



First Capital
A Janashakthi Group Company

PROVISIONAL FINANCIAL STATEMENTS

Quarter ended
30th June 2021

FIRST CAPITAL TREASURIES PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period	April - June		
	Notes	2021 (Unaudited)	2020 (Unaudited)
Income		390,817	2,279,892
Direct income		379,609	2,286,123
Direct expenses		(278,027)	(511,921)
Net trading income		101,582	1,774,202
Other income/(expense)	1	11,208	(6,231)
Gain/(loss) on fair valuation of financial assets recognised through profit or loss - measured at fair value		(14,293)	341,997
		98,497	2,109,968
Operating expenses			
Administrative expenses		(33,723)	(214,571)
Sales and distribution expenses		(13)	(1,002)
Other operating expenses		(6,413)	(8,582)
		(40,149)	(224,155)
Profit before tax		58,348	1,885,813
Income tax expense	2	(4,615)	(530,011)
Profit for the period		53,733	1,355,802
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		53,733	1,355,802
Earnings per share (Rs.)	3	0.35	8.81

Figures in bracket indicate deductions.

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

STATEMENT OF FINANCIAL POSITION

As at		30 th June 2021	31 st March 2021
	Notes	(Unaudited)	(Audited)
ASSETS			
Cash at banks and in hand		21,675	146,614
Derivative financial instruments		5,181	2,315
Financial assets recognised through profit or loss - measured at fair value		19,954,920	23,085,413
Financial assets -at amortised cost		2,874,720	2,158,045
Receivable from related companies		392	165
Deferred tax asset		2,467	4,731
Other assets		304,803	316,406
Property, plant and equipment and right of use assets		9,308	9,849
Intangible assets		976	919
TOTAL ASSETS		23,174,442	25,724,457
LIABILITIES			
Derivative financial instruments		2,606	824
Securities sold under re-purchase agreements		16,845,003	19,330,472
Creditors and other payables		130,193	336,366
Payable to related companies		77,234	18,515
Income tax payable		743,310	740,959
Borrowings on listed debentures	5	783,525	759,255
Retirement benefit obligations		20,615	19,843
TOTAL LIABILITIES		18,602,486	21,206,234
EQUITY			
Stated capital	6	256,500	256,500
Risk reserve		1,392,166	1,386,793
Retained earnings		2,925,290	2,876,930
Fair valuation reserve		(2,000)	(2,000)
TOTAL EQUITY		4,571,956	4,518,223
TOTAL EQUITY & LIABILITIES		23,174,442	25,724,457

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/Chief Executive Officer



Dinesh Schaffter
Managing Director

13th August 2021
Colombo

STATEMENT OF CHANGES IN EQUITY

For the quarter ended 30 th June 2021	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Total Equity
Balance as at 1st April 2020 (Audited)	256,500	1,203,065	2,279,838	(2,000)	3,737,403
Total comprehensive income for the period					
Profit for the period	-	-	1,355,802	-	1,355,802
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	1,355,802	-	1,355,802
Transactions with equity holders					
Distribution to equity holders					
Dividend paid - 2 nd Interim 2019/20	-	-	(538,650)	-	(538,650)
Total distribution to equity holders	-	-	(538,650)	-	(538,650)
Total transactions with equity holders	-	-	(538,650)	-	(538,650)
Transfer to risk reserve	-	135,580	(135,580)	-	-
Balance as at 30th June 2020 (Unaudited)	256,500	1,338,645	2,961,410	(2,000)	4,554,555
Balance as at 1st April 2021 (Audited)	256,500	1,386,793	2,876,930	(2,000)	4,518,223
Total comprehensive income for the period					
Profit for the period	-	-	53,733	-	53,733
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	53,733	-	53,733
Transactions with equity holders					
Total transactions with equity holders	-	-	-	-	-
Transfer to risk reserve	-	5,373	(5,373)	-	-
Balance as at 30th June 2021 (Unaudited)	256,500	1,392,166	2,925,290	(2,000)	4,571,956

Figures in bracket indicate deductions.

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

STATEMENT OF CASH FLOWS

For the period	April - June	
	2021 (Unaudited)	2020 (Unaudited)
Cash flows from operating activities		
Interest receipts and gains realised	377,157	2,285,017
Interest payments and other direct cost	(156,750)	(245,359)
Cash payments to employees and suppliers	(38,235)	(35,311)
Operating profit before changes in operating assets and liabilities	182,172	2,004,347
(Increase)/ Decrease in financial assets recognised through profit or loss measured at fair value	3,117,569	16,376,999
(Increase)/ Decrease in financial asset at amortised cost	(716,675)	(2,298,882)
(Increase)/ Decrease in receivable from related companies	(227)	(213)
(Increase)/ Decrease in other assets	11,603	(732)
Increase/ (Decrease) in creditors and accrued charges	(206,173)	(117,918)
Increase/ (Decrease) in payable to related companies	58,719	(9,024)
Increase/ (Decrease) in Securities sold under Repurchase Agreements	(2,571,269)	(15,422,329)
Cash generated from/ (used in) operations	(124,281)	532,248
Tax paid / refund	-	-
Gratuity paid	-	-
Net cash from/ (used in) operating activities	(124,281)	532,248
Cash flow from investing activities		
Purchase of property, plant and equipment	(658)	-
Purchase of intangible assets	-	(275)
Net cash from/ (used in) investing activities	(658)	(275)
Cash flow from financing activities		
Dividend paid (2 nd Interim - 2019/20)	-	(538,650)
Net cash From/ (used in) financing activities	-	(538,650)
Net cash inflow/ (outflow) for the period	(124,939)	(6,677)
Cash and cash equivalents at the beginning of the period	146,614	8,361
Cash and cash equivalents at the end of the period (Note A)	21,675	1,684
Note A		
Cash at bank and in hand	21,675	2,310
Bank overdraft	-	(626)
	21,675	1,684

Figures in bracket indicate deductions.

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

NOTES TO THE FINANCIAL STATEMENTS

	April - June	
	2021	2020
	Rs'000	Rs'000
1 OTHER INCOME/(EXPENSE)		
Exchange gain/(loss)	11,206	(6,231)
Miscellaneous income	2	-
	11,208	(6,231)

	April - June	
	2021	2020
	Rs'000	Rs'000
2 INCOME TAX EXPENSES		
Current tax expense	(2,351)	(271,581)
Deferred tax expense	(2,264)	(258,430)
	(4,615)	(530,011)

- 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. The effect on sub-division of shares executed during year 2020/21 has been adjusted retrospectively (Note 6.1).
- 4** These Provisional Financial Statements for the quarter ended 30th June 2021 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 30th June 2021 is 153,900,000 shares with the resultant sub-division of shares executed on 29th March 2021 as described below (Note 6.1).
- 6.1** On 29th March 2021, 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 ten (10) voting ordinary shares. The shares so divided rank equal and pari pasu 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 15,390,000).

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.

NOTES TO THE FINANCIAL STATEMENTS

7 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (CONTD.)

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 30.06.2021		As at 31.03.2021	
	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	5,181	5,181	2,315	2,315
Financial assets recognised through profit or loss - measured at fair value	19,954,920	19,954,920	23,085,413	23,085,413
	19,960,101	19,960,101	23,087,728	23,087,728
Financial assets not measured at fair value				
Cash at banks and in hand	21,675	21,675	146,614	146,614
Financial assets at amortised cost	2,874,720	2,874,720	2,158,045	2,158,045
Receivable from related companies	392	392	165	165
	2,896,787	2,896,787	2,304,824	2,304,824
Total financial investments	22,856,888	22,856,888	25,392,552	25,392,552
Financial liabilities measured at fair value				
Derivative financial instruments	2,606	2,606	824	824
	2,606	2,606	824	824
Financial liabilities not measured at fair value				
Securities sold under re-purchase agreements	16,845,003	16,846,778	19,330,472	19,334,019
Payable to related companies	77,234	77,234	18,515	18,515
Borrowings on debentures	783,525	843,989	759,255	827,503
	17,705,762	17,768,001	20,108,242	20,180,037
Total financial liabilities	17,708,368	17,770,607	20,109,066	20,180,861

NOTES TO THE FINANCIAL STATEMENTS

7 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (CONTD.)

7.2 Financial instruments - Fair Value

As at 30 th June 2021	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	5,181	5,181	-	-	5,181
Forward sale contracts	-	-	-	-	-
	5,181	5,181	-	-	5,181
Financial assets recognised through profit or loss - measured at fair value					
Investment in government securities	19,954,920	19,954,920	-	-	19,954,920
	19,954,920	19,954,920	-	-	19,954,920
Financial assets - fair value through other comprehensive income					
	-	-	-	-	-
	19,960,101	19,960,101	-	-	19,960,101
Financial assets not measured at fair value					
Cash at banks and in hand	21,675	-	-	21,675	21,675
Financial assets at amortised cost	2,874,720	-	-	2,874,720	2,874,720
Receivable from related companies	392	-	-	392	392
	2,896,787	-	-	2,896,787	2,896,787
Total financial investments	22,856,888	19,960,101	-	2,896,787	22,856,888
Financial liabilities measured at fair value					
Derivative financial instruments					
Forward purchase contracts	-	-	-	-	-
Forward sale contracts	2,606	2,606	-	-	2,606
	2,606	2,606	-	-	2,606
Financial liabilities not measured at fair value					
Securities sold under re-purchase agreements	16,845,003	-	-	16,846,778	16,846,778
Payable to related companies	77,234	-	-	77,234	77,234
Borrowings on debentures	783,525	-	843,989	-	843,989
	17,705,762	-	843,989	16,924,012	17,768,001
Total financial liabilities	17,708,368	2,606	843,989	16,924,012	17,770,607

NOTES TO THE FINANCIAL STATEMENTS

7.2 Financial instruments - Fair Value (Contd.)

As at 31 st March 2021	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	2,315	2,315	-	-	2,315
Forward sale contracts	-	-	-	-	-
	2,315	2,315	-	-	2,315
Financial assets recognised through profit or loss - measured at fair value					
Investment in government securities	23,085,413	23,085,413	-	-	23,085,413
	23,085,413	23,085,413	-	-	23,085,413
Financial assets - fair value through other comprehensive income					
	-	-	-	-	-
	23,087,728	23,087,728	-	-	23,087,728
Financial assets not measured at fair value					
Cash at banks and in hand	146,614	-	-	146,614	146,614
Financial assets at amortised cost	2,158,045	-	-	2,158,045	2,158,045
Receivable from related companies	165	-	-	165	165
	2,304,824	-	-	2,304,824	2,304,824
Total financial investments	25,392,552	23,087,728	-	2,304,824	25,392,552
Financial liabilities measured at fair value					
Derivative financial instruments					
Forward purchase contracts	-	-	-	-	-
Forward sale contracts	824	824	-	-	824
	824	824	-	-	824
Financial liabilities not measured at fair value					
Securities sold under re-purchase agreements	19,330,472	-	-	19,334,019	19,334,019
Payable to related companies	18,515	-	-	18,515	18,515
Borrowings on debentures	759,255	-	827,503	-	827,503
	20,108,242	-	827,503	19,352,534	20,180,037
Total financial liabilities	20,109,066	824	827,503	19,352,534	20,180,861

NOTES TO THE FINANCIAL STATEMENTS

7 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (CONTD.)

7.3 Financial instruments - Accounting classifications

As at 30th June 2021

	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	5,181	-	-	5,181	5,181
Financial assets - FVTPL	19,954,920	-	-	19,954,920	19,954,920
	19,960,101	-	-	19,960,101	19,960,101
Financial assets not measured at fair value					
Cash at banks and in hand	-	21,675	-	21,675	21,675
Financial assets at amortised cost	-	2,874,720	-	2,874,720	2,874,720
Receivable from related companies	-	392	-	392	392
	-	2,896,787	-	2,896,787	2,896,787
Total financial assets	19,960,101	2,896,787	-	22,856,888	22,856,888
Financial liabilities measured at fair value					
Derivative Financial Instruments	2,606	-	-	2,606	2,606
	2,606	-	-	2,606	2,606
Financial liabilities not measured at fair value					
Securities sold under re-purchase agreements	-	16,845,003	-	16,845,003	16,846,778
Payable to related companies	-	77,234	-	77,234	77,234
Borrowings on debentures	-	783,525	-	783,525	843,989
	-	17,705,762	-	17,705,762	17,768,001
Total financial liabilities	2,606	17,705,762	-	17,708,368	17,770,607

NOTES TO THE FINANCIAL STATEMENTS

7.3 Financial instruments - Accounting classifications (Contd.)

As at 31 st March 2021	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	2,315	-	-	2,315	2,315
Financial assets - FVTPL	23,085,413	-	-	23,085,413	23,085,413
	23,087,728	-	-	23,087,728	23,087,728
Financial assets not measured at fair value					
Cash at banks and in hand	-	146,614	-	146,614	146,614
Financial assets at amortised cost	-	2,158,045	-	2,158,045	2,158,045
Receivable from related companies	-	165	-	165	165
	-	2,304,824	-	2,304,824	2,304,824
Total financial assets	23,087,728	2,304,824	-	25,392,552	25,392,552
Financial liabilities measured at fair value					
Derivative Financial Instruments	824	-	-	824	824
	824	-	-	824	824
Financial liabilities not measured at fair value					
Securities sold under re-purchase agreements	-	19,330,472	-	19,330,472	19,330,472
Payable to related companies	-	18,515	-	18,515	18,515
Borrowings on debentures	-	759,255	-	759,255	827,503
	-	20,108,242	-	20,108,242	20,176,490
Total Financial Liabilities	824	20,108,242	-	20,109,066	20,177,314

8 The above figures are provisional and subject to audit. The same accounting policies as in the provisional financial statements for the quarter ended 31st March 2021 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 provisional financial statements for the quarter ended 31st March 2021.

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

12 MARKET PRICE PER SHARE

Market value is not available since the shares of the Company are not publicly traded.

13 NET ASSETS PER SHARE

As at 30 th June 2021 Rs.	As at 31 st March 2021 Rs.
29.71	29.36

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 th January 2020	Semi annually	7,500,000	750,000	12.75% (AER - 13.16%)	5 Years	30 th January 2025

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 th 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 30th June 2021

Debentures with 5 year maturity have not been traded during the quarter ended 30th June 2021.

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 th June 2021	As at 31 st March 2021
Debt/ equity ratio (times)	3.86	4.45
Quick asset ratio (times)	1.36	1.31
Interest cover (times)	1.21	2.84

Debenture Interest Yield (last traded)	April - June 2021/22	April - June 2020/21
5 year fixed rate (12.75 % p.a. payable semi annually)	N/A	N/A

Yield of comparable Government Securities	As at 30 th June 2021	As at 31 st March 2021
5 Year treasury bond	7.02%	6.83%