



First Capital  
A Janashakthi Group Company

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# PROVISIONAL FINANCIAL STATEMENTS

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Quarter ended

31 December 2022

FIRST CAPITAL TREASURIES PLC

## **REVIEW OF OPERATIONS**

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First Capital Treasuries PLC (the Company) recorded a Profit after Tax of Rs. 1.9Bn for the nine months ended 31 December 2022 compared to Loss after Tax of Rs. 361Mn in the corresponding period of the previous year.

The Results include net interest income of Rs. 2,152Mn and a trading gain on sale of government securities amounting to Rs. 572Mn (2021/22 – Net interest income of Rs. 357Mn and a trading loss of Rs. 809Mn were included).

As of 31 December 2022, the Company's Held to Maturity portfolio (Government Securities) reflected a fair valuation loss of Rs. 1.15Bn which is not accounted for in the provisional financial statements since the amortised cost basis has been adopted in valuing the said investment as per the accounting standard on financial instruments (SLFRS 9).

We are operating in a challenging business environment due to the prevailing economic conditions. The impact of a potential local debt restructuring is also a continuing concern.

The Company's investment in Government Securities portfolio (total) as of 31 December 2022 stood at Rs. 53.2Bn compared to Rs. 27.6Bn at the commencement of the financial year.

The Company was awarded a rating of "A" with stable outlook by Lanka Rating Agency (LRA) in December 2022.

The tragic demise of Dinesh Schaffter who served as the Managing Director of the Company since 2014 prompted appointments to further strengthen the Board of Directors/Senior Management, including the appointment of Manjula Mathews as the Deputy Chairperson, and myself as Managing Director (subject to the regulatory clearance).

Dinesh's vision and contribution towards the success of First Capital Group as well as the capital markets industry of Sri Lankan are deeply appreciated and we continue to move forward with our "Performance First" mindset to honour his legacy.

(Sgd.)

**Dilshan Wirasekara**  
Managing Director

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the period	Notes	October - December		April - December	
		2022	2021	2022	2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Income</b>		<b>3,359,393</b>	<b>(38,565)</b>	<b>7,239,351</b>	<b>278,645</b>
Direct income		3,359,299	(38,567)	7,239,077	224,095
Direct expenses		(1,833,165)	(188,379)	(4,513,297)	(684,638)
<b>Net trading income/ (expense)</b>		<b>1,526,134</b>	<b>(226,946)</b>	<b>2,725,780</b>	<b>(460,543)</b>
Other income	1	94	2	274	54,550
Gain/(Loss) on fair valuation of financial assets recognised through profit or loss- measured at fair value		15,853	200,983	358,297	(16,976)
		<b>1,542,081</b>	<b>(25,961)</b>	<b>3,084,351</b>	<b>(422,969)</b>
<b>Operating expenses</b>					
Administrative expenses		(111,826)	(64,034)	(196,390)	(135,176)
Sales and distribution expenses		(734)	(1,134)	(3,459)	(1,191)
Other operating expenses		(200,083)	(20,701)	(347,315)	(31,089)
		<b>(312,643)</b>	<b>(85,869)</b>	<b>(547,164)</b>	<b>(167,456)</b>
<b>Profit/ (loss) before tax</b>		<b>1,229,438</b>	<b>(111,830)</b>	<b>2,537,187</b>	<b>(590,425)</b>
Income tax expenses	2	(426,778)	164,485	(630,520)	229,246
<b>Profit/ (loss) for the period</b>		<b>802,660</b>	<b>52,655</b>	<b>1,906,667</b>	<b>(361,179)</b>
<b>Other comprehensive income</b>					
<i>Items that will never be reclassified to profit or loss</i>		-	-	-	-
<i>Items that are or may be reclassified to profit or loss</i>		-	-	-	-
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income/ (loss) for the period</b>		<b>802,660</b>	<b>52,655</b>	<b>1,906,667</b>	<b>(361,179)</b>
<b>Earnings/ (loss) per share (Rs.)</b>	3	<b>1.30</b>	<b>0.09</b>	<b>3.10</b>	<b>(0.59)</b>

Figures in bracket indicate deductions.


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

**STATEMENT OF FINANCIAL POSITION**

As at	Notes	31 December 2022 (Unaudited)	31 March 2022 (Audited)
<b>ASSETS</b>			
Cash at banks and in hand		38,194	348,585
Derivative financial instruments		20,412	5,190
Financial assets recognised through profit or loss - measured at fair value		43,235,129	24,509,930
Financial assets -at amortised cost		10,023,077	3,109,800
Amounts due from related companies		368	2,060
Deferred tax asset		4,230	94,318
Other assets		386,866	338,345
Property, plant and equipment and right of use assets		4,521	7,782
Intangible assets		400	573
<b>TOTAL ASSETS</b>		<b>53,713,197</b>	<b>28,416,583</b>
<b>LIABILITIES</b>			
Derivative financial instruments		277,512	2,622
Securities sold under re-purchase agreements		45,426,981	23,397,838
Short term borrowings		751,479	-
Creditors and other payables		489,639	363,897
Amounts due to related companies		16,556	6,528
Income tax payable		540,432	-
Borrowings on listed debentures	5	786,434	760,577
Retirement benefit obligations		14,051	11,561
<b>TOTAL LIABILITIES</b>		<b>48,303,084</b>	<b>24,543,023</b>
<b>EQUITY</b>			
Stated capital	6	256,500	256,500
Risk reserve		1,577,460	1,386,793
Retained earnings		3,578,153	2,232,267
Fair valuation reserve		(2,000)	(2,000)
<b>TOTAL EQUITY</b>		<b>5,410,113</b>	<b>3,873,560</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>53,713,197</b>	<b>28,416,583</b>

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

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**  
 Managing Director

  
**Nishan Fernando**  
 Chairman

13 February 2023  
 Colombo

**STATEMENT OF CHANGES IN EQUITY**

<b>For the nine months ended 31 December 2022</b>	<b>Stated Capital</b>	<b>Risk Reserve</b>	<b>Retained Earnings</b>	<b>Fair Valuation Reserve</b>	<b>Total Equity</b>
<b>Balance as at 1 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 period</b>					
Loss for the period	-	-	(361,179)	-	(361,179)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>(361,179)</b>	<b>-</b>	<b>(361,179)</b>
Transactions with equity holders	-	-	-	-	-
Transfer to risk reserve	-	-	-	-	-
<b>Balance as at 31 December 2021 (Unaudited)</b>	<b>256,500</b>	<b>1,386,793</b>	<b>2,515,751</b>	<b>(2,000)</b>	<b>4,157,044</b>
<b>Balance as at 1 April 2022 (Audited)</b>	<b>256,500</b>	<b>1,386,793</b>	<b>2,232,267</b>	<b>(2,000)</b>	<b>3,873,560</b>
Impact of Surcharge Tax Liability (Note 07)	-	-	(370,114)	-	(370,114)
<b>Adjusted balance as at 1 April 2022</b>	<b>256,500</b>	<b>1,386,793</b>	<b>1,862,153</b>	<b>(2,000)</b>	<b>3,503,446</b>
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	1,906,667	-	1,906,667
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,906,667</b>	<b>-</b>	<b>1,906,667</b>
Transactions with equity holders	-	-	-	-	-
Transfer to risk reserve	-	190,667	(190,667)	-	-
<b>Balance as at 31 December 2022 (Unaudited)</b>	<b>256,500</b>	<b>1,577,460</b>	<b>3,578,153</b>	<b>(2,000)</b>	<b>5,410,113</b>

Figures in bracket indicate deductions.

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

## STATEMENT OF CASH FLOWS

For the period	April - December	
	2022	2021
	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities</b>		
Interest receipts and trading gain realised	7,234,592	222,474
Interest payments and other direct cost	(4,354,069)	(640,892)
Other receipts	274	54,550
Cash payments to employees and suppliers	(538,098)	(161,618)
<b>Operating profit/ (loss) before changes in operating assets and liabilities</b>	<b>2,342,699</b>	<b>(525,486)</b>
(Increase)/ Decrease in financial assets recognised through profit or loss measured at fair value	(18,107,234)	2,191,997
Decrease in financial assets at amortised cost	(6,908,792)	(423,031)
(Increase)/ Decrease in receivable from related companies	1,692	(2,253)
Decrease in other assets	(48,521)	(37,899)
Increase/ (Decrease) in creditors and accrued charges	412,387	(182,339)
Increase/ (Decrease) in payable to related companies	7,100	(8,360)
Increase in short term borrowings	750,000	-
Increase/ (Decrease) in Securities sold under repurchase agreements	21,897,252	(559,155)
<b>Cash generated from operations</b>	<b>346,583</b>	<b>453,474</b>
Tax paid / refund	(656,761)	(594,559)
<b>Net cash from/ (used in) operating activities</b>	<b>(310,178)</b>	<b>(141,085)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(213)	(643)
Purchase of intangible assets	-	(200)
<b>Net cash used in investing activities</b>	<b>(213)</b>	<b>(843)</b>
<b>Cash flow from financing activities</b>	-	-
<b>Net cash From/ (used in) financing activities</b>	-	-
<b>Net cash inflow/ (outflow) for the period</b>	<b>(310,391)</b>	<b>(141,928)</b>
Cash and cash equivalents at the beginning of the period	348,585	146,614
<b>Cash and cash equivalents at the end of the period (Note A)</b>	<b>38,194</b>	<b>4,686</b>
<b>Note A</b>		
Cash at bank and in hand	38,194	4,686
	<b>38,194</b>	<b>4,686</b>

Figures in bracket indicate deductions.

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

## NOTES TO THE FINANCIAL STATEMENTS

	October - December		April - December	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
<b>1 Other Income</b>				
Exchange gain	-	-	53	54,543
Miscellaneous income	94	2	221	7
	<b>94</b>	<b>2</b>	<b>274</b>	<b>54,550</b>

	October - December		April - December	
	2022	2021	2022	2021
	Rs'000	Rs'000	Rs'000	Rs'000
<b>2 Income Tax Expenses</b>				
Current tax expense	(429,143)	-	(540,432)	-
Over provision for Income Tax	-	146,400	-	146,400
Deferred tax (expense) / reversal	2,365	18,085	(90,088)	82,846
	<b>(426,778)</b>	<b>164,485</b>	<b>(630,520)</b>	<b>229,246</b>

- 3** Earnings/ (Loss) 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 period. The effect on sub-division of shares executed during year 2022/23 has been adjusted retrospectively (Note 6.1).
- 4** These Provisional Financial Statements for the quarter ended 31 December 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 December 2022 is 615,600,000 shares with the resultant sub-division of shares which was executed on 27 April 2022 as described below (Note 6.1)
- 6.1** On 8 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 sub-division of shares was executed on 27 April 2022. 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 153,900,000).
- 7** As per the Surcharge Tax Act No. 14 of 2022, which was enacted on 8 April 2022, the applicable tax liability shall be deemed to be an expenditure in the financial statements for the year 2020/21. Accordingly, the applicable tax liability has been accounted for as a prior year adjustment.

### **8 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.

**8.1 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 31.12.2022		As at 31.03.2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Financial assets measured at fair value</b>				
Derivative financial instruments	20,412	20,412	5,190	5,190
Financial assets recognised through profit or loss - measured at fair value	43,235,129	43,235,129	24,509,930	24,509,930
	<b>43,255,541</b>	<b>43,255,541</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	38,194	38,194	348,585	348,585
Financial assets at amortised cost	10,023,077	8,875,448	3,109,800	3,111,609
Amounts due from related companies	368	368	2,060	2,060
	<b>10,061,639</b>	<b>8,914,010</b>	<b>3,460,445</b>	<b>3,462,254</b>
<b>Total financial assets</b>	<b>53,317,180</b>	<b>52,169,551</b>	<b>27,975,565</b>	<b>27,977,374</b>
<b>Financial liabilities measured at fair value</b>				
Derivative financial instruments	277,512	277,512	2,622	2,622
	<b>277,512</b>	<b>277,512</b>	<b>2,622</b>	<b>2,622</b>
<b>Financial liabilities not measured at fair value</b>				
Securities sold under re-purchase agreements	45,426,981	45,414,963	23,397,838	23,377,150
Amounts due to related companies	16,556	16,556	6,528	6,528
Short term borrowings	751,479	751,479	-	-
Borrowings on listed debentures	786,434	590,708	760,577	678,438
	<b>46,981,450</b>	<b>46,773,706</b>	<b>24,164,943</b>	<b>24,062,116</b>
<b>Total financial liabilities</b>	<b>47,258,962</b>	<b>47,051,218</b>	<b>24,167,565</b>	<b>24,064,738</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 8.2 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 December 2022

	Total Carrying 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	20,038	20,038	-	-	20,038
Forward sale contracts	374	374	-	-	374
	<b>20,412</b>	<b>20,412</b>	-	-	<b>20,412</b>
<b>Financial assets recognised through profit or loss - measured at fair value</b>					
Investment in government securities	43,235,129	43,235,129	-	-	43,235,129
	<b>43,235,129</b>	<b>43,235,129</b>	-	-	<b>43,235,129</b>
	<b>43,255,541</b>	<b>43,255,541</b>	-	-	<b>43,255,541</b>
<b>Financial assets not measured at fair value</b>					
Cash at banks and in hand	38,194	-	-	38,194	38,194
Financial assets at amortised cost	10,023,077	7,853,694	-	1,021,754	8,875,448
Amounts due from related companies	368	-	-	368	368
	<b>10,061,639</b>	<b>7,853,694</b>	-	<b>1,060,316</b>	<b>8,914,010</b>
<b>Total financial investments</b>	<b>53,317,180</b>	<b>51,109,235</b>	-	<b>1,060,316</b>	<b>52,169,551</b>
<b>Financial liabilities measured at fair value</b>					
<b>Derivative financial instruments</b>					
Forward sale contracts	277,512	277,512	-	-	277,512
	<b>277,512</b>	<b>277,512</b>	-	-	<b>277,512</b>
<b>Financial liabilities not measured at fair value</b>					
Securities sold under re-purchase agreements	45,426,981	-	-	45,414,963	45,414,963
Amounts due to related companies	16,556	-	-	16,556	16,556
Short term borrowings	751,479	-	-	751,479	751,479
Borrowings on listed debentures	786,434	-	590,708	-	590,708
	<b>46,981,450</b>	-	<b>590,708</b>	<b>46,182,998</b>	<b>46,773,706</b>
<b>Total financial liabilities</b>	<b>47,258,962</b>	<b>277,512</b>	<b>590,708</b>	<b>46,182,998</b>	<b>47,051,218</b>
<b>As at 31 March 2022</b>					
	Total Carrying 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>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>24,509,930</b>
	<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	3,109,800	2,370,790	-	740,818	3,111,608
Amounts due from related companies	2,060	-	-	2,060	2,060
	<b>3,460,445</b>	<b>2,370,790</b>	-	<b>1,091,463</b>	<b>3,462,253</b>
<b>Total financial assets</b>	<b>27,975,565</b>	<b>26,885,910</b>	-	<b>1,091,463</b>	<b>27,977,373</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>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
Amounts due to related companies	6,528	-	-	6,528	6,528
Borrowings on listed debentures	760,577	-	678,438	-	678,438
	<b>24,164,943</b>	-	<b>678,438</b>	<b>23,383,678</b>	<b>24,062,116</b>
<b>Total financial liabilities</b>	<b>24,167,565</b>	<b>2,622</b>	<b>678,438</b>	<b>23,383,678</b>	<b>24,064,738</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 8.3 Financial instruments - Accounting classifications

As at 31 December 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	20,412	-	-	20,412	20,412
Financial assets - FVTPL	43,235,129	-	-	43,235,129	43,235,129
	<b>43,255,541</b>	<b>-</b>	<b>-</b>	<b>43,255,541</b>	<b>43,255,541</b>
<b>Financial assets not measured at fair value</b>					
Cash at banks and in hand	-	38,194	-	38,194	38,194
Financial assets at amortised cost	-	10,023,077	-	10,023,077	8,875,448
Amounts due from related companies	-	368	-	368	368
	<b>-</b>	<b>10,061,639</b>	<b>-</b>	<b>10,061,639</b>	<b>8,914,010</b>
<b>Total financial assets</b>	<b>43,255,541</b>	<b>10,061,639</b>	<b>-</b>	<b>53,317,180</b>	<b>52,169,551</b>
<b>Financial liabilities measured at fair value</b>					
Derivative Financial Instruments	277,512	-	-	277,512	277,512
	<b>277,512</b>	<b>-</b>	<b>-</b>	<b>277,512</b>	<b>277,512</b>
<b>Financial liabilities not measured at fair value</b>					
Securities sold under re-purchase agreements	-	45,426,981	-	45,426,981	45,414,963
Amounts due to related companies	-	16,556	-	16,556	16,556
Short term borrowings	-	751,479	-	751,479	751,479
Borrowings on listed debentures	-	786,434	-	786,434	590,708
	<b>-</b>	<b>46,981,450</b>	<b>-</b>	<b>46,981,450</b>	<b>46,773,706</b>
<b>Total Financial Liabilities</b>	<b>277,512</b>	<b>46,981,450</b>	<b>-</b>	<b>47,258,962</b>	<b>47,051,218</b>
<b>As at 31 March 2022</b>					
	<b>Financial assets/ liabilities FVTPL Rs. '000</b>	<b>Financial assets/ liabilities at amortised cost Rs. '000</b>	<b>Financial assets - FVTOCI Rs. '000</b>	<b>Total carrying amount Rs. '000</b>	<b>Fair value Rs. '000</b>
<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>-</b>	<b>-</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	-	3,109,800	-	3,109,800	3,111,609
Amounts due from related companies	-	2,060	-	2,060	2,060
	<b>-</b>	<b>3,460,445</b>	<b>-</b>	<b>3,460,445</b>	<b>3,462,254</b>
<b>Total financial assets</b>	<b>24,515,120</b>	<b>3,460,445</b>	<b>-</b>	<b>27,975,565</b>	<b>27,977,374</b>
<b>Financial liabilities measured at fair value</b>					
Derivative Financial Instruments	2,622	-	-	2,622	2,622
	<b>2,622</b>	<b>-</b>	<b>-</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
Amounts due to related companies	-	6,528	-	6,528	6,528
Borrowings on debentures	-	760,577	-	760,577	678,438
	<b>-</b>	<b>24,164,943</b>	<b>-</b>	<b>24,164,943</b>	<b>24,062,116</b>
<b>Total financial liabilities</b>	<b>2,622</b>	<b>24,164,943</b>	<b>-</b>	<b>24,167,565</b>	<b>24,064,738</b>

## NOTES TO THE FINANCIAL STATEMENTS

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- 9** The above figures are provisional. The same accounting policies as in the Annual Report for the year ended 31 March 2022 have been followed in the preparation of the above provisional financial statements.
- 10** 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.
- 11** There have been no significant changes in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year 2021/22.
- 12** There have been no material events subsequent to the reporting date that require disclosures/ adjustments in the above provisional financial statements.
- 13** All known expenditure items have been provided for and there is no management fee or similar expenditure provided for in these provisional financial statements.

**14 Net assets per share**

<b>As at 31 December 2022 Rs.</b>	<b>As at 31 March 2022 Rs.</b>
<b>8.79</b>	<b>6.29</b>

The effect on sub-division of shares which was approved by shareholders of the company on 8 April 2022 (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 January 2020	Semi annually	7,500,000	750,000	12.75% (AER - 13.16%)	5 Years	30 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 February 2020	500Mn	500Mn	66.67%	500Mn	100%
2. To invest in Government	250Mn	250Mn	33.33%	250Mn	100%

### Market value of Listed Debentures as at 31 December 2022

Debentures with 5 year maturity have not been traded during the quarter ended 31 December 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 December 2022	As at 31 March 2022
Debt/ equity ratio (times)	8.68	6.24
Quick asset ratio (times)	1.15	1.19
Interest cover (times)	1.56	0.15

### Debenture Interest Yield (last traded)

	April-December 2022/23	April-December 2021/22
5 year fixed rate (12.75 % p.a. payable semi annually)	N/A	N/A

### Yield of comparable Government Securities (%)

	As at 31 December 2022	As at 31 March 2022
5-year Treasury bond	31.90%	14.91%

## INVESTOR INFORMATION

### Information on Ordinary Shares

Market Price per Share	As at	As at
	31 December 2022	31 March 2022
	Rs.	Rs.
Highest market price recorded	29.40**	65.10*
Lowest market price recorded	15.00**	25.00*
Closing market price recorded	22.90**	28.00*

\*Market price per share - Before the subdivision of shares.

\*\*Market price per share - After the subdivision of shares

### List of twenty major shareholders as at 31 December 2022

Names of shareholders	No. of shares as at 31 December 2022	Holding (%)
1 First Capital Limited	550,309,403	89.39%
2 Employees Trust Fund Board	28,056,475	4.56%
3 Hatton National Bank PLC- Astrue Alpha Fund	2,000,000	0.32%
4 People's Leasing & Finance PLC/L.P.Hapangama	1,330,414	0.22%
5 Merchant Bank of Sri Lanka & Finance PLC/I.S. Gurusinghe	1,299,419	0.21%
6 Seylan Bank PLC/Agampodi Chamara Senanka	905,000	0.15%
7 People's Leasing & Finance PLC/L.H.L.M.P.Haradasa	871,987	0.14%
8 Mr. E. J. B. U. Fernando	855,090	0.14%
9 Seylan Bank PLC/Karagoda Loku Gamage Udayananda	819,650	0.13%
10 People's Leasing & Finance PLC/Mr. Iresh Sridas Gurusinghe	800,000	0.13%
11 Little Smile Organic (Pvt) Ltd	765,000	0.12%
12 Merchant Bank of Sri Lanka & Finance PLC/P.P.H. Matarage	661,200	0.11%
13 M Investments Lanka (Pvt) Ltd	536,453	0.09%
14 Mr. W.D.N.H. Perera	500,000	0.08%
15 Mr. N.R.P Karunaratne	480,000	0.08%
15 Mr. B.W.R. Srikantha	480,000	0.08%
17 PMF Finance PLC/R.A. Niranjana	474,539	0.08%
18 Assetline Leasing Company Ltd/H.M.A.K.B. Herath	472,276	0.08%
19 Mr. F.H.T.C. Silva	444,612	0.07%
20 Mr. K.M.J.C. Udumulla	411,452	0.07%
	<b>592,472,970</b>	<b>96.25%</b>

### Directors' holding in shares as at 31 December 2022

Name of the Director	Designation	No. of Shares as at 31 December 2022
Mr. Nishan Fernando	Chairman	16,000
Ms. M. Mathews	Deputy Chairperson	Nil
Mr. Dilshan Wirasekara	Managing Director	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 December 2022 (Rs.)	1,494,730,357
Public holding percentage	10.60%
Number of public shareholders	1,524

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.