



First Capital

PROVISIONAL FINANCIAL STATEMENTS

Quarter Ended

31st March 2021

FIRST CAPITAL TREASURIES PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| For the period | Notes | January - March | | April - March | |
|--|-------|---------------------|---------------------|---------------------|-------------------|
| | | 2021 (Unaudited) | 2020 (Unaudited) | 2021 (Unaudited) | 2020 (Audited) |
| Income | | 603,254 | 727,730 | 4,501,295 | 3,708,920 |
| Direct income | | 406,663 | 727,331 | 4,294,461 | 3,708,401 |
| Direct expenses | | (272,035) | (521,334) | (1,322,859) | (2,056,410) |
| Net trading income | | 134,628 | 205,997 | 2,971,602 | 1,651,991 |
| Other income | 1 | 196,591 | 399 | 206,834 | 519 |
| Gain/(loss) on fair valuation of financial assets recognised through profit or loss - measured at fair value | | (23,236) | 283,131 | (385,933) | 362,930 |
| | | 307,983 | 489,527 | 2,792,503 | 2,015,440 |
| Operating expenses | | | | | |
| Administrative expenses | | (62,823) | (34,710) | (364,454) | (228,028) |
| Sales and distribution expenses | | (1,707) | (2,730) | (5,005) | (5,260) |
| Other operating expenses | | (10,421) | (5,666) | (37,482) | (30,492) |
| | | (74,951) | (43,106) | (406,941) | (263,780) |
| Profit before tax | | 233,032 | 446,421 | 2,385,562 | 1,751,660 |
| Income tax (expense)/reversal | 2 | 52,782 | (173,194) | (556,729) | (544,083) |
| Profit for the period | | 285,814 | 273,227 | 1,828,833 | 1,207,577 |
| Other comprehensive income | | | | | |
| <i>Items that will never be reclassified to profit or loss</i> | | | | | |
| Loss on financial assets fair value through other comprehensive income | | - | - | - | (1,000) |
| Actuarial loss on retirement benefit obligation | | (2,955) | (338) | (2,955) | (338) |
| Tax effect on other comprehensive income | 2 | 709 | 94 | 709 | 94 |
| <i>Item that are or may be reclassified to Profit or Loss</i> | | - | - | - | - |
| Other comprehensive income | | (2,246) | (244) | (2,246) | (1,244) |
| Total comprehensive income for the period | | 283,568 | 272,983 | 1,826,587 | 1,206,333 |
| Earnings per share (Rs.) | 3 | 1.86 | 1.78 | 11.88 | 7.85 |

Figures in bracket indicate deductions.

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

STATEMENT OF FINANCIAL POSITION

| As at | Notes | 31 st March 2021 (Unaudited) | 31 st March 2020 (Audited) |
|---|-------|---|---|
| ASSETS | | | |
| Cash at banks and in hand | | 146,614 | 8,361 |
| Derivative financial instruments | | 2,315 | 2,734 |
| Financial assets recognised through profit or loss - measured at fair value | | 23,085,413 | 36,212,069 |
| Financial assets -at amortised cost | | 2,158,045 | 793,503 |
| Receivable from related companies | | 165 | 360 |
| Taxes receivable | | - | 508 |
| Deferred tax asset | | 4,731 | 262,493 |
| Other assets | | 316,406 | 94,272 |
| Property, plant and equipment and right of use assets | | 9,849 | 7,195 |
| Intangible assets | | 919 | 1,106 |
| Total Assets | | 25,724,457 | 37,382,601 |
| LIABILITIES | | | |
| Derivative financial instruments | | 824 | 3,118 |
| Securities sold under re-purchase agreements | | 19,330,472 | 32,182,773 |
| Creditors and other payables | | 354,629 | 227,058 |
| Payable to related companies | | 12,032 | 19,698 |
| Taxes payable | | 737,627 | 439,878 |
| Borrowings on listed debentures | 5 | 759,255 | 758,342 |
| Retirement benefit obligations | | 19,843 | 14,331 |
| Total Liabilities | | 21,214,682 | 33,645,198 |
| EQUITY | | | |
| Stated capital | 6 | 256,500 | 256,500 |
| Risk reserve | | 1,385,948 | 1,203,065 |
| Retained earnings | | 2,869,327 | 2,279,838 |
| Fair valuation reserve | | (2,000) | (2,000) |
| Total Equity | | 4,509,775 | 3,737,403 |
| Total Equity and Liabilities | | 25,724,457 | 37,382,601 |

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

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



Mangala Jayashantha
Chief Financial Officer

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



Dilshan Wirasekara
Director/Chief Executive Officer



Dinesh Schaffter
Managing Director

31st May 2021
Colombo

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2021

| | Stated Capital | Risk Reserve | Retained Earnings | Fair Valuation Reserve | Total Equity |
|--|----------------|------------------|--------------------|------------------------|--------------------|
| Balance as at 1st April 2019 (Audited) | 256,500 | 1,082,307 | 1,887,076 | (1,000) | 3,224,883 |
| Impact of adopting IFRIC 23 | - | - | (439,878) | - | (439,878) |
| Adjusted balance as at 1 st April 2019 (Restated) | 256,500 | 1,082,307 | 1,447,198 | (1,000) | 2,785,005 |
| Total comprehensive income for the period | | | | | |
| Profit for the year | - | - | 1,207,577 | - | 1,207,577 |
| Other comprehensive income | - | - | (244) | (1,000) | (1,244) |
| Total comprehensive income | - | - | 1,207,333 | (1,000) | 1,206,333 |
| Transactions with equity holders | | | | | |
| Distribution to equity holders | | | | | |
| Dividend paid (1 st interim 2019/20) | - | - | (253,935) | - | (253,935) |
| Total distribution to equity holders | - | - | (253,935) | - | (253,935) |
| Total transactions with equity holders | - | - | (253,935) | - | (253,935) |
| Transfer to risk reserve | - | 120,758 | (120,758) | - | - |
| Balance as at 31st March 2020 (Audited) | 256,500 | 1,203,065 | 2,279,838 | (2,000) | 3,737,403 |
| Balance as at 1st April 2020 (Audited) | 256,500 | 1,203,065 | 2,279,838 | (2,000) | 3,737,403 |
| Total comprehensive income for the period | | | | | |
| Profit for the year | - | - | 1,828,833 | - | 1,828,833 |
| Other comprehensive income | - | - | (2,246) | - | (2,246) |
| Total comprehensive income | - | - | 1,826,587 | - | 1,826,587 |
| Transactions with equity holders | | | | | |
| Distribution to equity holders | | | | | |
| Dividend paid - 2 nd interim 2019/20 | - | - | (538,650) | - | (538,650) |
| - 1 st interim 2020/21 | - | - | (515,565) | - | (515,565) |
| Total distribution to equity holders | - | - | (1,054,215) | - | (1,054,215) |
| Total transactions with equity holders | - | - | (1,054,215) | - | (1,054,215) |
| Transfer to risk reserve | - | 182,883 | (182,883) | - | - |
| Balance as at 31st March 2021 (Unaudited) | 256,500 | 1,385,948 | 2,869,327 | (2,000) | 4,509,775 |

Figures in bracket indicate deductions.

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

STATEMENT OF CASH FLOWS

| For the period | April - March | |
|---|---------------------|-------------------|
| | 2021 (Unaudited) | 2020 (Audited) |
| Cash flows from operating activities | | |
| Interest receipts and gains realised | 4,293,072 | 3,708,163 |
| Interest payments and other direct cost | (1,259,725) | (1,782,628) |
| Other receipts | 206,834 | 519 |
| Cash payments to employees and suppliers | (290,012) | (138,229) |
| Operating profit before changes in operating assets and liabilities | 2,950,169 | 1,787,825 |
| (Increase)/ Decrease in financial assets recognised through profit or loss measured at fair value | 12,738,848 | (6,314,752) |
| (Increase)/ Decrease in financial asset at amortised cost | (1,363,153) | 1,070,731 |
| (Increase)/ Decrease in receivable from related companies | 195 | 11,256 |
| (Increase)/ Decrease in other assets | (222,134) | (2,822) |
| Increase/ (Decrease) in creditors and accrued charges | 17,772 | 14,834 |
| Increase/ (Decrease) in payable to related companies | (7,666) | 18,982 |
| Increase/ (Decrease) in short term borrowings | - | (991,384) |
| Increase/ (Decrease) in Securities sold under Repurchase Agreements | (12,914,521) | 4,423,485 |
| Cash generated from/ (used in) operations | 1,199,510 | 18,155 |
| Tax paid / refund | - | (5) |
| Gratuity paid | - | - |
| Net cash from/ (used in) operating activities | 1,199,510 | 18,150 |
| Cash flow from investing activities | | |
| Purchase of property, plant and equipment | (6,675) | (138) |
| Purchase of intangible assets | (370) | (200) |
| Proceeds from disposal of property, plant and equipment | 3 | - |
| Investment in financial assets fair value through other comprehensive income | - | (1,000) |
| Net cash from/ (used in) investing activities | (7,042) | (1,338) |
| Cash flow from financing activities | | |
| Redemption of borrowing on debentures (Issued in February 2015) | - | (500,000) |
| Borrowing on debentures (Issued in January 2020) | - | 750,000 |
| Dividend paid | (1,054,215) | (253,935) |
| Net cash from/ (used in) financing activities | (1,054,215) | (3,935) |
| Net cash inflow/ (outflow) for the period | 138,253 | 12,877 |
| Cash and cash equivalents at the beginning of the period | 8,361 | (4,516) |
| Cash and cash equivalents at the end of the period (Note A) | 146,614 | 8,361 |
| Note A | | |
| Cash at bank and in hand | 146,614 | 8,361 |
| Bank overdraft | - | - |
| | 146,614 | 8,361 |

Figures in bracket indicate deductions.

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

NOTES TO THE FINANCIAL STATEMENTS

| | January - March | | April - March | |
|-----------------------------------|-----------------|----------------|----------------|----------------|
| | 2021 Rs'000 | 2020 Rs'000 | 2021 Rs'000 | 2020 Rs'000 |
| 1 Other Income | | | | |
| Exchange gain | 196,591 | 180 | 206,831 | 295 |
| Profit on disposal of fixed asset | - | - | 3 | - |
| Miscellaneous income | - | 219 | - | 224 |
| | 196,591 | 399 | 206,834 | 519 |

| | January - March | | April - March | |
|---|-----------------|----------------|----------------|----------------|
| | 2021 Rs'000 | 2020 Rs'000 | 2021 Rs'000 | 2020 Rs'000 |
| 2 Income Tax (Expense)/Reversal | | | | |
| Recognised in profit or loss | | | | |
| Current tax (expense)/reversal | 62,127 | - | (288,963) | - |
| Under/(over) provision for tax | (9,294) | - | (9,294) | - |
| Deferred tax expense | (51) | (173,194) | (258,472) | (544,083) |
| | 52,782 | (173,194) | (556,729) | (544,083) |
| Recognised in other comprehensive income | | | | |
| Current tax expenses | - | - | - | - |
| Deferred tax (expense)/reversal | 709 | 94 | 709 | 94 |
| | 709 | 94 | 709 | 94 |
| | 53,491 | (173,100) | (556,020) | (543,989) |

3 Earnings per Share (EPS)

Earnings per share has been calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. The effect on sub-division of shares executed during year 2020/21 has been adjusted retrospectively (Note 6.1).

- 4 These Provisional Financial Statements for the quarter ended 31st March 2021 have been prepared in accordance with Sri Lanka Accounting Standard (LKAS 34) "Interim Financial Reporting."
- 5 The debentures represent 7,500,000 rated, subordinated, unsecured, redeemable debentures at a face value of Rs. 100/- interest payable at a rate of 12.75% semi annually (issued in January 2020).
- 6 The number of shares represented by stated capital as at 31st March 2021 is 153,900,000 shares with the resultant sub-division of shares executed on 29th March 2021 as described below (Note 6.1).
- 6.1 On 29th March 2021, the Shareholders of the Company resolved to execute a sub-division of shares without a change to the stated capital of Rs. 256,500,000/- by splitting every one (01) existing voting ordinary share into ten (10) voting ordinary shares. The shares so divided rank equal and pari passu in all respects with the existing shares from which the division arose (Number of shares represented by the stated capital prior to the sub-division of shares was 15,390,000).

NOTES TO THE FINANCIAL STATEMENTS

7 Financial instruments- Fair Value Measurement

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements in accordance with SLFRS 13.

Level - 1

Financial instruments that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level - 2

Financial instruments that are measured at fair value on a recurring basis. As market quotes generally are not readily available or accessible for these securities, their fair value measures are determined using relevant information generated by market transactions involving comparable securities.

Level - 3

Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

7.1 Fair values versus the Carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follow:

| | As at 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 instrument | 2,315 | 2,315 | 2,734 | 2,734 |
| Financial assets recognised through profit or loss - measured at fair value | 23,085,413 | 23,085,413 | 36,212,069 | 36,212,069 |
| | 23,087,728 | 23,087,728 | 36,214,803 | 36,214,803 |
| Financial assets not measured at fair value | | | | |
| Cash at banks and in hand | 146,614 | 146,614 | 8,361 | 8,361 |
| Financial assets at amortised cost | 2,158,045 | 2,158,045 | 793,503 | 793,503 |
| Receivable from related companies | 165 | 165 | 360 | 360 |
| | 2,304,824 | 2,304,824 | 802,224 | 802,224 |
| Total financial investments | 25,392,552 | 25,392,552 | 37,017,027 | 37,017,027 |
| Financial liabilities measured at fair value | | | | |
| Derivative financial instrument | 824 | 824 | 3,118 | 3,118 |
| | 824 | 824 | 3,118 | 3,118 |
| Financial liabilities not measured at fair value | | | | |
| Securities sold under re-purchase agreements | 19,330,472 | 19,334,019 | 32,182,773 | 32,209,225 |
| Payable to related companies | 12,032 | 12,032 | 19,698 | 19,698 |
| Borrowings on debentures | 759,255 | 827,503 | 758,342 | 772,145 |
| | 20,101,759 | 20,173,554 | 32,960,813 | 33,001,068 |
| Total financial liabilities | 20,102,583 | 20,174,378 | 32,963,931 | 33,004,186 |

NOTES TO THE FINANCIAL STATEMENTS

7.2 Financial instruments- Fair Value

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

| As at 31 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 |
| | 23,085,413 | 23,085,413 | - | - | 23,085,413 |
| Financial assets - fair value through other comprehensive income | | | | | |
| | - | - | - | - | - |
| | 23,087,728 | 23,087,728 | - | - | 23,087,728 |
| Financial assets not measured at fair value | | | | | |
| Cash at banks and in hand | 146,614 | - | - | 146,614 | 146,614 |
| Financial assets at amortised cost | 2,158,045 | - | - | 2,158,045 | 2,158,045 |
| Receivable from related companies | 165 | - | - | 165 | 165 |
| | 2,304,824 | - | - | 2,304,824 | 2,304,824 |
| | | | | | |
| Total financial investments | 25,392,552 | 23,087,728 | - | 2,304,824 | 25,392,552 |
| Financial liabilities measured at fair value | | | | | |
| Derivative financial instruments | | | | | |
| Forward sale contracts | 824 | 824 | - | - | 824 |
| | 824 | 824 | - | - | 824 |
| Financial liabilities not measured at fair value | | | | | |
| Securities sold under re-purchase agreements | 19,330,472 | - | - | 19,334,019 | 19,334,019 |
| Payable to related companies | 12,032 | - | - | 12,032 | 12,032 |
| Borrowings on debentures | 759,255 | - | 827,503 | - | 827,503 |
| | 20,101,759 | - | 827,503 | 19,346,051 | 20,173,554 |
| | | | | | |
| Total financial liabilities | 20,102,583 | 824 | 827,503 | 19,346,051 | 20,174,378 |

NOTES TO THE FINANCIAL STATEMENTS

7.2 Financial instruments- Fair Value (Contd.)

| 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 |
| | 36,212,069 | 36,212,069 | - | - | 36,212,069 |
| Financial assets - fair value through other comprehensive income | | | | | |
| | - | - | - | - | - |
| | 36,214,803 | 36,214,803 | - | - | 36,214,803 |
| Financial assets not measured at fair value | | | | | |
| Cash at banks and in hand | 8,361 | - | - | 8,361 | 8,361 |
| Financial assets at amortised cost | 793,503 | - | - | 793,503 | 793,503 |
| Receivable from related companies | 360 | - | - | 360 | 360 |
| | 802,224 | - | - | 802,224 | 802,224 |
| Total financial investments | 37,017,027 | 36,214,803 | - | 802,224 | 37,017,027 |
| 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 | | | | | |
| Securities sold under re-purchase agreements | 32,182,773 | - | - | 32,209,225 | 32,209,225 |
| Payable to related companies | 19,698 | - | - | 19,698 | 19,698 |
| Borrowings on debentures | 758,342 | - | 772,145 | - | 772,145 |
| | 32,960,813 | - | 772,145 | 32,228,923 | 33,001,068 |
| Total financial liabilities | 32,963,931 | 3,118 | 772,145 | 32,228,923 | 33,004,186 |

NOTES TO THE FINANCIAL STATEMENTS

7.3 Financial instruments - Accounting classifications

| 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 | | | | | |
| Derivative Financial Instruments | 2,315 | - | - | 2,315 | 2,315 |
| Financial assets - FVTPL | 23,085,413 | - | - | 23,085,413 | 23,085,413 |
| | 23,087,728 | - | - | 23,087,728 | 23,087,728 |
| Financial assets not measured at fair value | | | | | |
| Cash at banks and in hand | - | 146,614 | - | 146,614 | 146,614 |
| Financial assets at amortised cost | - | 2,158,045 | - | 2,158,045 | 2,158,045 |
| Receivable from related companies | - | 165 | - | 165 | 165 |
| | - | 2,304,824 | - | 2,304,824 | 2,304,824 |
| Total financial assets | 23,087,728 | 2,304,824 | - | 25,392,552 | 25,392,552 |
| Financial liabilities measured at fair value | | | | | |
| Derivative Financial Instruments | 824 | - | - | 824 | 824 |
| | 824 | - | - | 824 | 824 |
| Financial liabilities not measured at fair value | | | | | |
| Securities sold under re-purchase agreements | - | 19,330,472 | - | 19,330,472 | 19,334,019 |
| Payable to related companies | - | 12,032 | - | 12,032 | 12,032 |
| Borrowings on debentures | - | 759,255 | - | 759,255 | 827,503 |
| | - | 20,101,759 | - | 20,101,759 | 20,173,554 |
| Total Financial Liabilities | 824 | 20,101,759 | - | 20,102,583 | 20,174,378 |

NOTES TO THE FINANCIAL STATEMENTS

7.3 Financial instruments - Accounting classifications (Contd.)

| 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 | | | | | |
| Derivative Financial Instruments | 2,734 | - | - | 2,734 | 2,734 |
| Financial assets - FVTPL | 36,212,069 | - | - | 36,212,069 | 36,212,069 |
| | 36,214,803 | - | - | 36,214,803 | 36,214,803 |
| Financial assets not measured at fair value | | | | | |
| Cash at banks and in hand | - | 8,361 | - | 8,361 | 8,361 |
| Financial assets at amortised cost | - | 793,503 | - | 793,503 | 793,503 |
| Receivable from related companies | - | 360 | - | 360 | 360 |
| | - | 802,224 | - | 802,224 | 802,224 |
| Total financial assets | 36,214,803 | 802,224 | - | 37,017,027 | 37,017,027 |
| 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 | - | - | - | - | - |
| Securities sold under re-purchase agreements | - | 32,182,773 | - | 32,182,773 | 32,209,225 |
| Payable to related companies | - | 19,698 | - | 19,698 | 19,698 |
| Short term borrowings | - | - | - | - | - |
| Borrowings on debentures | - | 758,342 | - | 758,342 | 772,145 |
| | - | 32,960,813 | - | 32,960,813 | 33,001,068 |
| Total Financial Liabilities | 3,118 | 32,960,813 | - | 32,963,931 | 33,004,186 |

8 The above figures are provisional and subject to audit. The same accounting policies as in the Annual Report for the year ended 31st March 2020 have been followed in the preparation of the above provisional financial statements.

9 The presentation and classification of figures for the corresponding period of the previous year have been reclassified to be comparable with those of the current year where necessary.

10 There have been no significant changes in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31st March 2020 other than the following:

- 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 the Company 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.

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

12 Market Price per Share

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

13 Net assets per share

| | As at 31 st March 2021 | As at 31 st March 2020 |
|--|-----------------------------------|-----------------------------------|
| | Rs. | Rs. |
| | 29.30 | 24.28 |

The effect on sub-division of shares executed during year 2020/21 (as described in Note 6.1) has been adjusted retrospectively.

INVESTOR INFORMATION

Information of Listed Debentures

| Allotment Date | Frequency on Interest Payment | No. of Debentures issued and allotted | Face Value Rs.000 | Rate of Interest | Tenure | Date of Maturity |
|-------------------------------|-------------------------------|---------------------------------------|-------------------|-----------------------|---------|-------------------------------|
| 30 th January 2020 | Semi annually | 7,500,000 | 750,000 | 12.75% (AER - 13.16%) | 5 Years | 30 th January 2025 |

Objectives of the Issue

The Company has achieved the following objectives as stipulated in the prospectus issued to raise Rs. 750Mn via the Debenture Issue made in January 2020.

| Objective as per prospectus | Amount allocated as per Prospectus in Rs. | Amount allocated from proceeds in Rs. (A) | % of total proceeds | Amount Utilised in Rs. (B) | % of Utilisation against allocation (B / A) |
|--|---|---|---------------------|----------------------------|---|
| 1. To finance the redemption of Listed Debentures matured on 6 th February 2020 | 500Mn | 500Mn | 66.67% | 500Mn | 100% |
| 2. To invest in Government Securities | 250Mn | 250Mn | 33.33% | 250Mn | 100% |

Market value of Listed Debentures as at 31st March 2021

Debentures with 5 year maturity have not been traded during the quarter ended 31st March 2021.

Hence, par value is recognised as its market value. Hence, yield to maturity on trade done is also not applicable.

Debt Ratios

| | As at 31 st March 2021 | As at 31 st March 2020 |
|----------------------------|-----------------------------------|-----------------------------------|
| Debt/ equity ratio (times) | 4.45 | 8.73 |
| Quick asset ratio (times) | 1.31 | 1.14 |
| Interest cover (times) | 2.83 | 1.86 |

Debenture Interest Yield

| | As at 31 st March 2021 | As at 31 st March 2020 |
|--|-----------------------------------|-----------------------------------|
| 5 year fixed rate (12.75 % p.a. payable semi annually) | 12.75% | 12.75% |

Yield of comparable Government Securities (%)

| | As at 31 st March 2021 | As at 31 st March 2020 |
|----------------------|-----------------------------------|-----------------------------------|
| 5 Year treasury bond | 6.83% | 9.25% |