



First Capital  
A Janashakthi Group Company

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# PROVISIONAL FINANCIAL STATEMENTS

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Quarter ended  
31<sup>st</sup> March 2022

FIRST CAPITAL TREASURIES PLC

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period	January - March		April - March		
	Notes	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Audited)
<b>Income</b>		<b>399,181</b>	603,254	<b>677,826</b>	4,501,295
Direct income		<b>398,729</b>	406,663	<b>622,824</b>	4,294,461
Direct expenses		<b>(370,301)</b>	(272,035)	<b>(1,054,939)</b>	(1,322,859)
<b>Net trading income/ (expense)</b>		<b>28,428</b>	134,628	<b>(432,115)</b>	2,971,602
Other income	1	<b>452</b>	196,591	<b>55,002</b>	206,834
Loss on fair valuation of financial assets recognised through profit or loss- measured at fair value		<b>(56,873)</b>	(23,236)	<b>(73,849)</b>	(385,933)
		<b>(27,993)</b>	307,983	<b>(450,962)</b>	2,792,503
<b>Operating expenses</b>					
Administrative expenses		<b>(39,747)</b>	(51,043)	<b>(174,922)</b>	(352,674)
Sales and distribution expenses		<b>(2,203)</b>	(1,706)	<b>(3,393)</b>	(5,005)
Other operating expenses		<b>(6,067)</b>	(10,422)	<b>(37,156)</b>	(37,482)
		<b>(48,017)</b>	(63,171)	<b>(215,471)</b>	(395,161)
<b>Profit/ (loss) before tax</b>		<b>(76,010)</b>	244,812	<b>(666,433)</b>	2,397,342
Taxation	2	<b>8,214</b>	49,450	<b>237,460</b>	(560,061)
Profit/ (loss) for the period		<b>(67,796)</b>	294,262	<b>(428,973)</b>	1,837,281
<b>Other comprehensive income</b>					
<i>Items that will never be reclassified to profit or loss</i>					
Actuarial gain/ (loss) on retirement benefit obligation		<b>10,519</b>	(2,955)	<b>10,519</b>	(2,955)
Tax effect on other comprehensive income		<b>(1,473)</b>	709	<b>(1,473)</b>	709
<i>Items that are or may be reclassified to profit or loss</i>		-	-	-	-
<b>Other comprehensive income/ (loss)</b>		<b>9,046</b>	(2,246)	<b>9,046</b>	(2,246)
<b>Total comprehensive income/ (loss) for the period</b>		<b>(58,750)</b>	292,016	<b>(419,927)</b>	1,835,035
<b>Earnings/ (loss) per share (Rs.)</b>	3	<b>(0.44)</b>	1.91	<b>(2.79)</b>	11.94

Figures in bracket indicate deductions.

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

## STATEMENT OF FINANCIAL POSITION

As at	Notes	31 <sup>st</sup> March 2022 (Unaudited)	31 <sup>st</sup> March 2021 (Audited)
<b>ASSETS</b>			
Cash at banks and in hand		348,585	146,614
Derivative financial instruments		5,190	2,315
Financial assets recognised through profit or loss - measured at fair value		24,509,930	23,085,413
Financial assets -at amortised cost		3,109,799	2,158,045
Receivable from related companies		2,060	165
Deferred tax asset		94,318	4,731
Other assets		358,324	316,406
Property, plant and equipment and right of use assets		7,782	9,849
Intangible assets		573	919
<b>TOTAL ASSETS</b>		<b>28,436,561</b>	25,724,457
<b>LIABILITIES</b>			
Derivative financial instruments		2,622	824
Securities sold under re-purchase agreements		23,397,838	19,330,472
Creditors and other payables		160,609	336,366
Payable to related companies		5,058	18,515
Income tax payable		-	740,959
Borrowings on listed debentures	5	760,577	759,255
Retirement benefit obligations		11,561	19,843
<b>TOTAL LIABILITIES</b>		<b>24,338,265</b>	21,206,234
<b>EQUITY</b>			
Stated capital	6	256,500	256,500
Risk reserve		1,386,793	1,386,793
Retained earnings		2,457,003	2,876,930
Fair valuation reserve		(2,000)	(2,000)
<b>TOTAL EQUITY</b>		<b>4,098,296</b>	4,518,223
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>28,436,561</b>	25,724,457

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

17<sup>th</sup> May 2022  
Colombo

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 <sup>st</sup> March 2022	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Total Equity
<b>Balance as at 1<sup>st</sup> April 2020 (Audited)</b>	256,500	1,203,065	2,279,838	(2,000)	3,737,403
<b>Total Comprehensive income for the year</b>					
Profit for the year	-	-	1,837,281	-	1,837,281
Other comprehensive loss	-	-	(2,246)	-	(2,246)
<b>Total comprehensive income</b>	-	-	1,835,035	-	1,835,035
<b>Transactions with equity holders</b>					
<b>Distribution to equity holders</b>					
Dividend paid (2 <sup>nd</sup> Interim 2019/20)	-	-	(538,650)	-	(538,650)
(1 <sup>st</sup> Interim 2020/21)	-	-	(515,565)	-	(515,565)
<b>Total distribution to equity holders</b>	-	-	(1,054,215)	-	(1,054,215)
<b>Total transactions with equity holders</b>	-	-	(1,054,215)	-	(1,054,215)
Transfer to risk reserve	-	183,728	(183,728)	-	-
<b>Balance as at 31<sup>st</sup> March 2021 (Audited)</b>	256,500	1,386,793	2,876,930	(2,000)	4,518,223
<b>Balance as at 1<sup>st</sup> April 2021 (Audited)</b>	<b>256,500</b>	<b>1,386,793</b>	<b>2,876,930</b>	<b>(2,000)</b>	<b>4,518,223</b>
<b>Total Comprehensive income for the year</b>					
Loss for the year	-	-	(428,973)	-	(428,973)
Other comprehensive income	-	-	9,046	-	9,046
<b>Total comprehensive loss</b>	-	-	(419,927)	-	(419,927)
Transfer to risk reserve	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March 2022 (Unaudited)</b>	<b>256,500</b>	<b>1,386,793</b>	<b>2,457,003</b>	<b>(2,000)</b>	<b>4,098,296</b>

Figures in bracket indicate deductions.

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

## STATEMENT OF CASH FLOWS

For the period	April - March	
	2022 (Unaudited)	2021 (Unaudited)
<b>Cash flows from operating activities</b>		
Interest receipts and trading gain realized	621,253	4,293,072
Interest payments and other direct cost	(974,173)	(1,259,725)
Other receipts	55,002	206,834
Cash payments to employees and suppliers	(210,125)	(278,232)
<b>Operating profit/ (loss) before changes in operating assets and liabilities</b>	<b>(508,043)</b>	2,961,949
(Increase)/ Decrease in financial assets recognised through profit or loss measured at fair value	(1,499,443)	12,738,848
(Increase)/ Decrease in financial assets at amortised cost	(950,183)	(1,363,153)
(Increase)/ Decrease in receivable from related companies	(1,895)	195
(Increase)/ Decrease in other assets	(41,918)	(222,134)
Increase/ (Decrease) in creditors and accrued charges	(175,757)	(491)
Increase/ (Decrease) in payable to related companies	(13,457)	(1,183)
Increase/ (Decrease) in securities sold under repurchase agreements	3,987,922	(12,914,521)
<b>Cash generated from operations</b>	<b>797,226</b>	1,199,510
Tax paid	(594,559)	-
Gratuity paid	-	-
<b>Net cash from operating activities</b>	<b>202,667</b>	1,199,510
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(642)	(6,675)
Purchase of intangible assets	(200)	(370)
Proceeds from disposal of property, plant and equipment	146	3
<b>Net cash used in investing activities</b>	<b>(696)</b>	(7,042)
<b>Cash flow from financing activities</b>		
Dividend paid	-	(1,054,215)
<b>Net cash used in financing activities</b>	<b>-</b>	(1,054,215)
<b>Net cash inflow for the period</b>	<b>201,971</b>	138,253
Cash and cash equivalents at the beginning of the period	146,614	8,361
<b>Cash and cash equivalents at the end of the period (Note A)</b>	<b>348,585</b>	146,614
<b>Note A</b>		
Cash at bank and in hand	348,585	146,614
	<b>348,585</b>	146,614

Figures in bracket indicate deductions.

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

## NOTES TO THE FINANCIAL STATEMENTS

	January - March		April - March	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000
<b>1. OTHER INCOME</b>				
Exchange gain	377	196,591	54,921	206,831
Profit on disposal of fixed asset	9	-	9	3
Miscellaneous income	66	-	72	-
	<b>452</b>	196,591	<b>55,002</b>	206,834

	January - March		April - March	
	2022 Rs'000	2021 Rs'000	2022 Rs'000	2021 Rs'000

## 2. TAXATION

### Recognised in profit or loss

Current tax (expense) / reversal	-	58,793	-	(292,297)
Over/ (under) provision for Income Tax (Note 2.1)	-	(9,293)	146,400	(9,293)
Deferred tax (expense) / reversal	8,214	(50)	91,060	(258,471)
	<b>8,214</b>	49,450	<b>237,460</b>	(560,061)

### Recognised in other comprehensive income

Deferred tax (expense)/ reversal	(1,473)	709	(1,473)	709
	<b>(1,473)</b>	709	<b>(1,473)</b>	709

- 2.1** This reflects reversal of over provision for income tax amounting to Rs. 146.4Mn following the settlement of income tax assessments up to 2017/18 as per the Inland Revenue Act No. 10 of 2006 and subsequent amendments thereto (previous tax legislation).
- 3.** Earnings/ (loss) per share has been calculated by dividing the net profit/ (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. The effect on sub-division of shares executed during year 2020/21 has been adjusted (Note 6.1).
- 4.** These Provisional Financial Statements for the quarter ended 31<sup>st</sup> March 2022 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 31<sup>st</sup> March 2022 is 153,900,000 shares with the resultant sub-division of shares executed on 29<sup>th</sup> March 2021 as described below (Note 6.1).
- 6.1** On 29<sup>th</sup> 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 pasu 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).
- 6.2** Ordinary shares of the Company were listed on the Diri Savi Board of the Colombo Stock Exchange through an Initial Public Offering (IPO) by way of an offer for sale in December 2021.

## 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 follows:

	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
<b>Financial assets measured at fair value</b>				
Derivative financial instrument	5,190	5,190	2,315	2,315
Financial assets recognised through profit or loss - measured at fair value	24,509,930	24,509,930	23,085,413	23,085,413
	<b>24,515,120</b>	<b>24,515,120</b>	23,087,728	23,087,728
<b>Financial assets not measured at fair value</b>				
Cash at banks and in hand	348,585	348,585	146,614	146,614
Financial assets at amortised cost	3,109,799	3,109,799	2,158,045	2,158,045
Receivable from related companies	2,060	2,060	165	165
	<b>3,460,444</b>	<b>3,460,444</b>	2,304,824	2,304,824
<b>Total financial assets</b>	<b>27,975,564</b>	<b>27,975,564</b>	25,392,552	25,392,552
<b>Financial liabilities measured at fair value</b>				
Derivative financial instrument	2,622	2,622	824	824
	<b>2,622</b>	<b>2,622</b>	824	824
<b>Financial liabilities not measured at fair value</b>				
Securities sold under re-purchase agreements	23,397,838	23,377,150	19,330,472	19,334,019
Payable to related companies	5,058	5,058	18,515	18,515
Borrowings on listed debentures	760,577	678,438	759,255	827,503
	<b>24,163,473</b>	<b>24,060,646</b>	20,108,242	20,180,037
<b>Total financial liabilities</b>	<b>24,166,095</b>	<b>24,063,268</b>	20,109,066	20,180,861

## NOTES TO THE FINANCIAL STATEMENTS

### 7. FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (CONTD.)

#### 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 <sup>st</sup> March 2022	Total Carrying Value Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Fair Value Rs.'000
<b>Financial assets measured at fair value</b>					
<b>Derivative financial instruments</b>					
Forward purchase contracts	3,290	3,290	-	-	3,290
Forward sale contracts	1,900	1,900	-	-	1,900
	<b>5,190</b>	<b>5,190</b>	<b>-</b>	<b>-</b>	<b>5,190</b>
<b>Financial assets recognised through profit or loss - measured at fair value</b>					
Investment in government securities	24,509,930	24,509,930	-	-	24,509,930
	<b>24,509,930</b>	<b>24,509,930</b>	<b>-</b>	<b>-</b>	<b>24,509,930</b>
	<b>24,515,120</b>	<b>24,515,120</b>	<b>-</b>	<b>-</b>	<b>24,515,120</b>
<b>Financial assets not measured at fair value</b>					
Cash at banks and in hand	348,585	-	-	348,585	348,585
Financial assets at amortised cost	3,109,799	-	-	3,109,799	3,109,799
Receivable from related companies	2,060	-	-	2,060	2,060
	<b>3,460,444</b>	<b>-</b>	<b>-</b>	<b>3,460,444</b>	<b>3,460,444</b>
<b>Total financial assets</b>	<b>27,975,564</b>	<b>24,515,120</b>	<b>-</b>	<b>3,460,444</b>	<b>27,975,564</b>
<b>Financial liabilities measured at fair value</b>					
<b>Derivative financial instruments</b>					
Forward sale contracts	2,622	2,622	-	-	2,622
	<b>2,622</b>	<b>2,622</b>	<b>-</b>	<b>-</b>	<b>2,622</b>
<b>Financial liabilities not measured at fair value</b>					
Securities sold under re-purchase agreements	23,397,838	-	-	23,377,150	23,377,150
Payable to related companies	5,058	-	-	5,058	5,058
Borrowings on listed debentures	760,577	-	678,438	-	678,438
	<b>24,163,473</b>	<b>-</b>	<b>678,438</b>	<b>23,382,208</b>	<b>24,060,646</b>
<b>Total financial liabilities</b>	<b>24,166,095</b>	<b>2,622</b>	<b>678,438</b>	<b>23,382,208</b>	<b>24,063,268</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 7.2 Financial instruments - Fair Value (Contd.)

As at 31 <sup>st</sup> March 2021	Total Carrying Value Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Fair Value Rs.'000
<b>Financial assets measured at fair value</b>					
<b>Derivative financial instruments</b>					
Forward purchase contracts	2,315	2,315	-	-	2,315
	<b>2,315</b>	<b>2,315</b>	-	-	<b>2,315</b>
<b>Financial assets recognised through profit or loss - measured at fair value</b>					
Investment in government securities	23,085,413	23,085,413	-	-	23,085,413
	<b>23,085,413</b>	<b>23,085,413</b>	-	-	<b>23,085,413</b>
	<b>23,087,728</b>	<b>23,087,728</b>	-	-	<b>23,087,728</b>
<b>Financial assets not measured at fair value</b>					
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
	<b>2,304,824</b>	-	-	<b>2,304,824</b>	<b>2,304,824</b>
<b>Total financial assets</b>	<b>25,392,552</b>	<b>23,087,728</b>	-	<b>2,304,824</b>	<b>25,392,552</b>
<b>Financial liabilities measured at fair value</b>					
<b>Derivative financial instruments</b>					
Forward sale contracts	824	824	-	-	824
	<b>824</b>	<b>824</b>	-	-	<b>824</b>
<b>Financial liabilities not measured at fair value</b>					
Securities sold under re-purchase agreements	19,330,472	-	-	19,334,019	19,334,019
Payable to related companies	18,515	-	-	18,515	18,515
Borrowings on listed debentures	759,255	-	827,503	-	827,503
	<b>20,108,242</b>	-	<b>827,503</b>	<b>19,352,534</b>	<b>20,180,037</b>
<b>Total financial liabilities</b>	<b>20,109,066</b>	<b>824</b>	<b>827,503</b>	<b>19,352,534</b>	<b>20,180,861</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 7 FINANCIAL INSTRUMENTS- FAIR VALUE MEASUREMENT (CONTD.)

#### 7.3 Financial instruments - Accounting classifications

As at 31<sup>st</sup> 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
<b>Financial assets measured at fair value</b>					
Derivative Financial Instruments	5,190	-	-	5,190	5,190
Financial assets - FVTPL	24,509,930	-	-	24,509,930	24,509,930
	<b>24,515,120</b>	-	-	<b>24,515,120</b>	<b>24,515,120</b>
<b>Financial assets not measured at fair value</b>					
Cash at banks and in hand	-	348,585	-	348,585	348,585
Financial assets at amortised cost	-	3,109,799	-	3,109,799	3,109,799
Receivable from related companies	-	2,060	-	2,060	2,060
	-	3,460,444	-	3,460,444	3,460,444
<b>Total financial assets</b>	<b>24,515,120</b>	<b>3,460,444</b>	-	<b>27,975,564</b>	<b>27,975,564</b>
<b>Financial liabilities measured at fair value</b>					
Derivative Financial Instruments	2,622	-	-	2,622	2,622
	<b>2,622</b>	-	-	<b>2,622</b>	<b>2,622</b>
<b>Financial liabilities not measured at fair value</b>					
Securities sold under re-purchase agreements	-	23,397,838	-	23,397,838	23,377,150
Payable to related companies	-	5,058	-	5,058	5,058
Borrowings on listed debentures	-	760,577	-	760,577	678,438
	-	<b>24,163,473</b>	-	<b>24,163,473</b>	<b>24,060,646</b>
<b>Total financial liabilities</b>	<b>2,622</b>	<b>24,163,473</b>	-	<b>24,166,095</b>	<b>24,063,268</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 7.3 Financial instruments - Accounting classifications (Contd.)

As at 31<sup>st</sup> March 2021

	Financial assets/ liabilities 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
<b>Financial assets measured at fair value</b>					
Derivative Financial Instruments	2,315	-	-	2,315	2,315
Financial assets - FVTPL	23,085,413	-	-	23,085,413	23,085,413
	<b>23,087,728</b>	-	-	<b>23,087,728</b>	<b>23,087,728</b>
<b>Financial assets not measured at fair value</b>					
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
	-	<b>2,304,824</b>	-	<b>2,304,824</b>	<b>2,304,824</b>
<b>Total financial assets</b>	<b>23,087,728</b>	<b>2,304,824</b>	-	<b>25,392,552</b>	<b>25,392,552</b>
<b>Financial liabilities measured at fair value</b>					
Derivative Financial Instruments	824	-	-	824	824
	<b>824</b>	-	-	<b>824</b>	<b>824</b>
<b>Financial liabilities not measured at fair value</b>					
Securities sold under re-purchase agreements	-	19,330,472	-	19,330,472	19,334,019
Payable to related companies	-	18,515	-	18,515	18,515
Borrowings on listed debentures	-	759,255	-	759,255	827,503
	-	<b>20,108,242</b>	-	<b>20,108,242</b>	<b>20,180,037</b>
<b>Total financial liabilities</b>	<b>824</b>	<b>20,108,242</b>	-	<b>20,109,066</b>	<b>20,180,861</b>

8. The above figures are provisional and subject to audit. The same accounting policies as in the Annual Report for the year ended 31<sup>st</sup> March 2021 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 10. COMMITMENTS AND CONTINGENCIES

There have been no significant changes in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31<sup>st</sup> March 2021, other than the followings:

- ▶ Substantive matters relating to Appeal on the Assessment of VAT on Financial Services for year of assessment 2012/13 (Rs. 62.4Mn) were determined in favour of the Company by the Tax Appeals Commission (October 2021). The Inland Revenue Department filed an appeal with the Court of Appeal against the Tax Appeal Commission's determination.
- ▶ Tax Appeals Commission determined the appeal on the assessment of VAT on Financial Services (Rs. 90.2Mn) submitted by the Company for year of assessment 2010/11 in favour of the Company in December 2021.
- ▶ The Department of Inland Revenue raised an assessment on VAT on Financial Services for 2018/19 amounting to Rs. 28.3Mn in April 2022. The Company is in the process of filing an appeal against the said assessment.

11. 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 8<sup>th</sup> April 2022, the Company is liable for the surcharge tax of Rs. 370Mn out of the taxable income of Rs. 1,480.5Mn 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 1<sup>st</sup> April 2020. Since the Act supersedes the requirements of the Sri Lanka Accounting Standards, the surcharge tax expense is accounted 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:

	Rs. '000
Profit after Tax for 2020/21	1,837,281
Surcharge tax levied under Surcharge Act	(370,114)
Comparable Profit for the year 2020/21	1,467,167

- ▶ On 8<sup>th</sup> April 2022, 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 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	153,900,000
Number of shares after sub – division	615,600,000

12. All known expenditure items have been provided for and there is no management fee or similar expenditure provided for in these provisional financial statements. The Company did not utilise the funds raised through the IPO in December 2021. All proceeds collected via the IPO were credited to the account of First Capital Limited, Parent company (selling shareholder) as per the objective of the IPO.

### 13. NET ASSETS PER SHARE

	As at 31 <sup>st</sup> March 2022 Rs.	As at 31 <sup>st</sup> March 2021 Rs.
	<b>26.63</b>	29.36

## 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 <sup>th</sup> January 2020	Semi annually	7,500,000	750,000	12.75% (AER - 13.16%)	5 Years	30 <sup>th</sup> January 2025

\* Listed, Rated, Subordinated, Unsecured, Redeemable Debentures.

#### 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 <sup>th</sup> 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 31<sup>ST</sup> MARCH 2022

Debentures with 5 year maturity have not been traded during the quarter ended 31<sup>st</sup> March 2022.

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 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Debt/ equity ratio (times)	5.89	4.45
Quick asset ratio (times)	1.20	1.31
Interest cover (times)	0.36	2.84

Debenture Interest Yield (last traded)	April - March 2021/22	April - March 2020/21
5 year fixed rate (12.75 % p.a. payable semi annually)	N/A	12.75%

Yield of comparable Government Securities (%)	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
5 - year Treasury bond (maturity - 15 <sup>th</sup> March 2025)	14.91%	6.83%

## INVESTOR INFORMATION

### INFORMATION ON ORDINARY SHARES

Market Price per Share	As at 31 <sup>st</sup> March 2022 Rs.	As at 31 <sup>st</sup> March 2021 Rs.
Highest market price recorded	65.10	-
Lowest market price recorded	25.00	-
Closing market price recorded	28.00	-

### LIST OF TWENTY MAJOR SHAREHOLDERS AS AT 31<sup>ST</sup> MARCH 2022

Names of shareholders	No. of shares as at 31 <sup>st</sup> March 2022	Holding (%)
1 First Capital Limited	137,654,990	89.44%
2 Employees Trust Fund Board	7,177,277	4.66%
3 Phantom Investments (Private) Limited	1,842,003	1.20%
4 Merchant Bank of Sri Lanka & Finance PLC/ S.A.A. Hasitha	737,316	0.48%
5 Hatton National Bank PLC - Astrue Alpha Fund	400,000	0.26%
6 J.B. Cocoshell (Pvt) Ltd	384,639	0.25%
7 Commercial Bank of Ceylon PLC/ Andaradeniya Estate (Pvt) Ltd	306,992	0.20%
8 Little Smile Organic (Pvt) Ltd	290,500	0.19%
9 Mr. K. Mathivanan	285,000	0.19%
10 Peoples Merchant Finance PLC/ R.A. Niranjana	190,157	0.12%
11 Amaliya Private Limited	136,701	0.09%
12 Mr. N.R.P Karunaratne	120,000	0.08%
13 Thread Capital (Private) Limited	115,000	0.07%
14 M Investments Lanka (Pvt) Ltd	110,000	0.07%
15 Merchant Bank of Sri Lanka & Finance PLC/ M. Batuwantudawa	110,000	0.07%
16 Mr. K. L. A. C. N. Anuradha	107,404	0.07%
17 Mr. E. P. G. Dimuthu	100,000	0.06%
18 Miss. J. M. M. N. Galgamuwa	100,000	0.06%
19 Merchant Bank of Sri Lanka & Finance PLC/ A. Nissanka	100,000	0.06%
20 Cocoshell Activated Carbon Company (Pvt) Ltd	95,000	0.06%
	<b>150,362,979</b>	<b>97.68%</b>

## INVESTOR INFORMATION

### SHAREHOLDING OF THE DIRECTORS/ CHIEF EXECUTIVE OFFICER

Name of the Director/ Chief Executive Officer	Designation	No. of Shares as at 31 <sup>st</sup> March 2022
Mr. Nishan Fernando	Chairman	4,000
Mr. Dinesh Schaffter	Managing Director	10
Mr. Dilshan Wirasekara	Director/ Chief Executive Officer	Nil
Mr. Ramesh Schaffter	Director	Nil
Ms. Minette Perera	Director	Nil
Mr. Chandana de Silva	Director	Nil
Dr. Nishan de Mel	Director	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 <sup>st</sup> March 2022 (Rs.)	454,620,600
Public holding percentage	10.55%
Number of public shareholders	819

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.