



First Capital
A Janashakthi Group Company

PROVISIONAL FINANCIAL STATEMENTS

Quarter ended
31st March 2022

FIRST CAPITAL HOLDINGS PLC

REVIEW OF OPERATIONS

First Capital Holdings PLC (the Group) recorded a Loss after Tax of Rs. 413Mn for the year ended 31st March 2022 compared to Profit after Tax of Rs. 2.1Bn in the previous year. The Group's Total Comprehensive Loss for the year under review was Rs. 400Mn compared to Total Comprehensive Income of Rs. 1.9Bn in the previous year.

The loss reported during the year is mainly due to trading and marked to mark losses incurred on the government securities portfolio by the Group's Primary Dealer division, due to the significant tightening of monetary policy measures since August 2021, that resulted in a substantial upward shift in the yield curve.

The Primary Dealer division reported a Loss after Tax of Rs. 429Mn for the year ended 31st March 2022 (2020/21 – Profit after Tax of Rs. 1.8Bn).

The Corporate Finance division reported a Loss after Tax of Rs. 232Mn for the year ended 31st March 2022 (2020/21 – Profit after Tax of Rs. 267Mn).

The Wealth Management division reported a Profit after Tax of Rs. 87Mn for the year ended 31st March 2022 (2020/21 – Rs. 77Mn). The assets under management of the division stood at Rs. 41.2Bn as of 31st March 2022 (31st March 2021 – Rs. 45.2Bn).

The Stock Brokering division recorded a Profit after Tax of Rs. 230Mn for the year ended 31st March 2022 (2020/21 – Rs. 75Mn).

(Sgd.)

Dilshan Wirasekara
Director/Chief Executive Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period	Notes	Group			
		January ~ March		April ~ March	
		2022	2021	2022	2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income		818,965	930,834	2,253,745	6,033,353
Direct income		781,527	718,212	2,104,524	5,787,915
Direct expenses		(596,202)	(288,209)	(1,899,557)	(2,114,213)
Net trading income		185,325	430,003	204,967	3,673,702
Other income	1	37,438	212,622	149,221	245,438
Loss on fair valuation of financial assets recognised through profit or loss measured at fair value		(315,378)	(105,556)	(171,134)	(216,104)
		(92,615)	537,069	183,054	3,703,036
Operating expenses					
Administrative expenses		(149,572)	(196,618)	(553,853)	(722,881)
Sales and distribution expenses		(12,240)	(9,770)	(27,503)	(21,915)
Other operating expenses		(27,314)	(10,417)	(85,523)	(40,364)
(Provision)/ Reversal for impairment of financial assets at amortised cost		(46,112)	949	(41,708)	(9,800)
		(235,238)	(215,856)	(708,587)	(794,960)
Profit/ (Loss) before tax		(327,853)	321,213	(525,533)	2,908,076
Taxation	2	(16,368)	(74,783)	112,790	(814,579)
Profit/ (Loss) for the period		(344,221)	246,430	(412,743)	2,093,497
Other comprehensive income					
<i>Items that will never be reclassified to profit or loss</i>					
Actuarial gain/(loss) on retirement benefit obligations		22,462	(9,923)	22,462	(9,923)
Loss on financial assets fair value through other comprehensive income		(5,638)	(69,834)	(5,638)	(144,350)
Tax effect on other comprehensive income		(4,339)	2,370	(4,339)	2,370
<i>Items that are or may be reclassified to profit or loss</i>		-	-	-	-
Other comprehensive income/(loss) for the period		12,485	(77,387)	12,485	(151,903)
Total comprehensive income/(loss) for the period		(331,736)	169,043	(400,258)	1,941,594
Profit/(Loss) attributable to:					
Equity holders of the parent		(341,411)	229,918	(392,474)	1,990,432
Non - controlling interest		(2,810)	16,512	(20,269)	103,065
		(344,221)	246,430	(412,743)	2,093,497
Total comprehensive income/(loss) attributable to:					
Equity holders of the parent		(329,893)	152,658	(380,956)	1,838,656
Non - controlling interest		(1,843)	16,385	(19,302)	102,938
		(331,736)	169,043	(400,258)	1,941,594
Basic earnings/ (loss) per share (Rs.)		(3.37)	2.27	(3.88)	19.66

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	
		2022	2021	2022	2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income		252,674	200,614	961,516	856,176
Direct income		252,543	200,614	961,369	856,176
Direct expenses		(217,205)	(147,331)	(783,153)	(677,163)
Net trading income		35,338	53,283	178,216	179,013
Other income	1	131	-	147	-
Loss on fair valuation of financial assets recognised through profit or loss measured at fair value		(24,562)	-	(40,849)	-
		10,907	53,283	137,514	179,013
Operating expenses					
Administrative expenses		(21,499)	(11,236)	(66,770)	(64,410)
Sales and distribution expenses		(664)	(3,003)	(1,263)	(6,141)
Other operating expenses		(3,383)	(4,323)	(24,890)	(6,513)
(Provision)/Reversal for impairment of financial assets at amortised cost		(1,185)	13,587	(2,834)	23,154
		(26,731)	(4,975)	(95,757)	(53,910)
Operating profit/(loss)		(15,824)	48,308	41,757	125,103
Share of profit/(loss) from equity accounted investee (net of tax)		(328,012)	194,888	(340,458)	1,900,366
Profit/(Loss) before tax		(343,836)	243,196	(298,701)	2,025,469
Taxation	2	2,424	(13,278)	(16,628)	(35,037)
Profit/ (Loss) for the period		(341,412)	229,918	(315,329)	1,990,432
Other comprehensive income					
<i>Items that will never be reclassified to profit or loss</i>					
Share of other comprehensive income/ (loss) from equity accounted investee (net of tax)		11,518	(77,260)	11,518	(151,776)
<i>Items that are or may be reclassified to profit or loss</i>		-	-	-	-
Other comprehensive income/(loss) for the period		11,518	(77,260)	11,518	(151,776)
Total comprehensive income/(loss) for the period		(329,894)	152,658	(303,811)	1,838,656
Basic earnings/ (loss) per share (Rs.)		(3.37)	2.27	(3.11)	19.66

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 2022 (Unaudited)	31 st March 2021 (Audited)	31 st March 2022 (Unaudited)	31 st March 2021 (Audited)
ASSETS				
Cash at banks and in hand	526,999	242,053	39,417	42,187
Derivative financial instruments	5,190	2,315	-	-
Financial assets recognised through profit or loss - measured at fair value	30,066,729	28,047,361	3,220,443	611,801
Financial assets - fair value through other comprehensive income	34,635	40,273	-	-
Financial assets at amortised cost	9,081,144	7,035,641	8,784,857	9,032,886
Group balances receivable	725	903	8,473	30,372
Trade and other receivables	1,441,968	909,606	9,118	4,203
Non - current assets held for sale	42,416	42,416	-	-
Taxes receivable	72,126	88,798	56,810	74,388
Investment in subsidiary	-	-	3,698,436	4,027,376
Deferred tax asset	117,278	19,228	986	37
Property, plant and equipment and right of use assets	38,322	50,088	17,437	14,860
Intangible assets	122,532	124,746	5,281	7,630
TOTAL ASSETS	41,550,064	36,603,428	15,841,258	13,845,740
LIABILITIES				
Bank overdrafts	1,245,741	3,451	1,245,696	1,316
Derivative financial instruments	2,622	824	-	-
Securities sold under re-purchase agreements	23,799,838	20,223,286	-	-
Short term borrowings	8,139,888	6,660,363	8,250,158	6,660,363
Group balances payable	6,023	861	2,096	57
Trade and other payables	754,940	1,182,894	46,499	553,338
Taxes payable	78,132	840,696	-	-
Long term borrowings	-	50,204	-	50,204
Retirement benefit obligations	37,404	55,369	-	-
Borrowings on debentures	2,780,890	2,763,001	2,030,553	2,010,395
TOTAL LIABILITIES	36,845,478	31,780,949	11,575,002	9,275,673
EQUITY				
Stated capital	227,500	227,500	227,500	227,500
Risk reserve	1,239,478	1,308,818	1,239,478	1,308,818
Retained earnings	3,097,235	3,326,168	3,097,235	3,326,168
Fair valuation reserve	(297,957)	(292,419)	(297,957)	(292,419)
Equity attributable to the equity holders of the parent	4,266,256	4,570,067	4,266,256	4,570,067
Non- controlling interest	438,330	252,412	-	-
TOTAL EQUITY	4,704,586	4,822,479	4,266,256	4,570,067
TOTAL EQUITY AND LIABILITIES	41,550,064	36,603,428	15,841,258	13,845,740

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

17th May 2022
Colombo

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 st March 2022	Attributable to equity holders of the parent					Non-controlling Interest	Total Equity
	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Total		
Group							
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/ (loss) for the year							
Profit for the year	-	-	1,990,432	-	1,990,432	103,065	2,093,497
Other comprehensive loss	-	-	(7,426)	(144,350)	(151,776)	(127)	(151,903)
Total comprehensive income/ (loss)	-	-	1,983,006	(144,350)	1,838,656	102,938	1,941,594
Transactions with equity holders							
Distribution to equity holders							
Dividend paid - 2 nd Interim for 2019/20	-	-	(506,250)	-	(506,250)	-	(506,250)
Dividend declared - Interim for 2020/21	-	-	(506,250)	-	(506,250)	-	(506,250)
Dividend paid to shareholders with NCI*	-	-	-	-	-	(59,898)	(59,898)
Total distribution to equity holders	-	-	(1,012,500)	-	(1,012,500)	(59,898)	(1,072,398)
Transfers to risk reserve	-	173,521	(173,521)	-	-	-	-
Balance as at 31st March 2021 (Audited)	227,500	1,308,818	3,326,168	(292,419)	4,570,067	252,412	4,822,479
Balance as at 1st April 2021 (Audited)	227,500	1,308,818	3,326,168	(292,419)	4,570,067	252,412	4,822,479
Total comprehensive income/ (loss) for the year							
Loss for the year	-	-	(392,474)	-	(392,474)	(20,269)	(412,743)
Other comprehensive income	-	-	17,156	(5,638)	11,518	967	12,485
Total comprehensive loss	-	-	(375,318)	(5,638)	(380,956)	(19,302)	(400,258)
Transactions with equity holders							
Distribution to equity holders	-	-	-	-	-	-	-
Adjustment due to change in share ownership	-	(69,340)	146,385	100	77,145	205,220	282,365
Total transactions with equity holders	-	(69,340)	146,385	100	77,145	205,220	282,365
Transfers to risk reserve	-	-	-	-	-	-	-
Balance as at 31st March 2022 (Unaudited)	227,500	1,239,478	3,097,235	(297,957)	4,266,256	438,330	4,704,586

* Non controlling interest

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 st March 2022	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Total Equity
Company					
Balance as at 1st April 2020 (Audited)	227,500	1,135,297	2,529,183	(148,069)	3,743,911
Total comprehensive income/(loss) for the year					
Profit for the year	-	-	1,990,432	-	1,990,432
Other comprehensive income/(loss)	-	-	(7,426)	(144,350)	(151,776)
Total comprehensive income/(loss) for the year	-	-	1,983,006	(144,350)	1,838,656
Transactions with equity holders					
Distribution to equity holders					
Dividend paid - 2 nd Interim for 2019/20	-	-	(506,250)	-	(506,250)
Dividend declared - Interim for 2020/21	-	-	(506,250)	-	(506,250)
Total distribution to equity holders	-	-	(1,012,500)	-	(1,012,500)
Transfer to risk reserve	-	173,521	(173,521)	-	-
Balance as at 31st March 2021 (Audited)	227,500	1,308,818	3,326,168	(292,419)	4,570,067
Balance as at 1st April 2021 (Audited)	227,500	1,308,818	3,326,168	(292,419)	4,570,067
Total comprehensive income/(loss) for the year					
Loss for the year	-	-	(315,329)	-	(315,329)
Other comprehensive income	-	-	17,156	(5,638)	11,518
Total comprehensive income/(loss) for the year	-	-	(298,173)	(5,638)	(303,811)
Transactions with equity holders					
Distribution to equity holders					
Adjustment due to change in share ownership	-	(69,340)	69,240	100	-
Total transactions with equity holders	-	(69,340)	69,240	100	-
Transfer to risk reserve	-	-	-	-	-
Balance as at 31st March 2022 (Unaudited)	227,500	1,239,478	3,097,235	(297,957)	4,266,256

Figures in bracket indicate deductions.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period	Group		Company	
	April ~ March		April ~ March	
	2022 Unaudited	2021 Audited	2022 Unaudited	2021 Audited
Cash flows from operating activities				
Interest receipts and gains realised	2,100,772	5,769,256	957,997	854,158
Interest payments and other direct cost	(1,784,504)	(1,767,708)	(760,133)	(667,246)
Other receipts	98,353	245,051	114	-
Cash payments to employees and suppliers	(626,735)	(423,348)	(81,808)	(56,234)
Operating profit/(loss) before changes in operating assets and liabilities	(212,114)	3,823,251	116,170	130,678
(Increase)/ Decrease in financial assets recognised through profit or loss -measured at fair value	(2,191,579)	10,275,509	(2,649,491)	(611,801)
(Increase)/ Decrease in financial assets at amortised cost	(2,083,459)	(1,674,901)	248,567	(2,239,547)
(Increase)/ Decrease in trade and other receivables	(528,185)	(310,934)	(4,915)	(2,785)
(Increase)/ Decrease in group balances receivable	178	4,729	21,274	(20,440)
Increase/ (Decrease) in trade and other payables	76,002	(364,446)	34	(23,350)
Increase/ (Decrease) in group balances payable	(877)	130	2,039	57
Increase/ (Decrease) in other short term borrowings	1,476,459	732,257	1,586,730	832,788
Increase/ (Decrease) in borrowings against re-purchase agreements	3,482,249	(13,172,759)	-	-
Cash generated from/(used in) operations	18,674	(687,164)	(679,592)	(1,934,400)
Tax paid	(735,490)	1,736	-	227
Gratuity paid	(1,564)	(4,153)	-	-
Net cash flow generated/(used in) operating activities	(718,380)	(689,581)	(679,592)	(1,934,173)
Cash flow from investing activities				
Purchase of property, plant, equipment and intangible assets	(16,742)	(23,161)	(11,665)	(8,010)
Sale of property plant and equipment	942	279	357	-
Dividend receipts	50,721	9,632	-	1,012,284
Net disposal proceeds from equity stake in subsidiary	282,365	-	-	-
Net cash flow generated from/(used in) investing activities	317,286	(13,250)	(11,308)	1,004,274
Cash flow from financing activities				
Repayment of long term borrowings	(50,000)	(100,000)	(50,000)	(100,000)
Borrowings on listed debentures	-	2,000,000	-	2,000,000
Dividend paid	(506,250)	(506,250)	(506,250)	(506,250)
Dividend paid to shareholders with non-controlling interest	-	(58,568)	-	-
Net cash flow generated from/(used in) financing activities	(556,250)	1,335,182	(556,250)	1,393,750
Net cash inflow/(outflow) for the period	(957,344)	632,351	(1,247,150)	463,851
Cash and cash equivalents at the beginning of the period	238,602	(393,749)	40,871	(422,980)
Cash and cash equivalents at the end of the period (Note A)	(718,742)	238,602	(1,206,279)	40,871
Note A				
Cash at bank and hand	526,999	242,053	39,417	42,187
Bank overdraft	(1,245,741)	(3,451)	(1,245,696)	(1,316)
	(718,742)	238,602	(1,206,279)	40,871

Figures in bracket indicate deductions.

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

NOTES TO THE FINANCIAL STATEMENTS

1 OTHER INCOME

For the period - Group	January ~ March		April ~ March	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Exchange gain	378	196,591	54,921	206,831
Profit/(loss) on sale of property, plant and equipment	114	-	147	(286)
Miscellaneous income	36,946	16,031	94,153	38,893
	37,438	212,622	149,221	245,438

For the period - Company	January ~ March		April ~ March	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit on sale of property, plant and equipment	33	-	33	-
Miscellaneous income	98	-	114	-
	131	-	147	-

2 TAXATION

For the period - Group	January ~ March		April ~ March	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000

Recognised in Profit/(loss)

Current tax expenses	(22,304)	(62,279)	(128,741)	(522,621)
Over/(under) provision for income tax (Note 2.1)	(10,041)	(9,041)	139,143	(9,041)
Deferred tax (expenses)/ reversals	15,977	(3,463)	102,388	(282,917)
	(16,368)	(74,783)	112,790	(814,579)

Recognised in other comprehensive income

Deferred tax recognised in other comprehensive income	(4,339)	2,370	(4,339)	2,370
	(4,339)	2,370	(4,339)	2,370
	(20,707)	(72,413)	108,451	(812,209)

For the period - Company	January ~ March		April ~ March	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000

Recognised in Profit/(loss)

Current tax (expenses)/reversals	1,996	(8,983)	(18,612)	(28,626)
Over provision for taxes	-	235	1,035	235
Deferred tax (expenses)/ reversals	428	(4,530)	949	(6,646)
	2,424	(13,278)	(16,628)	(35,037)

2.1 This includes adjustment for over provision for income tax of subsidiaries (First Capital Treasuries PLC and First Capital Limited) amounting to Rs. 136.4Mn following the settlement of income tax assessments up to 2017/18 as per Inland Revenue Act No. 10 of 2006 and subsequent amendments thereto (previous tax legislation).

3 These Provisional Financial Statements for the quarter ended 31st March 2022 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.

NOTES TO THE FINANCIAL STATEMENTS

4 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (CONTD.)

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.

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 31.03.2022		As at 31.03.2021	
	Carrying Amount Rs. '000	Fair Value Rs. '000	Carrying Amount Rs. '000	Fair Value Rs. '000
Financial assets measured at fair value				
Derivative financial instruments	5,190	5,190	2,315	2,315
Financial assets recognised through profit or loss - measured at fair value	30,066,729	30,066,729	28,047,361	28,047,361
Financial assets - fair value through other comprehensive income	34,635	34,635	40,273	40,273
	30,106,554	30,106,554	28,089,949	28,089,949
Financial assets not measured at fair value				
Cash at banks and in hand	526,999	526,999	242,053	242,053
Group balances receivable	725	725	903	903
Trade receivables	925,049	925,049	516,081	516,081
Financial assets at amortised cost	9,081,144	9,081,144	7,035,641	7,035,641
	10,533,917	10,533,917	7,794,678	7,794,678
Total financial investments	40,640,471	40,640,471	35,884,627	35,884,627
Financial liabilities measured at fair value				
Derivative financial instruments	2,622	2,622	824	824
	2,622	2,622	824	824
Financial liabilities not measured at fair value				
Bank overdrafts	1,245,741	1,245,741	3,451	3,451
Group balances payable	6,023	6,023	861	861
Trade and other payables	754,940	754,940	1,182,894	1,182,894
Securities sold under re-purchase agreements	23,799,838	23,773,602	20,223,286	20,234,348
Short term borrowings	8,139,888	8,139,888	6,660,363	6,660,363
Long term borrowings	-	-	50,204	50,204
Borrowings on debentures	2,780,890	2,311,508	2,763,001	2,813,106
	36,727,320	36,231,702	30,884,060	30,945,227
Total financial liabilities	36,729,942	36,234,324	30,884,884	30,946,051

NOTES TO THE FINANCIAL STATEMENTS

4 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (CONTD.)

Company	As at 31.03.2022		As at 31.03.2021	
	Carrying Amount Rs. '000	Fair Value Rs. '000	Carrying Amount Rs. '000	Fair Value Rs. '000
Financial assets measured at fair value				
Financial assets recognised through profit or loss - measured at fair value	3,220,443	3,220,443	611,801	611,801
	3,220,443	3,220,443	611,801	611,801
Financial assets not measured at fair value				
Cash at banks and in hand	39,417	39,417	42,187	42,187
Group balances receivable	8,473	8,473	30,372	30,372
Financial assets at amortised cost	8,784,857	8,784,857	9,032,886	9,032,886
	8,832,747	8,832,747	9,105,445	9,105,445
Total financial investments	12,053,190	12,053,190	9,717,246	9,717,246
Financial liabilities measured at fair value				
	-	-	-	-
Financial liabilities not measured at fair value				
Bank overdrafts	1,245,696	1,245,696	1,316	1,316
Group balances payable	2,096	2,096	57	57
Trade and other payables	46,499	46,499	553,338	553,338
Short term borrowings	8,250,158	8,250,158	6,660,363	6,660,363
Long term borrowings	-	-	50,204	50,204
Borrowings on debentures	2,030,553	1,653,396	2,010,395	2,010,395
	11,575,002	11,197,845	9,275,673	9,275,673
Total financial liabilities	11,575,002	11,197,845	9,275,673	9,275,673

NOTES TO THE FINANCIAL STATEMENTS

4 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (CONTD.)

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 2022	Total Carrying Value Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Fair Value Rs.'000
Financial assets measured at fair value					
Derivative financial instruments					
Forward purchase contracts	3,290	3,290	-	-	3,290
Forward sale contracts	1,900	1,900	-	-	1,900
	5,190	5,190	-	-	5,190
Financial assets recognised through profit or loss - measured at fair value					
Investment in government securities	27,473,623	27,473,623	-	-	27,473,623
Investment in debentures	1,425,996	778,942	647,054	-	1,425,996
Investment in unit trust	431,832	-	431,832	-	431,832
Investment in listed shares	735,278	735,278	-	-	735,278
	30,066,729	28,987,843	1,078,886	-	30,066,729
Financial assets - fair value through other comprehensive income	34,635	-	34,635	-	34,635
	30,106,554	28,993,033	1,113,521	-	30,106,554
Financial assets not measured at fair value					
Cash at banks and in hand	526,999	-	-	526,999	526,999
Group balances receivable	725	-	-	725	725
Trade receivables	925,049	-	-	925,049	925,049
Financial assets at amortised cost	9,081,144	-	-	9,081,144	9,081,144
	10,533,917	-	-	10,533,917	10,533,917
Total financial investments	40,640,471	28,993,033	1,113,521	10,533,917	40,640,471
Financial liabilities measured at fair value					
Derivative financial instruments					
Forward sale contracts	2,622	2,622	-	-	2,622
	2,622	2,622	-	-	2,622
Financial liabilities not measured at fair value					
Bank overdrafts	1,245,741	-	-	1,245,741	1,245,741
Group balances payable	6,023	-	-	6,023	6,023
Trade and other payables	754,940	-	-	754,940	754,940
Securities sold under re-purchase agreements	23,799,838	-	-	23,773,602	23,773,602
Short term borrowings	8,139,888	-	-	8,139,888	8,139,888
Borrowings on debentures	2,780,890	-	2,311,508	-	2,311,508
	36,727,320	-	2,311,508	33,920,194	36,231,702
Total financial liabilities	36,729,942	2,622	2,311,508	33,920,194	36,234,324

NOTES TO THE FINANCIAL STATEMENTS

4 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (CONTD.)

4.2 Financial instruments- Fair Value (Contd.)

Group - As at 31 st March 2021	Total Carrying Value Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Fair Value Rs.'000
Financial assets measured at fair value					
Derivative financial instruments					
Forward purchase contracts	2,315	2,315	-	-	2,315
	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 debentures	1,440,465	505,621	934,844	-	1,440,465
Investment in unit trust	2,378,709	-	2,378,709	-	2,378,709
Investment in listed shares	1,142,774	1,142,774	-	-	1,142,774
	28,047,361	24,733,808	3,313,553	-	28,047,361
Financial assets - fair value through other comprehensive income	40,273	-	40,273	-	40,273
	28,089,949	24,736,123	3,353,826	-	28,089,949
Financial assets not measured at fair value					
Cash at banks and in hand	242,053	-	-	242,053	242,053
Group balances receivable	903	-	-	903	903
Trade receivables	516,081	-	-	516,081	516,081
Financial assets at amortised cost	7,035,641	-	-	7,035,641	7,035,641
	7,794,678	-	-	7,794,678	7,794,678
Total financial investments	35,884,627	24,736,123	3,353,826	7,794,678	35,884,627
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
Group balances payable	861	-	-	861	861
Trade and other payables	1,182,894	-	-	1,182,894	1,182,894
Securities sold under re-purchase agreements	20,223,286	-	-	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
	30,884,060	-	2,813,106	28,132,121	30,945,227
Total financial liabilities	30,884,884	824	2,813,106	28,132,121	30,946,051

NOTES TO THE FINANCIAL STATEMENTS

4 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (CONTD.)

4.2 Financial instruments- Fair Value (Contd.)

Company - As at 31 st March 2022	Total Carrying Value Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Fair Value Rs.'000
Financial assets measured at fair value					
Financial assets recognised through profit or loss - measured at fair value					
Investment in government securities	2,472,961	2,472,961	-	-	2,472,961
Investment in debentures	747,482	747,482	-	-	747,482
	3,220,443	3,220,443	-	-	3,220,443
Financial assets not measured at fair value					
Cash at banks and in hand	39,417	-	-	39,417	39,417
Group balances receivable	8,473	-	-	8,473	8,473
Financial assets at amortised cost	8,784,857	-	-	8,784,857	8,784,857
	8,832,747	-	-	8,832,747	8,832,747
Total financial investments	12,053,190	3,220,443	-	8,832,747	12,053,190
Financial liabilities measured at fair value					
	-	-	-	-	-
Financial liabilities not measured at fair value					
Bank overdrafts	1,245,696	-	-	1,245,696	1,245,696
Group balances payable	2,096	-	-	2,096	2,096
Trade and other payables	46,499	-	-	46,499	46,499
Short term borrowings	8,250,158	-	-	8,250,158	8,250,158
Borrowings on debentures	2,030,553	-	1,653,396	-	1,653,396
	11,575,002	-	1,653,396	9,544,449	11,197,845
Total financial liabilities	11,575,002	-	1,653,396	9,544,449	11,197,845
Company - As at 31st March 2021					
	Total Carrying Value Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Fair Value Rs.'000
Financial assets measured at fair value					
Financial assets recognised through profit or loss - measured at fair value					
Investment in debentures	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
Group balances receivable	30,372	-	-	30,372	30,372
Financial assets at amortised cost	9,032,886	-	-	9,032,886	9,032,886
	9,105,445	-	-	9,105,445	9,105,445
Total financial investments	9,717,246	611,801	-	9,105,445	9,717,246
Financial liabilities measured at fair value					
	-	-	-	-	-
Financial liabilities not measured at fair value					
Bank overdrafts	1,316	-	-	1,316	1,316
Group balances payable	57	-	-	57	57
Trade and other payables	553,338	-	-	553,338	553,338
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
	9,275,673	-	-	9,275,673	9,275,673
Total financial liabilities	9,275,673	-	-	9,275,673	9,275,673

NOTES TO THE FINANCIAL STATEMENTS

4 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (CONTD.)

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 (b) Fair Values - Level 2 and Level 3

Reconciliation of level 2 and level 3 fair values (Group)

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

	Debentures Rs.'000	Unit Trust Rs.'000	Equity Securities (Financial assets- FVTOCI) Rs.'000	Total Rs.'000
Balance as at 1 st April 2021	934,844	2,378,709	40,273	3,353,826
Purchase	312,350	1,385,500	-	1,697,850
Sales	(551,242)	(3,470,754)	-	(4,021,996)
Gain/ (Loss) on fair valuation of financial investments	(14,017)	138,377	(5,638)	118,722
Transfer to level 1	(34,881)	-	-	(34,881)
Balance as at 31st March 2022	647,054	431,832	34,635	1,113,521

NOTES TO THE FINANCIAL STATEMENTS

4 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (CONTD.)

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 Rs.'000	(-) 100bps Decrease Rs.'000	(+) 50bps Increase Rs.'000	(+) 100bps Increase Rs.'000
Asia Asset Finance PLC	5,297	10,701	(5,194)	(10,287)
LOLC Holdings PLC	12,956	26,413	(12,477)	(24,495)
Softlogic Capital PLC	337	678	(332)	(659)
Keylsey Homes (Pvt) Ltd (Unlisted)	2,229	4,486	(2,202)	(4,377)
Janashakthi Limited (Unlisted)	1,036	2,081	(1,027)	(2,047)
	21,855	44,359	(21,232)	(41,865)

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 Rs.'000	(-) 100bps Decrease Rs.'000	(+) 50bps Increase Rs.'000	(+) 100bps Increase Rs.'000
Asia Asset Finance PLC	4,121	8,336	(4,030)	(7,972)
LOLC Holdings PLC	12,956	26,413	(12,477)	(24,495)
	17,077	34,749	(16,507)	(32,467)

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 Rs.'000	(-) 1% Decrease Rs.'000	(+) 0.5% Increase Rs.'000	(+) 1% Increase Rs.'000
First Capital Money Market Fund	(1,531)	(3,061)	1,531	3,061
First Capital Equity Fund	(295)	(590)	295	590
First Capital Wealth Fund	(50)	(100)	50	100
Softlogic Money Market Fund	(283)	(567)	283	567
	(2,159)	(4,318)	2,159	4,318

NOTES TO THE FINANCIAL STATEMENTS

4 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (CONTD.)

4.5 Financial instruments - Accounting classifications

Group - As at 31st March 2022

	Financial assets - FVTPL Rs. '000	Financial assets/ liabilities at amortised cost Rs. '000	Financial assets - FVTOCI Rs. '000	Total carrying amount Rs. '000	Fair value Rs. '000
Financial assets measured at fair value					
Financial assets - FVTPL	30,066,729	-	-	30,066,729	30,066,729
Derivative Financial Instruments	5,190	-	-	5,190	5,190
Financial assets - FVTOCI	-	-	34,635	34,635	34,635
	30,071,919	-	34,635	30,106,554	30,106,554
Financial assets not measured at fair value					
Cash at banks and in hand	-	526,999	-	526,999	526,999
Group balances receivable	-	725	-	725	725
Financial assets at amortised cost	-	9,081,144	-	9,081,144	9,081,144
Trade receivables	-	925,049	-	925,049	925,049
	-	10,533,917	-	10,533,917	10,533,917
Total financial assets	30,071,919	10,533,917	34,635	40,640,471	40,640,471
Financial liabilities measured at fair value					
Derivative Financial Instruments	2,622	-	-	2,622	2,622
	2,622	-	-	2,622	2,622
Financial liabilities not measured at fair value					
Bank overdrafts	-	1,245,741	-	1,245,741	1,245,741
Group balances payable	-	6,023	-	6,023	6,023
Trade and other payables	-	754,940	-	754,940	754,940
Securities sold under re-purchase agreements	-	23,799,838	-	23,799,838	23,773,602
Short term borrowings	-	8,139,888	-	8,139,888	8,139,888
Borrowings on debentures	-	2,780,890	-	2,780,890	2,311,508
	-	36,727,320	-	36,727,320	36,231,702
Total Financial Liabilities	2,622	36,727,320	-	36,729,942	36,234,324

NOTES TO THE FINANCIAL STATEMENTS

4 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (CONTD.)

4.5 Financial Instruments - Accounting Classifications (Contd.)

Group - As at 31st March 2021

	Financial assets - FVTPL Rs. '000	Financial assets/ liabilities at amortised cost Rs. '000	Financial assets - FVTOCI Rs. '000	Total carrying amount Rs. '000	Fair value Rs. '000
Financial assets measured at fair value					
Financial assets - FVTPL	28,047,361	-	-	28,047,361	28,047,361
Derivative Financial Instruments	2,315	-	-	2,315	2,315
Financial assets - FVTOCI	-	-	40,273	40,273	40,273
	28,049,676	-	40,273	28,089,949	28,089,949
Financial assets not measured at fair value					
Cash at banks and in hand	-	242,053	-	242,053	242,053
Group balances receivable	-	903	-	903	903
Financial assets at amortised cost	-	7,035,641	-	7,035,641	7,035,641
Trade receivables	-	516,081	-	516,081	516,081
	-	7,794,678	-	7,794,678	7,794,678
Total financial assets	28,049,676	7,794,678	40,273	35,884,627	35,884,627
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
Group balances payable	-	861	-	861	861
Trade and other payables	-	1,182,894	-	1,182,894	1,182,894
Securities sold under re-purchase agreements	-	20,223,286	-	20,223,286	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
	-	30,884,060	-	30,884,060	30,945,227
Total Financial Liabilities	824	30,884,060	-	30,884,884	30,946,051

NOTES TO THE FINANCIAL STATEMENTS

4 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (CONTD.)

4.5 Financial Instruments - Accounting Classifications (Contd.)

Company - As at 31st March 2022

	Financial assets - FVTPL Rs. '000	Financial assets/ liabilities at amortised cost Rs. '000	Financial assets - FVTOCI Rs. '000	Total carrying amount Rs. '000	Fair value Rs. '000
Financial assets measured at fair value					
Financial assets recognised through profit or loss -measured at fair value	3,220,443	-	-	3,220,443	3,220,443
	3,220,443	-	-	3,220,443	3,220,443

Financial assets not measured at fair value

Cash at banks and in hand	-	39,417	-	39,417	39,417
Group balances receivable	-	8,473	-	8,473	8,473
Financial assets at amortised cost	-	8,784,857	-	8,784,857	8,784,857
	-	8,832,747	-	8,832,747	8,832,747
Total financial assets	3,220,443	8,832,747	-	12,053,190	12,053,190

Financial liabilities not measured at fair value

Bank overdrafts	-	1,245,696	-	1,245,696	1,245,696
Group balances payable	-	2,096	-	2,096	2,096
Trade and other payables	-	46,499	-	46,499	46,499
Short term borrowings	-	8,250,158	-	8,250,158	8,250,158
Borrowings on debentures	-	2,030,553	-	2,030,553	1,653,396
	-	11,575,002	-	11,575,002	11,197,845
Total financial liabilities	-	11,575,002	-	11,575,002	11,197,845

Company - As at 31st March 2021

	Financial assets - FVTPL Rs. '000	Financial assets/ liabilities at amortised cost Rs. '000	Financial assets - FVTOCI Rs. '000	Total carrying amount Rs. '000	Fair value Rs. '000
Financial assets measured at fair value					
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
Group balances receivable	-	30,372	-	30,372	30,372
Financial assets at amortised cost	-	9,032,886	-	9,032,886	9,032,886
	-	9,105,445	-	9,105,445	9,105,445
Total financial assets	611,801	9,105,445	-	9,717,246	9,717,246

Financial liabilities not measured at fair value

Bank overdrafts	-	1,316	-	1,316	1,316
Group balances payable	-	57	-	57	57
Trade and other payables	-	553,338	-	553,338	553,338
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
	-	9,275,673	-	9,275,673	9,275,673
Total financial liabilities	-	9,275,673	-	9,275,673	9,275,673

5 SEGMENT REPORTING

Information about reportable segments

Group's activities have been segregated into four different segments (Primary Dealer, Corporate Finance, Corporate Finance, Asset Management and Stock Brokering) based on the business activities that each unit is engaged for the purpose of reviewing the operating results of the Group as well as to make decisions about resource allocation. Segment information is presented in respect of the Group's business segments as per SLFRS 8. The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure.

	Primary Dealer		Corporate Finance		Asset Management		Stock Brokering		Eliminations/ Unallocated		Consolidated	
	April ~ March		April ~ March		April ~ March		April ~ March		April ~ March		April ~ March	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Net trading income	(432,115)	2,971,602	96,889	433,173	151,672	133,314	386,509	133,739	2,012	1,874	204,967	3,673,702
Other income/ (expense)	55,002	206,834	94,161	(4,646)	-	(3)	89,274	43,253	(89,216)	-	149,221	245,438
Gain/(Loss) on financial assets FVTPL	(73,849)	(385,933)	(115,931)	137,805	14,179	31,865	-	-	4,467	159	(171,134)	(216,104)
Operating expenses	(215,471)	(395,161)	(235,601)	(254,797)	(52,067)	(67,746)	(165,408)	(69,056)	1,668	1,600	(666,879)	(785,160)
(Provision)/ Reversal for impairment	-	-	(43,173)	(8,113)	-	25	-	-	1,465	(1,712)	(41,708)	(9,800)
Operating profit/(loss)	(666,433)	2,397,342	(203,655)	303,422	113,784	97,455	310,375	107,936	(79,604)	1,921	(525,533)	2,908,076
Taxation	237,460	(560,061)	(28,630)	(36,597)	(26,889)	(20,256)	(80,868)	(33,299)	11,717	(164,365)	112,790	(814,579)
Profit/(Loss) for the year	(428,973)	1,837,281	(232,285)	266,825	86,895	77,199	229,507	74,637	(67,887)	(162,444)	(412,743)	2,093,497
Other comprehensive income/ (loss)	9,046	(2,246)	423	(149,272)	844	(150)	2,172	(235)	-	-	12,485	(151,903)
Total comprehensive income/ (loss)	(419,927)	1,835,035	(231,862)	117,553	87,739	77,049	231,679	74,402	(67,887)	(162,444)	(400,258)	1,941,594
	Primary Dealer		Corporate Finance		Asset Management		Stock Brokering		Eliminations/ Unallocated		Consolidated	
	31 st March		31 st March		31 st March		31 st March		31 st March		31 st March	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Total assets	28,436,561	25,724,457	16,847,421	15,308,287	214,916	147,702	1,294,771	719,510	(5,243,605)	(5,296,528)	41,550,064	36,603,428
Total liabilities	24,338,265	21,206,234	12,638,805	10,661,694	13,189	33,714	859,554	515,972	(1,004,335)	(636,665)	36,845,478	31,780,949
Net assets	4,098,296	4,518,223	4,208,616	4,646,593	201,727	113,988	435,217	203,538	(4,239,270)	(4,659,863)	4,704,586	4,822,479
	Primary Dealer		Corporate Finance		Asset Management		Stock Brokering		Eliminations/ Unallocated		Consolidated	
	April ~ March		April ~ March		April ~ March		April ~ March		April ~ March		April ~ March	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash flows from operating activities	202,667	1,199,510	(932,343)	(876,952)	56,065	113,514	153,877	(139,446)	(198,646)	(986,207)	(718,380)	(689,581)
Cash flows from investing activities	(696)	(7,042)	327,228	1,194,287	(65,481)	(1,453)	3,929	2,700	52,306	(1,201,742)	317,286	(13,250)
Cash flows from financing activities	-	(1,054,215)	(556,250)	322,898	-	(102,011)	-	268,729	-	1,899,781	(556,250)	1,335,182
Net cash flow generated/(used in) during the year	201,971	138,253	(1,161,365)	640,233	(9,416)	10,050	157,806	131,983	(146,340)	(288,168)	(957,344)	632,351

NOTES TO THE FINANCIAL STATEMENTS

- 6 The above figures are provisional and subject to audit. The same accounting policies as in the Annual Report for the year ended 31st March 2021 have been followed in the preparation of the above provisional financial statements.
- 7 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.
- 8 The number of shares represented by stated capital as at 31st March 2022 is 101,250,000 shares (As at 31st March 2021 - 101,250,000 shares).
- 9 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 2021 other than the followings:
- ▶ Commissioner General of Inland Revenue determined the Company's appeal on the assessment of VAT on Financial Services related to year of assessment 2016/17 (Rs. 21Mn) in favour of the Inland Revenue Department in December 2021. The Company made an appeal to the Tax Appeals Commission.
 - ▶ Substantive matters relating to Appeal on the Assessment of VAT on Financial Services for year of assessment 2012/13 amounting to Rs. 62.4Mn were determined in favour of First Capital Treasuries PLC, Appellant (Subsidiary) by the Tax Appeals Commission (October 2021). The Inland Revenue Department filed an appeal with the Court of Appeal against the Commission's determination. Further, the Commission determined the Subsidiary's appeal on the assessment of VAT on Financial Services amounting to Rs. 90.2Mn raised for year of assessment 2010/11 in favour of the Subsidiary (December 2021).
 - ▶ Tax Appeals Commission determined the appeal on the assessment of income tax amounting to Rs. 153.5Mn submitted by First Capital Limited, Appellant (Subsidiary) for year of assessment 2010/11 in favour of the Department of Inland Revenue (February 2022). Further, the Commission determined the appeal on the assessment of VAT on Financial Services amounting to Rs. 12.1Mn submitted by the Subsidiary for year of assessment 2012/13 in favour of the Inland Revenue Department reducing the liability to Rs. 9.3Mn (March 2022). Consequently, the Subsidiary submitted appeals against the said determinations to the Court of Appeal.
 - ▶ The Department of Inland Revenue raised an assessment on VAT on Financial Services – 2018/19 for First Capital Treasuries PLC (subsidiary) amounting to Rs. 28.3Mn in April 2022. The Subsidiary is in the process of filing an appeal against the said assessment.
- 10 There have been no material events subsequent to the reporting date which require disclosures/ adjustments in these provisional financial statements other than followings:
- ▶ As per the Surcharge Tax Act No. 14 of 2022 which was certified on 8th April 2022, the Group is liable for the surcharge tax of Rs. 418Mn (Company – Rs. 28.7Mn) out of the taxable income of Rs. 1,672Mn (Company – Rs. 114.8Mn) pertaining to the year of assessment 2020/21. According to the said Act, the surcharge tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment which commenced on 1st April 2020. Since the Act supersedes the requirements of the Sri Lanka Accounting Standards, the surcharge tax expense is accounted for as recommended by the SoAT on Accounting for Surcharge Tax issued by the Institute of Chartered Accountants of Sri Lanka in April 2022.

The impact of the surcharge tax under the Surcharge Tax Act on the comparative year would have been as given below:

	Group Rs. '000	Company Rs. '000
Profit after Tax for 2020/21	2,093,497	1,990,432
Surcharge tax levied under Surcharge Act	(418,062)	(28,740)
Share of Surcharge tax from subsidiaries	-	(350,157)
Comparable Profit for the year 2020/21	1,675,435	1,611,535

NOTES TO THE FINANCIAL STATEMENTS

- On 8th April 2022, the Shareholders of the Company resolved to execute a sub-division of shares without a change to the stated capital of Rs. 227,500,000/- by splitting every one (01) existing voting ordinary share into four (04) voting ordinary shares. The shares so divided rank equal and pari pasu in all respects with the existing shares from which the division arose.

Number of shares prior to sub – division	101,250,000
Number of shares after sub – division	405,000,000

- 11 All known expenditure items have been provided for and there is no management fee or similar expenditure provided for in the provisional financial statements.

12 NET ASSETS PER SHARE

Net assets per share	As at 31 st March 2022 Rs.	As at 31 st March 2021 Rs.
Group	42.14	45.14
Company	42.14	45.14

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%	5 Years	7 th February 2026
Total			20,000,000	2,000,000			

* Listed, Rated, Senior, Unsecured, Redeemable Debentures.

** This reflects a Cap of 12% and Floor of 9%.

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%	700,000	100%
2. Investment in Unlisted Debt	1,000,000	1,000,000	50%	1,000,000	100%

* The Company has not achieved its objective related to investment in Listed Equities amounting to LKR 300Mn (15% of total proceeds) yet.

MARKET VALUE OF LISTED DEBENTURES AS AT 31ST MARCH 2022

Debentures have not been traded during the period ended 31st March 2022. Hence, the par value has been recognised as respective market value.

Debt Ratios

	Group		Company	
	As at 31 st March 2022	As at 31 st March 2021	As at 31 st March 2022	As at 31 st March 2021
Debt/ equity ratio (times)	7.64	6.16	2.70	1.91
Quick asset ratio (times)	1.17	1.26	1.26	1.35
Interest cover (times)	0.72	2.38	0.62	3.99

DEBENTURE INTEREST YIELD (LAST TRADED)

	As at 31 st March 2022	As at 31 st March 2021
Type A - 5 year fixed rate (10 % p.a. payable annually)	N/A	N/A
Type B - 5 year floating rate (Weekly AWPLR + 2% p.a. payable annually)	N/A	N/A

INVESTOR INFORMATION

YIELD OF COMPARABLE GOVERNMENT SECURITIES (%)

	As at 31 st March 2022	As at 31 st March 2021
5 Year treasury bond (maturity - 1 st February 2026)	14.66%	7.05%

MARKET PRICE PER SHARE

	As at 31 st March 2022 Rs.	As at 31 st March 2021 Rs.
Highest market price recorded	49.50	61.40
Lowest market price recorded	30.70	46.00
Closing market price recorded	31.00	54.50

LIST OF TWENTY MAJOR SHAREHOLDERS AS AT 31ST MARCH 2022

Names of shareholders	No. of shares as at 31 st March 2022	Holding (%)
1 1.1 Seylan Bank PLC/Janashakthi Limited	25,400,000	25.09%
1.2 Commercial Bank of Ceylon PLC/Janashakthi Limited	22,836,360	22.55%
1.3 Janashakthi Limited	13,345,000	13.18%
1.4 Seylan Bank PLC/Janashakthi Limited	8,997,240	8.89%
1.5 Hatton National Bank PLC/Janashakthi Limited	8,470,000	8.37%
1.6 Pan Asia Banking Corporation PLC/Janashakthi Limited	5,000,000	4.94%
2 Mr. Dinal Gitanjan Wijemanna	802,683	0.79%
3 Mr. Amal Joseph Tissera	674,410	0.67%
4 Hatton National Bank PLC/Kandaiah Kanapathipillai Shujeevan	621,460	0.61%
5 Finco Holdings (Private) Limited	382,523	0.38%
6 Dr. Subashi Nemindi Samarasinghe	313,397	0.31%
7 Dr. Withana Pathiranage Somasiri, Mrs. D. V. A. Wijewardana & Mr. K. Withanapathirana	300,000	0.30%
8 Sampath Bank PLC/Dr. Mayuramana Dewolage	251,091	0.25%
9 Mr. Ananda Deepthi Edussuriya	250,000	0.25%
10 Mr. Nagen Dayaranjan Kurukulasuriya	208,836	0.21%
11 Mr. Wickramatunga Arachchi Pathiranage Don Mahipala Wickramatunga	205,000	0.20%
12 DFCC Bank PLC/S. M. D. N. P. Banda	173,730	0.17%
13 Mr. Amarakoon Mudiyansele Weerasinghe	149,752	0.15%
14 Mrs. Thusharie Tilottama Anjalee De Silva Weerasooria	147,359	0.15%
15 Hatton National Bank PLC/Arunasalam Sithampalam	141,015	0.14%
16 Mr. Upali Chandrakumara Bandaranayake	140,000	0.14%
17 Citizens Development Business Finance PLC/K.D.C. Somalatha & K. Nandasiri	139,400	0.14%
18 Mr. Charitha Prasanna De Silva & Mr. Chandana Lal De Silva	118,333	0.12%
19 Mr. Charitha Prasanna De Silva & Mr. Romesh Charitha De Silva	118,333	0.12%
20 Mr. Charitha Prasanna De Silva & Mrs. Sharmini Tara Wettimuny	118,333	0.12%
	89,304,255	88.24%

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 2022
Mr. Nishan Fernando	Chairman	Nil
Mr. Dinesh Schaffter	Managing Director	Nil
Mr. Dilshan Wirasekara	Director/Chief Executive Officer	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
Mr. Prakash Schaffter	Alternate Director to Mr. Ramesh Schaffter	Nil

Disclosure in accordance with the Section 7.4(b)(ii) - Appendix 7B(a) (Item 6(a)) of CSE Listing Rules (Compliance relating to the Public Floating).

Float adjusted market capitalisation as at 31 st March 2022 (Rs.)	529,291,737
Public holding percentage	16.86%
Number of public shareholders	6,203

The Company is complied with the Minimum Public Holding requirement under option 2 of the Section 7.14.1 (b) of the Listing Rules of the Colombo Stock Exchange.