



First Capital

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# PROVISIONAL FINANCIAL STATEMENTS

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QUARTER ENDED

31<sup>ST</sup> DECEMBER 2020

FIRST CAPITAL HOLDINGS PLC

## REVIEW OF OPERATIONS

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First Capital Holdings PLC (the Group) recorded a Profit after Tax of Rs. 1.85Bn for the nine months ended 31<sup>st</sup> December 2020 compared to Rs. 1.09Bn in the corresponding period of the previous year. The Group's Total Comprehensive Income for the period under review was Rs. 1.77Bn (2019/20 – Rs. 1.07Bn).

The Group's Primary Dealer division reported a Profit after Tax of Rs. 1.54Bn for the nine months ended 31<sup>st</sup> December 2020 (2019/20 – Rs. 934Mn).

The Corporate Finance division mobilised Rs. 13.7Bn for its clients through structuring and placement of corporate debt securities and generated a fee income of Rs. 128Mn for the nine months ended 31<sup>st</sup> December 2020 (2019/20 – Rs. 153Mn).

The Wealth Management division reported a fee income of Rs. 93Mn for the nine months ended 31<sup>st</sup> December 2020 (2019/20 – Rs. 44Mn). The division showed a growth in its assets under management to end with Rs. 41.1Bn as of 31<sup>st</sup> December 2020 (31<sup>st</sup> March 2020 – Rs. 26.4Bn).

The Stock Brokering division recorded revenue of Rs. 123Mn for the nine months ended 31<sup>st</sup> December 2020 (2019/20 – Rs. 54Mn).

The Company successfully raised Rs. 2Bn through a listed debenture issue in February 2021 with the principal objective of providing necessary long-term stable funding to facilitate future expansion of business activities with favourable funding options.

Sgd.

**Dilshan Wirasekara**

*Director/Chief Executive Officer*

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group					
For the period		October ~ December		April ~ December	
	Notes	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)
<b>Income</b>		<b>745,939</b>	<b>1,220,538</b>	<b>5,102,519</b>	<b>4,151,705</b>
Direct income		712,624	1,215,029	5,069,703	4,135,769
Direct expenses		(575,011)	(802,891)	(1,826,004)	(2,414,062)
<b>Net trading income</b>		<b>137,613</b>	<b>412,138</b>	<b>3,243,699</b>	<b>1,721,707</b>
Other income	1	33,315	5,509	32,816	15,936
Gain/(loss) on fair valuation of financial assets recognised through profit or loss measured at fair value		142,382	185,515	(110,548)	296,508
		<b>313,310</b>	<b>603,162</b>	<b>3,165,967</b>	<b>2,034,151</b>
<b>Operating expenses</b>					
Administrative expenses		(110,189)	(160,367)	(526,263)	(399,418)
Sales and distribution expenses		(5,921)	(3,491)	(12,145)	(9,991)
Other operating expenses		(9,425)	(18,691)	(29,947)	(55,572)
Provision for Impairment of financial assets at amortised cost		(2,783)	(3,219)	(10,749)	(5,481)
		<b>(128,318)</b>	<b>(185,768)</b>	<b>(579,104)</b>	<b>(470,462)</b>
<b>Profit before tax</b>		<b>184,992</b>	<b>417,394</b>	<b>2,586,863</b>	<b>1,563,689</b>
Income tax expense	2	(54,187)	(119,706)	(739,796)	(470,563)
<b>Profit for the period</b>		<b>130,805</b>	<b>297,688</b>	<b>1,847,067</b>	<b>1,093,126</b>
<b>Other comprehensive income</b>					
<i>Items that will never be reclassified to profit or loss</i>					
Loss on financial assets fair value through other comprehensive income		(26,025)	(22,774)	(74,516)	(23,774)
<i>Items that are or may be reclassified to profit or loss</i>		-	-	-	-
<b>Other comprehensive income for the period</b>		<b>(26,025)</b>	<b>(22,774)</b>	<b>(74,516)</b>	<b>(23,774)</b>
<b>Total comprehensive income for the period</b>		<b>104,780</b>	<b>274,914</b>	<b>1,772,551</b>	<b>1,069,352</b>
<b>Profit attributable to:</b>					
Equity holders of the parent		125,707	282,920	1,760,514	1,040,877
Non - controlling interest		5,098	14,768	86,553	52,249
		<b>130,805</b>	<b>297,688</b>	<b>1,847,067</b>	<b>1,093,126</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent		99,682	260,146	1,685,998	1,017,158
Non - controlling interest		5,098	14,768	86,553	52,194
		<b>104,780</b>	<b>274,914</b>	<b>1,772,551</b>	<b>1,069,352</b>
<b>Basic Earnings per share (Rs.)</b>		<b>1.24</b>	<b>2.79</b>	<b>17.39</b>	<b>10.28</b>

**Figures in bracket indicate deductions.**

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

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period	Company				
	Notes	October ~ December		April ~ December	
		2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)
<b>Income</b>		<b>164,561</b>	<b>231,309</b>	<b>655,562</b>	<b>859,832</b>
Direct income		164,561	231,309	655,562	859,832
Direct expenses		(122,699)	(192,379)	(529,832)	(754,028)
<b>Net trading income</b>		<b>41,862</b>	<b>38,930</b>	<b>125,730</b>	<b>105,804</b>
<b>Operating expenses</b>					
Administrative expenses		(9,274)	(11,690)	(53,174)	(34,838)
Sales and distribution expenses		(1,611)	(1,481)	(3,138)	(3,105)
Other operating expenses		(4,848)	(3,611)	(2,190)	(8,960)
(Provision)/ Reversal for Impairment of financial assets at amortised cost		9,838	(1,035)	9,567	(1,221)
		<b>(5,895)</b>	<b>(17,817)</b>	<b>(48,935)</b>	<b>(48,124)</b>
<b>Operating profit</b>		<b>35,967</b>	<b>21,113</b>	<b>76,795</b>	<b>57,680</b>
Share of profit from equity accounted investee (net of tax)		100,263	269,747	1,705,478	1,003,388
<b>Profit before tax</b>		<b>136,230</b>	<b>290,860</b>	<b>1,782,273</b>	<b>1,061,068</b>
Income tax expense	2	(10,523)	(7,940)	(21,759)	(20,191)
<b>Profit for the period</b>		<b>125,707</b>	<b>282,920</b>	<b>1,760,514</b>	<b>1,040,877</b>
<b>Other comprehensive income</b>					
<i>Items that will never be reclassified to profit or loss</i>					
Share of other comprehensive income from equity accounted investee (net of tax)		(26,025)	(22,774)	(74,516)	(23,719)
<i>Items that are or may be reclassified to profit or loss</i>		-	-	-	-
<b>Other comprehensive income for the period</b>		<b>(26,025)</b>	<b>(22,774)</b>	<b>(74,516)</b>	<b>(23,719)</b>
<b>Total comprehensive income for the period</b>		<b>99,682</b>	<b>260,146</b>	<b>1,685,998</b>	<b>1,017,158</b>
<b>Basic Earnings per share (Rs.)</b>		<b>1.24</b>	<b>2.79</b>	<b>17.39</b>	<b>10.28</b>

Figures in bracket indicate deductions.

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	Group		Company	
	31 <sup>st</sup> December 2020 (Unaudited)	31 <sup>st</sup> March 2020 (Audited)	31 <sup>st</sup> December 2020 (Unaudited)	31 <sup>st</sup> March 2020 (Audited)
<b>ASSETS</b>				
Cash at banks and in hand	103,944	61,354	25,605	19,744
Derivative financial instruments	-	2,734	-	-
Financial assets recognised through profit or loss -measured at fair value	27,815,168	38,540,849	-	-
Financial assets - fair value through other comprehensive income	110,107	184,623	-	-
Financial assets at amortised cost	6,155,957	5,361,512	6,543,286	6,768,167
Trade and other receivables	899,240	598,672	18,008	1,418
Group balances receivable	7,311	5,632	68,259	9,931
Non - current assets held for sale	42,416	42,416	-	-
Taxes receivable	160,369	271,610	83,363	103,006
Investment in subsidiary	-	-	4,416,007	3,291,070
Deferred tax asset	20,321	299,775	4,567	6,683
Property, plant and equipment	58,129	65,250	16,531	20,698
Intangible assets	125,374	118,694	7,988	3,969
<b>TOTAL ASSETS</b>	<b>35,498,336</b>	<b>45,553,121</b>	<b>11,183,614</b>	<b>10,224,686</b>
<b>LIABILITIES</b>				
Bank overdrafts	42,744	455,103	42,743	442,724
Derivative financial instruments	112	3,118	-	-
Securities sold under re-purchase agreements	21,545,680	33,294,423	-	-
Short term borrowings	6,323,525	5,928,107	6,092,283	5,827,371
Group balances payable	721	731	-	-
Trade and other payables	675,788	721,350	49,621	59,795
Taxes payable	837,769	488,668	-	-
Long term borrowings	75,308	150,885	75,308	150,885
Borrowings on debentures	765,554	517,641	-	-
Retirement benefit obligations	41,476	39,812	-	-
<b>TOTAL LIABILITIES</b>	<b>30,308,677</b>	<b>41,599,838</b>	<b>6,259,955</b>	<b>6,480,775</b>
<b>EQUITY</b>				
Stated capital	227,500	227,500	227,500	227,500
Risk reserve	1,281,027	1,135,297	1,281,027	1,135,297
Retained earnings	3,637,717	2,529,183	3,637,717	2,529,183
Fair valuation reserve	(222,585)	(148,069)	(222,585)	(148,069)
Equity attributable to the equity holders of the parent	4,923,659	3,743,911	4,923,659	3,743,911
Non- controlling interest	266,000	209,372	-	-
<b>TOTAL EQUITY</b>	<b>5,189,659</b>	<b>3,953,283</b>	<b>4,923,659</b>	<b>3,743,911</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>35,498,336</b>	<b>45,553,121</b>	<b>11,183,614</b>	<b>10,224,686</b>

Note: All values are in Rupees '000 unless otherwise stated.  
The above figures are subject to audit.

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

Sgd.  
**Mangala Jayashantha**  
Chief Financial Officer

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

Sgd.  
**Dilshan Wirasekara**  
Director/ Chief Executive Officer

Sgd.  
**Dinesh Schaffter**  
Managing Director

12<sup>th</sup> February 2021  
Colombo

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to equity holders of the parent							
For the nine months ended 31 <sup>st</sup> December 2020	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Total	Non-controlling Interest	Total Equity
<b>Group</b>							
<b>Balance as at 1<sup>st</sup> April 2019 (Audited)</b>	<b>227,500</b>	<b>1,021,248</b>	<b>2,506,870</b>	<b>(114,828)</b>	<b>3,640,790</b>	<b>180,800</b>	<b>3,821,590</b>
Impact on adoption of IFRIC 23	-	-	(464,230)	-	(464,230)	(24,438)	(488,668)
Adjusted balance as at 1 <sup>st</sup> April 2019 (Restated)	227,500	1,021,248	2,042,640	(114,828)	3,176,560	156,362	3,332,922
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	1,040,877	-	1,040,877	52,249	1,093,126
Other comprehensive income	-	-	-	(23,719)	(23,719)	(55)	(23,774)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,040,877</b>	<b>(23,719)</b>	<b>1,017,158</b>	<b>52,194</b>	<b>1,069,352</b>
<b>Transactions with equity holders</b>							
<b>Distribution to equity holders</b>							
Dividend paid - 1 <sup>st</sup> Interim 2019/20	-	-	(405,000)	-	(405,000)	-	(405,000)
Dividend paid to shareholders with NCI*	-	-	-	-	-	(14,108)	(14,108)
<b>Total distribution to equity holders</b>	<b>-</b>	<b>-</b>	<b>(405,000)</b>	<b>-</b>	<b>(405,000)</b>	<b>(14,108)</b>	<b>(419,108)</b>
Transfers to risk reserve	-	88,244	(88,244)	-	-	-	-
<b>Balance as at 31<sup>st</sup> December 2019 (Restated - unaudited)</b>	<b>227,500</b>	<b>1,109,492</b>	<b>2,590,273</b>	<b>(138,547)</b>	<b>3,788,718</b>	<b>194,448</b>	<b>3,983,166</b>
<b>Balance as at 1<sup>st</sup> April 2020 (Audited)</b>	<b>227,500</b>	<b>1,135,297</b>	<b>2,529,183</b>	<b>(148,069)</b>	<b>3,743,911</b>	<b>209,372</b>	<b>3,953,283</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	1,760,514	-	1,760,514	86,553	1,847,067
Other comprehensive income	-	-	-	(74,516)	(74,516)	-	(74,516)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,760,514</b>	<b>(74,516)</b>	<b>1,685,998</b>	<b>86,553</b>	<b>1,772,551</b>
<b>Transactions with equity holders</b>							
<b>Distribution to equity holders</b>							
Dividend paid - 2 <sup>nd</sup> Interim for 2019/20	-	-	(506,250)	-	(506,250)	-	(506,250)
Dividend paid to shareholders with NCI*	-	-	-	-	-	(29,925)	(29,925)
<b>Total transactions with equity holders</b>	<b>-</b>	<b>-</b>	<b>(506,250)</b>	<b>-</b>	<b>(506,250)</b>	<b>(29,925)</b>	<b>(536,175)</b>
Transfers to risk reserve	-	145,730	(145,730)	-	-	-	-
<b>Balance as at 31<sup>st</sup> December 2020 (Unaudited)</b>	<b>227,500</b>	<b>1,281,027</b>	<b>3,637,717</b>	<b>(222,585)</b>	<b>4,923,659</b>	<b>266,000</b>	<b>5,189,659</b>

\* Non controlling interest

For the nine months ended 31 <sup>st</sup> December 2020	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Total Equity
<b>Company</b>					
<b>Balance as at 1<sup>st</sup> April 2019 (Audited)</b>	<b>227,500</b>	<b>1,021,248</b>	<b>2,506,870</b>	<b>(114,828)</b>	<b>3,640,790</b>
Impact on adoption of IFRIC 23	-	-	(464,230)	-	(464,230)
Adjusted balance as at 1 <sup>st</sup> April 2019 (Restated)	227,500	1,021,248	2,042,640	(114,828)	3,176,560
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	1,040,877	-	1,040,877
Other comprehensive income	-	-	-	(23,719)	(23,719)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,040,877</b>	<b>(23,719)</b>	<b>1,017,158</b>
<b>Transactions with equity holders</b>					
<b>Distribution to equity holders</b>					
Dividend paid - 1 <sup>st</sup> Interim 2019/20	-	-	(405,000)	-	(405,000)
<b>Total distribution to equity holders</b>	<b>-</b>	<b>-</b>	<b>(405,000)</b>	<b>-</b>	<b>(405,000)</b>
Transfer to risk reserve	-	88,244	(88,244)	-	-
<b>Balance as at 31<sup>st</sup> December 2019 (Restated - unaudited)</b>	<b>227,500</b>	<b>1,109,492</b>	<b>2,590,273</b>	<b>(138,547)</b>	<b>3,788,718</b>
<b>Balance as at 1<sup>st</sup> April 2020 (Audited)</b>	<b>227,500</b>	<b>1,135,297</b>	<b>2,529,183</b>	<b>(148,069)</b>	<b>3,743,911</b>
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	1,760,514	-	1,760,514
Other comprehensive income	-	-	-	(74,516)	(74,516)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,760,514</b>	<b>(74,516)</b>	<b>1,685,998</b>
<b>Transactions with equity holders</b>					
<b>Distribution to equity holders</b>					
Dividend paid - 2 <sup>nd</sup> Interim for 2019/20	-	-	(506,250)	-	(506,250)
<b>Total transactions with equity holders</b>	<b>-</b>	<b>-</b>	<b>(506,250)</b>	<b>-</b>	<b>(506,250)</b>
Transfer to risk reserve	-	145,730	(145,730)	-	-
<b>Balance as at 31<sup>st</sup> December 2020 (Unaudited)</b>	<b>227,500</b>	<b>1,281,027</b>	<b>3,637,717</b>	<b>(222,585)</b>	<b>4,923,659</b>

Figures in bracket indicate deductions.

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 31 <sup>st</sup> December 2020	Group		Company	
	April ~ December		April ~ December	
	2020 Unaudited	2019 Unaudited	2020 Unaudited	2019 Unaudited
<b>Cash flows from operating activities</b>				
Interest receipts and gains realised	5,053,412	4,055,268	653,846	803,630
Interest payments and other direct cost	(1,462,077)	(2,098,369)	(528,285)	(752,465)
Other receipts	22,576	13,821	-	-
Cash payments to employees and suppliers	(302,815)	(440,512)	(34,434)	(41,885)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>3,311,096</b>	<b>1,530,208</b>	<b>91,127</b>	<b>9,280</b>
(Increase)/ Decrease in financial assets recognised through profit or loss -measured at fair value	10,625,100	1,878,065	-	-
(Increase)/ Decrease in financial assets at amortised cost	(796,216)	1,087,693	236,165	(72,534)
(Increase)/ Decrease in trade and other receivables	(189,327)	(115,790)	(16,591)	1,874
(Increase)/ Decrease in group balances receivable	(1,679)	(1,804)	(58,328)	(12,817)
Increase/ (Decrease) in trade and other payables	(394,049)	194,144	(26,705)	9,257
Increase/ (Decrease) in group balances payable	(10)	(316)	-	(629)
Increase/ (Decrease) in other short term borrowings	392,139	403,806	262,788	403,806
Increase/ (Decrease) in borrowings against re-purchase agreements	(11,862,055)	(4,118,308)	-	-
<b>Cash generated from operations</b>	<b>1,084,999</b>	<b>857,698</b>	<b>488,456</b>	<b>338,237</b>
Tax paid (Inclusive of WHT)	(191)	(157,543)	-	(49,297)
Gratuity paid	(4,055)	-	-	-
<b>Net cash flow generated from operating activities</b>	<b>1,080,753</b>	<b>700,155</b>	<b>488,456</b>	<b>288,940</b>
<b>Cash flow from investing activities</b>				
Purchase of property, plant, equipment and intangible assets	(22,167)	(3,826)	(7,449)	(703)
Sale of property plant and equipment	225	2,000	59	-
Investment in Shares	-	(1,000)	-	-
Dividend receipts	7,313	37,951	506,025	406,200
<b>Net cash flow generated from/(used in) investing activities</b>	<b>(14,629)</b>	<b>35,125</b>	<b>498,635</b>	<b>405,497</b>
<b>Cash flow from financing activities</b>				
Repayment of long term borrowings	(75,000)	(75,000)	(75,000)	(75,000)
Dividend paid	(506,250)	(405,000)	(506,250)	(405,000)
Dividend paid to shareholders with non-controlling interest	(29,925)	(14,108)	-	-
<b>Net cash flow used in financing activities</b>	<b>(611,175)</b>	<b>(494,108)</b>	<b>(581,250)</b>	<b>(480,000)</b>
<b>Net cash inflow for the period</b>	<b>454,949</b>	<b>241,172</b>	<b>405,841</b>	<b>214,437</b>
Cash and cash equivalents at the beginning of the period	(393,749)	(915,719)	(422,979)	(809,195)
<b>Cash and cash equivalents at the end of the period (Note A)</b>	<b>61,200</b>	<b>(674,547)</b>	<b>(17,138)</b>	<b>(594,758)</b>
<b>Note A</b>				
Cash at banks and hand	103,944	69,505	25,605	18,295
Bank overdraft	(42,744)	(744,052)	(42,743)	(613,053)
	<b>61,200</b>	<b>(674,547)</b>	<b>(17,138)</b>	<b>(594,758)</b>

Figures in bracket indicate deductions.

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

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Other income

For the period - Group	October ~ December		April ~ December	
	2020 Rs.'000	2019 Rs.'000	2020 Rs.'000	2019 Rs.'000
Exchange gain	23,614	(1,626)	10,240	115
Gain/ (Loss) on sale of property, plant and equipment	(292)	2,000	(286)	2,000
Miscellaneous income	9,993	5,135	22,862	13,821
	<b>33,315</b>	<b>5,509</b>	<b>32,816</b>	<b>15,936</b>

### 2 Income tax expenses

For the period - Group	October ~ December		April ~ December	
	2020 Rs.'000	2019 Rs.'000	2020 Rs.'000	2019 Rs.'000
Current tax expenses	(46,725)	(4,851)	(460,342)	(4,987)
Deferred tax expenses	(7,462)	(114,855)	(279,454)	(399,450)
WHT on Dividend	-	-	-	(66,126)
	<b>(54,187)</b>	<b>(119,706)</b>	<b>(739,796)</b>	<b>(470,563)</b>

For the period - Company	October ~ December		April ~ December	
	2020 Rs.'000	2019 Rs.'000	2020 Rs.'000	2019 Rs.'000
Current tax expenses	(8,696)	(4,854)	(19,643)	(4,854)
Deferred tax expenses	(1,827)	(3,086)	(2,116)	(15,337)
	<b>(10,523)</b>	<b>(7,940)</b>	<b>(21,759)</b>	<b>(20,191)</b>

3 These Provisional Financial Statements for the quarter ended 31<sup>st</sup> December 2020 have been prepared in accordance with Sri Lanka Accounting Standard (LKAS 34) "Interim Financial Reporting".

### 4 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.



## NOTES TO THE FINANCIAL STATEMENTS

### 4.1 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 follows;

Group	As at 31.12.2020		As at 31.03.2020	
	Carrying Amount Rs. '000	Fair Value Rs. '000	Carrying Amount Rs. '000	Fair Value Rs. '000
<b>Financial assets measured at fair value</b>				
Derivative financial instruments	-	-	2,734	2,734
Financial assets recognised through profit or loss - measured at fair value	27,815,168	27,815,168	38,540,849	38,540,849
Financial assets - fair value through other comprehensive income	110,107	110,107	184,623	184,623
	27,925,275	27,925,275	38,728,206	38,728,206
<b>Financial assets not measured at fair value</b>				
Cash at banks and in hand	103,944	103,944	61,354	61,354
Financial assets at amortised cost	6,155,957	6,155,957	5,361,512	5,361,512
Trade receivables	503,866	503,866	373,296	373,296
	6,763,767	6,763,767	5,796,162	5,796,162
<b>Total financial assets</b>	<b>34,689,042</b>	<b>34,689,042</b>	<b>44,524,368</b>	<b>44,524,368</b>
<b>Financial liabilities measured at fair value</b>				
Derivative financial instruments	112	112	3,118	3,118
	112	112	3,118	3,118
<b>Financial liabilities not measured at fair value</b>				
Bank overdrafts	42,744	42,744	455,103	455,103
Securities sold under re-purchase agreements	21,545,680	21,566,735	33,294,423	33,331,477
Short term borrowings	6,323,525	6,323,525	5,928,107	5,928,107
Long term borrowings	75,308	75,308	150,885	150,885
Borrowings on debentures	765,554	837,206	517,641	521,589
	28,752,811	28,845,518	40,346,159	40,387,161
<b>Total financial liabilities</b>	<b>28,752,923</b>	<b>28,845,630</b>	<b>40,349,277</b>	<b>40,390,279</b>

Company	As at 31.12.2020		As at 31.03.2020	
	Carrying Amount Rs. '000	Fair Value Rs. '000	Carrying Amount Rs. '000	Fair Value Rs. '000
<b>Financial assets not measured at fair value</b>				
Cash at banks and in hand	25,605	25,605	19,744	19,744
Financial assets at amortised cost	6,543,286	6,543,286	6,768,167	6,768,167
<b>Total financial assets</b>	<b>6,568,891</b>	<b>6,568,891</b>	<b>6,787,911</b>	<b>6,787,911</b>
<b>Financial liabilities not measured at fair value</b>				
Bank overdrafts	42,743	42,743	442,724	442,724
Short term borrowings	6,092,283	6,092,283	5,827,371	5,827,371
Long term borrowings	75,308	75,308	150,885	150,885
	6,210,334	6,210,334	6,420,980	6,420,980
<b>Total financial liabilities</b>	<b>6,210,334</b>	<b>6,210,334</b>	<b>6,420,980</b>	<b>6,420,980</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 4.2 Financial instruments- Fair Value

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

Group - As at 31 <sup>st</sup> December 2020	Total Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Financial assets measured at fair value</b>					
<b>Financial assets recognised through profit or loss - measured at fair value</b>					
Investment in government securities	23,859,224	23,859,224	-	-	23,859,224
Investment in debentures	1,295,578	-	1,295,578	-	1,295,578
Investment in unit trust	1,959,432	-	1,959,432	-	1,959,432
Investment in listed shares	700,934	700,934	-	-	700,934
	27,815,168	24,560,158	3,255,010	-	27,815,168
Financial assets - fair value through other comprehensive income	110,107	-	110,107	-	110,107
	27,925,275	24,560,158	3,365,117	-	27,925,275
<b>Financial assets not measured at fair value</b>					
Financial assets at amortised cost	6,155,957	-	-	6,155,957	6,155,957
Trade receivables	503,866	-	-	503,866	503,866
	6,659,823	-	-	6,659,823	6,659,823
<b>Total financial assets</b>	<b>34,585,098</b>	<b>24,560,158</b>	<b>3,365,117</b>	<b>6,659,823</b>	<b>34,585,098</b>
<b>Financial liabilities measured at fair value</b>					
<b>Derivative financial instruments</b>					
Forward sale contracts	112	112	-	-	112
	112	112	-	-	112
<b>Financial liabilities not measured at fair value</b>					
Securities sold under re-purchase agreements	21,545,680	-	-	21,566,735	21,566,735
Short term borrowings	6,323,525	-	-	6,323,525	6,323,525
Long term borrowings	75,308	-	-	75,308	75,308
Borrowings on debentures	765,554	-	837,206	-	837,206
	28,710,067	-	837,206	27,965,568	28,802,774
<b>Total financial liabilities</b>	<b>28,710,179</b>	<b>112</b>	<b>837,206</b>	<b>27,965,568</b>	<b>28,802,886</b>

## NOTES TO THE FINANCIAL STATEMENTS

Group - As at 31 <sup>st</sup> March 2020	Total Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Financial assets measured at fair value</b>					
<b>Derivative financial instruments</b>					
Forward purchase contracts	2,734	2,734	-	-	2,734
	2,734	2,734	-	-	2,734
<b>Financial assets recognised through profit or loss - measured at fair value</b>					
Investment in government securities	36,212,069	36,212,069	-	-	36,212,069
Investment in listed debentures	1,452,818	-	1,452,818	-	1,452,818
Investment in unit trust	433,142	-	433,142	-	433,142
Investment in listed shares	442,820	442,820	-	-	442,820
	38,540,849	36,654,889	1,885,960	-	38,540,849
<b>Financial assets - fair value through other comprehensive income</b>	184,623	-	184,623	-	184,623
	38,728,206	36,657,623	2,070,583	-	38,728,206
<b>Financial assets not measured at fair value</b>					
Financial assets at amortised cost	5,361,512	-	-	5,361,512	5,361,512
Trade receivables	373,296	-	-	373,296	373,296
	5,734,808	-	-	5,734,808	5,734,808
<b>Total financial assets</b>	<b>44,463,014</b>	<b>36,657,623</b>	<b>2,070,583</b>	<b>5,734,808</b>	<b>44,463,014</b>
<b>Financial liabilities measured at fair value</b>					
<b>Derivative financial instruments</b>					
Forward sale contracts	3,118	3,118	-	-	3,118
	3,118	3,118	-	-	3,118
<b>Financial liabilities not measured at fair value</b>					
Securities sold under re-purchase agreements	33,294,423	-	-	33,331,477	33,331,477
Short term borrowings	5,928,107	-	-	5,928,107	5,928,107
Long term borrowings	150,885	-	-	150,885	150,885
Borrowings on debentures	517,641	-	521,589	-	521,589
	39,891,056	-	521,589	39,410,469	39,932,058
<b>Total financial liabilities</b>	<b>39,894,174</b>	<b>3,118</b>	<b>521,589</b>	<b>39,410,469</b>	<b>39,935,176</b>

## NOTES TO THE FINANCIAL STATEMENTS

Company - As at 31 <sup>st</sup> December 2020		Total Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Financial assets not measured at fair value</b>						
Financial assets at amortised cost	6,543,286	-	-	6,543,286	6,543,286	6,543,286
	6,543,286	-	-	6,543,286	6,543,286	6,543,286
<b>Total financial assets</b>	<b>6,543,286</b>	<b>-</b>	<b>-</b>	<b>6,543,286</b>	<b>6,543,286</b>	<b>6,543,286</b>
<b>Financial liabilities not measured at fair value</b>						
Short term borrowings	6,092,283	-	-	6,092,283	6,092,283	6,092,283
Long term borrowings	75,308	-	-	75,308	75,308	75,308
	6,167,591	-	-	6,167,591	6,167,591	6,167,591
<b>Total financial liabilities</b>	<b>6,167,591</b>	<b>-</b>	<b>-</b>	<b>6,167,591</b>	<b>6,167,591</b>	<b>6,167,591</b>

Company - As at 31 <sup>st</sup> March 2020		Total Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Financial assets not measured at fair value</b>						
Financial assets at amortised cost	6,768,167	-	-	6,768,167	6,768,167	6,768,167
	6,768,167	-	-	6,768,167	6,768,167	6,768,167
<b>Total financial assets</b>	<b>6,768,167</b>	<b>-</b>	<b>-</b>	<b>6,768,167</b>	<b>6,768,167</b>	<b>6,768,167</b>
<b>Financial liabilities not measured at fair value</b>						
Short term borrowings	5,827,371	-	-	5,827,371	5,827,371	5,827,371
Long term borrowings	150,885	-	-	150,885	150,885	150,885
	5,978,256	-	-	5,978,256	5,978,256	5,978,256
<b>Total financial liabilities</b>	<b>5,978,256</b>	<b>-</b>	<b>-</b>	<b>5,978,256</b>	<b>5,978,256</b>	<b>5,978,256</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 4.3 Measurement of fair values

#### 4.3 (a) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

#### Financial instruments measured at fair value

Type	Valuation Technique	Significant Unobservable Inputs	Inter-relationship between Significant Unobservable Inputs and Fair Value Measurement
Debentures	The valuation model is based on Yield Curve of the Government Securities. Yields relating to Government Securities based on the remaining maturities of the respective debentures is interpolated in the valuation considering the investee companies' risk premiums.	Risk premium of the investee companies	The estimated fair value would increase/decrease if risk premium of the investee company is lower or higher
Unit Trusts	The fair values are based on the Net Asset Values published by the respective unit trusts.	Not applicable	Not applicable
Equity Securities (Financial assets - fair value through other comprehensive income)	The fair values are based on price to book value approach.	Discounting factor used to arrive the unlisted price	The estimated fair value would increase/decrease if the discounting factor used by investor company is lower or higher

## NOTES TO THE FINANCIAL STATEMENTS

### 4.3 Measurement of fair values

#### 4.3 (b) Fair Values - Level 2 and Level 3

##### Reconciliation of level 2 and level 3 fair values

The following table shows a reconciliation from the opening balance to the closing balances for Level 2 and Level 3 fair values.

	Debentures	Unit Trust	Equity Securities (Financial assets- FVTOCI)	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 <sup>st</sup> April 2020	1,452,818	433,142	184,623	2,070,583
Purchases	1,035,904	1,928,710	-	2,964,614
Sales/ Maturities	(1,246,641)	(457,729)	-	(1,704,370)
Gain/ (loss) on fair valuation of financial investments	53,497	55,309	(74,516)	34,290
<b>Balance as at 31<sup>st</sup> December 2020</b>	<b>1,295,578</b>	<b>1,959,432</b>	<b>110,107</b>	<b>3,365,117</b>

#### 4.4 (a) Sensitivity analysis on Listed/ Unlisted Debentures (Group)

Sensitivity of the Market Yield (Effect on Statement of profit or loss and other comprehensive income) is as follows.

	(-) 50bps Decrease	(-) 100bps Decrease	(+) 50bps Increase	(+) 100bps Increase
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Commercial Leasing & Finance PLC	233	472	(228)	(450)
Asia Asset Finance PLC	2,276	4,646	(2,348)	(4,603)
LOLC Holdings PLC	5,534	11,173	(5,431)	(10,762)
Softlogic Capital PLC	515	1,040	(505)	(1,000)
Janashakthi Limited (Unlisted)	5,842	11,978	(6,206)	(12,120)
	<b>14,400</b>	<b>29,309</b>	<b>(14,718)</b>	<b>(28,935)</b>

#### 4.4 (b) Sensitivity analysis on Unit Trust (Group)

Sensitivity of the Unit Price (Effect on Statement of profit or loss and other comprehensive income) is as follows.

	(-) 0.5% Decrease	(-) 1% Decrease	(+) 0.5% Increase	(+) 1% Increase
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
First Capital Money Market Fund	(9,304)	(18,608)	9,304	18,608
First Capital Equity Fund	(234)	(468)	234	468
Softlogic Money Market Fund	(259)	(520)	259	520
	<b>(9,797)</b>	<b>(19,596)</b>	<b>9,797</b>	<b>19,596</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 4.5 Financial instruments - Accounting classifications

Group - As at 31 <sup>st</sup> December 2020					
	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
<b>Financial assets measured at fair value</b>					
Financial assets - FVTPL	27,815,168	-	-	27,815,168	27,815,168
Financial assets - FVTOCI	-	-	110,107	110,107	110,107
	27,815,168	-	110,107	27,925,275	27,925,275
<b>Financial assets not measured at fair value</b>					
Cash at banks and in hand	-	103,944	-	103,944	103,944
Financial assets at amortised cost	-	6,155,957	-	6,155,957	6,155,957
Trade receivables	-	503,866	-	503,866	503,866
	-	6,763,767	-	6,763,767	6,763,767
<b>Total financial assets</b>	<b>27,815,168</b>	<b>6,763,767</b>	<b>110,107</b>	<b>34,689,042</b>	<b>34,689,042</b>
<b>Financial liabilities measured at fair value</b>					
<b>Derivative Financial Instruments</b>					
Forward sale contracts	112	-	-	112	112
	112	-	-	112	112
<b>Financial liabilities not measured at fair value</b>					
Bank overdrafts	-	42,744	-	42,744	42,744
Securities sold under re-purchase agreements	-	21,545,680	-	21,545,680	21,566,735
Short term borrowings	-	6,323,525	-	6,323,525	6,323,525
Long term borrowings	-	75,308	-	75,308	75,308
Borrowings on debentures	-	765,554	-	765,554	837,206
	-	28,752,811	-	28,752,811	28,845,518
<b>Total Financial Liabilities</b>	<b>112</b>	<b>28,752,811</b>	<b>-</b>	<b>28,752,923</b>	<b>28,845,630</b>

Group - As at 31 <sup>st</sup> March 2020					
	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
<b>Financial assets measured at fair value</b>					
Financial assets - FVTPL	38,540,849	-	-	38,540,849	38,540,849
Derivative Financial Instruments	2,734	-	-	2,734	2,734
Financial assets - FVTOCI	-	-	184,623	184,623	184,623
	38,543,583	-	184,623	38,728,206	38,728,206
<b>Financial assets not measured at fair value</b>					
Cash at banks and in hand	-	61,354	-	61,354	61,354
Financial assets at amortised cost	-	5,361,512	-	5,361,512	5,361,512
Trade receivables	-	373,296	-	373,296	373,296
	-	5,796,162	-	5,796,162	5,796,162
<b>Total financial assets</b>	<b>38,543,583</b>	<b>5,796,162</b>	<b>184,623</b>	<b>44,524,368</b>	<b>44,524,368</b>
<b>Financial liabilities measured at fair value</b>					
<b>Derivative Financial Instruments</b>					
Forward sale contracts	3,118	-	-	3,118	3,118
	3,118	-	-	3,118	3,118
<b>Financial liabilities not measured at fair value</b>					
Bank overdrafts	-	455,103	-	455,103	455,103
Securities sold under re-purchase agreements	-	33,294,423	-	33,294,423	33,331,477
Short term borrowings	-	5,928,107	-	5,928,107	5,928,107
Long term borrowings	-	150,885	-	150,885	150,885
Borrowings on debentures	-	517,641	-	517,641	521,589
	-	40,346,159	-	40,346,159	40,387,161
<b>Total Financial Liabilities</b>	<b>3,118</b>	<b>40,346,159</b>	<b>-</b>	<b>40,349,277</b>	<b>40,390,279</b>

## NOTES TO THE FINANCIAL STATEMENTS

Company - As at 31 <sup>st</sup> December 2020					
	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
<b>Financial assets not measured at fair value</b>					
Cash at banks and in hand	-	25,605	-	25,605	25,605
Financial assets at amortised cost	-	6,543,286	-	6,543,286	6,543,286
	-	6,568,891	-	6,568,891	6,568,891
<b>Total financial assets</b>	<b>-</b>	<b>6,568,891</b>	<b>-</b>	<b>6,568,891</b>	<b>6,568,891</b>
<b>Financial liabilities not measured at fair value</b>					
Bank overdrafts	-	42,743	-	42,743	42,743
Short term borrowings	-	6,092,283	-	6,092,283	6,092,283
Long term borrowing	-	75,308	-	75,308	75,308
	-	6,210,334	-	6,210,334	6,210,334
<b>Total financial liabilities</b>	<b>-</b>	<b>6,210,334</b>	<b>-</b>	<b>6,210,334</b>	<b>6,210,334</b>

Company - As at 31 <sup>st</sup> March 2020					
	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
<b>Financial assets not measured at fair value</b>					
Cash at banks and in hand	-	19,744	-	19,744	19,744
Financial assets at amortised cost	-	6,768,167	-	6,768,167	6,768,167
	-	6,787,911	-	6,787,911	6,787,911
<b>Total financial assets</b>	<b>-</b>	<b>6,787,911</b>	<b>-</b>	<b>6,787,911</b>	<b>6,787,911</b>
<b>Financial liabilities not measured at fair value</b>					
Bank overdrafts	-	442,724	-	442,724	442,724
Short term borrowings	-	5,827,371	-	5,827,371	5,827,371
Long term borrowing	-	150,885	-	150,885	150,885
	-	6,420,980	-	6,420,980	6,420,980
<b>Total financial liabilities</b>	<b>-</b>	<b>6,420,980</b>	<b>-</b>	<b>6,420,980</b>	<b>6,420,980</b>



## NOTES TO THE FINANCIAL STATEMENTS

- 5 The presentation and classification of figures for the corresponding period of the previous year have been reclassified/ restated to be comparable with those of the current year where necessary.
- 6 The number of shares represented by stated capital as at 31<sup>st</sup> December 2020 is 101,250,000 shares (As at 31<sup>st</sup> March 2020 - 101,250,000 shares).
- 7 There have been no significant changes in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31<sup>st</sup> March 2020 other than the following:
- The Company has provided a corporate guarantee of Rs. 400Mn on behalf of its Parent Company, Janashakthi Limited for its banking facilities.
  - The Commissioner General of Inland Revenue determined the appeal on Financial VAT (2016/17) and NBT on Financial Services (2016/17) amounting to Rs. 47.1Mn and Rs. 7Mn respectively submitted by First Capital Treasuries PLC (subsidiary) in favour of the Department of Inland Revenue. The matters have been referred to the Tax Appeals Commission.

Based on tax consultants' opinion, the Board of Directors of the Company is of the view that no liability would arise since the assessments are outside the scope of chargeability of taxes.

- 8 There have been no material events subsequent to the reporting date which require disclosures/ adjustments in the above provisional financial statements other than following:
- First Capital Holdings PLC issued 20,000,000 Listed, Rated, Senior, Unsecured, Redeemable Debentures with a maturity of 5 years at Rs. 100/- each (Total - Rs. 2,000,000,000/-). The Debentures were allotted on 8<sup>th</sup> February 2021.

### 9 Net Assets per Share

	As at 31 <sup>st</sup> December 2020 Rs.	As at 31 <sup>st</sup> March 2020 Rs.
Group	48.63	36.98
Company	48.63	36.98

### 10 Market Price per Share

	As at 31 <sup>st</sup> December 2020 Rs.	As at 31 <sup>st</sup> March 2020 Rs.
Highest market price recorded	62.00	43.40
Lowest market price recorded	49.00	22.00
Closing market price recorded	57.20	22.80

## INVESTOR INFORMATION

### List of twenty major shareholders as at 31<sup>st</sup> December 2020

Names of shareholders		No. of shares as at 31 <sup>st</sup> December 2020	Holding (%)
1	1.1 Commercial Bank of Ceylon PLC/Janashakthi Limited	26,600,000	26.27%
	1.2 Seylan Bank PLC/Janashakthi Limited	25,400,000	25.09%
	1.3 Hatton National Bank PLC/Janashakthi Limited	15,315,000	15.13%
	1.4 Seylan Bank PLC/Janashakthi Limited (Collateral)	8,997,240	8.89%
	1.5 Janashakthi Limited	5,000,000	4.94%
	1.6 Seylan Bank PLC/Janashakthi Limited	2,435,657	2.41%
	1.7 Commercial Bank of Ceylon PLC/Janashakthi Limited	300,703	0.30%
2	People's Leasing & Finance PLC/Mr. D.M.P. Disanayake	823,209	0.81%
3	Mrs. Vasudevan Saraswathi	472,000	0.47%
4	Mr. Amal Joseph Tissera	380,000	0.38%
5	Mr. Rajapaksa Vithanage Don Piyathilake	318,003	0.31%
6	Dr. Subashi Nemindi Samarasinghe	304,616	0.30%
7	Dr. Withana Pathiranage Somasiri, Mrs. D. V. A. Wijewardana & Mr. K. Withanapathirana	300,000	0.30%
8	Mr. Arunasalam Sithampalam	264,000	0.26%
9	DFCC Bank PLC/Mr. K.S.D. Senaweera	251,479	0.25%
10	Hatton National Bank PLC/Arunasalam Sithampalam	224,644	0.22%
11	DFCC Bank PLC/ S. M. P. K. Dissanayake	221,481	0.22%
12	Mr. Dhanusha Senajith Duke De Lanerolle	220,000	0.22%
13	Mr. Nagen Dayaranjan Kurukulasuriya	208,836	0.21%
14	Mr. Wickramatunga Arachchi Pathiranage Don Mahipala Wickramatunga	190,000	0.19%
15	Mr. Ponweera Arachchige Don Ruwan Udayangana Pushpakumara	189,900	0.19%
16	Mr. Upali Chandrakumara Bandaranayake	160,000	0.16%
17	Mr. Ravindra Erle Rambukwella	142,393	0.14%
18	Dr. Mayuramana Dewolage	140,050	0.14%
19	Citizens Development Business Finance PLC/K.D.C. Somalatha & K. Nandasiri	139,400	0.14%
20	Mrs. Delicia Daphne Swerine De Mel & L. Lal de Mel	137,500	0.14%
		<b>89,136,111</b>	<b>88.04%</b>

### Shareholding of the Directors/ Chief Executive Officer

Name of the Director/ Chief Executive Officer	Designation	No. of Shares as at 31 <sup>st</sup> December 2020
Mr. Nishan Fernando	Chairman	Nil
Mr. Dinesh Schaffter	Managing Director	Nil
Mr. Dilshan Wirasekara	Director/ Chief Executive Officer	Nil
Mr. Prakash Schaffter	Director	Nil
Mr. Ramesh Schaffter	Director	Nil
Mr. Eardley Perera	Director	Nil
Ms. Minette Perera	Director	Nil
Mr. Chandana de Silva (Joint with Mr.C.P.de Silva)	Director	118,333
Dr. Nishan de Mel	Director	Nil

Disclosure in accordance with the Section 7.4 (b) (ii) - Appendix 7B (a) (Item 4) of CSE Listing Rules (Compliance relating to the Public Floating).

Float adjusted market capitalisation as at 31 <sup>st</sup> December 2020 (Rs.)	976,446,900
Public holding percentage	16.86%
Number of public shareholders	5,834

The Company is not compliant with the Minimum Public Holding requirement under option 5 of the Section 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange.