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4th December 2020

Board of Directors,
First Capital Holdings PLC,
No. 2, Deal Place,
Colombo 3.

Dear Madam/Sirs,

ACCOUNTANTS' REPORT FOR INCLUSION IN THE PROSPECTUS OF FIRST CAPITAL HOLDINGS PLC

This report has been prepared for the inclusion in the Prospectus issued in connection with the Public Offer of 20,000,000 Listed, Rated, Senior, Unsecured and Redeemable Debentures at a face value of Rs. 100/- each to raise up to Rs. 2 Billion.

We have examined the financial statements of First Capital Holdings PLC for the financial years ended 31st March 2016 to 31st March 2020, included in the prospectus and report as follows.

1. INCORPORATION

First Capital Holdings PLC ("the Company") is a public limited liability company incorporated on 23rd March 1992 and domiciled in Sri Lanka. The registered office of the Company is situated at No. 2, Deal Place, Colombo 3. The shares of the Company have a primary listing on the Colombo Stock Exchange. The principal activities of the Company continued to be engaging in investment activities and management of subsidiaries.

FINANCIAL STATEMENTS

2.1 Five Years Summary of Financial Statements

A summary of Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows of First Capital Holdings PLC ("the Company") and the Consolidated Financial Statements which includes the Company and its Subsidiaries ("the Group") for the years ended 31st March 2016 to 31st March 2020, based on the audited financial statements of the Company and the Group prepared in accordance with SLFRS's and LKAS's are set out in Annexure 1.



2.2 Audit Reports

We have audited the financial statements of the Company and the Group for the years ended 31st March 2016 to 31st March 2020. Unqualified audit opinions have been issued for the said financial years.

2.3 Application of Accounting Standards and Accounting Policies

The financial statements of the Company and the Group for the financial years ended 31st March 2016 to 31st March 2020 complied with the applicable Sri Lanka Accounting Standards.

The accounting policies of the Group are stated in detail in the audited financial statements of First Capital Holdings PLC for the year ended 31st March 2020. The adoption of revised/new accounting standards and a summary of related amendments to the accounting policies of the Group from financial years ended 31st March 2016 to 31st March 2020 are given below.

Financial Year	Adoption of revised Accounting Standards and related changes in Accounting Policies
31 st March 2016	There were no material changes.
31 st March 2017	<p>The Institute of Chartered Accountants of Sri Lanka issued an amendment to LKAS - 27 - Separate Financial Statements which became applicable for the annual financial periods beginning on or after 1st January 2016. The nature and the effects of the changes are explained below:</p> <p>Accounting for Investment in Subsidiaries</p> <p>The Company changed its accounting policy on investment in subsidiaries from Cost Basis to Equity Method of Accounting in accordance with the provisions of “LKAS 27 - Separate Financial Statements.</p>
31 st March 2018	There were no material changes.
31 st March 2019	<p>The Institute of Chartered Accountants of Sri Lanka issued new Sri Lanka Financial Reporting Standards which became applicable for the annual financial periods beginning on or after 1st January 2018. The nature and the effects of the changes are explained below:</p> <p>Classification and measurement of financial assets and financial liabilities</p> <p>SLFRS 9 – “Financial Instruments” contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under SLFRS 9 – “Financial Instruments” is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SLFRS 9 - Financial Instruments” eliminates the previous LKAS 39 – “Financial Instruments: Recognition and Measurement” categories of held for trading, held to maturity, loans and receivables and available for sale.</p> <p>Impairment of financial assets</p> <p>SLFRS 9 – “Financial Instruments” replaces the “Incurred Loss” model in LKAS 39 – “Financial Instruments: Recognition and Measurement” with a forward-looking “Expected Credit Loss” (ECL) model. The new model applies to financial assets that are not measured at FVTPL, including loans and receivables, and all other debt</p>

	<p>securities. ECL does not apply to equity investments and those should be measured at fair value.</p> <p>Hedge accounting</p> <p>The new general hedge accounting model in SLFRS 9 – “Financial Instruments” requires the Company to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward – looking approach to assessing hedge effectiveness. SLFRS 9 – “Financial Instruments” require extensive new disclosures in particular about hedge accounting.</p> <p>The general hedge accounting requirements of SLFRS 9 – “Financial Instruments” retain the three types of hedge accounting mechanisms in LKAS 39 – “Financial Instruments: Recognition and Measurement”. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify as hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an “economic relationship”. Retrospective assessment of hedge effectiveness is no longer required.</p> <p>SLFRS 15 - Revenue from contracts with customers</p> <p>The impact on the adoption of SLFRS 15 was limited to new disclosure requirements.</p>
31 st March 2020	<p>The Institute of Chartered Accountants of Sri Lanka issued a new Sri Lanka Financial Reporting Standard and standard interpretation which became applicable for the annual financial periods beginning on or after 1st January 2019. The nature and the effects of the changes are explained below:</p> <p>SLFRS 16 - Leases</p> <p>At the inception of a contract, the Group assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group use the definition of a lease in SLFRS 16.</p> <p>The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.</p> <p>IFRIC 23 - Uncertainty Over Income Tax Treatments</p> <p>The Group has accounted for the uncertainty over tax treatments under IFRIC 23. An ‘uncertain tax treatment’ is a tax treatment for which there is uncertainty over whether the relevant taxation authority will accept the tax treatment under tax law. If it is not probable that the taxation authority will accept an uncertain tax treatment, effect of uncertainty shall be reflected in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.</p>



	The effect of uncertainty for each uncertain tax treatment shall be reflected by using either of the most likely amount or the expected value methods, depending on which method the Group expects to better predict the resolution of the uncertainty.
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2.4 Dividend

The Company has paid the following dividend in respect of Ordinary Shares during the years ended 31st March 2016 to 31st March 2020.

Year ended 31 st March	Dividend Paid Rs. Mn	Dividend per share Rs.
2016	None	None
2017	202.50	2.00
2018	202.50	2.00
2019	None	None
2020	911.25	9.00

2.5 Purpose and restriction on use and distribution

This report is made solely for the purpose of the Board of Directors of First Capital Holdings PLC for the inclusion in the prospectus in connection with the debenture issue of up to Rs. 2 Billion. This report should not be used, circulated, quoted or otherwise referred to any other purpose.

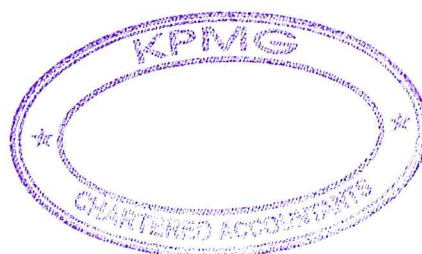
Yours faithfully,

Chartered Accountants

Colombo

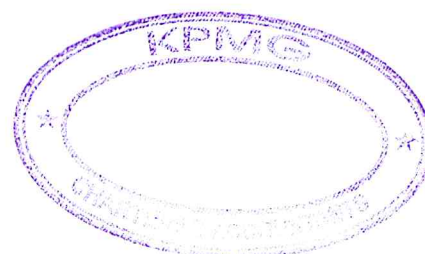
FIRST CAPITAL HOLDINGS PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March	2020 Rs. '000	2019 Rs.'000	2018 Rs.'000	2017 Rs.'000	2016 Rs.'000
Income	5,220,425	4,171,474	4,186,064	3,587,574	1,550,780
Direct income	5,196,768	4,148,711	4,176,223	3,508,973	1,510,990
Direct expenses	(3,189,921)	(3,570,379)	(2,833,345)	(2,936,775)	(1,006,676)
Net trading income	2,006,847	578,332	1,342,878	572,198	504,314
Other income	23,657	22,763	9,841	78,601	39,790
Gain / (loss) on fair valuation of financial assets recognised through profit or loss - measured at fair value	350,269	(139,191)	288,677	(21,158)	(105,974)
	2,380,773	461,904	1,641,396	629,641	438,130
Operating expenses					
Personnel expenses	(472,954)	(242,326)	(282,134)	(212,198)	(211,187)
Premises, equipment and establishment expenses	(40,661)	(37,631)	(43,622)	(39,480)	(54,288)
Other operating expenses	(139,636)	(120,438)	(163,532)	(132,452)	(120,201)
(Provision) / reversal for impairment of financial assets at amortised cost	(19,197)	26,874	-	-	-
	(672,448)	(373,521)	(489,288)	(384,130)	(385,676)
Operating profit	1,708,325	88,383	1,152,108	245,511	52,454
Share of profit / (loss) from equity accounted investee (net of tax)	-	-	-	-	9,606
Profit before taxation	1,708,325	88,383	1,152,108	245,511	62,060
Income tax expense	(635,086)	(80,835)	813,615	(13,913)	(14,600)
Profit for the year	1,073,239	7,548	1,965,723	231,598	47,460
Other comprehensive income					
<i>Items that will never be reclassified to profit or loss</i>					
Actuarial gain/ (loss) on retirement benefit obligations	(684)	(3,784)	(325)	6,836	541
Gain / (loss) on financial assets measured at fair value through other comprehensive income	(33,088)	(24,831)	(90,053)	-	-
Disposal loss on sale of equity investments measured at fair value through other comprehensive income	(208)	-	-	-	-
Tax effect on other comprehensive income	211	1,060	91	-	-
Share of other comprehensive income from equity accounted investees (net of tax)	-	-	-	-	-
<i>Items that are or may be reclassified to profit or loss</i>					
Available for sale financial assets reclassified to profit or loss (equity accounted investee)	-	-	-	-	1,564
Other comprehensive income / (expense)	(33,769)	(27,555)	(90,287)	6,836	2,105
Total comprehensive income / (expense) for the year	1,039,470	(20,007)	1,875,436	238,434	49,565
Basic Earnings per Share (Rs.)	9.94	0.02	18.49	2.09	0.46



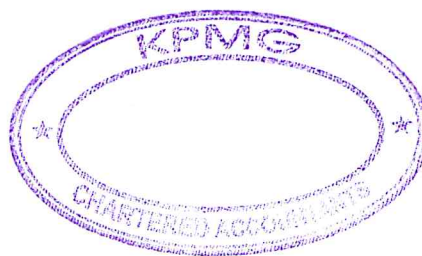
FIRST CAPITAL HOLDINGS PLC
STATEMENT OF FINANCIAL POSITION

As at 31 March	2020	2019	2018	2017	2016
	Rs. '000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS					
Cash at banks and in hand	61,354	55,317	319,663	55,340	31,066
Derivative financial instruments	2,734	3,454	47,868	24,075	40,861
Financial assets recognised through profit or loss - measured at fair value	38,540,849	31,985,437	-	-	-
Financial assets - fair value through other comprehensive income	184,623	217,920	-	-	-
Financial assets - at amortised cost	5,361,512	7,557,832	-	-	-
Financial investments - held for trading	-	-	26,519,838	23,799,894	11,326,163
Financial investments - available for sale	-	-	242,750	332,803	2,000
Financial investments - loans and receivables	-	-	6,069,028	6,625,115	8,529,332
Taxes receivable	271,610	178,845	70,118	104,032	62,379
Trade and other receivables	598,672	246,661	811,035	540,521	576,353
Deferred tax asset	299,775	862,024	929,892	36,703	37,703
Property, plant and equipment	65,250	37,050	19,990	14,295	16,648
Other assets	166,742	160,930	161,831	156,986	157,779
TOTAL ASSETS	45,553,121	41,305,470	35,192,013	31,689,764	20,780,284
LIABILITIES					
Bank overdraft	455,103	971,036	294,402	224,445	207,681
Derivative financial instruments	3,118	2,878	21,659	2,240	20,835
Securities sold under re-purchase agreements	33,294,423	29,204,828	23,412,237	21,102,897	14,487,714
Short term borrowings	5,928,107	6,566,174	6,013,598	6,768,015	2,886,142
Tax payables	488,668	348	4,291	3,956	331
Retirement benefit obligations	39,812	31,856	27,992	22,696	24,385
Borrowings on debentures	517,641	216,205	407,178	540,032	730,400
Long term borrowings	150,885	251,833	352,368	453,077	-
Other liabilities	722,081	238,722	787,712	358,793	237,920
TOTAL LIABILITIES	41,599,838	37,483,880	31,321,437	29,476,151	18,595,408
EQUITY					
Stated capital	227,500	227,500	227,500	227,500	227,500
Risk reserve	1,135,297	1,021,248	1,012,200	854,456	822,022
Retained earnings	2,529,183	2,506,870	2,545,342	1,036,415	1,052,693
Fair valuation reserve	(148,069)	(114,828)	(90,053)	-	-
	3,743,911	3,640,790	3,694,989	2,118,371	2,102,215
Non-controlling interests	209,372	180,800	175,587	95,242	82,661
Minority interest	-	-	-	-	-
TOTAL EQUITY	3,953,283	3,821,590	3,870,576	2,213,613	2,184,876
TOTAL EQUITY AND LIABILITIES	45,553,121	41,305,470	35,192,013	31,689,764	20,780,284
Net Assets per Share (Rs.)	36.98	35.96	36.49	20.92	20.76



FIRST CAPITAL HOLDINGS PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016 TO 2020

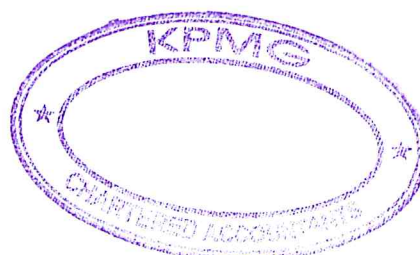
	Attributable to equity holders of parent					Non-controlling Interests Rs.'000	Total Equity Rs.'000
	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Total		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000		
Balance as at 1 April 2015	227,500	820,964	1,209,178	(1,564)	2,256,078	81,733	2,337,811
Total comprehensive income for the year							
Profit for the year	-	-	46,566	-	46,566	894	47,460
Other comprehensive income	-	-	507	1,564	2,071	34	2,105
Total comprehensive income	-	-	47,073	1,564	48,637	928	49,565
Transactions with equity holders							
Distribution to equity holders							
Dividend paid -Final 2014/15	-	-	(202,500)	-	(202,500)	-	(202,500)
Total distribution to equity holders	-	-	(202,500)	-	(202,500)	-	(202,500)
Transfers to risk reserve	-	1,058	(1,058)	-	-	-	-
Total transactions with equity holders	-	1,058	(203,558)	-	(202,500)	-	(202,500)
Balance as at 31 March 2016	227,500	822,022	1,052,693	-	2,102,215	82,661	2,184,876
Balance as at 1 April 2016	227,500	822,022	1,052,693	-	2,102,215	82,661	2,184,876
Total comprehensive income for the year							
Profit for the year	-	-	212,064	-	212,064	19,534	231,598
Other comprehensive income	-	-	6,592	-	6,592	244	6,836
Total comprehensive income	-	-	218,656	-	218,656	19,778	238,434
Transactions with equity holders							
Distribution to equity holders							
Dividend paid -Interim 2016/17	-	-	(202,500)	-	(202,500)	-	(202,500)
Dividend paid to shareholders with non-controlling interests	-	-	-	-	-	(7,197)	(7,197)
Total distribution to equity holders	-	-	(202,500)	-	(202,500)	(7,197)	(209,697)
Transfers to risk reserve	-	32,434	(32,434)	-	-	-	-
Total transactions with equity holders	-	32,434	(234,934)	-	(202,500)	(7,197)	(209,697)
Balance as at 31 March 2017	227,500	854,456	1,036,415	-	2,118,371	95,242	2,213,613
Balance as at 1 April 2017	227,500	854,456	1,036,415	-	2,118,371	95,242	2,213,613
Total comprehensive income for the year							
Profit for the year	-	-	1,871,823	-	1,871,823	93,900	1,965,723
Other comprehensive income	-	-	(223)	(90,053)	(90,276)	(11)	(90,287)
Total comprehensive income	-	-	1,871,600	(90,053)	1,781,547	93,889	1,875,436
Transactions with equity holders							
Distribution to equity holders							
Dividend paid - Interim 2017/18	-	-	(202,500)	-	(202,500)	-	(202,500)
Dividend paid to shareholders with non-controlling interest	-	-	-	-	-	(11,115)	(11,115)
Total distribution to equity holders	-	-	(202,500)	-	(202,500)	(11,115)	(213,615)
Transfers to risk reserve	-	157,744	(157,744)	-	-	-	-
Total transactions with equity holders	-	157,744	(360,244)	-	(202,500)	(11,115)	(213,615)
Changes in ownership interest							
Adjustment due to acquisition	-	-	(2,429)	-	(2,429)	(2,429)	(4,858)
Total changes in ownership interest	-	-	(2,429)	-	(2,429)	(2,429)	(4,858)
Balance as at 31 March 2018	227,500	1,012,200	2,545,342	(90,053)	3,694,989	175,587	3,870,576
Balance as at 1 April 2018	227,500	1,012,200	2,545,342	(90,053)	3,694,989	175,587	3,870,576
Impact on adoption of SLFRS 9 (net of tax)	-	-	(28,972)	-	(28,972)	(7)	(28,979)
Adjusted balance as at 1 April 2018	227,500	1,012,200	2,516,370	(90,053)	3,666,017	175,580	3,841,597
Total comprehensive income for the year							
Profit for the year	-	-	2,202	-	2,202	5,346	7,548
Other comprehensive income	-	-	(2,654)	(24,775)	(27,429)	(126)	(27,555)
Total comprehensive income	-	-	(452)	(24,775)	(25,227)	5,220	(20,007)
Transfers to risk reserve	-	9,048	(9,048)	-	-	-	-
Balance as at 31 March 2019	227,500	1,021,248	2,506,870	(114,828)	3,640,790	180,800	3,821,590
Balance as at 1 April 2019	227,500	1,021,248	2,506,870	(114,828)	3,640,790	180,800	3,821,590
Impact on adoption of IFRIC 23	-	-	(464,230)	-	(464,230)	(24,438)	(488,668)
Adjusted balance as at 1 April 2019	227,500	1,021,248	2,042,640	(114,828)	3,176,560	156,362	3,332,922
Total comprehensive income for the year							
Profit for the year	-	-	1,006,051	-	1,006,051	67,188	1,073,239
Other comprehensive income	-	-	(459)	(33,241)	(33,700)	(70)	(33,770)
Total comprehensive income	-	-	1,005,592	(33,241)	972,351	67,118	1,039,469
Transactions with Equity Holders							
Distribution to Equity Holders							
Dividend paid -Interim 2019/20	-	-	(405,000)	-	(405,000)	-	(405,000)
Dividend paid to shareholders with non-controlling interest	-	-	-	-	-	(14,108)	(14,108)
Total distribution to equity holders	-	-	(405,000)	-	(405,000)	(14,108)	(419,108)
Transfers to risk reserve	-	114,049	(114,049)	-	-	-	-
Balance as at 31 March 2020	227,500	1,135,297	2,529,183	(148,069)	3,743,911	209,372	3,953,283



FIRST CAPITAL HOLDINGS PLC
STATEMENT OF CASH FLOWS

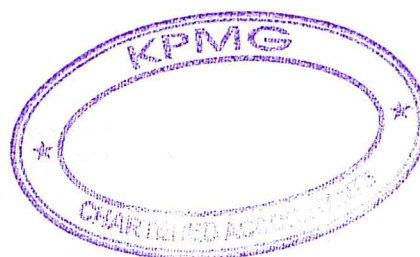
For the year ended 31 March

	2020	2019	2018	2017	2016
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash flows from operating activities					
Interest receipts and gains realised	5,128,645	4,065,400	4,076,631	3,468,308	1,491,104
Interest payments and other direct cost	(2,849,543)	(3,346,076)	(2,361,855)	(2,593,338)	(767,557)
Other receipts	23,657	11,616	9,841	10,573	18,255
Cash payments to employees and suppliers	(389,270)	(369,744)	(469,638)	(377,294)	(353,941)
Operating profit before changes in operating assets and liabilities	1,913,489	361,196	1,254,979	508,249	387,861
Increase in financial assets - fair value through profit or loss	(6,205,657)	(5,579,157)	(2,435,641)	(12,496,700)	(1,206,464)
(Increase)/ Decrease in financial assets- at amortised cost	2,203,247	(1,471,509)	591,940	1,939,913	410,766
(Increase)/ Decrease in trade and other receivables	(401,516)	564,374	(270,513)	35,832	(51,829)
Increase in group balance receivables	(5,118)	(72)	(442)	-	-
Increase/ (Decrease) in trade and other payables	255,804	(344,330)	225,692	119,283	(48,159)
Increase/ (Decrease) in group balances payables	(467)	470	728	-	-
Increase/ (Decrease) in short term borrowings	(640,143)	549,075	(766,364)	3,544,746	659,044
Increase/ (decrease) in securities sold under re-purchase agreements	3,756,705	5,565,682	1,845,434	6,615,184	(581,442)
Cash generated from/ (used in) operations	876,344	(354,271)	445,813	266,507	(430,223)
Tax paid	(100,579)	(123,932)	(26,338)	(36,062)	(9,839)
Gratuity paid	(374)	(6,968)	(1,034)	(99)	(911)
Net cash flows generated from/ (used in) operating activities	775,391	(485,171)	418,441	230,346	(440,973)
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets	(6,262)	(29,241)	(23,746)	(8,950)	(13,050)
Proceeds on sale of property, plant and equipment	-	11,321	-	6,885	-
Investment in subsidiaries	-	-	(4,858)	-	-
Dividend receipts	42,000	54,989	63,740	64,571	7,836
Proceeds from sale of investments	1,000	-	-	-	-
Acquisition of financial investments recognised through other comprehensive income	-	-	-	(330,803)	-
Proceeds from sale of equity accounted investees	-	-	-	-	432,745
Proceeds from sale of venture capital investments	-	-	-	-	7,000
Net cash flows generated from/ (used in) investing activities	36,738	37,069	35,136	(268,297)	434,531
Cash flows from financing activities					
Dividend paid	(405,000)	(202,500)	-	(202,500)	(202,500)
Dividend paid to shareholders with non-controlling interest	(14,108)	-	(11,115)	(7,197)	-
Redemption of listed debentures	(211,555)	(190,378)	(129,200)	(185,400)	-
Dividend tax paid	(66,126)	-	(18,896)	(12,519)	-
Borrowings on debentures	506,630	-	-	-	-
Net Proceeds / (Repayment) of long term borrowings	(100,000)	(100,000)	(100,000)	453,077	-
Net cash flows generated from/ (used in) financing activities	(290,159)	(492,878)	(259,211)	45,461	(202,500)
Net cash inflow/outflow for the year	521,970	(940,980)	194,366	7,510	(208,942)
Cash and cash Equivalents at the beginning of the year	(915,719)	25,261	(169,105)	(176,615)	32,327
Cash and cash Equivalents at the end of the year (Note A)	(393,749)	(915,719)	25,261	(169,105)	(176,615)
Note A					
Cash at banks and in hand	61,354	55,317	319,663	55,340	31,066
Bank overdraft	(455,103)	(971,036)	(294,402)	(224,445)	(207,681)
	(393,749)	(915,719)	25,261	(169,105)	(176,615)



FIRST CAPITAL HOLDINGS PLC (COMPANY)
STATEMENT OF FINANCIAL POSITION

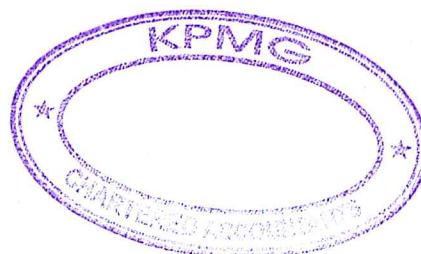
As at 31 March	2020	2019	2018	2017	2016
	Rs. '000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS					
Cash at banks and in hand	19,744	21,344	8,490	8,477	4,998
Financial assets - fair value through other comprehensive income	-	1,208	1,000	1,000	1,000
Financial assets - at amortised cost	6,768,167	7,974,257	7,418,696	8,378,338	3,650,664
Group balances receivable	9,931	121	-	-	16,837
Taxes receivable	103,006	58,585	-	-	-
Trade and other receivables	1,418	6,878	2,967	2,303	1,073
Investment in subsidiary	3,291,070	3,212,043	3,294,772	1,781,495	1,791,189
Deferred tax asset	6,683	16,573	34,539	-	-
Property, plant and equipment and right of use assets	20,698	20,864	3,005	1,515	9
Intangible assets	3,969	4,997	6,221	41	-
TOTAL ASSETS	10,224,686	11,316,870	10,769,690	10,173,169	5,465,770
LIABILITIES					
Bank overdraft	442,724	830,539	290,941	29,909	-
Short term borrowings	5,827,371	6,566,174	5,999,239	7,202,850	2,820,725
Group balances payable	-	629	10,962	11,375	399
Trade and other payables	59,795	26,905	226,802	29,499	26,597
Tax payable	-	-	2,782	3,251	30
Long term borrowings	150,885	251,833	352,368	453,077	-
Borrowings on debentures	-	-	191,607	324,837	515,804
TOTAL LIABILITIES	6,480,775	7,676,080	7,074,701	8,054,798	3,363,555
EQUITY					
Stated capital	227,500	227,500	227,500	227,500	227,500
Risk reserve	1,135,297	1,021,248	1,012,200	854,456	822,022
Retained earnings	2,529,183	2,506,870	2,545,342	1,036,415	1,052,693
Fair valuation reserve	(148,069)	(114,828)	(90,053)	-	-
	3,743,911	3,640,790	3,694,989	2,118,371	2,102,215
Non-controlling interests	-	-	-	-	-
TOTAL EQUITY	3,743,911	3,640,790	3,694,989	2,118,371	2,102,215
TOTAL EQUITY AND LIABILITIES	10,224,686	11,316,870	10,769,690	10,173,169	5,465,770
Net Assets per Share (Rs.)	36.98	35.96	36.49	20.92	20.76



FIRST CAPITAL HOLDINGS PLC (COMPANY)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

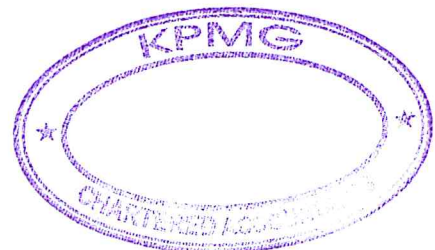
For the year ended 31 March

	2020 Rs.'000	2019 Rs.'000	2018 Rs.'000	2017 Rs.'000	2016 Rs.'000
Income	1,125,686	1,216,385	1,057,384	773,605	335,594
Direct income	1,125,686	1,213,356	1,057,384	773,605	321,112
Direct expenses	(982,945)	(1,096,281)	(964,686)	(708,295)	(280,359)
Net trading income	142,741	117,075	92,698	65,310	40,753
Other income	-	3,029	-	-	14,482
	142,741	120,104	92,698	65,310	55,235
Operating expenses					
Personnel expenses	(45,356)	(21,769)	(30,455)	(15,779)	-
Premises, equipment and establishment expenses	(8,787)	(7,525)	(7,836)	(5,240)	(4,539)
Other operating expenses	(31,374)	(35,895)	(21,519)	(18,047)	(12,548)
(Provision) / reversal for impairment of financial assets at amortised cost	(18,172)	(3,815)	-	-	-
	(103,689)	(69,004)	(59,810)	(39,066)	(17,087)
Operating profit	39,052	51,100	32,888	26,244	38,148
Share of profit / (loss) from equity accounted investee (net of tax)	982,949	(29,565)	1,811,724	194,110	14,200
Profit before taxation	1,022,001	21,535	1,844,612	220,354	52,348
Income tax expense	(15,950)	(19,333)	27,211	(8,290)	(5,782)
Profit for the year	1,006,051	2,202	1,871,823	212,064	46,566
Other comprehensive income					
<i>Items that will never be reclassified to profit or loss</i>					
Gain / (loss) on financial assets measured at fair value through other comprehensive income	-	208	-	-	-
Disposal loss on sale of equity investments measured at fair value through other comprehensive income	(208)	-	-	-	-
Share of other comprehensive income from equity accounted investees (net of tax)	(33,492)	(27,637)	(90,276)	6,592	507
<i>Items that are or may be reclassified to profit or loss</i>					
Available for sale financial assets reclassified to profit or loss (Equity accounted investees)	-	-	-	-	1,564
	(33,700)	(27,429)	(90,276)	6,592	2,071
Total comprehensive income / (expense) for the year	972,351	(25,227)	1,781,547	218,656	48,637
Basic Earnings per Share (Rs.)	9.94	0.02	18.49	2.09	0.46



FIRST CAPITAL HOLDINGS PLC (COMPANY)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016 TO 2020

	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April 2015	227,500	-	549,887	-	777,387
Impact on adopting equity method as at 1 April 2015	-	820,964	659,291	(1,564)	1,478,691
Restated Balance as at 1 April 2015	227,500	820,964	1,209,178	(1,564)	2,256,078
Total comprehensive income for the year					
Profit for the year	-	-	46,566	-	46,566
Other comprehensive income	-	-	507	1,564	2,071
Total comprehensive income	-	-	47,073	1,564	48,637
Transactions with equity holders					
Distribution to equity holders					
Dividend paid -Final 2014/15	-	-	(202,500)	-	(202,500)
Total distribution to equity holders	-	-	(202,500)	-	(202,500)
Transfers to risk reserve	-	1,058	(1,058)	-	-
Total transactions with equity holders	-	1,058	(203,558)	-	(202,500)
Balance as at 31 March 2016	227,500	822,022	1,052,693	-	2,102,215
Balance as at 1 April 2016	227,500	822,022	1,052,693	-	2,102,215
Total comprehensive income for the year					
Profit for the year	-	-	212,064	-	212,064
Other comprehensive income	-	-	6,592	-	6,592
Total comprehensive income	-	-	218,656	-	218,656
Transactions with equity holders					
Distribution to equity holders					
Dividend paid -Interim 2016/17	-	-	(202,500)	-	(202,500)
Total distribution to equity holders	-	-	(202,500)	-	(202,500)
Transfers to risk reserve	-	32,434	(32,434)	-	-
Total transactions with equity holders	-	32,434	(234,934)	-	(202,500)
Balance as at 31 March 2017	227,500	854,456	1,036,415	-	2,118,371
Balance as at 1 April 2017	227,500	854,456	1,036,415	-	2,118,371
Total comprehensive income for the year					
Profit for the year	-	-	1,871,823	-	1,871,823
Other comprehensive income	-	-	(223)	(90,053)	(90,276)
Total comprehensive income	-	-	1,871,600	(90,053)	1,781,547
Transactions with equity holders					
Distribution to equity holders					
Dividend paid -Interim 2017/18	-	-	(202,500)	-	(202,500)
Total distribution to equity holders	-	-	(202,500)	-	(202,500)
Transfers to risk reserve	-	157,744	(157,744)	-	-
Total transactions with equity holders	-	157,744	(360,244)	-	(202,500)
Changes in ownership interest					
Adjustment due to acquisition	-	-	(2,429)	-	(2,429)
Total changes in ownership interest	-	-	(2,429)	-	(2,429)
Balance as at 31 March 2018	227,500	1,012,200	2,545,342	(90,053)	3,694,989
Balance as at 1 April 2018	227,500	1,012,200	2,545,342	(90,053)	3,694,989
Impact on adoption of SLFRS 9 (net of tax)	-	-	(28,972)	-	(28,972)
Adjusted balance as at 1 April 2018	227,500	1,012,200	2,516,370	(90,053)	3,666,017
Total comprehensive income for the year					
Profit for the year	-	-	2,202	-	2,202
Other comprehensive expense	-	-	(2,654)	(24,775)	(27,429)
Total comprehensive income	-	-	(452)	(24,775)	(25,227)
Transfers to risk reserve	-	9,048	(9,048)	-	-
Balance as at 31 March 2019	227,500	1,021,248	2,506,870	(114,828)	3,640,790
Balance as at 1 April 2019	227,500	1,021,248	2,506,870	(114,828)	3,640,790
Impact on adoption of IFRIC 23	-	-	(464,230)	-	(464,230)
Adjusted balance as at 1 April 2019	227,500	1,021,248	2,042,640	(114,828)	3,176,560
Total comprehensive income for the year					
Profit for the year	-	-	1,006,051	-	1,006,051
Other comprehensive expense	-	-	(459)	(33,241)	(33,700)
Total comprehensive income	-	-	1,005,592	(33,241)	972,351
Transactions with Equity Holders					
Distribution to Equity Holders					
Dividend paid -Interim 2019/20	-	-	(405,000)	-	(405,000)
Total distribution to equity holders	-	-	(405,000)	-	(405,000)
Transfers to risk reserve	-	114,049	(114,049)	-	-
Balance as at 31 March 2020	227,500	1,135,297	2,529,183	(148,069)	3,743,911



FIRST CAPITAL HOLDINGS PLC (COMPANY)
STATEMENT OF CASH FLOWS

For the year ended 31 March

	2020	2019	2018	2017	2016
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash flows from operating activities					
Interest receipts and gains realised	1,079,228	1,162,394	831,312	548,729	141,896
Interest payments and other direct cost	(982,551)	(1,097,408)	(957,884)	(701,695)	(279,635)
Other receipts	-	-	-	-	783
Cash payments to employees and suppliers	(50,972)	(58,656)	(58,651)	(38,831)	(14,708)
Operating profit/ (loss) before changes in operating assets and liabilities	45,705	6,330	(185,223)	(191,797)	(151,664)
(Increase)/ Decrease in financial assets- at amortised cost	1,234,376	(513,211)	1,185,690	(4,502,799)	(775,565)
(Increase)/ Decrease in trade and other receivables	5,460	(3,911)	(664)	(1,230)	(364)
(Increase)/ Decrease in group balance receivables	(16,551)	(121)	-	16,837	(16,837)
Increase/ (Decrease) in trade and other payables	(3,099)	7,380	(5,197)	(5,026)	6,934
Increase/ (Decrease) in group balances payables	(629)	(10,333)	(413)	10,975	344
Increase/ (Decrease) in short term borrowings	(740,144)	561,321	(1,215,151)	4,375,529	694,237
Cash generated from/ (used in) operations	525,118	47,655	(220,958)	(297,511)	(242,915)
Tax paid	(40,051)	(61,394)	(7,797)	(2,709)	(124)
Net cash flows generated from/ (used in) operating activities	485,067	(13,739)	(228,755)	(300,220)	(243,039)
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets	(1,052)	(23,168)	(8,830)	(1,783)	(12)
Proceeds on sale of property, plant and equipment	-	3,029	-	-	-
Investment in subsidiaries	-	-	(4,858)	-	-
Dividend receipts	406,200	12	210,624	210,396	-
Proceeds from sale of investments	1,000	-	-	-	-
Proceeds from sale of equity accounted investees	-	-	-	-	432,745
Proceeds from sale of venture capital investments	-	-	-	-	7,000
Net cash flows generated from/ (used in) investing activities	406,148	(20,127)	196,936	208,613	439,733
Cash flows from financing activities					
Dividend paid	(405,000)	(202,500)	-	(202,500)	(202,500)
Redemption of listed debentures	-	(190,378)	(129,200)	(185,400)	-
Repayment of long term borrowings	(100,000)	(100,000)	(100,000)	453,077	-
Net cash flows generated from/ (used in) financing activities	(505,000)	(492,878)	(229,200)	65,177	(202,500)
Net cash inflow/outflow for the year	386,215	(526,744)	(261,019)	(26,430)	(5,806)
Cash and cash Equivalents at the beginning of the year	(809,195)	(282,451)	(21,432)	4,998	10,804
Cash and cash Equivalents at the end of the year (Note A)	(422,980)	(809,195)	(282,451)	(21,432)	4,998
Note A					
Cash at banks and in hand	19,744	21,344	8,490	8,477	4,998
Bank overdraft	(442,724)	(830,539)	(290,941)	(29,909)	-
	(422,980)	(809,195)	(282,451)	(21,432)	4,998

