating to the Public Floating).

Float adjusted market capitalisation as at 30 June 2024 (Rs.)	1,545,942,355
Public holding percentage	10.64%
Number of public shareholders	3,600

The Company is complied with the Minimum Public Holding requirement under option 1 of the Section 7.13.1.i (b) of the Listing Rules of the Colombo Stock Exchange.