



First Capital

PROVISIONAL FINANCIAL STATEMENTS

Quarter ended
31st March 2021

FIRST CAPITAL HOLDINGS PLC

REVIEW OF OPERATIONS

First Capital Holdings PLC (the Group) recorded a Profit after Tax of Rs. 2.09Bn for the year ended 31st March 2021 compared to Rs. 1.07Bn in the previous year. The Group's Total Comprehensive Income for the year under review was Rs. 2.01Bn (2019/20 – Rs. 1.04Bn).

The Group's Primary Dealer division reported a Profit after Tax of Rs. 1.83Bn for the year ended 31st March 2021(2019/20 – Rs. 1.21Bn). The Results include trading gains on sale of government securities amounting to Rs. 2.47Bn and net interest income amounting to Rs. 519Mn.

The Corporate Finance division reported a Profit after Tax of Rs. 265Mn for the year ended 31st March 2021 (2019/20 – Loss after Tax of Rs. 1Mn). The Results include fee income on structuring and placement of corporate debt securities of Rs. 168Mn and trading gain on sale of corporate debt/equity securities of Rs. 204Mn.

The Wealth Management division reported a profit after tax of Rs. 83Mn for the year ended 31st March 2021(2019/20 – Rs. 8Mn). The division showed a growth in its assets under management to end with Rs. 45.2Bn as of 31st March 2021 (31st March 2020 – Rs. 26.4Bn).

The Stock Brokering division recorded a Profit after Tax of Rs. 75Mn for the year ended 31st March 2021(2019/20 – Rs. 6Mn).

First Capital Holdings PLC declared an interim dividend of Rs. 5/- per share amounting to Rs. 506.25Mn for the year 2020/21 in March 2021.

Sgd.

Dilshan Wirasekara

Director/Chief Executive Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group					
For the period		January ~ March		April ~ March	
	Notes	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Audited)
Income		930,755	1,068,720	6,033,274	5,220,425
Direct income		718,132	1,060,999	5,787,835	5,196,768
Direct expenses		(288,118)	(775,859)	(2,114,122)	(3,189,921)
Net trading income		430,014	285,140	3,673,713	2,006,847
Other income	1	212,623	7,721	245,439	23,657
Gain/(loss) on fair valuation of financial assets recognised through profit or loss measured at fair value		(104,904)	53,761	(215,452)	350,269
		537,733	346,622	3,703,700	2,380,773
Operating expenses					
Administrative expenses		(203,718)	(171,559)	(729,981)	(570,978)
Sales and distribution expenses		(9,770)	(7,240)	(21,915)	(17,231)
Other operating expenses		(10,417)	(9,470)	(40,363)	(65,042)
(Provision)/ Reversal for Impairment of financial assets at amortised cost		949	(13,716)	(9,800)	(19,197)
		(222,956)	(201,985)	(802,059)	(672,448)
Profit before tax		314,777	144,637	2,901,641	1,708,325
Income tax expense	2	(71,540)	(164,523)	(811,337)	(635,086)
Profit/ (loss) for the period		243,237	(19,886)	2,090,304	1,073,239
Other comprehensive income					
<i>Items that will never be reclassified to profit or loss</i>					
Actuarial loss on defined benefit plans		(9,923)	(684)	(9,923)	(684)
Loss on financial assets insert this word fair value through other comprehensive income		-	(9,314)	(74,516)	(33,088)
Tax effect on other comprehensive income	2	2,382	211	2,382	211
Disposal loss on sale of equity investments measured at fair value through other comprehensive income		-	(208)	-	(208)
<i>Items that are or may be reclassified to profit or loss</i>		-	-	-	-
Other comprehensive income for the period		(7,541)	(9,995)	(82,057)	(33,769)
Total comprehensive income for the period		235,696	(29,881)	2,008,247	1,039,470
Profit/ (loss) attributable to:					
Equity holders of the parent		227,114	(34,825)	1,987,628	1,006,051
Non - controlling interest		16,123	14,939	102,676	67,188
		243,237	(19,886)	2,090,304	1,073,239
Total comprehensive income attributable to:					
Equity holders of the parent		219,700	(44,806)	1,905,698	972,351
Non - controlling interest		15,996	14,925	102,549	67,119
		235,696	(29,881)	2,008,247	1,039,470
Basic Earnings/ (loss) per share (Rs.)		2.24	(0.34)	19.63	9.94

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	Notes	Company			
		January ~ March		April ~ March	
		2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Audited)
Income		200,615	265,855	856,177	1,125,686
Direct income		200,615	265,855	856,177	1,125,686
Direct expenses		(147,331)	(228,917)	(677,163)	(982,945)
Net trading income		53,284	36,938	179,014	142,741
Operating expenses					
Administrative expenses		(23,731)	(35,709)	(76,905)	(69,817)
Sales and distribution expenses		(3,003)	(1,470)	(6,141)	(4,575)
Other operating expenses		(4,324)	(1,435)	(6,514)	(11,125)
(Provision)/ Reversal for Impairment of financial assets at amortised cost		13,587	(16,952)	23,154	(18,172)
		(17,471)	(55,566)	(66,406)	(103,689)
Operating profit/ (loss)		35,813	(18,628)	112,608	39,052
Share of profit/(loss) from equity accounted investee (net of tax)		201,040	(20,438)	1,906,518	982,949
Profit/ (loss) before tax		236,853	(39,066)	2,019,126	1,022,001
Income tax (expense)/ reversal	2	(9,739)	4,241	(31,498)	(15,950)
Profit/ (loss) for the period		227,114	(34,825)	1,987,628	1,006,051
Other comprehensive income					
<i>Items that will never be reclassified to profit or loss</i>					
Share of other comprehensive income from equity accounted investee (net of tax)		(7,414)	(9,773)	(81,930)	(33,492)
Disposal loss on sale of equity investments measured at fair value through other comprehensive income		-	(208)	-	(208)
Tax effect on other comprehensive income	2	-	-	-	-
<i>Items that are or may be reclassified to profit or loss</i>					
Other comprehensive income for the period		(7,414)	(9,981)	(81,930)	(33,700)
Total comprehensive income for the period		219,700	(44,806)	1,905,698	972,351
Basic Earnings/ (loss) per share (Rs.)		2.24	(0.34)	19.63	9.94

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 st March 2021 (Unaudited)	31 st March 2020 (Audited)	31 st March 2021 (Unaudited)	31 st March 2020 (Audited)
ASSETS				
Cash at banks and in hand	242,053	61,354	42,187	19,744
Derivative financial instruments	2,315	2,734	-	-
Financial assets recognised through profit or loss - measured at fair value	28,048,012	38,540,849	611,801	-
Financial assets - fair value through other comprehensive income	110,107	184,623	-	-
Financial assets at amortised cost	7,035,652	5,361,512	9,032,886	6,768,167
Trade and other receivables	908,357	598,672	4,203	1,418
Group balances receivable	905	5,632	28,301	9,931
Non - current assets held for sale	42,416	42,416	-	-
Taxes receivable	111,996	271,610	78,155	103,006
Investment in subsidiary	-	-	4,103,374	3,291,070
Deferred tax asset	19,262	299,775	36	6,683
Property, plant and equipment	50,087	65,250	14,861	20,698
Intangible assets	124,746	118,694	7,631	3,969
TOTAL ASSETS	36,695,908	45,553,121	13,923,435	10,224,686
LIABILITIES				
Bank overdrafts	3,451	455,103	1,316	442,724
Derivative financial instruments	824	3,118	-	-
Securities sold under re-purchase agreements	20,223,285	33,294,423	-	-
Short term borrowings	6,660,363	5,928,107	6,660,363	5,827,371
Group balances payable	861	731	64	-
Trade and other payables	1,188,681	721,350	563,984	59,795
Taxes payable	860,738	488,668	-	-
Long term borrowings	50,204	150,885	50,204	150,885
Borrowings on debentures	2,763,001	517,641	2,010,395	-
Retirement benefit obligations	55,368	39,812	-	-
TOTAL LIABILITIES	31,806,776	41,599,838	9,286,326	6,480,775
EQUITY				
Stated capital	227,500	227,500	227,500	227,500
Risk reserve	1,308,020	1,135,297	1,308,020	1,135,297
Retained earnings	3,324,174	2,529,183	3,324,174	2,529,183
Fair valuation reserve	(222,585)	(148,069)	(222,585)	(148,069)
Equity attributable to the equity holders of the parent	4,637,109	3,743,911	4,637,109	3,743,911
Non- controlling interest	252,023	209,372	-	-
TOTAL EQUITY	4,889,132	3,953,283	4,637,109	3,743,911
TOTAL EQUITY AND LIABILITIES	36,695,908	45,553,121	13,923,435	10,224,686

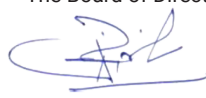
Note: All values are in Rupees '000 unless otherwise stated.

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.


Mangala Jayashantha
 Chief Financial Officer

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


Dilshan Wirasekara
 Director/ Chief Executive Officer


Dinesh Schaffter
 Managing Director

31st May 2021
 Colombo

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 st March 2021	Attributable to equity holders of the parent						Total Equity
	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Total	Non-controlling Interest	
Group							
Balance as at 1st April 2019 (Audited)	227,500	1,021,248	2,506,870	(114,828)	3,640,790	180,800	3,821,590
Impact of adoption of IFRIC 23	-	-	(464,230)	-	(464,230)	(24,438)	(488,668)
Adjusted balance as at 1 st April 2019 (Restated)	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 - 1 st Interim for 2019/20	-	-	(405,000)	-	(405,000)	-	(405,000)
Dividend paid to shareholders with NCI*	-	-	-	-	-	(14,108)	(14,108)
Total transactions with equity holders	-	-	(405,000)	-	(405,000)	(14,108)	(419,108)
Transfers to risk reserve	-	114,049	(114,049)	-	-	-	-
Balance as at 31st March 2020 (Audited)	227,500	1,135,297	2,529,183	(148,069)	3,743,911	209,372	3,953,283
Balance as at 1st April 2020 (Audited)	227,500	1,135,297	2,529,183	(148,069)	3,743,911	209,372	3,953,283
Total comprehensive income for the year							
Profit for the year	-	-	1,987,628	-	1,987,628	102,676	2,090,304
Other comprehensive income	-	-	(7,414)	(74,516)	(81,930)	(127)	(82,057)
Total comprehensive income	-	-	1,980,214	(74,516)	1,905,698	102,549	2,008,247
Transactions with equity holders							
Distribution to equity holders							
Dividend paid - 2 nd Interim for 2019/20	-	-	(506,250)	-	(506,250)	-	(506,250)
Dividend declared - 1 st Interim for 2020/21	-	-	(506,250)	-	(506,250)	-	(506,250)
Dividend declared to shareholders with NCI*	-	-	-	-	-	(59,898)	(59,898)
Total transactions with equity holders	-	-	(1,012,500)	-	(1,012,500)	(59,898)	(1,072,398)
Transfers to risk reserve	-	172,723	(172,723)	-	-	-	-
Balance as at 31st March 2021 (Unaudited)	227,500	1,308,020	3,324,174	(222,585)	4,637,109	252,023	4,889,132

* Non controlling interest

For the year ended 31 st March 2021	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Total Equity
Company					
Balance as at 1st April 2019 (Audited)	227,500	1,021,248	2,506,870	(114,828)	3,640,790
Impact of adoption of IFRIC 23	-	-	(464,230)	-	(464,230)
Adjusted balance as at 1 st April 2019 (Restated)	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 income	-	-	(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 - 1 st Interim for 2019/20	-	-	(405,000)	-	(405,000)
Total transactions with equity holders	-	-	(405,000)	-	(405,000)
Transfer to risk reserve	-	114,049	(114,049)	-	-
Balance as at 31st March 2020 (Audited)	227,500	1,135,297	2,529,183	(148,069)	3,743,911
Balance as at 1st April 2020 (Audited)	227,500	1,135,297	2,529,183	(148,069)	3,743,911
Total comprehensive income for the year					
Profit for the year	-	-	1,987,628	-	1,987,628
Other comprehensive income	-	-	(7,414)	(74,516)	(81,930)
Total comprehensive income	-	-	1,980,214	(74,516)	1,905,698
Transactions with equity holders					
Distribution to equity holders					
Dividend paid - 2 nd Interim for 2019/20	-	-	(506,250)	-	(506,250)
Dividend declared - 1 st Interim for 2020/21	-	-	(506,250)	-	(506,250)
Total transactions with equity holders	-	-	(1,012,500)	-	(1,012,500)
Transfer to risk reserve	-	172,723	(172,723)	-	-
Balance as at 31st March 2021 (Unaudited)	227,500	1,308,020	3,324,174	(222,585)	4,637,109

Figures in bracket indicate deductions.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 st March 2021	Group		Company	
	April ~ March		April ~ March	
	2021 (Unaudited)	2020 (Audited)	2021 (Unaudited)	2020 (Audited)
Cash flows from operating activities				
Interest receipts and gains realised	5,769,176	5,128,645	854,159	1,079,228
Interest payments and other direct cost	(1,767,617)	(2,849,543)	(667,246)	(982,551)
Other receipts	245,052	23,657	-	-
Cash payments to employees and suppliers	(746,733)	(389,270)	(57,763)	(50,972)
Operating profit before changes in operating assets and liabilities	3,499,878	1,913,489	129,150	45,705
(Increase)/ Decrease in financial assets recognised through profit or loss -measured at fair value	10,275,510	(6,205,657)	(611,801)	-
(Increase)/ Decrease in financial assets at amortised cost	(1,674,914)	2,203,247	(2,239,547)	1,234,376
(Increase)/ Decrease in trade and other receivables	(309,684)	(401,516)	503,475	5,460
(Increase)/ Decrease in group balances receivable	4,726	(5,118)	(18,370)	(16,551)
Increase/ (Decrease) in trade and other payables	(40,248)	255,804	(23,674)	(3,099)
Increase/ (Decrease) in group balances payable	130	(467)	64	(629)
Increase/ (Decrease) in other short term borrowings	732,052	(640,143)	832,789	(740,144)
Increase/ (Decrease) in borrowings against re-purchase agreements	(13,172,760)	3,756,705	-	-
Cash generated from/(used in) operations	(685,310)	876,344	(1,427,914)	525,118
Tax paid (Inclusive of WHT)	(157)	(100,579)	-	(40,051)
Gratuity paid	(4,152)	(374)	-	-
Net cash flow generated/(used in) operating activities	(689,619)	775,391	(1,427,914)	485,067
Cash flow from investing activities				
Purchase of property, plant, equipment and intangible assets	(23,231)	(6,262)	(8,011)	(1,052)
Sale of property plant and equipment	387	-	-	-
Proceed from sale of investments	-	1,000	-	1,000
Dividend receipts	9,632	42,000	506,025	406,200
Net cash flow generated / (used in) from investing activities	(13,212)	36,738	498,014	406,148
Cash flow from financing activities				
Repayment of long term borrowings	(100,000)	(100,000)	(100,000)	(100,000)
Redemption of listed debentures	-	(211,555)	-	-
Dividend paid	(506,250)	(405,000)	(506,250)	(405,000)
Dividend tax paid	-	(66,126)	-	-
Dividend paid to shareholders with non-controlling interest	(58,568)	(14,108)	-	-
Borrowings on debentures	2,000,000	506,630	2,000,000	-
Net cash flow generated from/ (used in) financing activities	1,335,182	(290,159)	1,393,750	(505,000)
Net cash inflow for the period	632,351	521,970	463,850	386,215
Cash and cash equivalents at the beginning of the period	(393,749)	(915,719)	(422,979)	(809,195)
Cash and cash equivalents at the end of the period (Note A)	238,602	(393,749)	40,871	(422,980)
Note A				
Cash at bank and hand	242,053	61,354	42,187	19,744
Bank overdraft	(3,451)	(455,103)	(1,316)	(442,724)
	238,602	(393,749)	40,871	(422,980)

Figures in bracket indicate deductions.

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

NOTES TO THE FINANCIAL STATEMENTS

1 Other income

Group - For the period	January ~ March		April ~ March	
	2021 Rs.'000	2020 Rs.'000	2021 Rs.'000	2020 Rs.'000
Exchange gain	196,591	180	206,831	295
Loss on sale of property, plant and equipment	-	-	(286)	-
Profit on sale of immovable properties	-	-	-	2,000
Miscellaneous income	16,032	7,541	38,894	21,362
	212,623	7,721	245,439	23,657

2 Income tax (expenses)/reversal

Group - For the period	January ~ March		April ~ March	
	2021 Rs.'000	2020 Rs.'000	2021 Rs.'000	2020 Rs.'000
Recognised in profit or loss				
Current tax expenses - inclusive of dividend tax	(59,039)	(1,073)	(519,381)	(72,186)
Under provision of income tax	(9,061)	(440)	(9,061)	(440)
Deferred tax expenses recognised in profit or loss	(3,440)	(163,010)	(282,895)	(562,460)
	(71,540)	(164,523)	(811,337)	(635,086)
Recognised in other comprehensive income				
Deferred tax recognised in other comprehensive income	2,382	211	2,382	211
	2,382	211	2,382	211
	(69,158)	(164,312)	(808,955)	(634,875)

Company - For the period	January ~ March		April ~ March	
	2021 Rs.'000	2020 Rs.'000	2021 Rs.'000	2020 Rs.'000
Recognised in profit or loss				
Current tax expenses	(5,443)	(1,206)	(25,086)	(6,060)
Over provision of income tax	235	-	235	-
Deferred tax expenses recognised in profit or loss	(4,531)	5,447	(6,647)	(9,890)
	(9,739)	4,241	(31,498)	(15,950)
Recognised in other comprehensive income				
Deferred tax recognised in other comprehensive income	-	-	-	-
	(9,739)	4,241	(31,498)	(15,950)

3 These Provisional Financial Statements for the quarter ended 31st March 2021 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 31.03.2021		As at 31.03.2020	
	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	2,315	2,315	2,734	2,734
Financial assets recognised through profit or loss - measured at fair value	28,048,012	28,048,012	38,540,849	38,540,849
Financial assets - fair value through other comprehensive income	110,107	110,107	184,623	184,623
	28,160,434	28,160,434	38,728,206	38,728,206
Financial assets not measured at fair value				
Cash at banks and in hand	242,053	242,053	61,354	61,354
Financial assets at amortised cost	7,035,652	7,035,652	5,361,512	5,361,512
Trade receivables	516,081	516,081	373,296	373,296
	7,793,786	7,793,786	5,796,162	5,796,162
Total financial assets	35,954,220	35,954,220	44,524,368	44,524,368
Financial liabilities measured at fair value				
Derivative financial instruments	824	824	3,118	3,118
	824	824	3,118	3,118
Financial liabilities not measured at fair value				
Bank overdrafts	3,451	3,451	455,103	455,103
Securities sold under re-purchase agreements	20,223,285	20,234,348	33,294,423	33,331,477
Short term borrowings	6,660,363	6,660,363	5,928,107	5,928,107
Long term borrowings	50,204	50,204	150,885	150,885
Borrowings on debentures	2,763,001	2,813,106	517,641	521,589
	29,700,304	29,761,472	40,346,159	40,387,161
Total financial liabilities	29,701,128	29,762,296	40,349,277	40,390,279

Company	As at 31.03.2021		As at 31.03.2020	
	Carrying Amount Rs. '000	Fair Value Rs. '000	Carrying Amount Rs. '000	Fair Value Rs. '000
Financial assets measured at fair value				
Financial assets recognised through profit or loss - measured at fair value	611,801	611,801	-	-
	611,801	611,801	-	-
Financial assets not measured at fair value				
Cash at banks and in hand	42,187	42,187	19,744	19,744
Financial assets at amortised cost	9,032,886	9,032,886	6,768,167	6,768,167
	9,075,073	9,075,073	6,787,911	6,787,911
Total financial assets	9,686,874	9,686,874	6,787,911	6,787,911
Financial liabilities measured at fair value	-	-	-	-
Financial liabilities not measured at fair value				
Bank overdrafts	1,316	1,316	442,724	442,724
Short term borrowings	6,660,363	6,660,363	5,827,371	5,827,371
Long term borrowings	50,204	50,204	150,885	150,885
Borrowings on debentures	2,010,395	2,010,395	-	-
	8,722,278	8,722,278	6,420,981	6,420,981
Total financial liabilities	8,722,278	8,722,278	6,420,981	6,420,981

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 st March 2021	Total Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
	Rs:'000	Rs:'000	Rs:'000	Rs:'000	Rs:'000
Financial assets measured at fair value					
Derivative financial instruments					
Forward purchase contracts	2,315	2,315	-	-	2,315
	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
Investment in listed debentures	1,440,464	505,621	934,843	-	1,440,464
Investment in unit trust	2,379,361	-	2,379,361	-	2,379,361
Investment in listed shares	1,142,774	1,142,774	-	-	1,142,774
	28,048,012	24,733,808	3,314,204	-	28,048,012
Financial assets - fair value through other comprehensive income	110,107	-	110,107	-	110,107
	28,160,434	24,736,123	3,424,311	-	28,160,434
Financial assets not measured at fair value					
Cash at banks and in hand	242,053	-	-	242,053	242,053
Financial assets at amortised cost	7,035,652	-	-	7,035,652	7,035,652
Trade receivables	516,081	-	-	516,081	516,081
	7,793,786	-	-	7,793,786	7,793,786
Total financial assets	35,954,220	24,736,123	3,424,311	7,793,786	35,954,220
Financial liabilities measured at fair value					
Derivative financial instruments					
Forward sale contracts	824	824	-	-	824
	824	824	-	-	824
Financial liabilities not measured at fair value					
Bank overdrafts	3,451	-	-	3,451	3,451
Securities sold under re-purchase agreements	20,223,285	-	-	20,234,348	20,234,348
Short term borrowings	6,660,363	-	-	6,660,363	6,660,363
Long term borrowings	50,204	-	-	50,204	50,204
Borrowings on debentures	2,763,001	-	2,813,106	-	2,813,106
	29,700,304	-	2,813,106	26,948,366	29,761,472
Total financial liabilities	29,701,128	824	2,813,106	26,948,366	29,762,296

NOTES TO THE FINANCIAL STATEMENTS

Group - As at 31 st March 2020	Total Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial assets measured at fair value					
Derivative financial instruments					
Forward purchase contracts	2,734	2,734	-	-	2,734
	2,734	2,734	-	-	2,734
Financial assets recognised through profit or loss - measured at fair value					
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
Financial assets - fair value through other comprehensive income	184,623	-	184,623	-	184,623
	38,725,472	36,654,889	2,070,583	-	38,725,472
Financial assets not measured at fair value					
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
Total financial assets	44,521,634	36,654,889	2,070,583	5,796,162	44,521,634
Financial liabilities measured at fair value					
Derivative financial instruments					
Forward sale contracts	3,118	3,118	-	-	3,118
	3,118	3,118	-	-	3,118
Financial liabilities not measured at fair value					
Bank overdrafts	455,103	-	-	455,103	455,103
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
	40,346,159	-	521,589	39,865,572	40,387,161
Total financial liabilities	40,349,277	3,118	521,589	39,865,572	40,390,279

NOTES TO THE FINANCIAL STATEMENTS

Company - As at 31 st March 2021	Total Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
	Rs:'000	Rs:'000	Rs:'000	Rs:'000	Rs:'000
Financial assets measured at fair value					
Financial assets recognised through profit or loss - measured at fair value	611,801	611,801	-	-	611,801
	611,801	611,801	-	-	611,801
Financial assets not measured at fair value					
Cash at banks and in hand	42,187	-	-	42,187	42,187
Financial assets at amortised cost	9,032,886	-	-	9,032,886	9,032,886
	9,075,073	-	-	9,075,073	9,075,073
Total financial assets	9,686,874	611,801	-	9,075,073	9,686,874
Financial liabilities measured at fair value	-	-	-	-	-
Financial liabilities not measured at fair value					
Bank overdrafts	1,316	-	-	1,316	1,316
Short term borrowings	6,660,363	-	-	6,660,363	6,660,363
Long term borrowings	50,204	-	-	50,204	50,204
Borrowings on debentures	2,010,395	-	-	2,010,395	2,010,395
	8,722,278	-	-	8,722,278	8,722,278
Total financial liabilities	8,722,278	-	-	8,722,278	8,722,278

Company - As at 31 st March 2020	Total Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
	Rs:'000	Rs:'000	Rs:'000	Rs:'000	Rs:'000
Financial assets not measured at fair value					
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
Total financial assets	6,787,911	-	-	6,787,911	6,787,911
Financial liabilities measured at fair value	-	-	-	-	-
Financial liabilities not measured at fair value					
Bank overdrafts	442,724	-	-	442,724	442,724
Short term borrowings	5,827,371	-	-	5,827,371	5,827,371
Long term borrowings	150,885	-	-	150,885	150,885
	6,420,980	-	-	6,420,980	6,420,980
Total financial liabilities	6,420,980	-	-	6,420,980	6,420,980

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

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 st April 2020	1,452,818	433,142	184,623	2,070,583
Purchase	1,769,991	2,723,771	-	4,493,762
Sales	(1,759,107)	(889,110)	-	(2,648,217)
Gain/ (loss) on fair valuation of financial investments	(23,238)	111,558	(74,516)	13,804
Transfer to level 1	(505,621)	-	-	(505,621)
Balance as at 31st March 2021	934,843	2,379,361	110,107	3,424,311

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	212	429	(207)	(410)
Asia Asset Finance PLC	2,138	4,309	(2,104)	(4,177)
LOLC Holdings PLC	17,178	35,272	(16,867)	(32,885)
Softlogic Capital PLC	485	979	(476)	(943)
Janashakthi Limited (Unlisted)	5,032	10,241	(5,197)	(10,219)
	25,045	51,230	(24,851)	(48,634)

NOTES TO THE FINANCIAL STATEMENTS

4.4 (b) Sensitivity analysis on Listed Debentures (Company)

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
LOLC Holdings PLC	17,178	35,272	(16,867)	(32,885)
	17,178	35,272	(16,867)	(32,885)

4.4 (c) 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	(8,847)	(17,694)	8,847	17,694
First Capital Equity Fund	(258)	(516)	258	516
Softlogic Money Market Fund	(264)	(529)	264	529
JB Vantage Money Market Fund	(2,527)	(5,055)	2,527	5,055
	(11,896)	(23,794)	11,896	23,794

4.5 Financial instruments - Accounting classifications

Group - As at 31 st March 2021	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
Financial assets measured at fair value					
Financial assets - FVTPL	28,048,012	-	-	28,048,012	28,048,012
Derivative Financial Instruments	2,315	-	-	2,315	2,315
Financial assets - FVTOCI	-	-	110,107	110,107	110,107
	28,050,327	-	110,107	28,160,434	28,160,434
Financial assets not measured at fair value					
Cash at banks and in hand	-	242,053	-	242,053	242,053
Financial assets at amortised cost	-	7,035,652	-	7,035,652	7,035,652
Trade receivables	-	516,081	-	516,081	516,081
	-	7,793,786	-	7,793,786	7,793,786
Total financial assets	28,050,327	7,793,786	110,107	35,954,220	35,954,220
Financial liabilities measured at fair value					
Derivative Financial Instruments	824	-	-	824	824
	824	-	-	824	824
Financial liabilities not measured at fair value					
Bank overdrafts	-	3,451	-	3,451	3,451
Securities sold under re-purchase agreements	-	20,223,285	-	20,223,285	20,234,348
Short term borrowings	-	6,660,363	-	6,660,363	6,660,363
Long term borrowings	-	50,204	-	50,204	50,204
Borrowings on debentures	-	2,763,001	-	2,763,001	2,813,106
	-	29,700,304	-	29,700,304	29,761,472
Total Financial Liabilities	824	29,700,304	-	29,701,128	29,762,296

NOTES TO THE FINANCIAL STATEMENTS

Group - As at 31 st 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
Financial assets measured at fair value					
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
Financial assets not measured at fair value					
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
Total financial assets	38,543,583	5,796,162	184,623	44,524,368	44,524,368
Financial liabilities measured at fair value					
Derivative Financial Instruments	3,118	-	-	3,118	3,118
	3,118	-	-	3,118	3,118
Financial liabilities not measured at fair value					
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
Total Financial Liabilities	3,118	40,346,159	-	40,349,277	40,390,279

Company - As at 31 st March 2021	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
Financial assets measured at fair value					
Financial assets recognised through profit or loss - measured at fair value	611,801	-	-	611,801	611,801
	611,801	-	-	611,801	611,801
Financial assets not measured at fair value					
Cash at banks and in hand	-	42,187	-	42,187	42,187
Financial assets at amortised cost	-	9,032,886	-	9,032,886	9,032,886
	-	9,075,073	-	9,075,073	9,075,073
Total financial assets	611,801	9,075,073	-	9,686,874	9,686,874
Financial liabilities not measured at fair value					
Bank overdrafts	-	1,316	-	1,316	1,316
Short term borrowings	-	6,660,363	-	6,660,363	6,660,363
Long term borrowing	-	50,204	-	50,204	50,204
Borrowings on debentures	-	2,010,395	-	2,010,395	2,010,395
	-	8,722,278	-	8,722,278	8,722,278
Total financial liabilities	-	8,722,278	-	8,722,278	8,722,278

NOTES TO THE FINANCIAL STATEMENTS

Company - As at 31 st 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
Financial assets not measured at fair value					
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
Total financial assets	-	6,787,911	-	6,787,911	6,787,911
Financial liabilities not measured at fair value					
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
Total financial liabilities	-	6,420,980	-	6,420,980	6,420,980

- 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 31st March 2021 is 101,250,000 shares (As at 31st 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 31st 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.
 - Department of Inland Revenue raised an assessment on Financial VAT (2017/18) amounting to Rs. 233.3Mn for the Company. An appeal was submitted to the Commissioner General of Inland Revenue.
 - 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 (2 and 3 above) 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 these provisional financial statements.

9 Net Assets per Share

	As at 31 st March 2021 Rs.	As at 31 st March 2020 Rs.
Group	45.80	36.98
Company	45.80	36.98

INVESTOR INFORMATION

Information of Listed Debentures - Company

Allotment Date	Debenture Type	Frequency on Interest Payment	No. of Debentures issued and allotted	Face Value Rs. '000	Rate of Interest	Tenure	Date of Maturity
8 th February 2021	Type A (Fixed Rate)	Annually	13,247,500	1,324,750	10% (AER - 10%)	5 Years	7 th February 2026
8 th February 2021	Type B (Floating Rate)	Annually	6,752,500	675,250	Weekly AWPLR + 2% (Cap of 12% and Floor of 9%)	5 Years	7 th February 2026
Total			20,000,000	2,000,000			

Objectives of the Issue

The Company has achieved the following objectives as stipulated in the prospectus issued to raise Rs. 2Bn via the Debenture Issue made in February 2021.

Objective as per prospectus	Amount allocated as per Prospectus in Rs. '000	Amount allocated from proceeds in Rs. '000 (A)	% of Total proceeds	Amount Utilised in Rs. '000 (B)	% of Utilisation against allocation (B / A)
1. Investment in Listed Debt	700,000	700,000	35%	611,801	87%
2. Investment in Unlisted Debt	1,000,000	1,000,000	50%	1,000,000	100%
3. Investment in Listed Equities	300,000	300,000	15%	Nil	0%

Market value of Listed Debentures as at 31st March 2021

Debentures have not been traded during the period ended 31st March 2021. Hence, the par value has been recognised as respective market value.

Debt Ratios	Group		Company	
	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
Debt/ equity ratio (times)	6.07	10.21	1.88	1.72
Quick asset ratio (times)	1.28	1.10	1.34	1.07
Interest cover (times)	2.40	1.54	4.01	2.05

Debenture Interest Yield	As at 31 st March 2021	As at 31 st March 2020
Type A - 5 year fixed rate (10 % p.a. payable annually)	10.00%	N/A
Type B - 5 year floating rate (Weekly AWPLR + 2% p.a. payable annually)	9.00%	N/A

Yield of comparable Government Securities (%)	As at 31 st March 2021	As at 31 st March 2020
5 Year treasury bond	7.05%	N/A

INVESTOR INFORMATION

Market Price per Share

	As at 31 st March 2021 Rs.	As at 31 st March 2020 Rs.
Highest market price recorded	61.40	43.40
Lowest market price recorded	46.00	22.00
Closing market price recorded	54.50	22.80

List of twenty major shareholders as at 31st March 2021

Names of shareholders			No. of shares as at 31 st March 2021	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	Pan Asia Banking Corporation PLC/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	602,984	0.60%
3		Mr. Amal Joseph Tissera	498,300	0.49%
4		Dr. Subashi Nemindi Samarasinghe	304,616	0.30%
5		Dr. Withana Pathirana Somasiri, Mrs. D. V. A. Wijewardana & Mr. K. Withanapathirana	300,000	0.30%
6		Mr. Arunasalam Sithampalam	264,000	0.26%
7		Hatton National Bank PLC/Arunasalam Sithampalam	224,644	0.22%
8		Mr. Dhanusha Senajith Duke De Lanerolle	220,000	0.22%
9		Mr. Rajapaksa Vithanage Don Piyathilake & Mr. R.V.D.C.G. Rajapakse	212,222	0.21%
10		Mr. Nagen Dayaranjan Kurukulasuriya	208,836	0.21%
11		DFCC Bank PLC /S.M.P.K. Dissanayake	197,715	0.20%
12		Mr. Wickramatunga Arachchi Pathirana Don Mahipala Wickramatunga	190,000	0.19%
13		Mrs. Vasudevan Saraswathi	186,475	0.18%
14		Dr. Mayuramana Dewolage	181,374	0.18%
15		Mr. Upali Chandrakumara Bandaranayake	159,980	0.16%
16		Mrs. Delicia Daphne Swerine de Mel & L. Lal de Mel	142,900	0.14%
17		Mr. Ravindra Erle Rambukwella	142,393	0.14%
18		DFCC Bank PLC /Mr.K.S.D. Senaweera	142,000	0.14%
19		Mrs. Tulsi Liyanage	140,904	0.14%
20		Citizens Development Business Finance PLC /K.D.C. Somalatha and K. Nandasiri	139,400	0.14%
			88,507,343	87.45%

INVESTOR INFORMATION

Shareholding of the Directors/ Chief Executive Officer

Name of the Director/ Chief Executive Officer	Designation	No. of Shares as at 31 st March 2021
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 st March 2021 (Rs.)	930,355,875
Public holding percentage	16.86%
Number of public shareholders	6,093

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.