



First Capital
A Janashakthi Group Company

PROVISIONAL FINANCIAL STATEMENTS

Quarter ended
30 June 2023

FIRST CAPITAL TREASURIES PLC

REVIEW OF OPERATIONS

First Capital Treasuries PLC (the Company) recorded a Profit after Tax of Rs. 2.73Bn for the quarter ended 30 June 2023 compared to Rs. 409Mn in the corresponding period of the previous year. The results primarily derived via higher net trading income reported for the period under review. A considerable decline in interest rates was witnessed in response to substantial easing of monetary policy rates by the Central Bank of Sri Lanka in the 1st quarter of 2023/24.

Net trading gain and net interest income reported for the quarter were Rs. 2.1Bn and Rs. 1.1Bn respectively (In 2022/23 – Net trading gain was Rs. 242Mn and net interest income was Rs. 185Mn).

The Company's investment in Government Securities portfolio (total) as of 30 June 2023 stood at Rs. 43Bn compared to Rs. 51.9Bn at the commencement of the financial year.

The Company reported total net assets amounting to Rs. 8.2Bn as of 30 June 2023 (31 March 2023 – Rs. 5.5Bn).

(Sgd.)
Sachith Perera
Chief Executive Officer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period	Notes	April - June	
		2023	2022
		(Unaudited)	(Unaudited)
Income		5,299,488	1,388,200
Direct income		5,297,597	1,388,023
Direct expenses		(2,036,134)	(963,168)
Net trading income		3,261,463	424,855
Other income	1	1,891	177
Gain on fair valuation of financial assets recognised through profit or loss - measured at fair value		1,442,551	132,518
		4,705,905	557,550
Operating expenses			
Administrative expenses		(527,461)	(42,853)
Sales and distribution expenses		(1,998)	(1,749)
Other operating expenses		(190,856)	(32,008)
		(720,315)	(76,610)
Profit before tax		3,985,590	480,940
Income tax expense	2	(1,253,668)	(72,161)
Profit for the period		2,731,922	408,779
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		2,731,922	408,779
Earnings per share (Rs.)	3	4.44	0.66

Figures in bracket indicate deductions.

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

STATEMENT OF FINANCIAL POSITION

As at	Notes	30 June 2023 (Unaudited)	31 March 2023 (Audited)
ASSETS			
Cash at banks and in hand		1,743,677	24,023
Derivative financial instruments		40,048	51,194
Financial assets recognised through profit or loss - measured at fair value		41,240,203	50,753,172
Financial assets -at amortised cost		1,768,415	1,131,851
Amounts due from related companies		33,170	3,744
Deferred tax asset		5,210	4,964
Other assets		633,109	338,354
Property, plant and equipment and right of use assets		15,430	16,112
Intangible assets		437	494
TOTAL ASSETS		45,479,699	52,323,908
LIABILITIES			
Derivative financial instruments		215,104	153,586
Securities sold under re-purchase agreements		32,206,297	43,830,826
Creditors and other payables		2,316,055	1,453,226
Amounts due to related companies		3,117	11,755
Tax payable		1,737,166	629,708
Borrowings on listed debentures	5	786,436	762,076
Retirement benefit obligations		19,589	18,718
TOTAL LIABILITIES		37,283,764	46,859,895
EQUITY			
Stated capital	6	256,500	256,500
Risk reserve		1,948,625	1,675,433
Retained earnings		5,992,810	3,534,080
Fair valuation reserve		(2,000)	(2,000)
TOTAL EQUITY		8,195,935	5,464,013
TOTAL EQUITY & LIABILITIES		45,479,699	52,323,908

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


Nishan Fernando
 Chairman

15 August 2023
 Colombo

STATEMENT OF CHANGES IN EQUITY

For the quarter ended 30 June 2023

	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Total Equity
Balance as at 1 April 2022 (Audited)	256,500	1,386,793	2,232,267	(2,000)	3,873,560
Impact of Surcharge Tax Liability	-	-	(370,114)	-	(370,114)
Adjusted balance as at 1 April 2022	256,500	1,386,793	1,862,153	(2,000)	3,503,446
<u>Total comprehensive income for the period</u>					
Profit for the period	-	-	408,779	-	408,779
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	408,779	-	408,779
<u>Transactions with equity holders</u>					
Total transactions with equity holders	-	-	-	-	-
Transfer to risk reserve	-	40,878	(40,878)	-	-
Total transactions with equity holders	-	40,878	(40,878)	-	-
Balance as at 30 June 2022 (Unaudited)	256,500	1,427,671	2,230,054	(2,000)	3,912,225
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

Figures in bracket indicate deductions.

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

STATEMENT OF CASH FLOWS

For the period	April - June	
	2023	2022
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Interest receipts and gains realised	5,284,784	1,385,170
Interest payments and other direct cost	(2,455,825)	(759,571)
Other receipts	1,891	177
Cash payments to employees and suppliers	(719,029)	(74,560)
Operating profit before changes in operating assets and liabilities	2,111,821	551,216
(Increase)/Decrease in financial assets recognised through profit or loss measured at fair value	11,028,184	(4,319,528)
Increase in financial asset at amortised cost	(623,750)	(1,268,644)
(Increase)/ Decrease in receivable from related companies	(29,426)	1,674
Increase in other assets	(294,757)	(29,607)
Increase/ (Decrease) in creditors and accrued charges	1,787,099	(125,298)
Increase/ (Decrease) in payable to related companies	(8,638)	2,643
Increase/ (Decrease) in short term borrowings	-	1,000,000
Increase/ (Decrease) in securities sold under repurchase agreements	(11,180,477)	4,157,276
Cash used in operations	2,790,056	(30,268)
Tax paid	(146,456)	(185,057)
Gratuity paid	-	-
Net cash used in operating activities	2,643,600	(215,325)
Cash flow from investing activities		
Purchase of property, plant and equipment	(546)	(213)
Net cash used in investing activities	(546)	(213)
Cash flow from financing activities		
Dividend paid	(923,400)	-
Net cash From/ (used in) financing activities	(923,400)	-
Net cash outflow for the period	1,719,654	(215,538)
Cash and cash equivalents at the beginning of the period	24,023	348,585
Cash and cash equivalents at the end of the period	1,743,677	133,047

Figures in bracket indicate deductions.

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

NOTES TO THE FINANCIAL STATEMENTS

1 Other Income

Exchange gain	
Profit on disposal of fixed asset	
Miscellaneous income	

April - June	
2023	2022
Rs'000	Rs'000
-	51
265	-
1,626	126
1,891	177

2 Income Tax Expenses

Recognised in profit or loss

Current tax (expense)	
Deferred tax asset recognized/(expense)	

April - June	
2023	2022
Rs'000	Rs'000
(1,253,913)	-
245	(72,161)
(1,253,668)	(72,161)

- 3 Earnings per share has been calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.
- 4 These Provisional Financial Statements for the quarter ended 30 June 2023 have been prepared in accordance with Sri Lanka Accounting Standard (LKAS 34) "Interim Financial Reporting."
- 5 The debentures represent 7,500,000 rated, subordinated, unsecured, redeemable debentures at a face value of Rs. 100/- interest payable at a rate of 12.75% semi annually (issued in January 2020).
- 6 The number of shares represented by stated capital as at 30 June 2023 is 615,600,000.

NOTES TO THE FINANCIAL STATEMENTS

7 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.

7.1 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 30.06.2023		As at 31.03.2023	
	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	40,048	40,048	51,194	51,194
Financial assets recognised through profit or loss - measured at fair value	41,240,203	41,240,203	50,753,172	50,753,172
	41,280,251	41,280,251	50,804,366	50,804,366
Financial assets not measured at fair value				
Cash at banks and in hand	1,743,677	1,743,677	24,023	24,023
Financial assets at amortised cost	1,768,415	1,768,415	1,131,851	1,131,851
Amounts due from related companies	33,170	33,170	3,744	3,744
	3,545,262	3,545,262	1,159,618	1,159,618
Total financial assets	44,825,513	44,825,513	51,963,984	51,963,984
Financial liabilities measured at fair value				
Derivative financial instruments	215,104	215,104	153,586	153,586
	215,104	215,104	153,586	153,586
Financial liabilities not measured at fair value				
Securities sold under re-purchase agreements	32,206,297	32,275,222	43,830,826	43,837,662
Amounts due to related companies	3,117	3,117	11,755	11,755
Borrowings on listed debentures	786,436	616,626	762,076	566,783
	32,995,850	32,894,965	44,604,657	44,416,200
Total financial liabilities	33,210,954	33,110,069	44,758,243	44,569,786

NOTES TO THE FINANCIAL STATEMENTS

7.2 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 2023	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	29,249	29,249	-	-	29,249
Forward sale contracts	10,799	10,799	-	-	10,799
	40,048	40,048	-	-	40,048
Financial assets recognised through profit or loss - measured at fair value					
Investment in government securities	41,240,203	41,240,203	-	-	41,240,203
	41,240,203	41,240,203	-	-	41,240,203
Financial assets - fair value through other comprehensive					
	-	-	-	-	-
	41,280,251	41,280,251	-	-	41,280,251
Financial assets not measured at fair value					
Cash at banks and in hand	1,743,677	-	-	1,743,677	1,743,677
Financial assets at amortised cost	1,768,415	-	-	1,768,415	1,768,415
Amounts due from related companies	33,170	-	-	33,170	33,170
	3,545,262	-	-	3,545,262	3,545,262
Total financial investments	44,825,513	41,280,251	-	3,545,262	44,825,513
Financial liabilities measured at fair value					
Derivative financial instruments					
Forward purchase contracts	1,073	1,073	-	-	1,073
Forward sale contracts	214,031	214,031	-	-	214,031
	215,104	215,104	-	-	215,104
Financial liabilities not measured at fair value					
Securities sold under re-purchase agreements	32,206,297	-	-	32,275,222	32,275,222
Amounts due to related companies	3,117	-	-	3,117	3,117
Borrowings on debentures	786,436	-	616,626	-	616,626
	32,995,850	-	616,626	32,278,339	32,894,965
Total financial liabilities	33,210,954	215,104	616,626	32,278,339	33,110,069

NOTES TO THE FINANCIAL STATEMENTS

7.2 Financial instruments- Fair Value (Contd.)

As at 31 March 2023	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	38,918	38,918	-	-	38,918
Forward sale contracts	12,276	12,276	-	-	12,276
	51,194	51,194	-	-	51,194
Financial assets recognised through profit or loss - measured at fair value					
Investment in government securities	50,753,172	50,753,172	-	-	50,753,172
	50,753,172	50,753,172	-	-	50,753,172
Financial assets recognised through other comprehensive income	-	-	-	-	-
	50,804,366	50,804,366	-	-	50,804,366
Financial assets not measured at fair value					
Cash at banks and in hand	24,023	-	-	24,023	24,023
Financial assets at amortised cost	1,131,851	-	-	1,131,851	1,131,851
Amounts due from related companies	3,744	-	-	3,744	3,744
	1,159,618	-	-	1,159,618	1,159,618
Total financial assets	51,963,984	50,804,366	-	1,159,618	51,963,984
Financial liabilities measured at fair value					
Derivative financial instruments					
Forward purchase contracts	4,506	4,506	-	-	4,506
Forward sale contracts	149,080	149,080	-	-	149,080
	153,586	153,586	-	-	153,586
Financial liabilities not measured at fair value					
Securities sold under re-purchase agreements	43,830,826	-	-	43,837,662	43,837,662
Amounts due to related companies	11,755	-	-	11,755	11,755
Borrowings on listed debentures	762,076	-	566,783	-	566,783
	44,604,657	-	566,783	43,849,417	44,416,200
Total financial liabilities	44,758,243	153,586	566,783	43,849,417	44,569,786

NOTES TO THE FINANCIAL STATEMENTS

7.3 Financial instruments - Accounting classifications

As at 30 June 2023

	Financial assets - FVTPL Rs. '000	Financial assets/ liabilities at amortised cost Rs. '000	Financial assets - FVTOCI Rs. '000	Total carrying amount Rs. '000	Fair value Rs. '000
Financial assets measured at fair value					
Derivative financial instruments	40,048	-	-	40,048	40,048
Financial assets - FVTPL	41,240,203	-	-	41,240,203	41,240,203
	41,280,251	-	-	41,280,251	41,280,251
Financial assets not measured at fair value					
Cash at banks and in hand	-	1,743,677	-	1,743,677	1,743,677
Financial assets at amortised cost	-	1,768,415	-	1,768,415	1,768,415
Amounts due from related companies	-	33,170	-	33,170	33,170
	-	3,545,262	-	3,545,262	3,545,262
Total financial assets	41,280,251	3,545,262	-	44,825,513	44,825,513
Financial liabilities measured at fair value					
Derivative financial instruments	215,104	-	-	215,104	215,104
	215,104	-	-	215,104	215,104
Financial liabilities not measured at fair value					
Securities sold under re-purchase agreements	-	32,206,297	-	32,206,297	32,275,222
Amounts due to related companies	-	3,117	-	3,117	3,117
Borrowings on debentures	-	786,436	-	786,436	616,626
	-	32,995,850	-	32,995,850	32,894,965
Total Financial Liabilities	215,104	32,995,850	-	33,210,954	33,110,069

As at 31 March 2023

	Financial assets - FVTPL Rs. '000	Financial assets/ liabilities at amortised cost Rs. '000	Financial assets - FVTOCI Rs. '000	Total carrying amount Rs. '000	Fair value Rs. '000
Financial assets measured at fair value					
Derivative Financial Instruments	51,194	-	-	51,194	51,194
Financial assets - FVTPL	50,753,172	-	-	50,753,172	50,753,172
	50,804,366	-	-	50,804,366	50,804,366
Financial assets not measured at fair value					
Cash at banks and in hand	-	24,023	-	24,023	24,023
Financial assets at amortised cost	-	1,131,851	-	1,131,851	1,131,851
Receivable from related companies	-	3,744	-	3,744	3,744
	-	1,159,618	-	1,159,618	1,159,618
Total financial assets	50,804,366	1,159,618	-	51,963,984	51,963,984
Financial liabilities measured at fair value					
Derivative Financial Instruments	153,586	-	-	153,586	153,586
	153,586	-	-	153,586	153,586
Financial liabilities not measured at fair value					
Securities sold under re-purchase agreements	-	43,830,826	-	43,830,826	43,837,662
Amounts due to related companies	-	11,755	-	11,755	11,755
Borrowings on debentures	-	762,076	-	762,076	566,783
	-	44,604,657	-	44,604,657	44,416,200
Total Financial Liabilities	153,586	44,604,657	-	44,758,243	44,569,786

NOTES TO THE FINANCIAL STATEMENTS

- 8 The above figures are provisional and subject to audit. The same accounting policies as in the Annual Report for the year ended 31 March 2023 have been followed in the preparation of the above provisional financial statements.
- 9 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.
- 10 There have been no significant changes in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year 2022/23.
- 11 There have been no material events subsequent to the reporting date that require disclosures/ adjustments in the above provisional financial statements.

12 Net assets per share

As at 30 June 2023 Rs.	As at 31 March 2023 Rs.
13.31	8.88

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 2023. 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 2023	As at 31 March 2023
Debt/ equity ratio (times)	4.03	8.16
Quick asset ratio (times)	1.31	1.15
Interest cover (times)	2.96	1.60

Debenture Interest Yield (last traded)

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

April-June 2023/24	April-June 2022/23
N/A	N/A

Yield of comparable Government Securities (%)

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

As at 30 June 2023	As at 31 March 2023
26.70%	29.89%

INVESTOR INFORMATION

Information on Ordinary Shares Market Price per Share

	Quarter ended	Quarter ended
	30 June 2023	30 June 2022
	Rs.	Rs.
Highest market price recorded	28.20**	31.90*
Lowest market price recorded	19.00**	6.90**
Closing market price recorded	25.80**	10.10**

* Market price per share – Before the subdivision of shares

**Market price per share – After the subdivision of shares

LIST OF TWENTY MAJOR SHAREHOLDERS AS AT 30 JUNE 2023

Names of shareholders	No. of shares as at 30 June 2023	Holding (%)
1 First Capital Limited	550,093,968	89.36%
2 Employees Trust Fund Board	27,761,475	4.51%
3 Hatton National Bank PLC - Capital Alliance Quantitative Equity Fund	3,082,427	0.50%
4 J.B. Cocoshell (Pvt) Ltd	2,966,099	0.48%
5 Seylan Bank PLC/Agampodi Chamara Senanka	1,177,017	0.19%
6 People's Leasing & Finance PLC/L.P.Hapangama	1,168,935	0.19%
7 Merchant Bank of Sri Lanka & Finance PLC/D. Weerasinghe	848,900	0.14%
8 Seylan Bank PLC/Karagoda Loku Gamage Udayananda	819,650	0.13%
9 People's Leasing & Finance PLC/L.H.L.M.P.Haradasa	561,987	0.09%
10 Mr. E. J. B. U. Fernando	550,000	0.09%
11 M Investments Lanka (Pvt) Ltd	536,453	0.09%
12 Mr. K. M. J. C. Udumulla	515,500	0.08%
13 Commercial Bank of Ceylon PLC/Andaradeniya Estate (Pvt) Ltd	498,711	0.08%
14 Mr. B. W. R. Srikantha	480,000	0.08%
15 Mr. F. H. T. C. Silva	471,064	0.08%
16 Miss N.T.M.S. Cooray	450,000	0.07%
17 Mr. C.N. Jayasooriya	444,503	0.07%
18 Hatton National Bank PLC/Mr.Gerad Shamil Niranjana Peris	400,000	0.06%
18 Mr. G. Wickremasinghe	400,000	0.06%
20 Assetline Leasing Company Ltd/H.M.A.K.B. Herath	398,774	0.06%
	593,625,463	96.41%

Shareholding of the Directors/Chief Executive Officer

Name of the Director/Chief Executive Officer	Designation	No. of Shares as at 30 June 2023
Mr. Nishan Fernando	Chairman	16,000
Ms. Manjula Mathews	Deputy Chairperson	Nil
Mr. Dilshan Wirasekara	Director	Nil
Mr. Ramesh Schaffter	Director	Nil
Ms. Minette Perera	Director	Nil
Mr. Chandana de Silva	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 7B (a) (Item 6 (a)) of CSE Listing Rules (Compliance relating to the Public Floating).

Float adjusted market capitalisation as at 30 June 2023 (Rs.)	1,689,578,222
Public holding percentage	10.64%
Number of public shareholders	1,336

The Company is complied with the Minimum Public Holding requirement under option 1 of the Section 7.14.1.i (b) of the Listing Rules of the Colombo Stock Exchange.