



First Capital  
A Janashakthi Group Company

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# PROVISIONAL FINANCIAL STATEMENTS

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Quarter ended  
31 March 2023

FIRST CAPITAL TREASURIES PLC

## **REVIEW OF OPERATIONS**

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First Capital Treasuries PLC (the Company) recorded a Profit after Tax of Rs. 2.88Bn for the year ended 31<sup>st</sup> March 2023 compared to Loss after Tax of Rs. 652Mn in the previous year.

The Results include net interest income of Rs. 3.6Bn and a gain on trading government securities portfolio amounting to Rs. 2.41Bn (2021/22 – Net interest income of Rs. 484Mn and a loss on trading government securities portfolio of Rs. 979Mn were recorded). The Division disposed its entire Held to Maturity portfolio of government securities and reported a loss of Rs. 1.26Bn.

The Company's investment in Government Securities portfolio (total) as of 31<sup>st</sup> March 2023 stood at Rs. 51.9Bn compared to Rs. 27.6Bn at the commencement of the financial year.

The Board of Directors of the Company declared an interim dividend of Rs. 1.50 per share amounting to Rs. 923Mn for the year 2022/23 in March 2023.

(Sgd.)

**Dilshan Wirasekara**

Managing Director

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

| For the period   | Notes | January - March  |                  | April - March    |                  |
|--|-------|------------------|------------------|------------------|------------------|
|  |       | 2023             | 2022             | 2023             | 2022             |
|  |       | (Unaudited)      | (Unaudited)      | (Unaudited)      | (Audited)        |
| <b>Income</b>  |       | <b>2,730,927</b> | <b>399,181</b>   | <b>9,970,279</b> | <b>677,826</b>   |
| Direct income  |       | 2,730,874        | 398,729          | 9,969,951        | 622,824          |
| Direct expenses  |       | (1,791,936)      | (370,301)        | (6,305,233)      | (1,054,939)      |
| <b>Net trading income/ (expense)</b>   |       | <b>938,938</b>   | <b>28,428</b>    | <b>3,664,718</b> | <b>(432,115)</b> |
| Other income   | 1     | 53               | 452              | 328              | 55,002           |
| Gain/ (Loss) on fair valuation of financial assets recognised through profit or loss- measured at fair value |       | 719,533          | (56,873)         | 1,077,830        | (73,849)         |
|  |       | <b>1,658,524</b> | <b>(27,993)</b>  | <b>4,742,876</b> | <b>(450,962)</b> |
| <b>Operating expenses</b>  |       |                  |                  |                  |                  |
| Administrative expenses  |       | (305,263)        | (54,745)         | (501,653)        | (189,921)        |
| Sales and distribution expenses  |       | (8,516)          | (2,202)          | (11,975)         | (3,393)          |
| Other operating expenses   |       | (132,837)        | (214,334)        | (480,152)        | (245,423)        |
|  |       | <b>(446,616)</b> | <b>(271,281)</b> | <b>(993,780)</b> | <b>(438,737)</b> |
| <b>Profit/ (loss) before tax</b>   |       | <b>1,211,908</b> | <b>(299,274)</b> | <b>3,749,096</b> | <b>(889,699)</b> |
| Income tax expenses  | 2     | (234,934)        | 8,008            | (865,455)        | 237,254          |
| <b>Profit/ (loss) for the period</b>   |       | <b>976,974</b>   | <b>(291,266)</b> | <b>2,883,641</b> | <b>(652,445)</b> |
| <b>Other comprehensive income</b>  |       |                  |                  |                  |                  |
| <i>Items that will never be reclassified to profit or loss</i>   |       |                  |                  |                  |                  |
| Actuarial gain/ (loss) on retirement benefit obligation  |       | (3,470)          | 9,049            | (3,470)          | 9,049            |
| Tax effect on other comprehensive income   | 2     | 1,041            | (1,267)          | 1,041            | (1,267)          |
| <i>Items that are or may be reclassified to profit or loss</i>   |       | -                | -                | -                | -                |
| <b>Other comprehensive income/ (loss)</b>  |       | <b>(2,429)</b>   | <b>7,782</b>     | <b>(2,429)</b>   | <b>7,782</b>     |
| <b>Total comprehensive income/ (loss) for the period</b>   |       | <b>974,545</b>   | <b>(283,484)</b> | <b>2,881,212</b> | <b>(644,663)</b> |
| <b>Earnings/ (loss) per share (Rs.)</b>  | 3     | <b>1.59</b>      | <b>(0.47)</b>    | <b>4.68</b>      | <b>(1.06)</b>    |

Figures in bracket indicate deductions.

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

## STATEMENT OF FINANCIAL POSITION

| As at   | Notes | 31 <sup>st</sup> March 2023<br>(Unaudited) | 31 <sup>st</sup> March 2022<br>(Audited) |
|---|-------|--|--|
| <b>ASSETS</b>   |       |  |  |
| Cash at banks and in hand   |       | 24,023                                     | 348,585                                  |
| Derivative financial instruments  |       | 51,194                                     | 5,190                                    |
| Financial assets recognised through profit or loss - measured at fair value |       | 50,753,172                                 | 24,509,930                               |
| Financial assets -at amortised cost   |       | 1,131,851                                  | 3,109,800                                |
| Receivable from related companies   |       | 959  | 2,060                                    |
| Other assets  |       | 338,354                                    | 338,345                                  |
| Deferred tax asset  |       | 4,950                                      | 94,318                                   |
| Property, plant and equipment and right of use assets                       |       | 16,112                                     | 7,782                                    |
| Intangible assets   |       | 494  | 573                                      |
| <b>TOTAL ASSETS</b>   |       | <b>52,321,109</b>                          | <b>28,416,583</b>                        |
| <b>LIABILITIES</b>  |       |  |  |
| Derivative financial instruments  |       | 153,586                                    | 2,622                                    |
| Securities sold under re-purchase agreements                                |       | 43,830,826                                 | 23,397,838                               |
| Creditors and other payables  |       | 1,452,165                                  | 363,897                                  |
| Payable to related companies  |       | 13,844                                     | 6,528                                    |
| Tax payable   |       | 628,636                                    | -  |
| Borrowings on listed debentures   | 5     | 762,076                                    | 760,577                                  |
| Retirement benefit obligations  |       | 18,718                                     | 11,561                                   |
| <b>TOTAL LIABILITIES</b>  |       | <b>46,859,851</b>                          | <b>24,543,023</b>                        |
| <b>EQUITY</b>   |       |  |  |
| Stated capital  | 6     | 256,500                                    | 256,500                                  |
| Risk reserve  |       | 1,675,157                                  | 1,386,793                                |
| Retained earnings   |       | 3,531,601                                  | 2,232,267                                |
| Fair valuation reserve  |       | (2,000)                                    | (2,000)                                  |
| <b>TOTAL EQUITY</b>   |       | <b>5,461,258</b>                           | <b>3,873,560</b>                         |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>                                       |       | <b>52,321,109</b>                          | <b>28,416,583</b>                        |

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**  
 Managing Director

  
**Nishan Fernando**  
 Chairman

29 May 2023  
 Colombo

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31<sup>st</sup> March 2023

|  | Stated<br>Capital | Risk<br>Reserve  | Retained<br>Earnings | Fair Valuation<br>Reserve | Total<br>Equity  |
|--|-------------------|------------------|----------------------|---------------------------|------------------|
| <b>Balance as at 1<sup>st</sup> April 2021 (Audited)</b>     | 256,500           | 1,386,793        | 2,876,930            | (2,000)                   | 4,518,223        |
| <b><u>Total comprehensive income/(loss) for the year</u></b> |                   |                  |                      |                           |                  |
| Loss for the year  | -                 | -                | (652,445)            | -                         | (652,445)        |
| Other comprehensive income for the year                      | -                 | -                | 7,782                | -                         | 7,782            |
| <b>Total comprehensive loss</b>                              | -                 | -                | (644,663)            | -                         | (644,663)        |
| <b><u>Transactions with equity holders</u></b>               |                   |                  |                      |                           |                  |
| <b><u>Distribution to equity holders</u></b>                 |                   |                  |                      |                           |                  |
| Total distribution to equity holders                         | -                 | -                | -                    | -                         | -                |
| Total transactions with equity holders                       | -                 | -                | -                    | -                         | -                |
| <b>Balance as at 31<sup>st</sup> March 2022 (Audited)</b>    | 256,500           | 1,386,793        | 2,232,267            | (2,000)                   | 3,873,560        |
| <b>Balance as at 1<sup>st</sup> April 2022 (Audited)</b>     | <b>256,500</b>    | <b>1,386,793</b> | <b>2,232,267</b>     | <b>(2,000)</b>            | <b>3,873,560</b> |
| <b>Impact of Surcharge Tax Liability (Note 07)</b>           | -                 | -                | (370,114)            | -                         | (370,114)        |
| <b>Adjusted balance as at 1<sup>st</sup> April 2022</b>      | <b>256,500</b>    | <b>1,386,793</b> | <b>1,862,153</b>     | <b>(2,000)</b>            | <b>3,503,446</b> |
| <b><u>Total comprehensive income for the year</u></b>        |                   |                  |                      |                           |                  |
| Profit for the year  | -                 | -                | 2,883,641            | -                         | 2,883,641        |
| Other comprehensive loss for the year                        | -                 | -                | (2,429)              | -                         | (2,429)          |
| <b>Total comprehensive income</b>                            | -                 | -                | 2,881,212            | -                         | 2,881,212        |
| <b><u>Transactions with equity holders</u></b>               |                   |                  |                      |                           |                  |
| <b><u>Distribution to equity holders</u></b>                 |                   |                  |                      |                           |                  |
| Dividend for 2022/23 (interim)                               | -                 | -                | (923,400)            | -                         | (923,400)        |
| Total distribution to equity holders                         | -                 | -                | (923,400)            | -                         | (923,400)        |
| Total transactions with equity holders                       | -                 | -                | (923,400)            | -                         | (923,400)        |
| Transfer to risk reserve                                     | -                 | 288,364          | (288,364)            | -                         | -                |
| <b>Balance as at 31<sup>st</sup> March 2023 (Unaudited)</b>  | <b>256,500</b>    | <b>1,675,157</b> | <b>3,531,601</b>     | <b>(2,000)</b>            | <b>5,461,258</b> |

Figures in bracket indicate deductions.

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

## STATEMENT OF CASH FLOWS

| For the period  | April - March    |                  |
|---|------------------|------------------|
|   | 2023             | 2022             |
|   | (Unaudited)      | (Audited)        |
| <b>Cash flows from operating activities</b>   |                  |                  |
| Interest receipts and trading gain realised   | 9,967,457        | 621,253          |
| Interest payments and other direct cost   | (6,199,981)      | (974,173)        |
| Other receipts  | 261              | 55,002           |
| Cash payments to employees and suppliers  | (479,111)        | (434,861)        |
| <b>Operating profit/ (loss) before changes in operating assets and liabilities</b>    | <b>3,288,626</b> | <b>(732,779)</b> |
| Increase in financial assets recognised through profit or loss measured at fair value | (25,060,452)     | (1,499,443)      |
| (Increase)/ Decrease in financial assets at amortised cost                            | 1,980,444        | (950,184)        |
| (Increase)/ Decrease in receivable from related companies                             | 1,100            | (1,895)          |
| (Increase)/ Decrease in other assets  | (9)              | (21,939)         |
| Increase/ (Decrease) in creditors and accrued charges                                 | (522,299)        | 27,531           |
| Increase/ (Decrease) in payable to related companies                                  | 7,316            | (11,987)         |
| Increase/ (Decrease) in Securities sold under Repurchase Agreements                   | 20,329,236       | 3,987,922        |
| <b>Cash generated from operations</b>   | <b>23,962</b>    | <b>797,226</b>   |
| Tax paid  | (335,588)        | (594,559)        |
| Gratuity paid   | -                | -                |
| <b>Net cash from operating activities</b>   | <b>(311,626)</b> | <b>202,667</b>   |
| <b>Cash flow from investing activities</b>  |                  |                  |
| Purchase of property, plant and equipment   | (12,843)         | (642)            |
| Purchase of intangible assets   | (160)            | (200)            |
| Proceeds from disposal of property, plant and equipment                               | 67               | 146              |
| <b>Net cash used in investing activities</b>  | <b>(12,936)</b>  | <b>(696)</b>     |
| <b>Cash flow from financing activities</b>  |                  |                  |
| Dividend paid   | -                | -                |
| <b>Net cash used in financing activities</b>  | <b>-</b>         | <b>-</b>         |
| <b>Net cash inflow for the period</b>   | <b>(324,562)</b> | <b>201,971</b>   |
| Cash and cash equivalents at the beginning of the period                              | 348,585          | 146,614          |
| <b>Cash and cash equivalents at the end of the period (Note A)</b>                    | <b>24,023</b>    | <b>348,585</b>   |
| <b>Note A</b>   |                  |                  |
| Cash at bank and in hand  | 24,023           | 348,585          |
|   | <b>24,023</b>    | <b>348,585</b>   |

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/ (loss)             | (15)      | 378        | 38         | 54,921        |
| Profit on disposal of fixed asset | 67        | 9          | 67         | 9             |
| Miscellaneous income              | 1         | 65         | 223        | 72            |
|                                   | <b>53</b> | <b>452</b> | <b>328</b> | <b>55,002</b> |

| January - March |            | April - March |               |
|-----------------|------------|---------------|---------------|
| 2023            | 2022       | 2023          | 2022          |
| Rs'000          | Rs'000     | Rs'000        | Rs'000        |
|                 |            |               |               |
| (15)            | 378        | 38            | 54,921        |
| 67              | 9          | 67            | 9             |
| 1               | 65         | 223           | 72            |
| <b>53</b>       | <b>452</b> | <b>328</b>    | <b>55,002</b> |

### 2 Income Tax Expense

|                                   |                  |              |                  |                |
|-----------------------------------|------------------|--------------|------------------|----------------|
| Current tax expense               | (234,614)        | -            | (775,046)        | -              |
| Over provision for Income Tax     | -                | -            | -                | 146,400        |
| Deferred tax (expense) / reversal | (320)            | 8,008        | (90,409)         | 90,854         |
|                                   | <b>(234,934)</b> | <b>8,008</b> | <b>(865,455)</b> | <b>237,254</b> |

| January - March  |                | April - March    |                |
|------------------|----------------|------------------|----------------|
| 2023             | 2022           | 2023             | 2022           |
| Rs'000           | Rs'000         | Rs'000           | Rs'000         |
|                  |                |                  |                |
| (234,614)        | -              | (775,046)        | -              |
| -                | -              | -                | 146,400        |
| (320)            | 8,008          | (90,409)         | 90,854         |
| <b>(234,934)</b> | <b>8,008</b>   | <b>(865,455)</b> | <b>237,254</b> |
|                  |                |                  |                |
| <b>1,041</b>     | <b>(1,267)</b> | <b>1,041</b>     | <b>(1,267)</b> |
| <b>1,041</b>     | <b>(1,267)</b> | <b>1,041</b>     | <b>(1,267)</b> |

### Recognised in other comprehensive income

|                                   |              |                |              |                |
|-----------------------------------|--------------|----------------|--------------|----------------|
| Deferred tax (expenses)/ reversal | <b>1,041</b> | <b>(1,267)</b> | <b>1,041</b> | <b>(1,267)</b> |
|                                   | <b>1,041</b> | <b>(1,267)</b> | <b>1,041</b> | <b>(1,267)</b> |

- 3 Earnings/ (Loss) per share has been calculated by dividing the net profit/ (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. The effect on sub-division of shares executed during year 2022/23 has been adjusted retrospectively (Note 6.1).
- 4 These Provisional Financial Statements for the quarter ended 31<sup>st</sup> March 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 31<sup>st</sup> March 2023 is 615,600,000 shares with the resultant sub-division of shares which was executed on 27<sup>th</sup> April 2022 as described below (Note 6.1).
- 6.1 On 8<sup>th</sup> April 2022, the Shareholders of the Company resolved to execute a sub-division of shares without a change to the stated capital of Rs. 256,500,000/- by splitting every one (01) existing voting ordinary share into four (04) voting ordinary shares. The sub-division of shares was executed on 27<sup>th</sup> April 2022. The shares so divided rank equal and pari passu in all respects with the existing shares from which the division arose (Number of shares represented by the stated capital prior to the sub-division of shares was 153,900,000).
- 7 As per the Surcharge Tax Act No. 14 of 2022, which was enacted on 8<sup>th</sup> April 2022, the applicable tax liability shall be deemed to be an expenditure in the financial statements for the year 2020/21. Accordingly, the applicable tax liability has been accounted for as a prior year adjustment.

## NOTES TO THE FINANCIAL STATEMENTS

### 8 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.

### 8.1 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 31.03.2023  |                   | As at 31.03.2022 |            |
|---|-------------------|-------------------|------------------|------------|
|   | Carrying Amount   | Fair Value        | Carrying Amount  | Fair Value |
|   | Rs. '000          | Rs. '000          | Rs. '000         | Rs. '000   |
| <b>Financial assets measured at fair value</b>                              |                   |                   |                  |            |
| Derivative financial instrument   | 51,194            | 51,194            | 5,190            | 5,190      |
| Financial assets recognised through profit or loss - measured at fair value | 50,753,172        | 50,753,172        | 24,509,930       | 24,509,930 |
|   | <b>50,804,366</b> | <b>50,804,366</b> | 24,515,120       | 24,515,120 |
| <b>Financial assets not measured at fair value</b>                          |                   |                   |                  |            |
| Cash at banks and in hand   | 24,023            | 24,023            | 348,585          | 348,585    |
| Financial assets at amortised cost  | 1,131,851         | 1,131,851         | 3,109,800        | 3,111,608  |
| Receivable from related companies   | 959               | 959               | 2,060            | 2,060      |
|   | <b>1,156,833</b>  | <b>1,156,833</b>  | 3,460,445        | 3,462,253  |
| <b>Total financial assets</b>   | <b>51,961,199</b> | <b>51,961,199</b> | 27,975,565       | 27,977,373 |
| <b>Financial liabilities measured at fair value</b>                         |                   |                   |                  |            |
| Derivative financial instrument   | 153,586           | 153,586           | 2,622            | 2,622      |
|   | <b>153,586</b>    | <b>153,586</b>    | 2,622            | 2,622      |
| <b>Financial liabilities not measured at fair value</b>                     |                   |                   |                  |            |
| Securities sold under re-purchase agreements                                | 43,830,826        | 43,837,662        | 23,397,838       | 23,377,150 |
| Payable to related companies  | 13,844            | 13,844            | 6,528            | 6,528      |
| Borrowings on listed debentures   | 762,076           | 566,783           | 760,577          | 678,438    |
|   | <b>44,606,746</b> | <b>44,418,289</b> | 24,164,943       | 24,062,116 |
| <b>Total financial liabilities</b>  | <b>44,760,332</b> | <b>44,571,875</b> | 24,167,565       | 24,064,738 |

## NOTES TO THE FINANCIAL STATEMENTS

### 8.2 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 31 <sup>st</sup> March 2023  | Total<br>Carrying<br>Rs.'000 | Level 1<br>Rs.'000 | Level 2<br>Rs.'000 | Level 3<br>Rs.'000 | Total Fair<br>Value<br>Rs.'000 |
|--|------------------------------|--------------------|--------------------|--------------------|--------------------------------|
| <b><u>Financial assets measured at fair value</u></b>                              |                              |                    |                    |                    |                                |
| <b>Derivative financial instruments</b>  |                              |                    |                    |                    |                                |
| Forward purchase contracts   | 38,918                       | 38,918             | -                  | -                  | 38,918                         |
| Forward sale contracts   | 12,276                       | 12,276             | -                  | -                  | 12,276                         |
|  | <b>51,194</b>                | <b>51,194</b>      | <b>-</b>           | <b>-</b>           | <b>51,194</b>                  |
| <b>Financial assets recognised through profit or loss - measured at fair value</b> |                              |                    |                    |                    |                                |
| Investment in government securities  | 50,753,172                   | 50,753,172         | -                  | -                  | 50,753,172                     |
|  | <b>50,753,172</b>            | <b>50,753,172</b>  | <b>-</b>           | <b>-</b>           | <b>50,753,172</b>              |
| <b><u>Financial assets not measured at fair value</u></b>                          |                              |                    |                    |                    |                                |
| 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  | 959                          | -                  | -                  | 959                | 959                            |
|  | <b>1,156,833</b>             | <b>-</b>           | <b>-</b>           | <b>1,156,833</b>   | <b>1,156,833</b>               |
| <b>Total financial assets</b>  | <b>51,961,199</b>            | <b>50,804,366</b>  | <b>-</b>           | <b>1,156,833</b>   | <b>51,961,199</b>              |
| <b><u>Financial liabilities measured at fair value</u></b>                         |                              |                    |                    |                    |                                |
| <b>Derivative financial instruments</b>  |                              |                    |                    |                    |                                |
| Forward purchase contracts   | 4,506                        | 4,506              | -                  | -                  | 4,506                          |
| Forward sale contracts   | 149,080                      | 149,080            | -                  | -                  | 149,080                        |
|  | <b>153,586</b>               | <b>153,586</b>     | <b>-</b>           | <b>-</b>           | <b>153,586</b>                 |
| <b>Financial liabilities not measured at fair value</b>                            |                              |                    |                    |                    |                                |
| Securities sold under re-purchase agreements                                       | 43,830,826                   | -                  | -                  | 43,837,662         | 43,837,662                     |
| Payable to related companies   | 13,844                       | -                  | -                  | 13,844             | 13,844                         |
| Borrowings on listed debentures  | 762,076                      | -                  | 566,783            | -                  | 566,783                        |
|  | <b>44,606,746</b>            | <b>-</b>           | <b>566,783</b>     | <b>43,851,506</b>  | <b>44,418,289</b>              |
| <b>Total financial liabilities</b>   | <b>44,760,332</b>            | <b>153,586</b>     | <b>566,783</b>     | <b>43,851,506</b>  | <b>44,571,875</b>              |

## NOTES TO THE FINANCIAL STATEMENTS

### 8.2 Financial instruments- Fair Value (Contd.)

| As at 31 <sup>st</sup> March 2022  | Total<br>Carrying<br>Rs.'000 | Level 1<br>Rs.'000 | Level 2<br>Rs.'000 | Level 3<br>Rs.'000 | Total Fair<br>Value<br>Rs.'000 |
|--|------------------------------|--------------------|--------------------|--------------------|--------------------------------|
| <b><u>Financial assets measured at fair value</u></b>                              |                              |                    |                    |                    |                                |
| <b>Derivative financial instruments</b>  |                              |                    |                    |                    |                                |
| Forward purchase contracts   | 3,290                        | 3,290              | -                  | -                  | 3,290                          |
| Forward sale contracts   | 1,900                        | 1,900              | -                  | -                  | 1,900                          |
|  | <b>5,190</b>                 | <b>5,190</b>       | -                  | -                  | <b>5,190</b>                   |
| <b>Financial assets recognised through profit or loss - measured at fair value</b> |                              |                    |                    |                    |                                |
| Investment in government securities  | 24,509,930                   | 24,509,930         | -                  | -                  | 24,509,930                     |
|  | <b>24,509,930</b>            | <b>24,509,930</b>  | -                  | -                  | <b>24,509,930</b>              |
|  | <b>24,515,120</b>            | <b>24,515,120</b>  | -                  | -                  | <b>24,515,120</b>              |
| <b><u>Financial assets not measured at fair value</u></b>                          |                              |                    |                    |                    |                                |
| Cash at banks and in hand  | 348,585                      | -                  | -                  | 348,585            | 348,585                        |
| Financial assets at amortised cost   | 3,109,800                    | 2,370,790          | -                  | 740,818            | 3,111,608                      |
| Receivable from related companies  | 2,060                        | -                  | -                  | 2,060              | 2,060                          |
|  | <b>3,460,445</b>             | <b>2,370,790</b>   | -                  | <b>1,091,463</b>   | <b>3,462,253</b>               |
| <b>Total financial assets</b>  | <b>27,975,565</b>            | <b>26,885,910</b>  | -                  | <b>1,091,463</b>   | <b>27,977,373</b>              |
| <b><u>Financial liabilities measured at fair value</u></b>                         |                              |                    |                    |                    |                                |
| <b>Derivative financial instruments</b>  |                              |                    |                    |                    |                                |
| Forward sale contracts   | 2,622                        | 2,622              | -                  | -                  | 2,622                          |
|  | <b>2,622</b>                 | <b>2,622</b>       | -                  | -                  | <b>2,622</b>                   |
| <b>Financial liabilities not measured at fair value</b>                            |                              |                    |                    |                    |                                |
| Securities sold under re-purchase agreements                                       | 23,397,838                   | -                  | -                  | 23,377,150         | 23,377,150                     |
| Payable to related companies   | 6,528                        | -                  | -                  | 6,528              | 6,528                          |
| Borrowings on listed debentures  | 760,577                      | -                  | 678,438            | -                  | 678,438                        |
|  | <b>24,164,943</b>            | -                  | <b>678,438</b>     | <b>23,383,678</b>  | <b>24,062,116</b>              |
| <b>Total financial liabilities</b>   | <b>24,167,565</b>            | <b>2,622</b>       | <b>678,438</b>     | <b>23,383,678</b>  | <b>24,064,738</b>              |

## NOTES TO THE FINANCIAL STATEMENTS

### 8.3 Financial instruments - Accounting classifications

As at 31<sup>st</sup> March 2023

|   | Financial<br>assets -<br>FVTPL<br>Rs. '000 | Financial<br>assets/<br>liabilities at<br>amortised cost<br>Rs. '000 | Financial<br>assets -<br>FVTOCI<br>Rs. '000 | Total<br>carrying<br>amount<br>Rs. '000 | Fair value<br>Rs. '000 |
|---|--|--|---|---|------------------------|
| <b>Financial assets measured at fair value</b>          |  |  |   |   |                        |
| Derivative Financial Instruments                        | 51,194                                     | -  | -   | 51,194                                  | 51,194                 |
| Financial assets - FVTPL                                | 50,753,172                                 | -  | -   | 50,753,172                              | 50,753,172             |
|   | <b>50,804,366</b>                          | -  | -   | <b>50,804,366</b>                       | <b>50,804,366</b>      |
| <b>Financial assets not measured at fair value</b>      |  |  |   |   |                        |
| 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                       | -  | 959  | -   | 959                                     | 959                    |
|   | -  | <b>1,156,833</b>   | -   | <b>1,156,833</b>                        | <b>1,156,833</b>       |
| <b>Total financial assets</b>                           | <b>50,804,366</b>                          | <b>1,156,833</b>   | -   | <b>51,961,199</b>                       | <b>51,961,199</b>      |
| <b>Financial liabilities measured at fair value</b>     |  |  |   |   |                        |
| Derivative Financial Instruments                        | 153,586                                    | -  | -   | 153,586                                 | 153,586                |
|   | <b>153,586</b>                             | -  | -   | <b>153,586</b>                          | <b>153,586</b>         |
| <b>Financial liabilities not measured at fair value</b> |  |  |   |   |                        |
| Securities sold under re-purchase agreements            | -  | 43,830,826   | -   | 43,830,826                              | 43,837,662             |
| Payable to related companies                            | -  | 13,844   | -   | 13,844                                  | 13,844                 |
| Borrowings on listed debentures                         | -  | 762,076  | -   | 762,076                                 | 566,783                |
|   | -  | <b>44,606,746</b>  | -   | <b>44,606,746</b>                       | <b>44,418,289</b>      |
| <b>Total Financial Liabilities</b>                      | <b>153,586</b>                             | <b>44,606,746</b>  | -   | <b>44,760,332</b>                       | <b>44,571,875</b>      |

## NOTES TO THE FINANCIAL STATEMENTS

### 8.3 Financial instruments - Accounting classifications (Contd.)

As at 31<sup>st</sup> March 2022

|   | Financial<br>assets/<br>liabilities<br>FVTPL<br>Rs. '000 | Financial<br>assets/<br>liabilities at<br>amortised cost<br>Rs. '000 | Financial<br>assets -<br>FVTOCI<br>Rs. '000 | Total<br>carrying<br>amount<br>Rs. '000 | Fair value<br>Rs. '000 |
|---|--|--|---|---|------------------------|
| <b>Financial assets measured at fair value</b>          |  |  |   |   |                        |
| Derivative Financial Instruments                        | 5,190  | -  | -   | 5,190                                   | 5,190                  |
| Financial assets - FVTPL                                | 24,509,930   | -  | -   | 24,509,930                              | 24,509,930             |
|   | <b>24,515,120</b>  | <b>-</b>   | <b>-</b>                                    | <b>24,515,120</b>                       | <b>24,515,120</b>      |
| <b>Financial assets not measured at fair value</b>      |  |  |   |   |                        |
| Cash at banks and in hand                               | -  | 348,585  | -   | 348,585                                 | 348,585                |
| Financial assets at amortised cost                      | -  | 3,109,800  | -   | 3,109,800                               | 3,111,608              |
| Receivable from related companies                       | -  | 2,060  | -   | 2,060                                   | 2,060                  |
|   | <b>-</b>   | <b>3,460,445</b>   | <b>-</b>                                    | <b>3,460,445</b>                        | <b>3,462,253</b>       |
| <b>Total financial assets</b>                           | <b>24,515,120</b>  | <b>3,460,445</b>   | <b>-</b>                                    | <b>27,975,565</b>                       | <b>27,977,373</b>      |
| <b>Financial liabilities measured at fair value</b>     |  |  |   |   |                        |
| Derivative Financial Instruments                        | 2,622  | -  | -   | 2,622                                   | 2,622                  |
|   | <b>2,622</b>   | <b>-</b>   | <b>-</b>                                    | <b>2,622</b>                            | <b>2,622</b>           |
| <b>Financial liabilities not measured at fair value</b> |  |  |   |   |                        |
| Securities sold under re-purchase agreements            | -  | 23,397,838   | -   | 23,397,838                              | 23,377,150             |
| Payable to related companies                            | -  | 6,528  | -   | 6,528                                   | 6,528                  |
| Borrowings on listed debentures                         | -  | 760,577  | -   | 760,577                                 | 678,438                |
|   | <b>-</b>   | <b>24,164,943</b>  | <b>-</b>                                    | <b>24,164,943</b>                       | <b>24,062,116</b>      |
| <b>Total financial liabilities</b>                      | <b>2,622</b>   | <b>24,164,943</b>  | <b>-</b>                                    | <b>24,167,565</b>                       | <b>24,064,738</b>      |

9 The above figures are provisional and subject to audit. The same accounting policies as in the Annual Report for the year ended 31<sup>st</sup> March 2022 have been followed in the preparation of the above provisional financial statements.

10 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.

### 11 Commitments and Contingencies

There have been no significant changes in the nature of the contingent liabilities, which were discussed in the Annual report for the year 2021/22.

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

### 13 Net assets per share

| As at<br>31 <sup>st</sup> March<br>2023<br>Rs. | As at<br>31 <sup>st</sup> March<br>2022<br>Rs. |
|--|--|
| 8.87   | 6.29   |

## INVESTOR INFORMATION

### Information of Listed Debentures

| Allotment Date                | Frequency on Interest Payment | No. of Debentures issued and allotted* | Face Value<br>Rs.000 | Rate of Interest         | Tenure  | Date of Maturity              |
|-------------------------------|-------------------------------|--|----------------------|--------------------------|---------|-------------------------------|
| 30 <sup>th</sup> January 2020 | Semi annually                 | 7,500,000                              | 750,000              | 12.75%<br>(AER - 13.16%) | 5 Years | 30 <sup>th</sup> 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 <sup>th</sup> 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 31<sup>st</sup> March 2023

Debentures with 5 year maturity have not been traded during the quarter ended 31<sup>st</sup> March 2023. Hence, par value is recognised as its market value.

### Debt Ratios

|                            | As at<br>31 <sup>st</sup> March<br>2023 | As at<br>31 <sup>st</sup> March<br>2022 |
|----------------------------|---|---|
| Debt/ equity ratio (times) | 8.17                                    | 6.24                                    |
| Quick asset ratio (times)  | 1.15                                    | 1.19                                    |
| Interest cover (times)     | 1.60                                    | 0.15                                    |

### Debenture Interest Yield (last traded)

|  | April-March<br>2022/23 | April-March<br>2021/22 |
|--|------------------------|------------------------|
| 5 year fixed rate (12.75 % p.a. payable semi annually) | N/A                    | N/A                    |

### Yield of comparable Government Securities (%)

|   | As at<br>31 <sup>st</sup> March<br>2023 | As at<br>31 <sup>st</sup> March<br>2022 |
|---|---|---|
| 5-year Treasury bond (maturity - 15 <sup>th</sup> March 2025) | 27.77%                                  | 14.91%                                  |

## INVESTOR INFORMATION

### Information on Ordinary Shares

| Market Price per Share        | As at<br>31 <sup>st</sup> March 2023<br>Rs. | As at<br>31 <sup>st</sup> March 2022<br>Rs. |
|-------------------------------|---|---|
| Highest market price recorded | 28.40**                                     | 65.10*                                      |
| Lowest market price recorded  | 21.10**                                     | 25.00*                                      |
| Closing market price recorded | 22.50**                                     | 28.00*                                      |

\*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 31<sup>ST</sup> MARCH 2023

| Names of shareholders  | No. of shares as at<br>31 <sup>st</sup> March 2023 | Holding<br>(%) |
|--|--|----------------|
| 1 First Capital Limited  | 550,093,968  | 89.36%         |
| 2 Employees Trust Fund Board                                   | 28,056,475   | 4.56%          |
| 3 J. B. Cocoshell (Pvt) Ltd                                    | 1,729,881  | 0.28%          |
| 4 Mr. E. J. B. U. Fernando                                     | 1,000,087  | 0.16%          |
| 5 People's Leasing & Finance PLC/L.P.Hapangama                 | 952,739  | 0.15%          |
| 6 Mr. D. Weerasinghe   | 950,000  | 0.15%          |
| 7 Seylan Bank PLC/Agampodi Chamara Senanka                     | 905,000  | 0.15%          |
| 8 Seylan Bank PLC/Karagoda Loku Gamage Udayananda              | 819,650  | 0.13%          |
| 9 Merchant Bank of Sri Lanka & Finance PLC/P.P.H. Matarage     | 661,200  | 0.11%          |
| 10 People's Leasing & Finance PLC/L.H.L.M.P.Haradasa           | 611,987  | 0.10%          |
| 11 People's Leasing & Finance PLC/Mr. D. M. P. Disanayake      | 611,414  | 0.10%          |
| 12 Citizens Development Business Finance PLC                   | 570,968  | 0.09%          |
| 13 People's Leasing & Finance PLC/K. L.Udayananda              | 565,625  | 0.09%          |
| 14 M Investments Lanka (Pvt) Ltd                               | 536,453  | 0.09%          |
| 15 Mr. F. H. T. C. Silva                                       | 510,841  | 0.08%          |
| 16 Mr. K. M. J. C. Udumulla                                    | 510,000  | 0.08%          |
| 17 Hatton National Bank PLC/Mr. Gerad Shamil Niranjan Peris    | 500,000  | 0.08%          |
| 18 Assetline Leasing Company Ltd/H. M. A. K. B. Herath         | 498,774  | 0.08%          |
| 19 Commercial Bank of Ceylon PLC/Andaradeniya Estate (Pvt) Ltd | 498,711  | 0.08%          |
| 20 Mr. B. W. R. Srikantha                                      | 480,000  | 0.08%          |
|  | <b>591,063,773</b>                                 | <b>96.00%</b>  |

### Shareholding of the Directors

| Name of the Director   | Designation        | No. of Shares as at<br>31 <sup>st</sup> March 2022 |
|------------------------|--------------------|--|
| Mr. Nishan Fernando    | Chairman           | 16,000   |
| Ms. M. Mathews         | Deputy Chairperson | Nil  |
| Mr. Dilshan Wirasekara | Managing Director  | Nil  |
| Mr. Ramesh Schaffter   | Director           | Nil  |
| Ms. Minette Perera     | Director           | Nil  |
| Mr. Chandana de Silva  | Director           | Nil  |
| Dr. Nishan de Mel      | Director           | 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 31 <sup>st</sup> March 2023 (Rs.) | 1,473,469,380 |
| Public holding percentage  | 10.64%        |
| Number of public shareholders  | 1,547         |

The Company is complied with the Minimum Public Holding requirement under option 2 of the Section 7.14.1 (b) of the Listing Rules of the Colombo Stock Exchange.