



First Capital
A Janashakthi Group Company

STRATEGIC BRILLIANCE

First Capital Treasuries PLC | Annual Report 2023/24



STRATEGIC BRILLIANCE

Throughout our journey of over 40 years, we have let our Performance driven mindset and financial acumen guide the way to success. This synergistic interplay has today landed us on a ground-breaking milestone, recording all-time high growth rate. Rooted in a culture that values excellence as its cornerstone, our sector expertise and client-centricity has helped deliver long-term value to our stakeholders, while solidifying our position as Performers in the industry.

In the upcoming chapters, we are poised to diversify our product range with meticulous precision, ensuring that each addition resonates with the same commitment to excellence that has defined our journey thus far.

As we broaden our horizons, the emphasis remains on attracting and serving a broader base of customers, underlining our dedication to customer-centricity.

Here at First Capital Treasuries,
our Performance is a stroke of brilliance.



First Capital

A Janashakthi Group Company

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ABOUT OUR INTEGRATED REPORT



SCOPE AND BOUNDARY

This is the first Integrated Annual Report published by First Capital Treasuries PLC (the Company/FCT). The report has been structured to present a holistic review of the Company performance and prospects for the period commencing from 1 April 2023 to 31 March 2024.

The report aims to inform stakeholders about the interconnections between the Company's strategy, business model, operating context, material risks and opportunities, governance, and both operational and financial performance. This comprehensive approach enables stakeholders to gain a clear understanding of how the Company

navigates its business landscape, ensuring sustainable value creation and robust risk management.

MATERIALITY

The principle of Materiality has been used to determine the content included in this report. Material Matters are essentially those aspects that have the ability to affect value creation capacity of the Company.

The Materiality section on pages 38 to 40 describes how Material Matters are identified, assessed and integrated in the Company's strategy in order to generate value to deliver positive outcomes for stakeholders.

NOTABLE IMPROVEMENTS IN THE INTEGRATED ANNUAL REPORT - FY 2023/24



KEY REPORTING FRAMEWORKS

	Reporting Framework	Internal Assurance	External Assurance
Financial	Sri Lanka Accounting Standards comprising Sri Lanka Financial Reporting Standards (SLFRSs) Companies Act, No. 7 of 2007 (as amended) Inland Revenue Act, No. 24 of 2017 (as amended) Listing Rules of the Colombo Stock Exchange (CSE) Relevant directions/circulars issued on reporting format by the Central Bank of Sri Lanka	Internal Audit Internal controls Reporting to the Board Audit Committee and the Board of Directors	Independent Auditors' Report by KPMG, Chartered Accountants
Narrative	International <IR> Framework of the International Integrated Reporting Council "Guideline for presentation of Annual Reports" issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) "Non- Financial Reporting Guideline" issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)	Review by the Board of Directors	Assurance on Integrated Reporting by KPMG, Chartered Accountants
Sustainability	GRI Universal Standards Gender Parity Reporting Framework of CA Sri Lanka Guide on communicating sustainability issued by the CSE United Nations (UN) Sustainable Development Goals (SDGs) Principles of the UN Global Compact Transparency disclosure checklist issued by Transparency International Sri Lanka	Assessment of non-financial information by the Awards Committee, an executive committee with oversight on reporting excellence	Assurance on Sustainability Reporting by KPMG, Chartered Accountants
Corporate Governance	Listing Rules of the CSE Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (2023)	Governance framework and statutory and regulatory compliance review by the Risk and Compliance division	

PROCESS DISCLOSURES

- A cross-functional project team combining finance, risk and compliance, research and branding disciplines supported by internal and external advisors, ensures that a comprehensive information gathering and preparation process is followed.
- An internal gap analysis was conducted of the previous year's annual report, our debut in integrated reporting. The findings were reviewed and taken by the

Annual Report Awards Committee, a management committee overseeing that process and controls are applied in the information gathering, drafting, approval and publication process.

- Internal and external feedback on processes, content and focused application of the International <IR> Framework were used to improve this integrated report.
- Guidance on the reporting approach and content planning is provided by the Annual Report Awards

Committee. Information and perspectives of executives and senior management are gathered by the project team to support content planning.

- The Risk and Compliance division follows an enterprise risk identification process to determine the risk grading of material matters. Together with matters gathered by operating context assessment and identification of internal and external stakeholder matters of legitimacy, issues identified through

About our Integrated Report

an enterprise risk perspective are pivotal to the preparation of the integrated report. Issues that are reported as material are reviewed, filtered and finalised by the Annual Report Awards Committee.

- Information included in this report is sourced through diverse internal and external sources. The Board of Directors, Board sub-committees, the Chief Executive Officer and senior management are consulted to gather deep and broad insights and

to validate perspectives underlying decision making.

- Third party sources are identified and bibliographed so as to aid verifiability.
- Components of the integrated report pertain to both financial and non-financial data. Such information across the report is checked and aligned for consistency by the project team with oversight by the Annual Report Awards Committee.

- Several drafts of the report are reviewed by the senior management and feedback incorporated by the project team under the Annual Report Awards Committee's oversight, prior to the review by the Board of Directors.

ASSURANCE

The Company has opted for the combined assurance approach to verify the information obtained from both internal and external sources. Accordingly, the report content is reviewed and approved by the Audit Committee prior to submission for Board approval.

Messrs. KPMG, Chartered Accountants, have provided external assurances regarding the Financial Statements and other statutory financial disclosures of the Company. Their report is available on pages 166 to 168 of this annual report.

FORWARD-LOOKING STATEMENTS

Certain statements mentioned in this report may be constituted forward-looking. Such statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward looking statements. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to

reflect events or circumstances after the date of this document, or to reflect the occurrence of anticipated events.

BOARD RESPONSIBILITY STATEMENT

The Board of Directors of the Company acknowledges its responsibility for ensuring the integrity of this integrated report. The Board confirms that it has collectively reviewed the contents of the report in conjunction with the assurance reports obtained from our external assurance providers.

Accordingly, the Board is of the view that the Integrated Annual Report for the FY 2023/24 provides a fair and accurate assessment of the Company's financial and non-financial performance for the year ended 31 March 2024.

Signed for and on behalf of the Board,

(Sgd.)
Sachith Perera
Chief Executive Officer

(Sgd.)
Manjula Mathews
Chairperson

FEEDBACK AND QUERIES

The Board invites feedback and inquiries regarding this report as part of its ongoing commitment to enhancing the quality of content and disclosures in future reports. Readers are encouraged to direct their responses to:

Mangala Jayashantha
Chief Financial Officer
First Capital Treasuries PLC
No. 02, Deal Place
Colombo 03
mangala@firstcapital.lk



FIRST CAPITAL TREASURIES IN CONTEXT

Who We Are

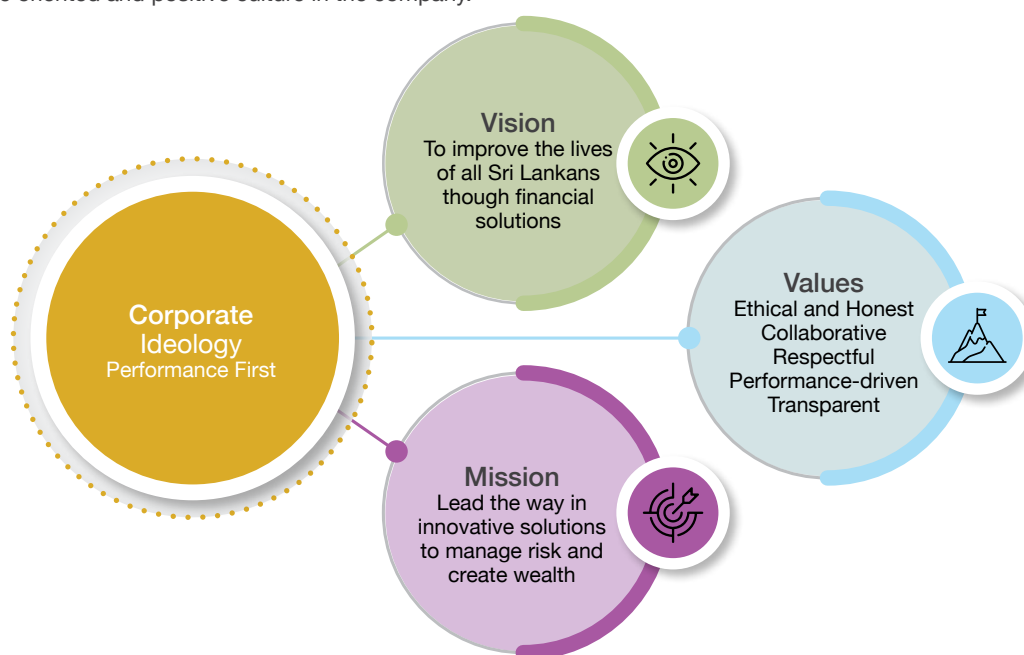
First Capital Treasuries PLC (the Company/FCT) is a subsidiary of First Capital Holdings PLC (First Capital, First Capital Group/ the Group), a member of the Janashakthi Group. With 40+ years of industry expertise, the Company is a leading standalone non-bank primary dealer in Sri Lanka, appointed and regulated by the Central Bank of Sri Lanka to deal exclusively in Government securities.

We serve an array of companies, institutions, government agencies, high net-worth individuals and retail clients seeking market access, tactical trading and innovative rate solutions in government securities markets.

As a company listed on the Colombo Stock Exchange (CSE) (Ticker: FCT), we exemplify financial transparency and governance standards. Reflecting credit fundamentals including a robust capital structure, liquidity, risk controls and earnings profile, we have been rated “A” by Lanka Rating Agency Limited (LRA) with a positive outlook.

The Company maintains a strong interlink between the parent entity and the subsidiaries within the First Capital Group through the sharing of a common brand, management team, systems, and Group treasury function. As a result, our guiding principles are that of our parent entity.

First Capital Group’s unwavering corporate philosophy, a resolute vision and values act as cornerstones to establishing a distinct, performance oriented and positive culture in the company.



OUR SERVICE OFFERING

Our entrepreneurial roots go back to 1982. First Capital’s collaborative culture and multiple capabilities are a result of organic and inorganic growth over the years. We leverage on opportunities created through the dynamics of the markets in which we operate and have gained distinct competitive advantages in our core businesses.

Our specialised offering comprises distributing and leveraging of government securities as a standalone non-bank

primary dealer developing the government securities market in Sri Lanka.

- Seamless investment solutions provided by First Capital Treasuries PLC
- Participation at Primary Auction
- Secondary Market Trading of Government Securities
- In-depth research on the Government Securities market including pre-policy analysis and economic overview

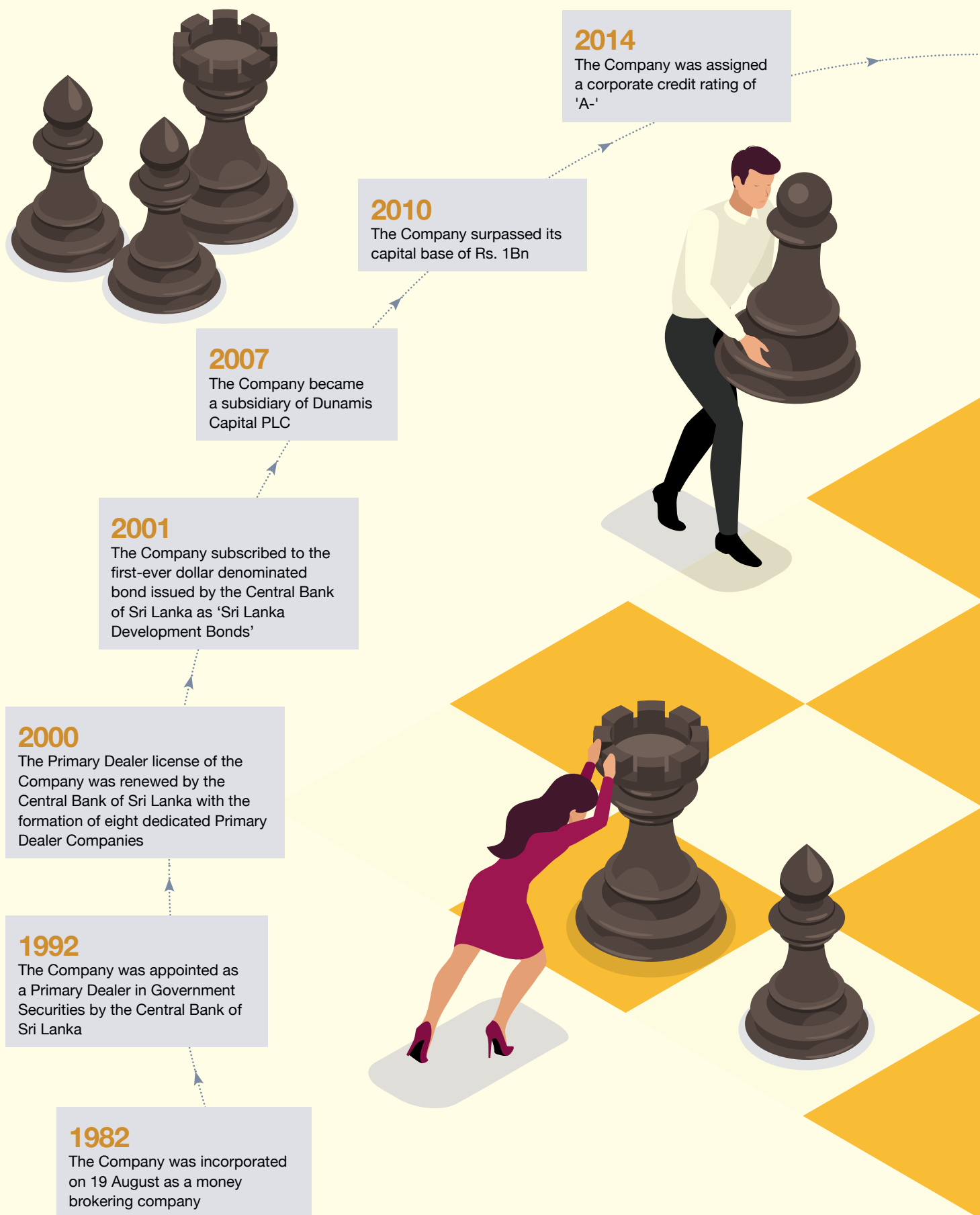


Please scan QR code to view about us online



Sinhala and Tamil version of the Audited Financial Statements (summarised) are available on our website

HISTORICAL MILESTONES



2015

The Company enhanced its long-term capital base (Tier II) by way of a listed debenture issue of Rs. 500Mn quoted on the Colombo Stock Exchange by way of Debt Listing

2018

The Company became a subsidiary of Janashakthi Limited

2020

The Company exceeds Profit before Tax of Rs. 1Bn
The Company successfully completed a debenture issue of Rs. 750Mn (Tier II)
The Company's corporate credit rating was upgraded to 'A'

First Capital was recognised as a top 30 Corporate in Sri Lanka, performing in a challenging environment by "Business Today"

2021

The Company introduced 'Digital Onboarding' to facilitate Online Account Opening for Government Securities first time in the industry
First Capital was certified as a great workplace by Great Place to Work® in Sri Lanka
The Company listed its ordinary shares on the Diri Savi Board of Colombo Stock Exchange

2022

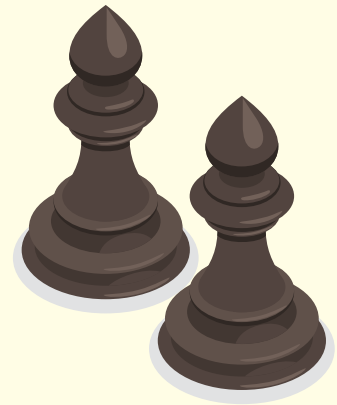
First Capital recognised by LMD amongst top 100 Corporate 2022
First Capital ranked amongst Sri Lanka's top brands by Brand Finance

2023

First Capital recorded a Profit after Tax of Rs. 2.9Bn

2024

First Capital recorded its Highest ever Profit after Tax of Rs. 11.1Bn



KEY EVENTS



FINANCIAL PROFILE TOP 100

LMD100
LMD 100 is a list of the 100 most liquid companies in Sri Lanka

RANK	COMPANY	REVENUE (\$M)	RANK	COMPANY	REVENUE (\$M)
1	EXPANDED HOLDINGS	546,401	51	LAURENCE HOLDINGS	25,756
2	HANVITA	487,401	52	WESTBLOC CAPITAL	25,667
3	COLCO HOLDINGS	333,122	53	AGL CARLOS	26,147
4	SARON CONSTRUCTION	305,488	54	COMMERCIAL CREDIT AND FINANCE	26,948
5	MAAT JARANI	306,401	55	JOHN KEELER HOTELS	26,805
6	LANKA KOT	281,488	56	COLMADO DOCKWARD	27,262
7	COMMERCIAL BANK OF Ceylon	266,367	57	PAK KAN BANKING CORPORATION	25,813
8	JOHN KEELER HOLDINGS	278,848	58	SOFTLIFE LIFE INSURANCE	25,525
9	WATSON MEDICAL BANK	276,888	59	JOHN KEELER HOLDINGS	24,786
10	SAVANA BANK	266,401	60	CHEMICALS LABORATORY LANKA	24,575
11	LET HOLDINGS	196,268	61	CENTRAL FINANCE	24,474
12	CAROLLE HOLDINGS	196,818	62	SOB BANK	24,894
13	SHALOM GROUP	178,131	63	S. B. CREASY & COMPANY	25,342
14	HEALTHCARE	176,082	64	UNION ASSURANCE	23,316
15	DEVILS COLD STORES	156,148	65	LAURENCE HOLDINGS	22,527
16	WILLIAMS ONE	176,888	66	WILKINSON HOLDINGS	22,313
17	WILKINSON HOLDINGS	172,842	67	COASTAL DEVELOPMENT BUSINESS FINANCE	21,561
18	NATIONAL DEVELOPMENT BANK	171,882	68	UNION BANK OF Ceylon	21,082
19	SHI LANKA HOLDINGS	167,718	69	WILKINSON HOLDINGS	20,764
20	ATKINS SPINCE	96,888	70	WILKINSON HOLDINGS	20,688
21	CEYLON BEVERAGES HOLDINGS	96,308	71	WILKINSON HOLDINGS	20,688
22	WELFARE BANK	96,888	72	ACCESS ENGINEERING	20,565
23	WELFARE HOLDINGS	96,308	73	POP SLASH CEYLON	20,567
24	WILKINSON HOLDINGS	96,308	74	WILKINSON HOLDINGS	20,764
25	WILKINSON HOLDINGS	96,308	75	C. H. HANCOCK	19,508
26	WILKINSON HOLDINGS	96,308	76	LANKA TILES	19,884
27	WILKINSON HOLDINGS	96,308	77	WILKINSON HOLDINGS	19,362
28	WILKINSON HOLDINGS	96,308	78	CEYLON GROUP ELEVATORS	17,888
29	WILKINSON HOLDINGS	96,308	79	WILKINSON HOLDINGS	17,135
30	WILKINSON HOLDINGS	96,308	80	WILKINSON HOLDINGS	17,888
31	WILKINSON HOLDINGS	96,308	81	WILKINSON HOLDINGS	16,888
32	WILKINSON HOLDINGS	96,308	82	WILKINSON HOLDINGS	15,448
33	WILKINSON HOLDINGS	96,308	83	WILKINSON HOLDINGS	14,507
34	WILKINSON HOLDINGS	96,308	84	WILKINSON HOLDINGS	14,172
35	WILKINSON HOLDINGS	96,308	85	WILKINSON HOLDINGS	14,136
36	WILKINSON HOLDINGS	96,308	86	WILKINSON HOLDINGS	13,627
37	WILKINSON HOLDINGS	96,308	87	WILKINSON HOLDINGS	13,651
38	WILKINSON HOLDINGS	96,308	88	WILKINSON HOLDINGS	12,888
39	WILKINSON HOLDINGS	96,308	89	WILKINSON HOLDINGS	12,525
40	WILKINSON HOLDINGS	96,308	90	WILKINSON HOLDINGS	12,113
41	WILKINSON HOLDINGS	96,308	91	WILKINSON HOLDINGS	11,768
42	WILKINSON HOLDINGS	96,308	92	WILKINSON HOLDINGS	11,462
43	WILKINSON HOLDINGS	96,308	93	WILKINSON HOLDINGS	10,736
44	WILKINSON HOLDINGS	96,308	94	WILKINSON HOLDINGS	10,688
45	WILKINSON HOLDINGS	96,308	95	WILKINSON HOLDINGS	10,213
46	WILKINSON HOLDINGS	96,308	96	WILKINSON HOLDINGS	10,167
47	WILKINSON HOLDINGS	96,308	97	WILKINSON HOLDINGS	9,321
48	WILKINSON HOLDINGS	96,308	98	WILKINSON HOLDINGS	9,841
49	WILKINSON HOLDINGS	96,308	99	WILKINSON HOLDINGS	9,826
50	WILKINSON HOLDINGS	96,308	100	WILKINSON HOLDINGS	9,826



- 1 Wins at SLIM Brand Excellence
- 2 Getting listed amongst LMD 100 for the first time ever
- 3 First Capital Colombo Investor Symposium 2023
- 4 Highest ever Dividend payment to shareholders (FY 2023/ 24)
- 5 New Office Premise- "New Beginnings"

LEADERSHIP



THE QUEEN

Just as the Queen is free to move in any direction,
we have harnessed our flexibility and foresight
to steer through uncertainties and capitalise
on emerging opportunities, consistently
driving growth.

CHAIRPERSON'S STATEMENT



“It gives me great pride to announce that our performance for FY 2023/24 was the best-ever in our 42-year history as measured across several key metrics. We grew at our fastest pace with income generated from core business activities expanding to Rs. 26.6 Bn - a 167% growth year on year”

I take great pleasure in presenting to you the Annual Report and Audited Financial Statements of the Company for the year ended 31 March 2024.

It gives me great pride to announce that our performance for FY 2023/24 was the best-ever in our 42-year history as measured across several key metrics. We grew at our fastest pace with income generated from core business activities expanding to Rs. 26.6 Bn - a 167% growth year on year. This growth is mainly attributable to trading gains from the sale of government securities amounting to Rs. 15.8 Bn which marks a historical milestone for the company.

Profit before Tax grew by 327% to Rs. 16.0 Bn, surpassing the record of Rs. 3.8 Bn set in the previous financial year. Similarly, Profit after Tax accelerated to Rs. 11.1 Bn, from the Rs. 2.9 Bn reported in the previous financial year.

These results stand as a testament to our commitment to staying agile and responsive in navigating the complexities of the market. Our results also signal the expertise of our team, the strength of our customer relationships, and our unwavering commitment to ethical business practices that have enhanced our ability to adapt and thrive despite challenges.

Intent on sharing our success with our shareholders, the Company declared interim dividends totalling Rs. 14.50 per share for FY 2023/24 - substantially in excess of the Rs. 1.50 dividend per share distributed in the previous financial year. The total dividend payout for the current year amounts to Rs. 8.9 Bn, which represents another historical milestone as the highest ever dividend payout by the Company.

327%

Growth in profit before tax (YoY)

Despite the dividend payout, the Company's capital position remains strong. As of 31 March 2024, the Capital Adequacy Ratio stood at 22.8%, well above the regulatory minimum of 10%.

KEY MACROECONOMIC DEVELOPMENTS

The performance of Sri Lanka's government securities market, encompassing both primary and secondary markets, reflected the country's ongoing economic adjustments and policy measures

deployed by the authorities in response to financial challenges. The Domestic Debt Optimisation (DDO) programme, in particular, had a significant influence on both the primary and secondary market for government securities. Triggered by widespread uncertainty surrounding the details of the DDO programme, the capital markets remained under stress for much of the first half of 2023 with investors expressing notable hesitancy against the backdrop of the high yield curve in both primary and secondary markets.

The second half of the year was distinctly different with the successful conclusion of the DDO in June 2023 creating space for a long-awaited market correction. Consequently, the primary market saw increased participation, while in the secondary market, there was a substantial shift in yield curves, reflecting improved sentiment and reduced risk premiums.

DYNAMIC STRATEGY

Given the fast-evolving capital market space in which we operate, our goal has always been to capitalise on opportunities as they presented themselves. It is this position that inspired us to work deliberately and purposefully to bolster investor interest in the primary market against the backdrop of the DDO.

Leveraging historically high Treasury Bill and Treasury Bond rates, we launched a broad-based campaign to promote investments in government securities supported by research-driven market insights, to highlight potential investment avenues. These efforts were complemented by a customer

Chairperson's Statement

Rs.
14.50

Dividend per Share

acquisition drive targeting the retail investor segment. As a result of our efforts, we were able to double our customer base as well as increase trading activities within our existing client base. We are encouraged by the success of our proactive strategies to empower a wider investor audience to benefit from the potential offered by the government securities market.

STRENGTHENING GOVERNANCE FUNDAMENTALS

Principled governance remains the bedrock of our business model, with the Board maintaining strong oversight over the activities of the Company.

Active emphasis has been placed on continuous improvement to strengthen governance frameworks ensuring alignment with regulatory requirements and best practice. In the year under review, we implemented changes at both Board and Management level to maintain best corporate governance practices and to adhere to the revised CBSL guidelines on independence of Directors.

Following the appointment of Mr. Sachith Perera as the Company's

Chief Executive Officer, Mr. Dilshan Wirasekara, who had previously served as Managing Director/CEO of the Company, stepped down from his executive role, while maintaining his position on the Board as a Non-Executive Director.

Mr. Nishan Fernando who served as the Company's Chairman resigned on 1 January 2024. He continues to hold the position of Chairman of the Company's parent, First Capital Holdings PLC (FCH). Following his resignation, I was appointed Chairperson on 12 January 2024.

Both Dr. Nishan de Mel and Ms. Minette Perera, who previously served on the Boards of the Company as well as its parent FCH, resigned from their positions on FCH's Board and continue as Independent Non-Executive Directors on the Company's Board.

The Company's Board, which currently comprises six Non-Executive Directors remains in full compliance with the CSE's new corporate governance rules.

LOOKING AHEAD

Having delivered a record-breaking performance despite the considerable uncertainty in the past year, I believe that we now have a firm foundation from which we can approach the future with confidence. We aim to build on our performance by demonstrating excellence in all aspects of our business. To that end, we have set our sights on

“Governance remains the bedrock of our business model, with the board maintaining strong oversight over the activities of the Company. Active emphasis has been placed on continuous improvement to strengthen governance frameworks ensuring alignment with regulatory requirements and best practice”

sustained long-term growth supported by the strategic expansion of our market footprint alongside our preemptive vision to understand and respond to the evolving demands of future investors. Backed by our strong conviction to stay ahead of market trends, I am confident that the Company will continue to thrive and set new benchmarks for success in the coming years.

APPRECIATIONS

I would like to express my immense gratitude to my fellow Directors on the Board for their guidance and visionary leadership in steering the Company to achieve unprecedented success despite challenges. I must also acknowledge the efforts of the team at First Capital Treasuries PLC, led by the Company's Chief Executive Officer, Sachith Perera without whose considerable efforts, our historic performance would not have been possible.

Lastly, I wish to extend my heartfelt thanks to our valued customers, shareholders, and all stakeholders for being an integral part of our journey thus far. I encourage you to stay invested in our progress as we embark on a new and exciting phase in the future.

(Sgd.)

Manjula Mathews

Chairperson

4 June 2024

**CHIEF EXECUTIVE
OFFICER'S REVIEW**



“First Capital Treasuries PLC achieved its best-ever performance in FY 2023/24, despite facing significant challenges which I believe proves our ability to adapt, innovate, and excel in even the most demanding circumstances”

I am delighted to report that First Capital Treasuries PLC (the Company/FCT) achieved its best-ever performance in FY 2023/24, despite facing significant challenges which I believe proves our ability to adapt, innovate, and excel in even the most demanding circumstances.

STRATEGY AND FOCUS

We entered the current financial year with a considerable degree of apprehension amidst speculation regarding the Domestic Debt Optimisation (DDO) programme announced by the Central Bank of Sri Lanka (CBSL) in March 2023. Given the heightened uncertainty regarding the potential impact on Treasury Bills and the treatment of Treasury Bonds, our challenge as a primary dealer was to determine the level of risk the Company could assume to maximise potential rewards against the backdrop of the DDO.

Another major challenge that we faced was as a consequence of our role as a financier to the government, especially as investors remained on the sidelines. In a bold move to stimulate investor confidence in capital markets, we launched an extensive investor education campaign focused on promoting investment in Government Securities. Our aim was to empower retail investors with comprehensive information and resources to stimulate their appetite for these secure and highly lucrative investment opportunities. Simultaneously, we leveraged our

“DigiFirst” Digital Onboarding Portal to expedite new customer acquisition, culminating in the exponential growth in our client base during the year.

Meanwhile, given the rapid expansion in our investor base, the next challenge was to manage market expectations while continuously forecasting the potential policy decisions of the CBSL. Throughout the first quarter, leading up to the conclusion of the DDO in July 2023, we continuously re-evaluated our positions through the risk-reward matrix. Due to the absence of clear insight to the potential DDO outcomes, we ran multiple scenarios to anticipate various outcomes. Although our final decisions aligned approximately 90% with the actual outcomes, the inherent uncertainty required us to remain vigilant and adaptable. Once the risk of the DDO diminished, our focus shifted to anticipating the timing of policy rate decisions by the Monetary Board.

PERFORMANCE HIGHLIGHTS

The Company succeeded in fulfilling its obligations as a primary dealer by surpassing performance obligations against stipulated minimum thresholds. In FY 2023/24, the Company’s T-Bill primary market bid participation rate reached 13.7% against the regulatory requirement of 10.0%, while our market success rate increased to 6.1%.

The Company’s T-Bond primary market participation rate was 20.8% against the regulatory minimum of 10.0% while the effective participation was 105.9% against the regulatory requirement of 50.0% of average issuance per PD.

FCT’s successful bids for the financial year 2023/24 were Rs. 420.2 Bn in the T-Bill auctions and Rs.126.8 Bn in the T-Bond auctions compared to Rs. 429.8 Bn and Rs. 128.2 Bn respectively recorded in the previous year.

Meanwhile bolstered by active trading, our secondary market turnover in government securities was 13 times of the average stock for the current year, an increase from the 13 recorded in the previous financial year.

167%

Growth in Direct Income (YoY)

Strong performance in both the primary and secondary markets saw the Company delivering a record-breaking performance for FY 2023/24.

Most notably, our direct income soared from Rs. 9,970Mn in FY 2022/23 to an unprecedented record high of Rs. 26,599Mn in the current financial year, representing a remarkable 167% improvement year on year. The impressive 2.7-fold increase in income was primarily driven by a Trading Gain of Rs. 15,811Mn attributed to the sale of government securities, marking a historic milestone for the Company. Interestingly, the Trading Gain for the current year reflects a staggering 1,093%+ growth compared to the Rs. 1,325 Mn reported in the previous financial year.

Conversely, Direct expenses attributed to interest costs on repurchase agreements (repos), increased by 24% from Rs. 6,049Mn in the previous year to Rs. 7,514Mn in the year under review, driven by the growth in the overnight repo portfolio. Operating expenses increased from Rs. 995Mn in FY 2022/23 to Rs. 2,368Mn in the year under review, caused by the uptick in personnel expenses against the backdrop of significant business expansion.

1,093%

Growth in Trading Gain

Chief Executive Officer's Review

With the robust expansion in income effectively compensating for increases in both direct expenses and operating expenses, the Company reported PBT of Rs. 16,038 Mn in FY 2023/24, denoting an impressive 4-fold expansion to surpass the previous record of Rs. 3,753Mn set in the previous financial year.

DIGITAL ENABLEMENT

I am pleased to report that we made excellent progress on our digital initiatives during the year, which I believe signifies a quantum leap that positions FCT as a leader in delivering exceptional financial solutions.

Our strategic investments in cutting-edge technology, including the revamp of our core application to enable seamless integration with our DigiFirst Digital Onboarding Portal along with the fully fledged customer relationship management system, together are revolutionising the client experience. Through these initiatives, we are now able to offer clients seamless access to manage their investments, providing real-time updates, comprehensive market insights, and personalised financial advice at their fingertips.

Our commitment to enhancing the customer experience using digital technology is also yielding substantial benefits for our operations. The implementation of advanced digital platforms has provided significant operational advantages in terms of scalability, efficiency, and reduced response times. In turn, our clients now enjoy quicker, more reliable access to their investment information and services, leading to a smoother and more satisfying experience. These improvements have enabled us to handle a growing number of clients without compromising on the quality of service, further reinforcing the Company's position as a transformative force in the local digital financial space.

AWARDS AND ACCOLADES

The Company was ranked among the top 100 brands in Sri Lanka at Brands Annual 2023 which stands as testament to our relevance in the rapidly evolving financial landscape in Sri Lanka. Furthermore, to be counted among the most esteemed brands in the Country, I believe reflects the trust and confidence that our customers, partners, and stakeholders have bestowed upon us.

FUTURE OUTLOOK

As we look ahead to the future of both Sri Lanka and the Company, I am filled with optimism and excitement for the possibilities that lie ahead. Despite the inevitable growing pains that will occur as Sri Lanka moves ahead with its growth ambitions, I firmly believe the potential for development remains vast. At FCT, we are committed to playing a pivotal role in this journey towards Sri Lanka's progress and prosperity.

As a licensed primary dealer, we remain firm in our endeavour to support the funding requirements of the Sri Lankan Government through active participation in the primary market for treasury bills and treasury bonds.

Conversely, we also have a crucial role to play in driving investment towards government securities. To that end, we expect to leverage our expertise and strong analytical capabilities coupled with our digital platforms to facilitate seamless access to government securities for a diverse range of investors.

We will continue to prioritise innovation, customer-centricity and commitment to excellence and integrity, as we navigate the evolving business landscape with agility in the coming years.

APPRECIATIONS

I wish to express my sincere thanks to the Board of Directors for their unfailing support and guidance that has been an

“The Company was ranked among the top 100 brands in Sri Lanka at the Brands Annual 2023, which stands testament to our relevance in the rapidly evolving financial landscape in Sri Lanka”

immense strength to me and my team.

I also wish to take the opportunity to express my appreciation to my dynamic management team and all the staff for their admirable commitment and dedication towards ensuring the Company's success.

My heartfelt gratitude also goes to our shareholders. I am immensely grateful for your continued support and confidence.

In conclusion, I wish to thank our customers, business partners, and other stakeholders for their trust in the Company. Your continued support inspires us to strive for excellence and reinforces our commitment to delivering unparalleled value.

(Sgd.)

Sachith Perera

Chief Executive Officer

4 June 2024

BOARD OF DIRECTORS



Manjula Mathews

Non- Independent Non-Executive Chairperson

Manjula Mathews has over three decades of experience in finance, marketing, and general management, both in Sri Lanka and the United Kingdom. She is a former finance director of Janashakthi Insurance PLC and until 2021 served in the capacity of a non-executive director. Ms. Mathews's former business positions include that of Managing Director and subsequently Chairperson of Dunamis Capital PLC and its several subsidiaries.

In 2022, Manjula was appointed to the Board of Habitat for Humanity International, a leading global non-profit with a presence in more than 70 countries. Manjula has also been a director of Habitat for Humanity Sri Lanka since 2016 and is currently in her second term as Board Chair. She has been serving as a custodian of the Alzheimer's Association of Sri Lanka since 2019.

More recently Manjula has focused her energies on civic-minded endeavours working as a counsellor in private practice and as a lecturer at the Colombo Theological Seminary. She is a fellow member of the Chartered Institute of Management Accountants in the UK, and holds a Master's degree in Business Administration from the University of Cambridge, UK.

Other principal appointments:

Chairperson: Habitat for Humanity Sri Lanka

Director : First Capital Holdings PLC, Janashakthi Limited, Habitat for Humanity International

Custodian: Alzheimer's Association of Sri Lanka

Date appointed to the Board: 27 December 2022

Committee Membership:



Dilshan Wirasekara

Non-Independent Non-Executive Director

Dilshan Wirasekara is a financial sector professional with over 28 years of diverse experience in banking, treasury and investment management, capital market strategy and corporate advisory. Dilshan is the Managing Director and Chief Executive Officer of First Capital Holdings PLC.

Having joined First Capital in 2013, Dilshan steered the company, a full-service investment and advisory services provider in Government Securities, Corporate Finance and Advisory, Asset Management and Stock Brokering complemented by an industry-leading Research unit, to establish itself as a significant contributor to the local capital market industry.

He spearheaded the execution of key debt structuring deals with internationally based development financial institutions and strategic partnership formation with foreign institutions focusing on emerging markets such as Sri Lanka.

He was the former General Manager of Softlogic Capital PLC guiding investment and trading portfolio management across subsidiaries inclusive of the Group's Licensed Finance Company, Composite Insurer and Equity Brokerage; prior to which he was the Head of Treasury at Nations Trust Bank PLC.

He specialises in Asset and Liability Risk Management having secured the accolade of leading and representing two Sri Lankan companies in winning the International Bank Asset and Liability competition organised annually by the Netherlands Development Finance Company, German Investment Corporation and Proparco, a subsidiary of the Agence Française de Development.

Dilshan Wirasekara is an Alumnus of INSEAD having successfully completed his Executive Professional Education at INSEAD Business School, Fontainebleau, France. He is also an Alumnus of the Association for Overseas Technical Cooperation and Sustainable Partnerships, Tokyo, Japan.

Other principal appointments:

Chairman: Colombo Stock Exchange

Date appointed to the Board: 6 June 2017

Committee Membership:



Board of Directors



Ramesh Schaffter

Non- Independent Non- Executive Director

Ramesh Schaffter serves as the Managing Director and Group Chief Executive Officer of Janashakthi Group (JXG), with a wealth of experience spanning over three decades in Finance and Marketing. He is recognised as a Fellow Member and former Council Member of the Chartered Institute of Management Accountants, Sri Lanka, as well as an Associate Member of the Chartered Institute of Marketing.

In addition to his corporate leadership roles, Ramesh is a dedicated social entrepreneur and life coach. He is renowned as an accomplished public speaker and has garnered multiple awards at both national and international levels in Toastmasters' contests. Ramesh has also served as the President of Habitat for Humanity Sri Lanka and held a position on the Board of World Vision for Sri Lanka.

Ramesh has also contributed significantly to education and religious institutions. He has served on the Council of the Colombo Theological Seminary, an esteemed graduate and postgraduate educational institute. Moreover, he has held the position of Chairman of the Incorporated Trustees of the Church of Ceylon. Currently, Ramesh is an active member of the Board of Tea Leaf Vision, an organisation dedicated to empowering young people in tea plantation zones.

Other principal appointments:

Managing Director/Group Chief Executive Officer: Janashakthi Limited

Director: Janashakthi Insurance PLC, First Capital Holdings PLC, Serendib Land PLC and Sarvodaya Development Finance PLC

Date appointed to the Board: 25 July 2019

Committee Membership:



Chandana de Silva

Independent Non-Executive Director

Chandana de Silva has 40 years of managerial and financial experience acquired in Sri Lanka and the United Kingdom. In Sri Lanka since 2002, he worked at MAS Holdings in a variety of roles before retiring as Chief Executive Officer of the MAS Investments Division in 2011.

A Fellow of the Institute of Chartered Accountants in England and Wales and in Sri Lanka, he also holds a Bachelor of Science in Mathematics and Management from the University of London, UK.

Chandana currently serves as an Independent Non-Executive board member and a consultant.

Other principal appointments:

Chairman: Janashakthi Limited, Asia Siyaka Commodities

Director: First Capital Holdings PLC, Eureka Technologies (Private) Limited, 24/7 Techies (Private) Limited, Centre for Policy Alternatives

Date appointed to the Board: 16 December 2014

Committee Membership:





Minette Perera

Independent Non-Executive Director

Minette Perera was the Group Finance Director of the MJF Group from September 2000 till March 2013. The MJF Group comprises a fully vertically integrated tea operation with presence along the entire value chain and includes companies with the finest tea gardens, factories, printing and packaging facilities and markets “Dilmah Tea” around the world. The Leisure Sector of the MJF Group marketed by Resplendent Ceylon (private) Limited, includes companies which sets the benchmark for luxury boutique resorts in Sri Lanka.

During the period of her employment with the MJF Group, Ms. Perera was appointed Director of the MJF Group of Companies, including MJF Holdings Limited. She continues to hold Board positions in several companies of the MJF Group.

Minette is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, the Chartered Institute of Management Accountants of UK and the Association of Chartered Certified Accountants of UK. She has over 40 years working experience as a Finance Professional having worked in leading local and international companies as the CFO and Finance Director.

Other principal appointments:

Director: Dilmah Ceylon Tea Company PLC, Kahawatte Plantations PLC, Talawakelle Tea Estates PLC, Orient Finance PLC, Janashakthi Limited and Forbes & Walker (Pvt) Limited

Date appointed to the Board: 22 April 2015

Committee Membership:



Nishan de Mel

Independent Non-Executive Director

Nishan is an economist with extensive academic and policy experience. Nishan completed his undergraduate at Harvard University, and his masters and PhD at the University of Oxford, where he also lectured in economics for four years. He is the Executive Director and Head of Research of Verité Research, a leading think tank that provides research and advisory services on Sri Lankan and Asian policy and societal issues. Nishan also serves on several Presidential Task Forces in Sri Lanka, including the Presidential Task Force on Health Sector Reform, the Presidential Committee on Tobacco, Alcohol and Dangerous Drug Regulation, and the National Steering Committee on Social Security. He also sits on multiple private sector boards in the finance, insurance and technology sectors.

Other principal appointments:

Director: Eureka Technology Partners (Pvt) Limited, Verite Research (Pvt) Limited

Date appointed to the Board: 27 November 2017

Committee Membership:



Board of Directors



Nishan Fernando **(resigned w.e.f 1 January 2024)**

Former Independent Non- Executive Chairman

Nishan Fernando is a Fellow Chartered Accountant and a Chartered Global Management Accountant with Associate Membership of the Chartered Institute of Management Accountants, UK. He holds a Master's Degree in Business Administration from the Postgraduate Institute of Management, University of Sri Jayewardenepura, and is a Graduate of the Sri Lanka Institute of Directors.

He counts over 33 years of experience, during which period he has held the position of CFO/Head of Finance at leading corporates in Sri Lanka. Nishan is a Past President of the Institute of Chartered Accountants of Sri Lanka. Nishan was a Commission Member of the Securities and Exchange Commission of Sri Lanka and serves on the Dispute Resolution Board of the Colombo Stock Exchange. He has also served on the Accounting and Auditing Standards Monitoring Board and on the Governing Boards of the Postgraduate Institute of Management and the National Institute of Business Management.

He has also served as the Chair of the Asian-Oceanian Standards Setters Group, Sri Lanka Accounting Standards Committee and of the Sri Lanka Financial Reporting Standards Interpretation Committee. He has served on the International Accounting Education Standards Board of the International Federation of Accountants and its Consultative Advisory Board and on the Board of the South Asian Federation of Accountants.

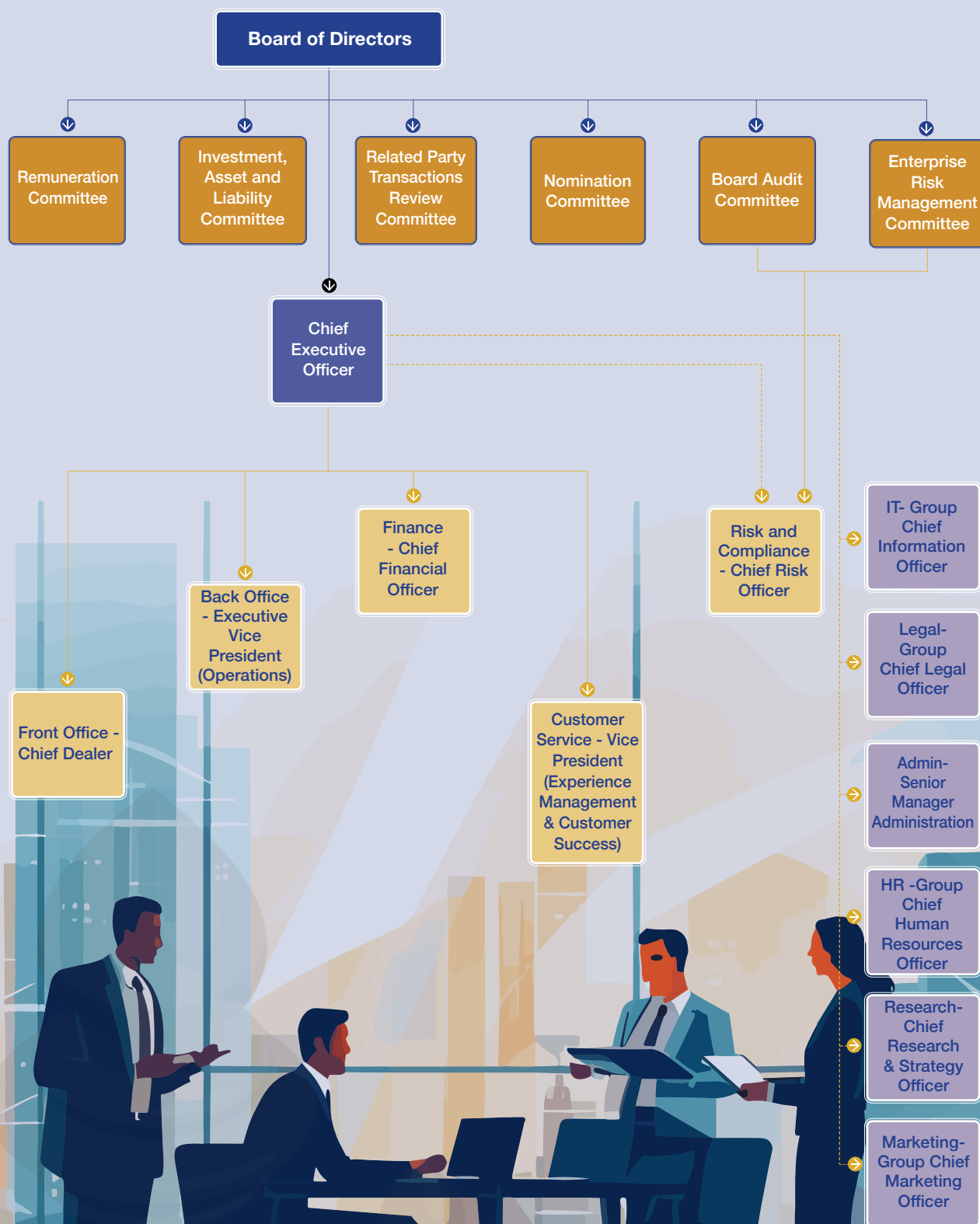
Other principal appointments:

Managing Director: BDO Consulting (Private) Limited, First Capital Holdings PLC

Legend

●	Board Audit Committee
●	Remuneration Committee
●	Nomination Committee
●	Related Party Transactions Review Committee
●	Enterprise Risk Management Committee
●	Investment, Asset and Liability Committee

ORGANISATIONAL STRUCTURE



MANAGEMENT TEAM



Sachith Perera
Chief Executive Officer

ACIFMA Financial Markets Professional Diploma (ACIFMA - The Financial Market Association, Paris)

26+ years of Banking of which 12 years in treasury management including 1+ years with First Capital



Mangala Jayashantha
Chief Financial Officer

B.Sc. (Special) Degree in Accountancy (University of Sri Jayewardenepura), Fellow Member - CA Sri Lanka

23+ years of experience in financial management, financial reporting, auditing, corporate planning and taxation, including 18 years with First Capital



Wasanthi Stephen
Group Chief Human Resources Officer

Attorney-at-Law, An International Master of Business Administration from Canterbury Christ Church University (UK), A Chartered Member of the Chartered Institute of Personnel Management, A Professional Member of the Association of HR Professionals, A Professional Certified Coach (PCC), A Member of the International Coaching Federation (ICF) USA, A Member of the ICF Colombo Chapter, A Life Member of the Bar Association of Sri Lanka

24+ years of experience in human resource industry, including over 8 years with the company



K. V. Kuganathan
Group Chief Information Officer

MSc. in IT Consultancy, BSc. in Computing and Information Systems, Chartered IT professional (CITP), MBCS

25+ years of experience in banking, insurance and capital market sectors as an IT professional, including 7+ years with the company



Gamika De Silva
Group Chief Marketing Officer

Fellow of the Sri Lanka Institute of Marketing, Graduate of the Chartered Institute of Marketing (CIM) and holds a Master of Business Administration specialised in Marketing from the University of Wales

24+ years of experience in marketing, sales, and customer experience management, including half a year with the company



Harshanee Deshapriya
Group Chief Legal Officer

LL.M. in International Business and Commercial Law (Merit) (University of West London), LLB (Hons) (University of Colombo), Post Attorney Diploma in Corporate Law (Merit) (Sri Lanka Law College), PQHRM (Merit) (IPMSL), Attorney-at-Law

18+ years of corporate experience, including 9+ years with the company



Sujani Kumarage

Executive Vice President – Operations

MBA (University of Suffolk), Diploma in Treasury and Risk Management (IBSL), Diploma in Computer Studies (IDM), Certificate in Treasury & Foreign Exchange Operations (CBS)

25+ years of experience in business processing related to fixed income securities and treasury operations with First Capital



Kapila Perera

Chief Risk Officer

MBA (University of Colombo), B.Com (Special) Degree (University of Sri Jayewardenepura), Fellow Member - SLICM, Member - CPM, Diploma in Treasury and Risk Management (IBSL)

21+ years of experience in risk and compliance, operations and finance, including 17 years with First Capital



Dimantha Mathew

Chief Research and Strategy Officer

MBA (University of Wales, UK), LL.B (University of London), Attorney-at-Law, FCMA (UK), CGMA (UK)

16+ years of experience in investment banking, including 10 years with First Capital



Mithila Abeysekera

Chief Technology Officer

MBA (Aus), BSc. in IT (1st class honours), CBF & DBF (IBSL), Certificate in Business Process Excellence (Dr. Mikel J Harry Six Sigma Management Institute)

20+ years of transformative leadership in technology across prominent Sri Lankan banks, leads IT and digital transformation at First Capital



Chamara Pussella

Head of Human Resources

MBA (University of Wales), Claritas Investment Certification for Investment Banking Professionals (CFA Institute), Professional Member (Association of HR Professionals)

15+ years of collective HR experience in investment banking and finance industries, including Amba Research and HSBC with 4+ years with the company



Randinith Madanayake

Head of Marketing

Bachelor of Science (University of Colombo)

11+ years of experience in brand marketing in consumer durables, FMCG, and alcoholic beverage, including 2+ years with the company

Management Team



Uthpala Pinnaduwaheewa

**Vice President Experience
Management & Customer Success**

MBA (University of Northampton, UK),
Certified Professional Marketer (Asia
Marketing Federation), PG Diploma in
Marketing (SLIM), Diploma in Business
Finance and Bank Management (IBSL),
Diploma in Television Journalism
(National Institute of Television Training)

17+ years of experience in the
Financial Industry and specialised on
Customer Experience Management,
Data Driven CRM, Strategic Marketing,
Brand Management, New Product
Development, Digital Products/Services
and Banking Operations, including
2+ years with First Capital



Malith Pathirana

Senior Manager – Administration

EMBA (University of Colombo)

20+ years of experience in
administration, supply chain and
procurement management, including
11+ years with the company

STRATEGY AND VALUE CREATION



THE KNIGHT

First Capital Treasuries has boldly ventured into uncharted territories, leveraging our performance-driven mindset and financial acumen to achieve remarkable success over the past four decades. Just as the knight moves in unconventional patterns, we have embraced innovation and creativity to overcome challenges and seize opportunities.

FINANCIAL HIGHLIGHTS

For the year ended 31 March	2024	2023	Variance
Income Statement (Rs. '000)			
Income	26,598,738	9,969,951	16,628,787
Net trading income before expenses	18,405,885	4,747,750	13,658,135
Profit after tax	11,143,128	2,886,396	8,256,732
Total comprehensive income	11,141,555	2,883,967	8,257,588
Selected Return Ratios (Percentage)			
Return on Average Equity	169.56	61.82	107.74
Return on Average Assets	19.07	7.15	11.92
Financial Position (Rs. '000)			
Total Assets	64,555,943	52,323,908	12,232,035
Total Shareholders' Funds	7,679,368	5,464,013	2,215,355
Stated Capital	256,500	256,500	-
Funds Employed (Equity/ Debt)	56,925,878	50,056,916	6,868,962
Selected Ratios (Time/ Percentage)			
Leverage Ratio (Debt to Equity)	6.41	8.16	(1.75)
Interest Cover	3.11	1.60	1.51
Capital Adequacy Ratio	22.76	23.98	(1.22)
Shares related information			
Earnings per Share (Rs.)	18.10	4.68	13.42
Dividend per Share (Rs.)	14.50	1.50	13.00
Net Assets per Share (Rs.)	12.47	8.88	3.59
Dividend Payout Ratio (Percentage)	80.11	32.05	48.06
Closing Share Price (Rs.)	24.70	22.50	2.20
Market Capitalisation (Rs. Mn)	15,205.32	13,851.00	1,354.32
Number of Shares issued	615,600,000	615,600,000	-

170%

Return on Average Equity Ratio

80%

Dividend Payout Ratio

OPERATIONAL HIGHLIGHTS



Credit Rating
"Positive Outlook"

"A"



Capital
Adequacy Ratio

22.76%



Dividend Payout

80.11%



Market
Capitalisation

Rs. 15.2 Bn



Core Capital

Rs. 7.7 Bn



Total Active
Clients

2,429



Digitally On-boarded
Clients FY 2023/24

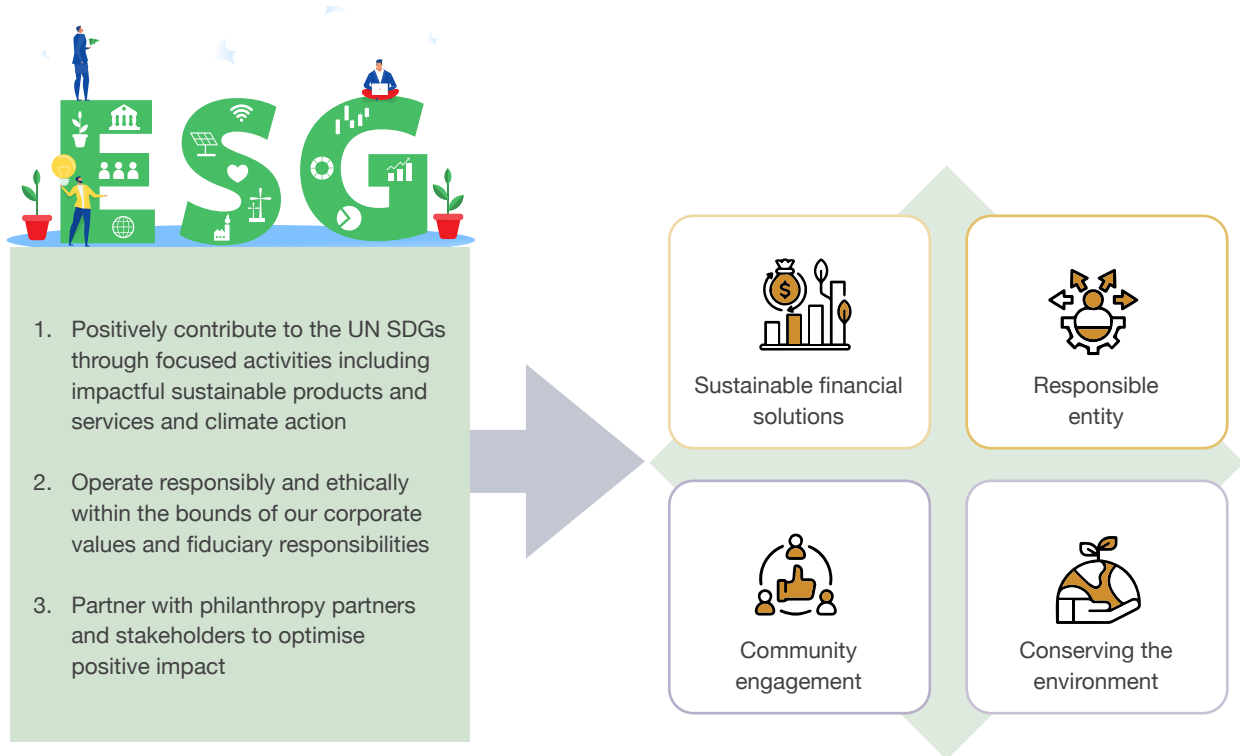
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ENVIRONMENTAL, SOCIAL AND GOVERNANCE DISCLOSURES AND INDICATORS

THE ESG APPROACH

First Capital's ESG approach is structured around four broad areas considered to be material to our business, which in-turn link to our value drivers and are thus embedded in corporate strategy:



Constructive dialogue with stakeholders is critical for building enduring relationships, understanding external operating trends and dynamics, building trust, enhancing value and performance and evolving our ESG approach. We regularly engage a diverse spectrum of stakeholders including our clients, employees, shareholders and providers of debt funding, regulators, rating agencies and analysts, service providers and the wider community.

We believe that the United Nations Sustainable Development Goals (UN SDGs) provides a solid framework for us to assess, align and prioritise our activities. We partner with our selected philanthropy partners and stakeholders to support delivery of the SDGs and build a more resilient and inclusive economy.

SELECTED DISCLOSURES AND SCORECARD

Disclosures herein align with First Capital Treasuries' focal areas and are selected as most relevant to the Company based on benchmarking, business insights and stakeholder analysis.

Human capital indicators	FY2024	FY2023
Total employees		
Permanent	17	13
Non- permanent	-	-
Turnover rate (%)	6	0
Employee age		
Below 30 years	8	2
30-50 years	8	11
Over 50 years	1	-

Employee equity by ethnicity and gender	FY2024		FY2023	
	Male	Female	Male	Female
Sinhalese	9	5	8	5
Tamils	3	-	-	-
Muslims	-	-	-	-
Total	12	5	8	5

Employee gender (permanent employees)	FY2024	FY2023
Male	12	8
Female	5	5
Female employees as % of total workforce (%)	29	36
Female employees at managerial Level	1	2
Females in managerial roles (from total female workforce) (%)	20	40
Females in managerial roles (from total managerial workforce) (%)	11	18
Female recruitments as percentage of total (%)	-	-
Female exits as percentage of total (%)	-	-

Maternity leave and retention	FY2024	FY2023
Females entitled to leave during the year	5	5
Employees who took maternity leave	-	-
Returned during the year	-	-
Retention of women at work 12 months after Maternity leave	-	-
Return ratio (%)	N/A	N/A
Retention Ratio (%)	100	100

Employee retention	FY2024	FY2023
Retention rate (%)	94	100
Turnover rate (%)	6	-

Training and development	FY2024	FY2023
Total training cost, Rs. '000	2,964	1,041
Average training and development cost per employee, Rs.	174,324	80,102
Workforce return on investment, times	7.3	7.1

Financial inclusion	FY2024	FY2023
Active clients	2,429	2,069
Digitally onboarded clients during the period	878	582

GOVERNANCE INDICATORS

Board of Directors (Board information as at 31 March)

Composition	FY2024	FY2023
Number of Board members	6	7
Independent non-executive directors (%)	50	57
Independent non-executive directors (Number)	3	4
Executive directors (%)	-	-
Executive directors (Number)	-	-
Non-independent non-executive directors (%)	50	43
Non-independent non-executive directors (Number)	3	3

Committees

% of independent members	FY2024	FY2023
Board Audit Committee	67%	67%
Enterprise Risk Management Committee	50%	50%
Related Party Transactions Review Committee	67%	67%
Investment, Asset and Liability Committee	33%	50%
Nomination Committee	67%	67%
Remuneration Committee	67%	67%

Committee Chair Gender	FY2024		FY2023	
	Male	Female	Male	Female
Board Audit Committee		☑		☑
Enterprise Risk Management Committee	☑		☑	
Related Party Transactions Review Committee		☑		☑
Investment, Asset and Liability Committee	☑		☑	
Nomination Committee	☑		☑	
Remuneration Committee	☑		☑	

VALUE CREATION MODEL

EXTERNAL ENVIRONMENT OPPORTUNITIES AND CHALLENGES



OUR INPUT CAPITALS



Financial Capital

- Equity Capital - **Rs. 8 Bn**
- Debt Capital - **Rs. 764 Mn**
- Investor Capital - **Rs. 48 Bn**



Manufactured Capital

- Digital Channels
- IT Infrastructure



Intellectual Capital

- Brand Strength
- Business Ethics and Conduct
- Knowledge-Based Systems and Processes, including the Research Unit
- Digital Ecosystems



Human Capital

- **17** employees
- **Rs. 3 Mn** invested in training
- Governance, compliance and Best Practices
- Recruitment and Selection
- Remuneration and Benefits
- Performance Management
- Training and Development
- Leadership Development
- Safety and Wellbeing
- Communication and Engagement
- Work-Life Balance



Social and Relationship Capital

- Responsible Products
- Customer Communication and Engagement
- Complaint Management
- Data Privacy
- Fair and Equitable Procurement
- Financial Inclusion
- CSR Activities



Natural Capital

- Resource Efficiency
- Digital Adoption



CORPORATE GOVERNANCE FRAMEWORK

(Page 87)



BUSINESS ACTIVITIES

- Primary Dealer Activities
- Secondary Market Trading in Government Securities



RISK MANAGEMENT FRAMEWORK

(Page 51)



OUR INPUT CAPITALS



Financial Capital

- Best ever financial results supported by **167%** increase in Direct Income and **286%** PAT growth



Manufactured capital

- Digital Channels
- IT Infrastructure
- Property Plant and Equipment and right of use assets of **Rs. 322 Mn**



Intellectual Capital

- Issuer rating of **A** (Positive Outlook)
- Improved industry standing
- Competitive edge through innovation
- ZERO** Ethics Violations



Human Capital

- 94%** employee retention ratio
- ZERO** incidents of discrimination
- ZERO** incidents of breach of customer privacy



Social and Relationship Capital

- 878** new customers on-boarded digitally
- 17%** improvement in the active client base
- Strong community ties



Natural Capital

- Less environmentally harmful operations
- Paperless culture
- Effective utilisation of electricity

STAKEHOLDER OUTCOMES



Shareholders

- ROE - 170% (62% - FY 2022/23)
- Dividend Payout - Rs. 14.50 (Rs. 1.50 - FY 2022/23)



Customers

- Guarantee of the best-in-class investment proposition for all customer segments
- Comprehensive research insights for clear guidance to inform investors
- Best in-class return on investment
- 100%** customer satisfaction



Employees

- Monetary Benefits Distributed - **Rs. 1.5 Bn** (Rs. 403 Mn - FY 2022/23)
- Incidents of discrimination - **None**
- 320** skill training hours



Suppliers

- Consistent growth prospects for suppliers



Community and Environment

- Financial literacy programs
- Sponsorships
- Sustainability Initiatives
- Responsible consumption of electricity by using LED bulbs

ALIGNMENT WITH UN SDG



FINANCIAL CAPITAL



INTELLECTUAL CAPITAL



HUMAN CAPITAL



MANUFACTURED CAPITAL



SOCIAL AND RELATIONSHIP CAPITAL



NATURAL CAPITAL

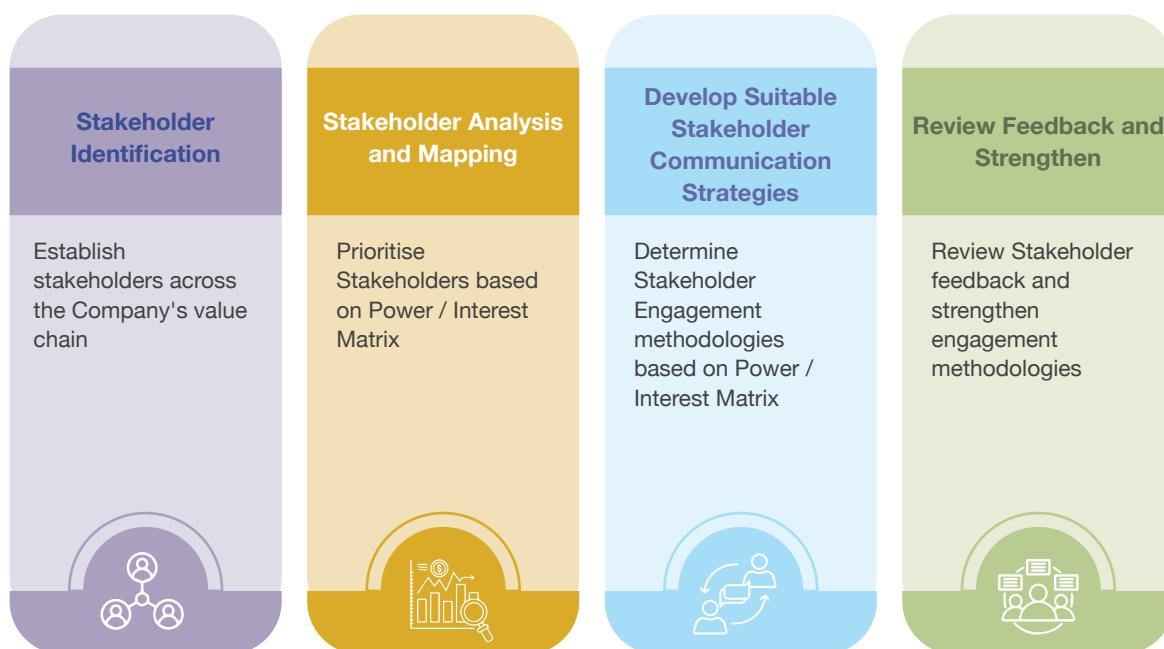


STAKEHOLDER ENGAGEMENT

The Company operates on the premise that fostering meaningful dialogue and collaboration with stakeholders not only cultivates trust and transparency but also harnesses invaluable insights that fuel innovation and drive sustainable growth. Proactive engagement with stakeholders, allows the company to anticipate emerging trends and challenges and also develop solutions that resonate with the aspirations and needs of its stakeholders. In embracing stakeholder engagement as a strategic imperative, we strive to reaffirm our commitment to being a responsible corporate citizen, dedicated to making a positive impact that extends far beyond financial returns.

The Company embraces a comprehensive 4-step process to systematically strengthen relationships with key stakeholders.

STAKEHOLDER ENGAGEMENT PROCESS



POWER/ INTEREST MATRIX



Stakeholder	Engagement Mechanisms and Frequency of Engagement	Key Concerns Raised	Company's Response
Clients	<p>Multiple digital and face-to face engagement methods are used, including monitoring of client complaints, client surveys, audio-video meetings and digital and online communication channels including social media, in-person meetings and client events</p> <p>Frequency - Continuous</p>	<ul style="list-style-type: none"> Investing in times of uncertainty: investments in a high inflation and high rate environment; and navigating complexity and volatility Advice on the core offering and addressing increasingly complex client needs High standards in terms of asset safety and segregation System stability, data and information security, confidentiality and privacy Accessibility, affordability and suitability of products and services Risk management, market access and liquidity 	<ul style="list-style-type: none"> Expansion and enhancement of digital onboarding and reactivating hitherto dormant client relationships Delivering objective advice and bespoke solutions, leveraged by our capabilities and technology Developing new products and solutions and forming strategic partnerships in response to clients' evolving needs Managing the impact of market dislocation and vulnerabilities Providing access to high-yield markets and superior outcomes based on client risk profiles
Employees	<p>Engage teams through management and divisional meetings, employee surveys, online communication channels, various training events and in-person meetings. We also hold health and well-being events and offerings, employee networking and volunteering opportunities. Our culture supports an interactive, learning environment in which we engage team members for growth and development</p> <p>Frequency - Continuous/ Periodic</p>	<ul style="list-style-type: none"> Diversity and inclusivity in the workplace Digital and soft skills development Career prospects Work-life balance and counselling needs Appropriate grievance mechanisms Fair and equitable pay practices Flexible/hybrid-work arrangements 	<ul style="list-style-type: none"> Rs. 1.5Bn distributed as monetary benefits to employees Invested Rs. 3Mn in training Flexi Hours / Work from Home arrangements

Stakeholder Engagement

Stakeholder	Engagement Mechanisms and Frequency of Engagement	Key Concerns Raised	Company's Response
Regulator	<p>We use a range of regulatory engagements discussions to interact with CBSL. We engage with IRD on tax matters through two-way communications as well as annual filings and related interactions</p> <p>Frequency - Continuous/ Periodic</p>	<ul style="list-style-type: none"> • Business Conduct • Governance, risk governance and other frameworks of control • Effective delivery of compliance with regulatory change • Setting benchmarks on sustainability concerns and reporting practices • Active participation and contribution to industry and regulatory engagements • Being a responsible taxpayer 	<ul style="list-style-type: none"> • 100% compliance of regulatory requirements • Rs. 2.5 Bn paid as taxes • Enhancing our compliance and ethics oriented culture; formulation of relevant policy frameworks and enforcement • Investing in conducting regulatory training • Enhancing front to back office internal controls • Enhanced client due diligence, record keeping, suspicious and unusual transaction reporting and risk management in response to current regulatory requirements
Providers of Financial Capital	<p>Annual General Meeting, CSE announcements, earnings presentations and investor relations management</p> <p>Frequency - Quarterly / Annual</p>	<ul style="list-style-type: none"> • Delivery of strategic targets • Ability to protect or grow profits in the current environment • Structural growth in and return potential of our core businesses • Cost efficiency • Stability, capital efficiency and risk management • Competitiveness of offering • Access to appropriate skills • Governance, ethics, market conduct, and internal controls • Implementation of ESG initiatives 	<ul style="list-style-type: none"> • Timely disclosure of information on the CSE platform and media • Circulation of shareholder resolutions • Sound strategy for sustainable and inclusive growth • Enhanced governance and risk management • Business operations with capital efficiency
Analysts and Rating Agencies	<p>Engagement methods including Research conferences Live stream/ online access of virtual research content, WhatsApp broadcast, publication of annual report and other publications on the media, face to face meetings</p> <p>Frequency - As needed</p>	<ul style="list-style-type: none"> • Gathering comprehensive and relevant information that enables analysis • Arriving at a defining representation of stability and credit fundamentals; maintaining or enhancing the rating 	<ul style="list-style-type: none"> • Provision of comprehensive and relevant information • Maintaining our capital efficiency and credit fundamentals through risk management and control framework

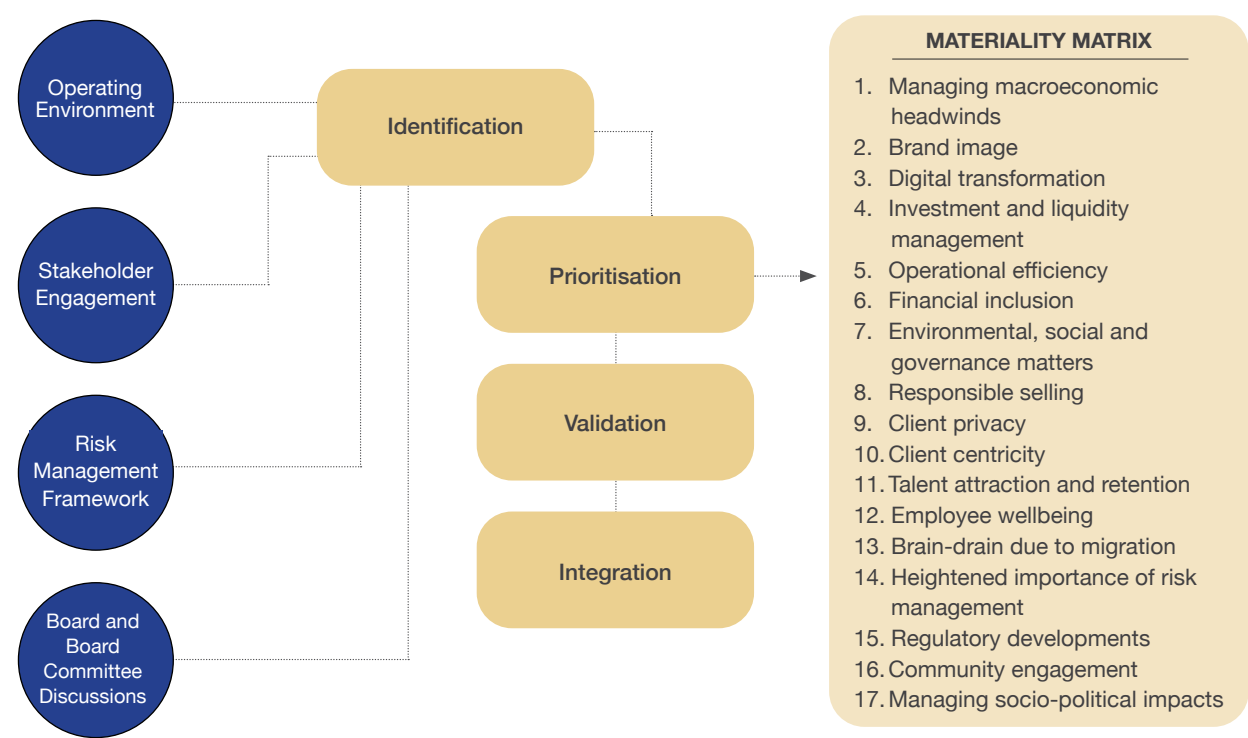
Stakeholder	Engagement Mechanisms and Frequency of Engagement	Key Concerns Raised	Company's Response
Suppliers and Service Providers	Two-way engagements including formal procurement processes and face to face or virtual meetings Frequency - As needed	<ul style="list-style-type: none"> • Partnership and ascertaining roles and responsibilities of the engagement equitably • Governance and ethical practices • Disparities in or how to align working cultures • Balancing pricing and capabilities 	<ul style="list-style-type: none"> • Professional negotiation and contractual compliance • Working together effectively • Enabling fair and equitable procurement and evaluation
Business Partners	Through two-way engagement modes including meetings and negotiations. We work together in deal making and transactional engagements Frequency - As needed	<ul style="list-style-type: none"> • Opportunities for shared value through collaborative deal making • Processes in which mutually inclusive value can be optimised • Ascertaining roles and responsibilities and fee sharing bases 	<ul style="list-style-type: none"> • Building strategic alliances • Ongoing collaboration in providing services to clients
Communities and civil society	Two-way engagement methods that can include online communication channels and in-person discussions; philanthropic activities, community engagements, dissemination of research and awareness building Frequency - As needed	<ul style="list-style-type: none"> • Social and environmental impacts of business activities • Alignment with a national agenda for pervasive and sustainable value creation • Sustainable finance • Financial stability through risk Governance • Governance of inclusive value creation • Client and corporate philanthropy efforts • Furthering economic and social inclusion 	<ul style="list-style-type: none"> • Integrate with financial service industry and the economy through business led and inclusive growth and balanced risk management • Set in place a well-defined ESG policy and map of our intentions in achieving the new corporate vision in a truly sustainable manner • Aligned internal CSI areas to the UN SDGs • Donations and volunteering through strategic community partners • Improve financial literacy through financial and economic education; participation in forums and roundtables, as well as industry, sector and topic-specific dialogues; multi-channel dissemination

MATERIALITY

Material Matters represent the critical facts that directly influence the Company's capacity to cultivate sustainable, long-term value. These matters wield significant sway over the strategic deliberations undertaken by the Board, guiding their stewardship of the Company's growth trajectory. Through careful analysis of Material Matters, the Board navigates the complexities of environmental, social, and governance dynamics, ensuring that the company decisions are well anchored to support strategic deliverables over the short, medium and long term.

The Company's materiality determination process is aimed at disseminating the essence of what truly matters in the company's pursuit of sustainable value creation. Using a combination of quantitative analysis, qualitative insights, and stakeholder engagement, the materiality determination process identifies and prioritises key issues that inform decision making. Through this methodical approach, the company gains a comprehensive understanding of the material matters that enable the creation of value for all stakeholders.




MATERIALITY DETERMINATION PROCESS



Impact on the Stakeholder	High		7 16	11 17	1 3 5 8 10 14	2 4 6 9 12 15
	Medium		13			
	Low					
		Low	Medium	High		
			Impact on the Company			

Material Topic	Topic Boundary	Risk Impacts	Link to Strategy	Capitals Impacted	GRI Relevance	Link to SDG's
Managing macroeconomic headwinds	Considers the impact of external factors on the company performance and prospects	All Risks	Transformative growth Transformative execution Transformative client experience	FC MC IC HC	GRI 201	
Brand image	Considers the internal and external factors that could influence perceptions regarding the company	Reputation Risk Regulatory and Compliance Risk	Transformative growth Transformative execution Transformative client experience	IC S & RC HC MC		  
Digital transformation	Refers to the company's internal processes	Business Continuity Risk Information and Cybersecurity Risk	Transformative growth Transformative execution Transformative client experience	IC MC		
Investment and liquidity management	Connects to the company's fundamental value proposition	Interest Rate Risk Equity Risk Liquidity Risk Regulatory and Compliance Risk	Transformative growth Transformative execution	FC		
Operational efficiency	Refers to the company's internal processes	Business Continuity Risk	Transformative execution	HC MC IC		 
Financial inclusion	Refers to the company's value chain activities	Strategic Risk Reputation Risk	Transformative client experience	S & RC FC		
Environmental, social and governance matters	Refers to the company's value chain activities	ESG Risk Regulatory and Compliance Risk	Transformative growth Transformative execution	S & RC NC		
Responsible selling	Connects to the company's fundamental value proposition	Strategic Risk Reputation Risk ESG Risk Regulatory and Compliance Risk	Transformative client experience	MC IC S & RC	GRI 416	

Materiality

Material Topic	Topic Boundary	Risk Impacts	Link to Strategy	Capitals Impacted	GRI Relevance	Link to SDG's
Client privacy	Connects to the company's fundamental value proposition	Information and Cybersecurity Risk Regulatory and Compliance Risk	Transformative client experience	S & R IC	GRI 418	
Client centricity	Connects to the company's fundamental value proposition	Strategic Risk	Transformative client experience	S & RC HC MC		 
Talent attraction and retention	Considers the impact on employees	Human Resource Risk Business Continuity Risk	Transformative execution	HC	GRI 401 GRI 402 GRI 404	 
Employee wellbeing	Considers the impact on employees	Human Resource Risk	Transformative execution	HC	GRI 403 GRI 405 GRI 406 GRI 407 GRI 408 GRI 409	  
Brain-drain due to migration	Considers the impact on employees	Human Resource Risk Business Continuity Risk	Transformative execution	HC	GRI 401	
Heightened importance of risk management	Connects to the company's fundamental value proposition	Interest Rate Risk Equity Risk Liquidity Risk Regulatory and Compliance Risk	Transformative growth Transformative execution Transformative client experience	FC		
Regulatory developments	Considers the impact of external factors on the company performance and prospects	Regulatory and Compliance Risk Reputation Risk	Transformative growth Transformative execution	IC		
Community engagement	Refers to the voluntary commitments to the wider society	ESG Risk Reputation Risk	Transformative execution	S & RC	GRI 203 GRI 413	 
Managing socio-political impacts	Considers the impact of external factors on the company performance and prospects	All Risks	Transformative execution Transformative client experience	S & RC	GRI 202 GRI 204 GRI 205	

APPROACH TO SUSTAINABILITY



ENVIRONMENT



SOCIAL



GOVERNANCE



The foundation of the Company's sustainability ethos is deeply rooted in the FCH Group vision: "to improve the lives of all Sri Lankans through financial solutions". This guiding principle propels the Company to utilise its core business competencies and expertise in fostering financial literacy, particularly concerning capital markets. Recognising that financial education is fundamental to both economic empowerment and sustainable development, the company dedicates resources aimed at educating individuals and communities about the intricacies of capital markets, available investment avenues, and responsible financial management practices. Through a multifaceted approach encompassing workshops, seminars, educational materials, and digital platforms, the company endeavours to equip people and communities across Sri Lanka with the knowledge and skills necessary to make informed financial decisions. It is anticipated that nurturing

a new generation of financially literate investors who actively participate in Sri Lanka's economic development will pave the way for sustainable prosperity and growth. Acknowledging the urgency of tackling climate change, the Company has in recent years made a conscious effort to implement eco-friendly practices across its operations initiated by promoting a paperless culture to initiate a tree distribution programme.

In keeping with its commitment to sustainability, the Company strives to contribute to the Sustainable Development Goals (SDGs) outlined by the United Nations in collaboration with the Group Companies. The Company demonstrates its commitment to community wellbeing through its partnership with Habitat for Humanity Sri Lanka, where the Group has pledged its support to construct housing units for marginalised families in the Galle District. Support for culture and sports have long

been a major component of the Group's community empowerment efforts. The Group served as the Platinum sponsor to Ceylonese Rugby and Football Club at Rugby league 2023-24 and the main sponsor of the July 2023 "Masters of Performance" Golf Tournament a monthly event held at the Royal Colombo Golf Club. In addition, the FCH Group continues to the development and promote tennis in Sri Lanka in partnership with Sinhalese Sports Club. Throughout the year, the Company, operating under the umbrella of the FCH Group, has consistently joined forces with the group's sustainability endeavours to achieve the sustainability goals.

ROADMAP TO SLFRS S1 AND SLFRS S2

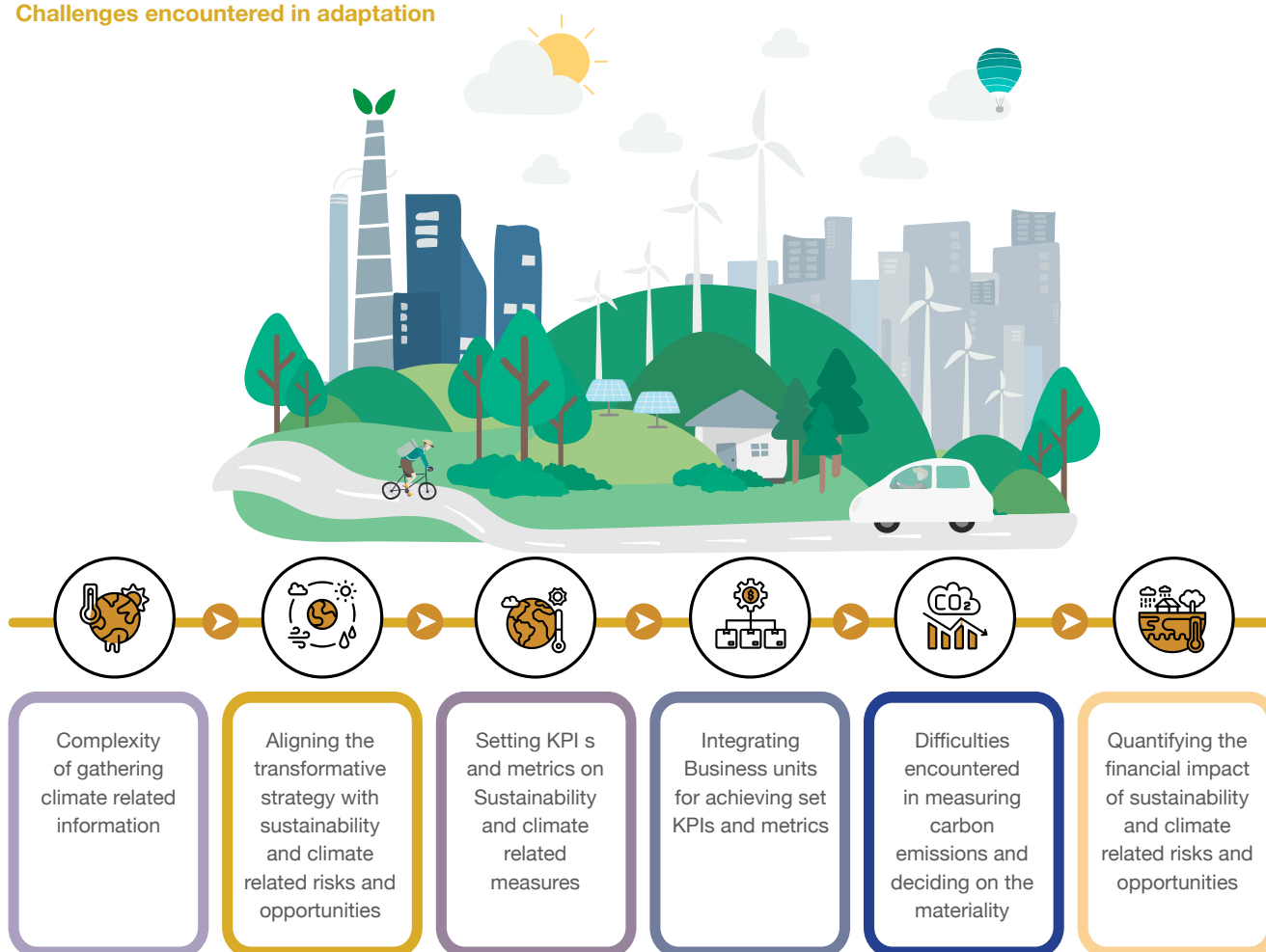
FCT prioritises sustainability as fundamental to its operations, in line with the Group Vision to “improve the lives of all Sri Lankans through financial solutions”. As a result, the Company initiated incorporating standards and leading practices to keep pace with evolving trends in financial reporting. Additionally, the management acknowledges the potential benefits that adopting the upcoming SLFRS S1 and S2 standards could offer. This includes not only managing risks and enhancing investor confidence but also nurturing stakeholder relationships, strengthening brand reputation, and fostering long-term value creation. The finance industry is already feeling the tangible impacts of climate change. As the value chain becomes more complex and interconnected globally, these

effects are evident across all sectors and regions. Given the complexity of today's financial landscapes, accurately predicting the specific impacts on any given entity can be challenging, yet the likelihood of such impacts occurring is increasing. It's crucial for financial institutions to integrate resilience against a wide range of climate-related events into their strategies to ensure financial sustainability. Adapting to this new reality involves reassessing risk models, incorporating climate data into investment decisions, and supporting initiatives that promote environmental sustainability. By strengthening resilience against climate-related risks, financial entities can not only mitigate potential losses but also capitalise on opportunities for sustainable investment

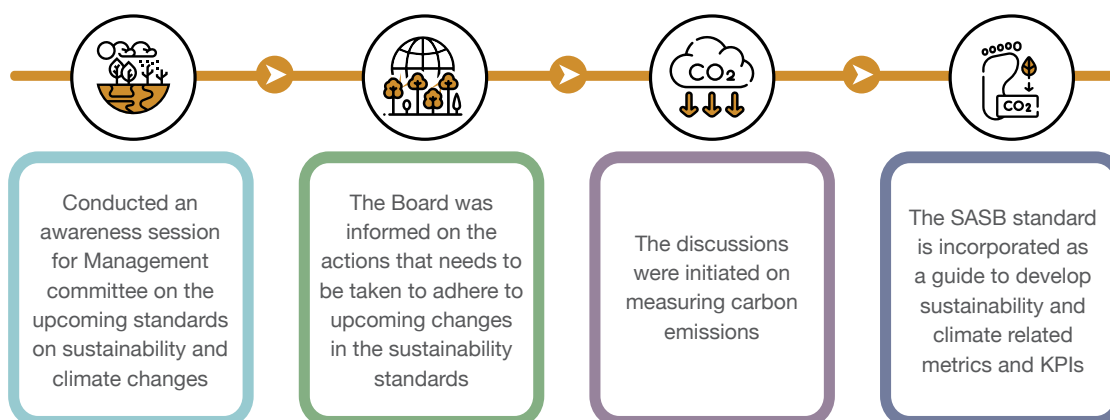
and long-term growth. While the Company is not currently required to adopt these standards, we recognise the importance of proactive preparation to comply with future regulations. We understand the need to further enhance our ability to quantify sustainability impacts by introducing metrics and targets. We believe that embracing the SASB standard could serve as a steppingstone toward early adoption of SLFRS S1 and S2, providing a solid foundation for our sustainability initiatives, thus initiated the adoption of SASB in the current financial year.

Read more on SLFRS S1 and S2 on Pages 183 to 184.

Challenges encountered in adaptation



Our actions for overcoming challenges

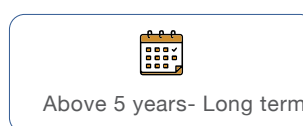
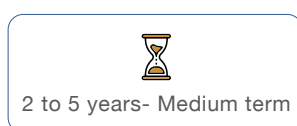
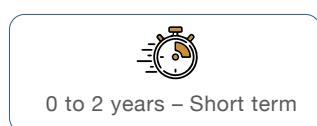
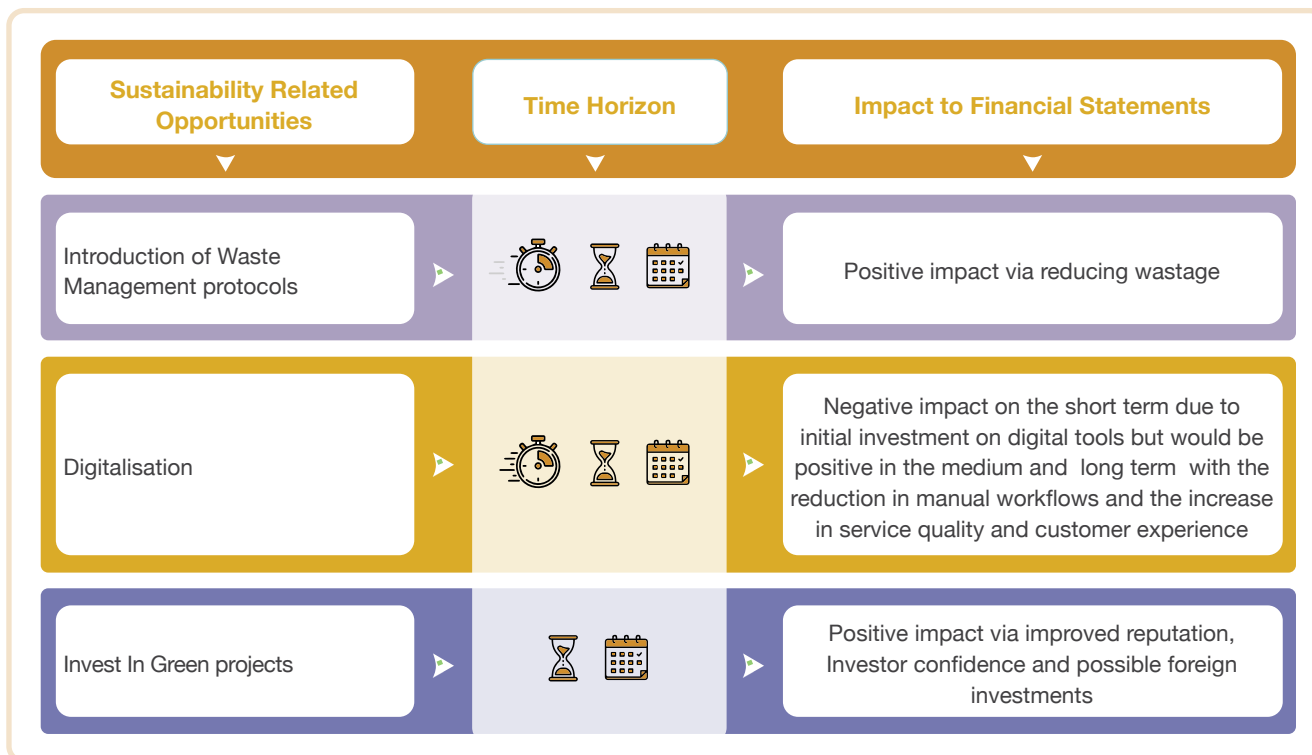


SLFRS S1 GENERAL REQUIREMENTS FOR DISCLOSURE OF SUSTAINABILITY RELATED FINANCIAL INFORMATION

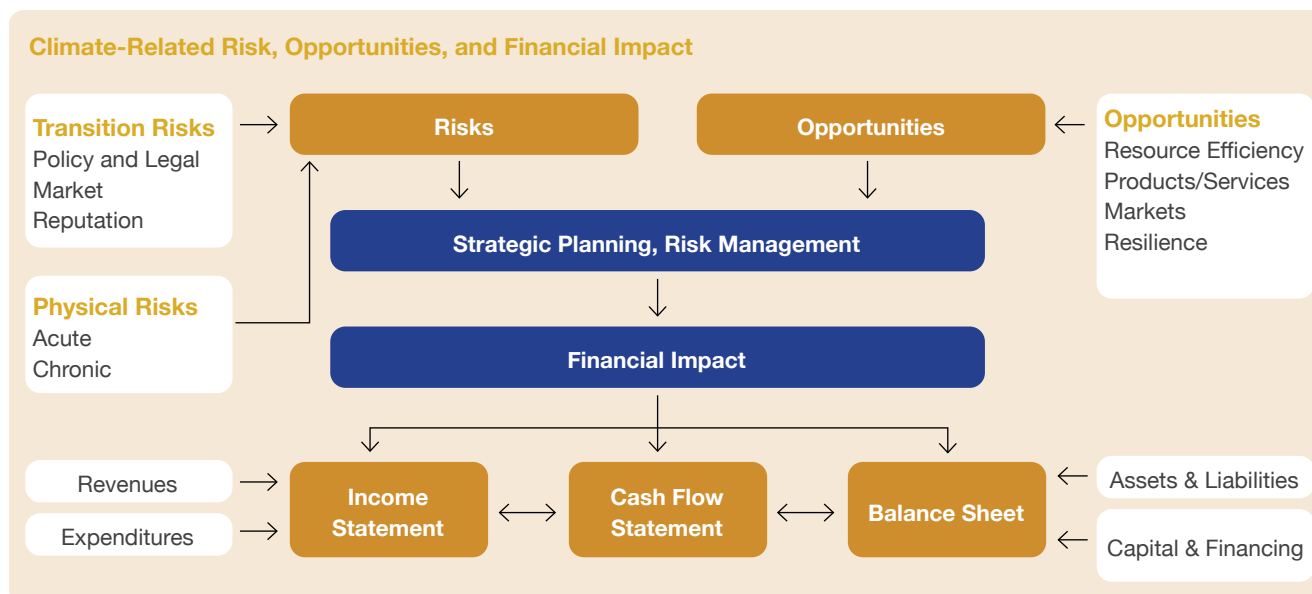
Sustainability Related Risk	Time Horizon	Impact to Financial Statements
Change in Macro Factors Potential losses to the Company's government securities portfolio owing to adverse rate movements		Please refer Note 42.2 for sensitivity information
Regulatory and Compliance Risk Potential losses owing to non-compliance of Rules and regulations		Please refer Note 41 for capital management
Operational Risk Potential losses owing flawed and failed systems, policies, processes, or events that disrupt business operations		Please refer Note 42.5 for operational risk disclosures
Liquidity Risk Potential losses as a result of inadequate cash flows to conduct daily operations and meet regulatory obligations		Please refer Note 42.3 for credit risk disclosures
Business Continuity Risk Potential losses owing to business disruptions attributed to the failure of back-end systems or inadequate human resources		This will have a negative impact on the profitability of the Company











Roadmap to SLFRS S1 and SLFRS S2







SUSTAINABILITY RELATED OPPORTUNITIES



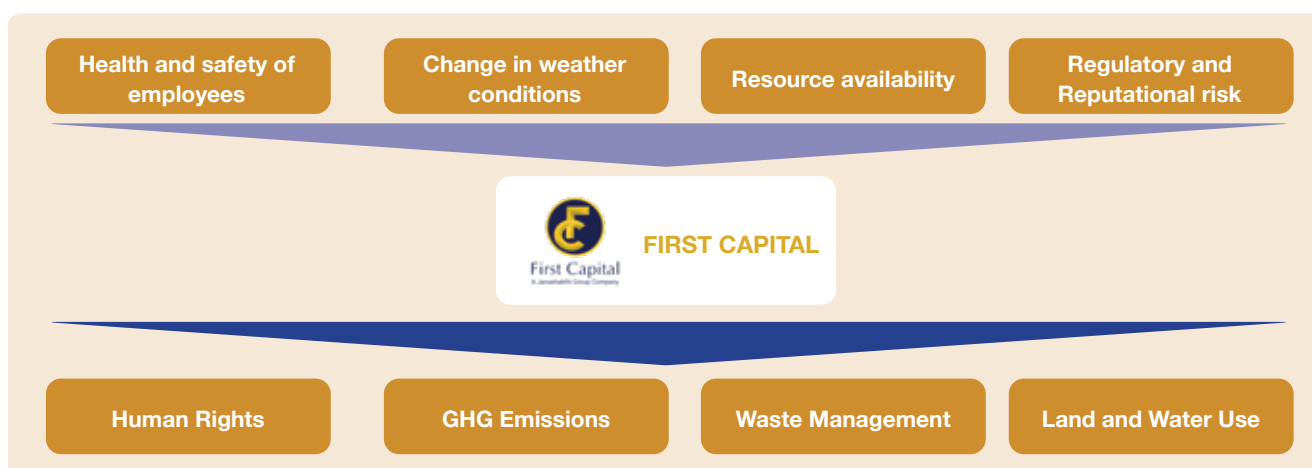
SLFRS S2 - CLIMATE RELATED DISCLOSURES



Risks	Time Horizon	Impact to Financial Statements
Policy and legal risk Enhanced reporting obligations and measuring emissions	  	<ul style="list-style-type: none"> • Cost Involved in data gathering and emission testing • Compliance risk on the mandatory adoption of SLFRS S1 and SLFRS S2
Market and reputation risk Changes in client preference and motive towards investments in ESG compliant companies	  	<ul style="list-style-type: none"> • Cost Involved in execution of strategies under ESG framework • Increased expenditure on marketing and branding
Acute The risk of increasing severity of weather events	  	<ul style="list-style-type: none"> • Disruption to operations and transport facilities • Increased cost of Insurance on property and assets • Increased cost on assessing financed emissions and recoverability of reverse repo portfolio
Chronic The risk of long term changes in weather patterns		<ul style="list-style-type: none"> • Damage to physical assets • Disruption to operations leading to business continuity risk

Opportunity	Time Horizon	Impact to Financial Statements
Resource Efficiency <ul style="list-style-type: none"> • Use of recycling • Use of more efficient electricity source • Reduce water usage and consumption 	  	<ul style="list-style-type: none"> • Low cost due to energy efficiency and low paper usages
Resilience <ul style="list-style-type: none"> • Ensure work from home facilities (IT and software necessities) • Ensure Back- up data storage systems in place • Presence of a business continuity plan 	  	<ul style="list-style-type: none"> • No disruption to operations and ensure continuity • Benefits via workforce management and planning with enhanced facilities

HOW THE COMPANY INTERACT WITH CLIMATE RELATED RISKS:



Climate related risk is a non-diversifiable risk that affects nearly all industries including first capital, that investors believe it requires special attention. This increases the likelihood of climate-related risks being material to entities and

integrating climate risks into existing risk management processes can ensure a strategic, systematic and consistent approach to managing these risks. Also, more importantly, the company is in the process of inculcating the

requirements under SLFRS S1 and S2 to Governance by ensuring internal controls with the involvement and the monitoring of the highest level of governing body with an extension to the existing Group sustainability policy.

STRATEGY AND RESOURCE ALLOCATION

Our strategy and resource allocation process serves as a roadmap to propel the Company towards sustainable growth and impactful stewardship. Rooted in a deep understanding of market dynamics, stakeholder expectations, and internal capabilities, this roadmap is framed around three pillars - “Transformative Client Experience”, “Transformative Execution” and “Transformative Growth” that create cohesive framework to aligns the Company's aspirations with actionable strategies and initiatives. By delineating clear objectives, milestones, and performance metrics, our strategic roadmap not only provides a compass for navigating complex and dynamic landscapes but also instills clarity and coherence across the organisation, fostering alignment and agility in decision-making.

Moreover, it serves as a rallying point, galvanising teams around a shared vision and purpose, igniting innovation and collaboration that drives the company’s long-term goals. Embracing adaptability and foresight, the strategic roadmap empowers FCT to anticipate and respond proactively to evolving market trends, regulatory changes, and emerging opportunities, thus ensuring its continued relevance, resilience, and enduring value creation.

Transformative Client Experience

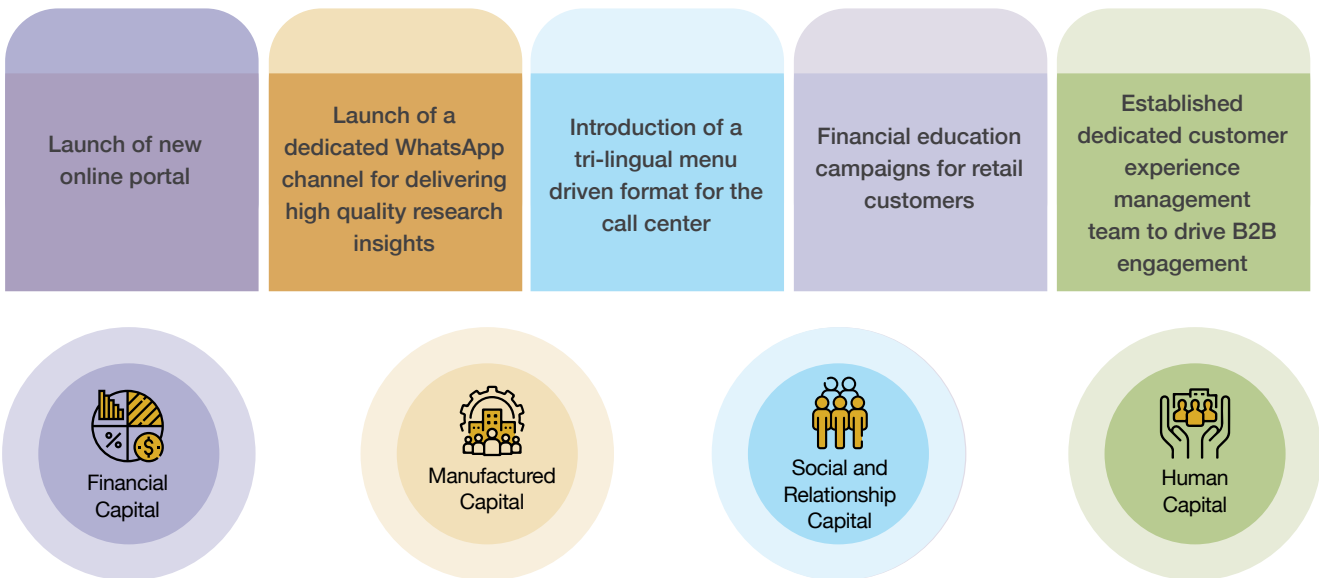
We will use robust technology complemented by human interaction to constructively and deeply engage our clients.

We aim to build the infrastructure needed to provide our clients a truly digital and interactive, approach as required to help meet their financial goals.

Key Priorities for FY 2023/24	Invest in developing agile and responsive digital channels to cater to the needs of diverse customer demographics
	Improve service delivery through value added services
	Promoting financial inclusion and financial literacy to empower customer to access new opportunities for wealth creation
	Emphasis on strengthening the value proposition for the B2B segment

Resource Allocation Through Capitals

Key Initiatives



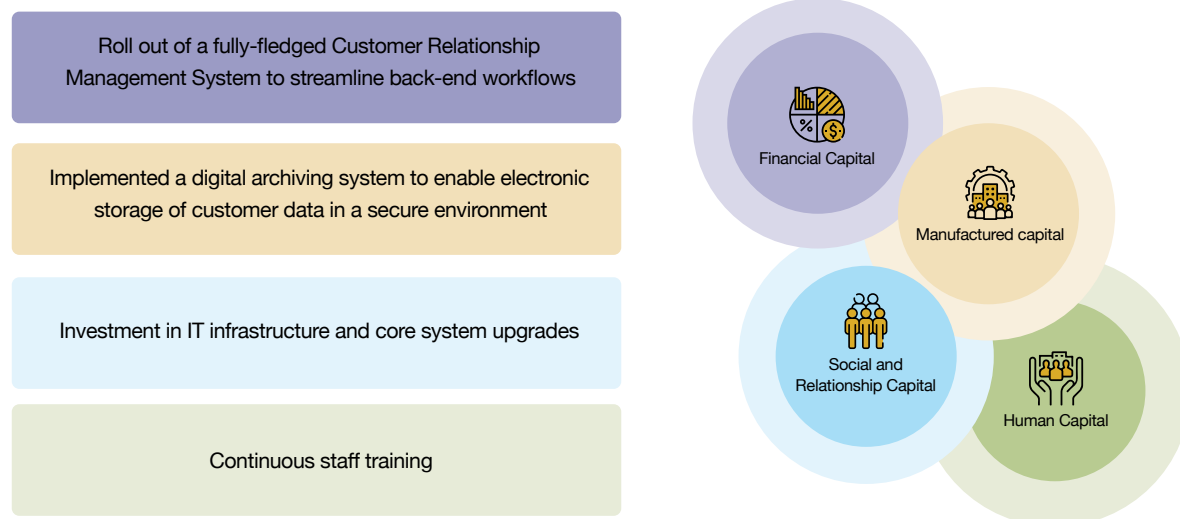
Transformative Execution

We will invest in the transformation of our human capital to help engage and serve our stakeholders productively. We will deliver profitable investment and trading solutions and objective and independent advisory solutions independently and collaboratively. We will streamline systems and processes for increased efficiency.

Key Priorities for FY 2023/24	Process digitisation and workflow automation
	Capacity building to strengthen team skills and competencies

Resource Allocation through Capitals

Key Initiatives



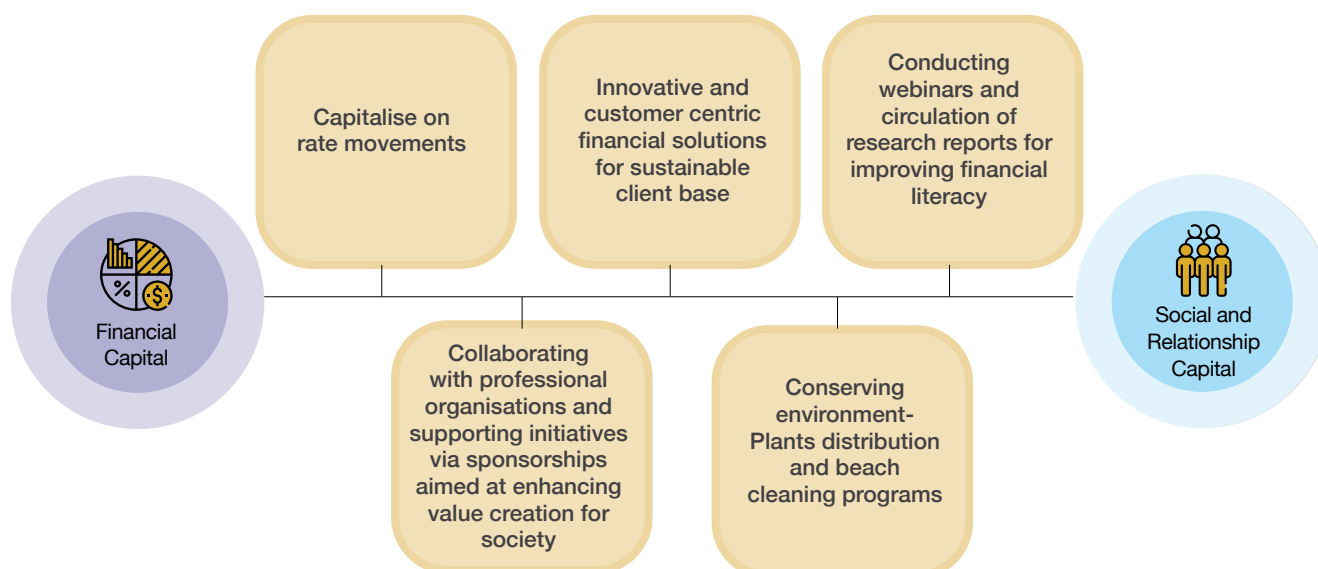
Transformative Growth

We will drive long-term, environmentally and socially sustainable growth and value.
We will responsibly allocate our resources and strive to deliver positive societal impact.

Key Priorities for FY 2023/24	Optimal portfolio management amidst market uncertainty
	Emphasising digitalisation and innovative solutions to foster sustainable value creation
	Initiatives aimed at improving financial literacy through educational resources
	Concentrate on ESG factors to foster sustainable transformative growth

Resource Allocation through Capitals

Key Initiatives



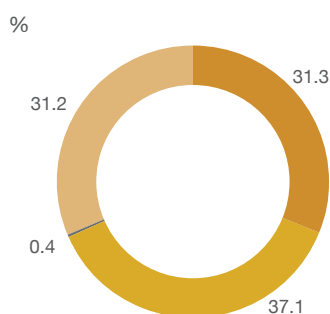
SOCIO ECONOMIC IMPACT

Our commitment to sustainability means creating inclusive value for stakeholders and the community.

VALUE ADDED STATEMENT

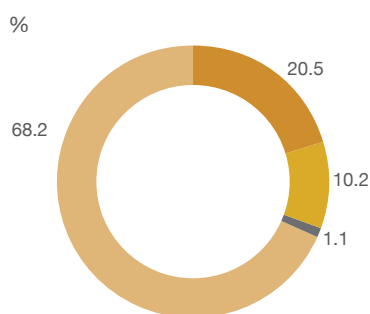
	FY 2023/24 Rs.'000	FY 2022/23 Rs.'000
Income generated	26,598,738	9,969,951
Distributed as follows:		
Shareholders		
Dividends paid and declared to ordinary shareholders	(8,926,200)	(923,400)
Debt funding providers		
Interest on debentures issued	(97,591)	(97,124)
Clients		
Interest on other debt instruments issued	(7,513,552)	(6,192,321)
Employees		
Salaries and other benefits	(1,641,574)	(443,479)
Government		
Income and other taxes	(5,408,975)	(1,322,881)
Corporate social investment	(426)	(1,150)
Suppliers/ service providers including vendors	(481,808)	(103,730)
Total distribution	(24,070,126)	(9,084,085)
Retention for future expansion and growth	2,528,612	885,866

Total Distribution - 2023/24



■ Employees, Government, Social, Suppliers
■ Shareholders
■ Debt Funding Providers
■ Clients

Total Distribution - 2022/23



■ Employees, Government, Social, Suppliers
■ Shareholders
■ Debt Funding Providers
■ Clients

DIRECTOR'S STATEMENT ON INTERNAL CONTROL

The Board is responsible for maintaining a sound system of internal controls to safeguard shareholders' investments and Company assets. The Board has delegated the function of monitoring the adequacy of internal controls to the Board Audit Committee among other duties. The function is further delegated to the Enterprise Risk Management Committee to monitor the same more frequently.

The main function of the Enterprise Risk Management (ERM) process is to identify the principal risks impacting the business and take mitigating actions. The Management of the Company identifies the risks that affect the business and reports matters to relevant sub-committees. The senior management, based on the ERM framework, Risk and Compliance division with the advice of senior management implements policies on risk and control. The risk and compliance division are accountable to the Board for monitoring and providing assurance as to the effectiveness of internal controls. The company has commissioned M/s Ernst & Young, as the independent internal audit consultant, to ensure the effectiveness of the internal control systems.

As a result of their activities, several processes have been enhanced during the year under review.

The Board has implemented the followings to obtain reasonable assurance that proper systems of internal controls are in place;

- Based on the recommendations made by CBSL due to the significance of the business operations, separate Board sub-committees were established by the Board by approving members and terms of reference. This has improved the senior management's focus on the Primary Dealer function and its internal control environment.
- A company-specific delegation of authority manual has been established.
- The effectiveness of the internal audit function was monitored by M/s Ernst & Young as the internal audit consultant.

Board Audit Committee (BAC), Enterprise Risk Management Committee (ERMC), and Independent Internal

Auditor ensure reviewing and reporting on the internal control environment of the Company.

- o The minutes of the BAC and ERMC meetings are tabled at regular Board meetings. The report of the BAC and ERMC are provided in the annual report.
- o The BAC reviews and approves the internal audit plan for the year. The audit plan is structured on a matrix based on key risk areas including the adequacy of internal controls. Delivery dates of action plans are regularly monitored, and any delays are highlighted and rectified.
- o During the year under review the audit committee reviewed two audit reports and the management letter submitted by both internal and external auditors. The reports covered key findings with management comments and actions taken to rectify any control weaknesses. Control weaknesses identified in previous reviews were also tracked to ensure that the management has taken the necessary action to eliminate or minimise any risks.
- On Information Technology (IT) controls, the Board has initiated multiple mechanisms.
 - o Vulnerability and penetration testing assessments were carried out to ensure the integrity of financial information, data security, and adequate access controls are in place with regard to the processing of data.
 - o During the year, cyber security was considered an area of focus and a penetration testing assessment was conducted to ensure the safety of critical assets of the company in this context.
 - o The assignment of conducting an audit of IT policies and procedures was awarded to M/s KPMG.
- A company-specific ERM Framework was introduced based on the recommendations made by CBSL and the same was reviewed and approved by the Board of Directors. Comprehensive processes related to the following areas were incorporated.
 - o Liquidity risk management
 - o Interest rate risk management

- o Regulatory and Compliance risk management

- A company specific AML/CFT Policy was established based on the improvement suggestions made by the Financial Intelligence Unit of CBSL.
- The BAC reviewed and approved the Internal Audit scope which includes specifically ensuring the effective design and implementation of internal controls;
 - o The effectiveness of the internal controls is measured based on the repetition of the control weaknesses or improvement areas that have been highlighted in the audit reports.
 - o Improvements in line with industry and / or non-industry best practices are also implemented on an ongoing basis.
- BAC continued to monitor the progress of the bottom-up compliance sign off process which strengthened the control environment and provide comfort to the senior management and the Board of Directors that staff at all functions are aware and conducts business transactions as per the rules and procedures.
- Risk and Compliance division review the process and system gaps frequently and policies and processes are being implemented and updated in order to mitigate the risks identified based on such assessments.

Conclusion

The Board having implemented the above is aware that such systems are designed to mitigate rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatements of loss.

(Sgd.)

Minette Perera

Chairperson - Board Audit Committee

(Sgd.)

Manjula Mathews

Chairperson

4 June 2024
Colombo

RISK MANAGEMENT REPORT

FCT'S APPROACH TO RISK MANAGEMENT

First Capital Treasuries PLC adopts a robust Enterprise Risk Management (ERM) approach in alignment with the ISO 31000-2018 standard, emphasising a structured and comprehensive framework to manage risk across the organisation. This approach integrates risk management into all aspects of the company's processes and decision-making, ensuring a proactive identification, assessment, and mitigation of potential risks. By adhering to the ISO 31000-2018 guidelines, the Company prioritises a consistent and transparent risk management culture that supports strategic objectives and enhances stakeholder confidence.

The company maintains continuous monitoring and improvement practices, utilising risk management as a strategic tool to anticipate challenges and capitalise on opportunities, thereby maintaining resilience and competitive advantage in a dynamic financial environment.

RISK APPETITE

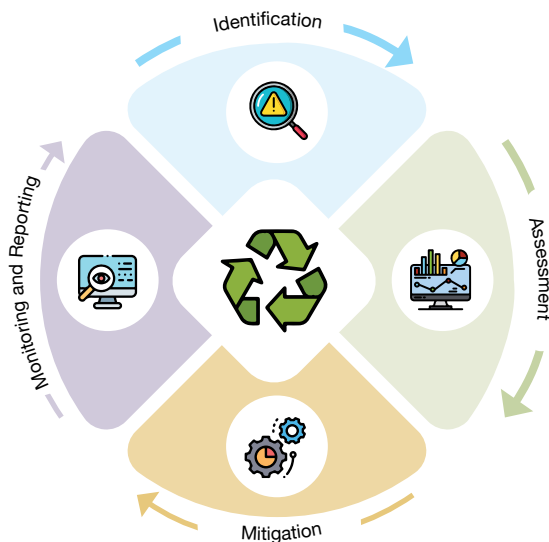
The Company operates on the basis of a well-defined and strategic risk appetite, which serves as a cornerstone for its risk management practices. The Company's risk appetite framework, which is approved by the Board, sets out acceptable levels of risk across various categories, including market, credit, operational, and liquidity risks, ensuring

alignment with the company's strategic objectives and regulatory requirements. By defining its risk appetite with precision, FCT aims to effectively navigate market volatilities, optimise returns, and sustain long-term value creation, while maintaining rigorous controls to mitigate potential adverse impacts.

Stemming from the overall risk appetite, tolerance limits are set via specific quantifiable, and measurable thresholds to guide daily operations and decision-making processes. By establishing clear risk tolerance limits, we ensure that risk-taking activities are kept within acceptable boundaries, promoting a disciplined approach to risk management and fostering a resilient organisational structure capable of withstanding potential adverse scenarios.

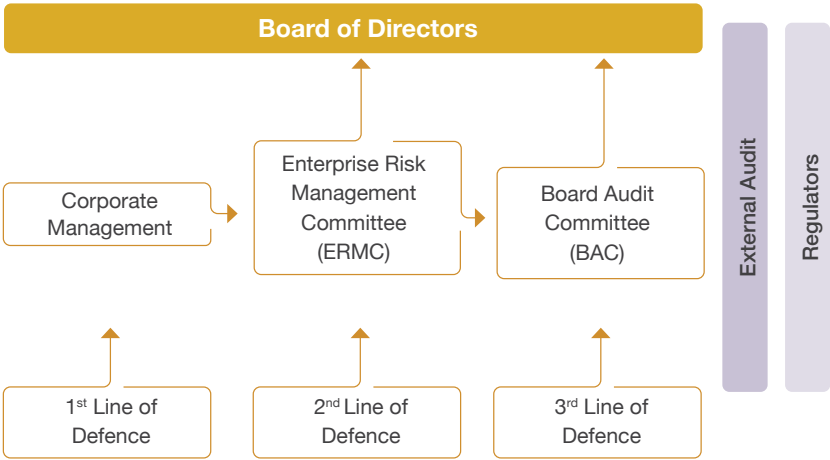
Tolerance limits are regularly reviewed and adjusted based on ongoing risk assessments and changes in the internal and external environment, ensuring they remain aligned with the Company's risk appetite.

RISK MANAGEMENT PROCESS



Risk Process	
Identification	Risks are primarily identified by the first line of defence. Additionally, the Risk and Compliance Division (R&C) conducts environmental scans to uncover potential risk triggers within the Company's risk universe.
Assessment	The Risk and Compliance Division (R&C) conducts risk assessments to evaluate the impact of identified risk triggers using the impact / likelihood matrix to assign a risk rating for each risk trigger. This process is facilitated by techniques like stress testing and scenario analysis to determine the impact on the Company's revenue, profitability and balance sheet.
Mitigation	Risk treatment is based on the Board-approved risk appetite and associated tolerance limits. Accordingly, appropriate risk treatment measures are established to either mitigate, avoid, transfer or accept risk.
Monitoring and Reporting	The R&C undertakes to proactively monitor adherence to risk tolerance limits for all risk types, with findings documented in the Risk Register. The Risk Register is a comprehensive document that captures details of ongoing risk identification, assessment and treatment efforts. The Risk Register is also the main tool used to support risk reporting to risk committees and the Board.

RISK GOVERNANCE AT FCT



FIRST LINE OF DEFENCE:

Front-line business units, operations, and processes supported by centralised functions. These units manage risk exposures through well-documented procedures, internal controls, and established limits. Front and back office staff ensure compliance with regulatory requirements and internal policies, contributing to an updated Risk Register, fostering a culture of risk awareness.

SECOND LINE OF DEFENCE:

Risk and Compliance division - embeds risk management in the company culture, providing assurance on regulatory compliance and risk tolerance.

Middle office - validates transactions, escalating exceptions for higher approval

Investment, Asset and Liability Management Committee - directs company strategy, determining limits and controls for market risks.

THIRD LINE OF DEFENCE:

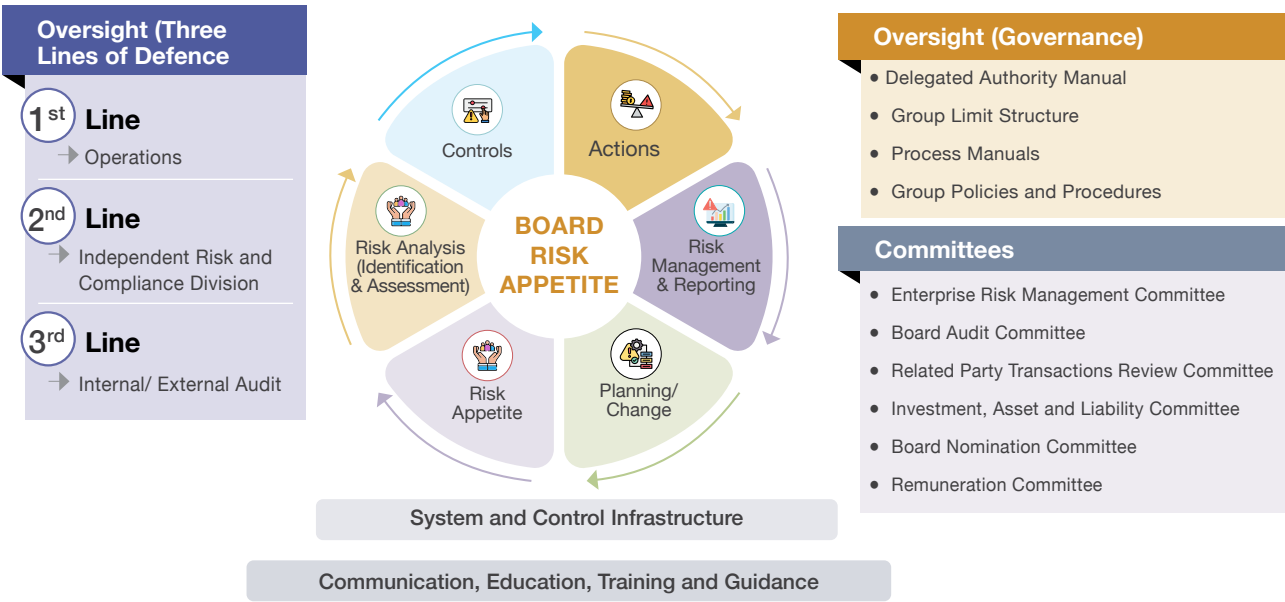
Internal Audit - conduct due diligence to provide independent assurance regarding the efficacy of the company's risk and control systems.

RISK CULTURE

The Board of Directors takes the lead in fostering a robust risk awareness culture to empower employees to align their actions with the Company's risk tolerance.

Under the guidance of the Board and the Board Committees, specifically the Enterprise Risk Management Committee and the Board Audit Committee along with the Company Risk and Control Department, conduct regular training workshops to reinforce the importance of risk awareness among staff.

RISK CULTURE



Risk Management Report

RISK AND OPPORTUNITY MATRIX

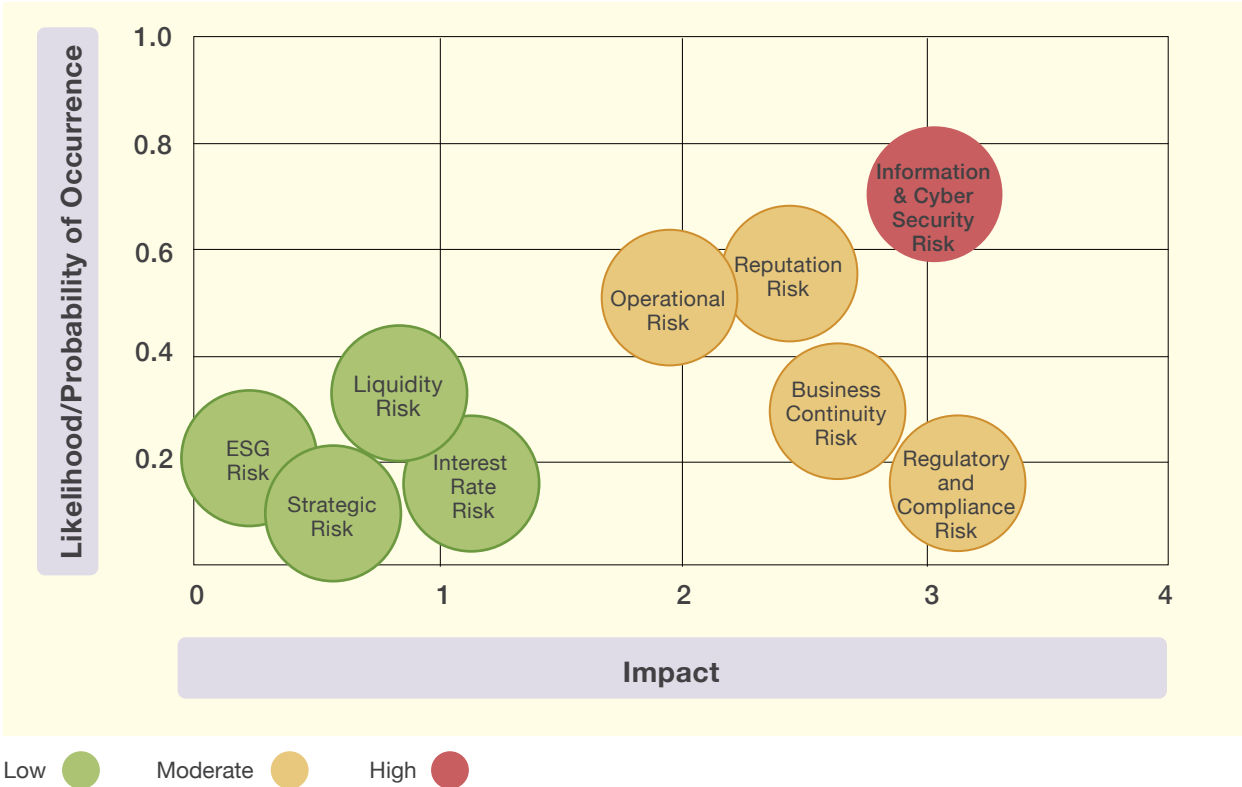
Our risk and opportunity matrix provides the impact and likelihood ratings that are utilised for risk assessments. It also provides interpretative guidance on categorisation of impact and likelihood

to foster institutional uniformity in classifying, rating and prioritising risks.

Risk ratings are monitored periodically and subject to change based on overall variations in impact to the company and percentage of likelihood.

Depending on the results obtained, risks will be positioned in the matrix given below.

FIRST CAPITAL TREASURIES PLC - COMPANY RISK MATRIX





MANAGING KEY RISKS AND OPPORTUNITIES


Interest Rate Risk-


Potential losses to FCT's government securities portfolio owing to adverse rate movements

Risk Context for FY 2023/24	High degree of speculation regarding the rate of government securities owing to the uncertainty of DDO at the beginning of the year followed by greater rate stability as a consequence of the conclusion of the DDO in mid-2023		
Impact to FCT	Scale - Low	Probability - Remote	Risk Score - Low ●
Monitoring and Mitigation	Advanced forecasting models to improve the accuracy of predicting interest rate movements in order to proactively respond to changing market conditions		
Opportunities derived and FCT's response	Leveraged research and forecasting capabilities to capitalise on optimal rate movements to grow the Treasury bond portfolio at the start of the financial year, to substantially bolster income growth for the current financial year		

Liquidity Risk-			
Potential losses as a result of inadequate cash flows to conduct daily operations and meet regulatory obligations			
Risk Context for FY 2023/24	The liquidity shortage in the domestic market at the start of the year, gradually eased from mid-2023 onwards on the back of the uptick in economic activity, consequently the liquidity position in the domestic market also progressively improved		
Impact to FCT	Scale - Low	Probability - Remote	Risk Score - Low 
Monitoring and Mitigation	Expanded the stress testing model to assess the Treasury department's ability to manage and maintain sufficient liquidity amid adverse market conditions or unexpected events		
	Formally documented the liquidity risk management framework inducing the stress testing model and the governance structure		
Opportunities derived and FCT's response	Capitalised on the excess liquidity in the market to negotiate additional facilities to enhance the contingency funding position		

Regulatory and Compliance Risk-			
Potential losses owing to non-compliance of regulations			
Risk Context for FY 2023/24	Extensive changes to the regulatory framework resulting in the interdiction of a range of additional compliance requirements, including the CSE's New Corporate Governance Rules, the new Personal Data Protection Act, revisions to the Central Bank of Sri Lanka Act, Anti-corruption Act and Changes made to the Trading Participant Rules (Short selling)		
Impact to FCT	Scale - High	Probability - Low	Risk Score - Moderate 
Monitoring and Mitigation	Continuous and ongoing monitoring of regulatory requirements by the Risk and Control department and reporting to the Board to ensure timely compliance		
	Automation of compliance monitoring requirements of the company against stress testing of regulatory thresholds,		
	Automation of transaction monitoring and client screening processes through the new AML system		


Business Continuity Risk-			
Potential losses owing to business disruptions attributed to the failure of back-end systems or inadequate human resources			
Risk Context for FY 2023/24	The gradual improvement in economic conditions in 2023 created an environment for the resumption of "business as usual"		
Impact to FCT	Scale - High	Probability - Low	Risk Score - Moderate 
Monitoring and Mitigation	Conducting routine BCP Drills in the presence of an independent observer to provide additional assurances		
	A robust Board-approved human capital strategy aimed at attracting and retaining the best in-class team (Refer Human Capital section on pages 68 to 73)		
	Implementing IT infrastructure to facilitate remote working under secured environment		
	Implementing and maintaining a strong succession and back-up plan		

Reputation Risk-			
Losses arising as a consequence of an erosion in customer confidence in the Company			
Risk Context for FY 2023/24	Changes to the business model as a result of the shift in focus from B2B to B2C and driving the same mainly through digital channels		
Impact to FCT	Scale - High	Probability - Possible	Risk Score - Moderate 
Monitoring and Mitigation	Proactive management of portfolio to mitigate the risk		
	Regular training of sales teams on customer service		
	Monitoring and promptly addressing customer complaints		
	Implemented a CRM system to enhance end-to-end services provided to customers		

Risk Management Report


Strategic Risk-

Potential losses owing to actual results being significantly different from the strategy and business plan

Risk Context for FY 2023/24	Delays to the dependency on external service providers (mainly the system vendors)		
Impact to FCT	Scale - Low	Probability - Low	Risk Score - Low 
Monitoring and Mitigation	Continuous and ongoing monitoring and follow up and regular reporting to the Board detailing actual performance against strategic objectives and targets, including through fortnightly Management Committee and quarterly Board meetings		


Information and Cybersecurity Risk-

Potential losses owing arising as a result of the loss of information due to external or internal breach of IT systems

Risk Context for FY 2023/24	Growing global threat of cybercrime targeting financial institutions		
Impact to FCT	Scale - High	Probability - Possible	Risk Score - High 
Monitoring and Mitigation	Comprehensive assessment of IT and Information Security (IT & IS) risks using local and international IT & IS benchmarks, with findings reported to the management and Board for necessary actions		
	Vulnerability Assessment and Penetration Testing (VAPT) conducted by an independent third-party specialist with findings reported to the Board		
	Continuous education was provided to staff on cyber security risks		
Opportunities derived and the Company's response	Implementation of high level security protocols including MDM, EDR and DLP		


Operational Risk-

Potential losses owing flawed and failed systems, policies, processes or events that disrupt business operations.

Risk Context for FY 2023/24	Incidents and near-misses identified as a consequence of the increased business and transaction volumes and customer onboardings		
Impact to FCT	Scale - Moderate	Probability - Possible	Risk Score - Moderate 
Monitoring and Mitigation	A robust framework of policies and processes in place that mitigates operational risk		
	Incident and near-miss policy in place to escalate operational misconduct or control lapses to the Management and the Board of Directors		
	Frequent risk assessments and gap analysis conducted to assess the efficiency of policies and processes		
Opportunities derived and the Company's response	Revamp the existing Core - application system with advanced features that minimise manual processes		

ESG Risk-

Potential losses attributed to the lack of focus on environmental, social and governance best practices

Risk Context for FY 2023/24	Growing concerns on ESG matters globally are pushing organisations to address key ESG aspects such as promoting gender diversity in the workplace and the adoption of sustainable business practices including more emphasis on climate action goals		
Impact to FCT	Scale - Low	Probability - Low	Risk Score - Low 
Monitoring and Mitigation	Board focus on ESG integration across all levels of the business		
	Improve ESG reporting transparency through the adoption of global frameworks such as IR, GRI, SASB and UN SDG's		

MANAGEMENT DISCUSSION AND ANALYSIS



THE BISHOP

Our management team possesses strategic vision and foresight to navigate the complexities of the financial landscape with precision and agility. Akin to the calculated moves a Bishop takes, we have steered First Capital Treasuries towards sustained growth and profitability.

OPERATING ENVIRONMENT

GLOBAL ECONOMY

In 2023, the global economy faced significant obstacles on its path to recovery, including escalating geopolitical tensions, a surge in natural disasters, and the growing trend of deglobalisation and trade protectionism. Despite these challenges, the International Monetary Fund (IMF) raised its forecast for global growth to 3.1% for 2024, the same as in 2023. This growth was largely attributed to the resilience shown by the US and emerging economies, driven by strong consumption.

The global financial landscape experienced turbulence as the Federal Reserve announced aggressive interest rate hikes, causing shockwaves in the global banking industry. Meanwhile, the spectre of recession loomed over several European countries, reflecting a stalling economy within the EU. Despite this, certain regions such as Asia remained robust contributors to global growth, with the Chinese economy demonstrating resilience and positive long-term prospects.

International trade, however, fell short of expectations due to geopolitical confrontations and a resurgence of protectionism, leading to recurring frictions between economies. The conflict in the Middle East heightened geopolitical risks and uncertainty in commodity markets, further contributing to the slowdown in global trade growth. Consequently, the volume of world merchandise trade only grew by 0.2% in 2023.

Frequent extreme weather events added to the strain on the already fragile global economy. A severe heatwave swept across Europe and Africa, aggravating existing economic challenges. Despite these headwinds, efforts to navigate

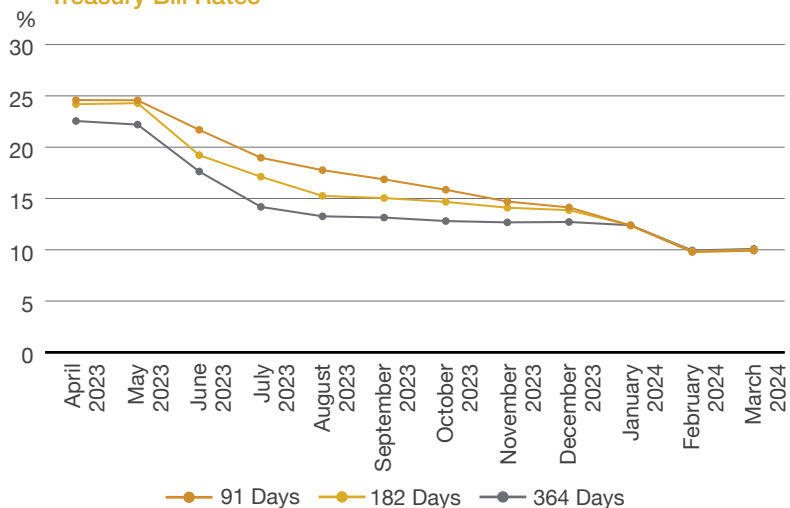
and mitigate these obstacles remained paramount for sustaining global economic stability and fostering long-term growth.

SRI LANKAN ECONOMY

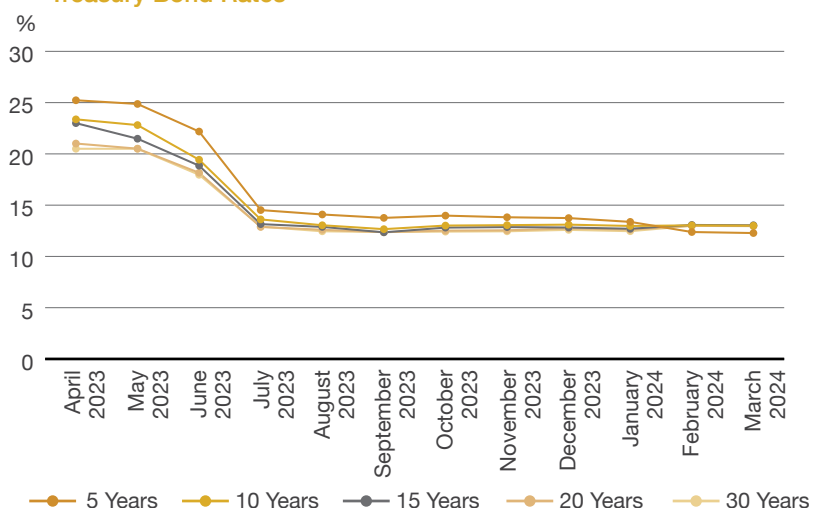
Commencing 2023, the secondary market yield curve hovered in the range of 27.00%-33.00%, with longer tenures trading towards the lower-end of the curve whilst shorter tenures traded at a slight premium. With GoSL operations showing increase of stability during 1H2023, the Central Bank of Sri Lanka (CBSL) opted to go for rate cuts from Jun-23, with an intention to reduce prevailing rates and boost economic growth. On the backdrop of toning

down inflation (recorded at 4.0% in December 2023 cf. 59.2% in December 2022), coupled with the reduction in policy rates of 550Bps by the CBSL during 2H2023, and finalisation of local debt restructuring in September 2023 and finalisation of MoUs with bilateral lenders in December 2023, resulted with secondary market yield curve re-rating to between 13.00% to 15.00%. We believe the steep reduction in the yield curve augured well for FCT during the period in concern, as reduction in rates boosted prospects for a capital gain from the traded bond maturities, lifting the profits from Rs. 2.9Bn recorded in FY23 to Rs. 11.1Bn in FY24 period.

Treasury Bill Rates



Treasury Bond Rates



GROSS DOMESTIC PRODUCT (GDP)

In 2023, Sri Lanka's GDP contraction decelerated, closing the year at 2.3%. The steep decline witnessed in 1H2023 was partially mitigated by consecutive growth in 2H2023. Notably, the agricultural sector expanded by 2.6% during the year, rebounding from the previous year's contraction. This growth was propelled by increased availability of fertilisers and agrochemicals, removal of import bans, stabilisation of input costs, and a decline in fuel prices. Moreover, there was a slowdown in contraction for the Industrial and Services segments, with declines of

9.2% and 0.2% respectively, indicating a recovery in both business activities and consumer demand. Encouragingly, the implementation of robust political and economic reforms, alongside improvements in the external sector performance, sets the stage for the Sri Lankan economy to grow by 3.0% in 2024.

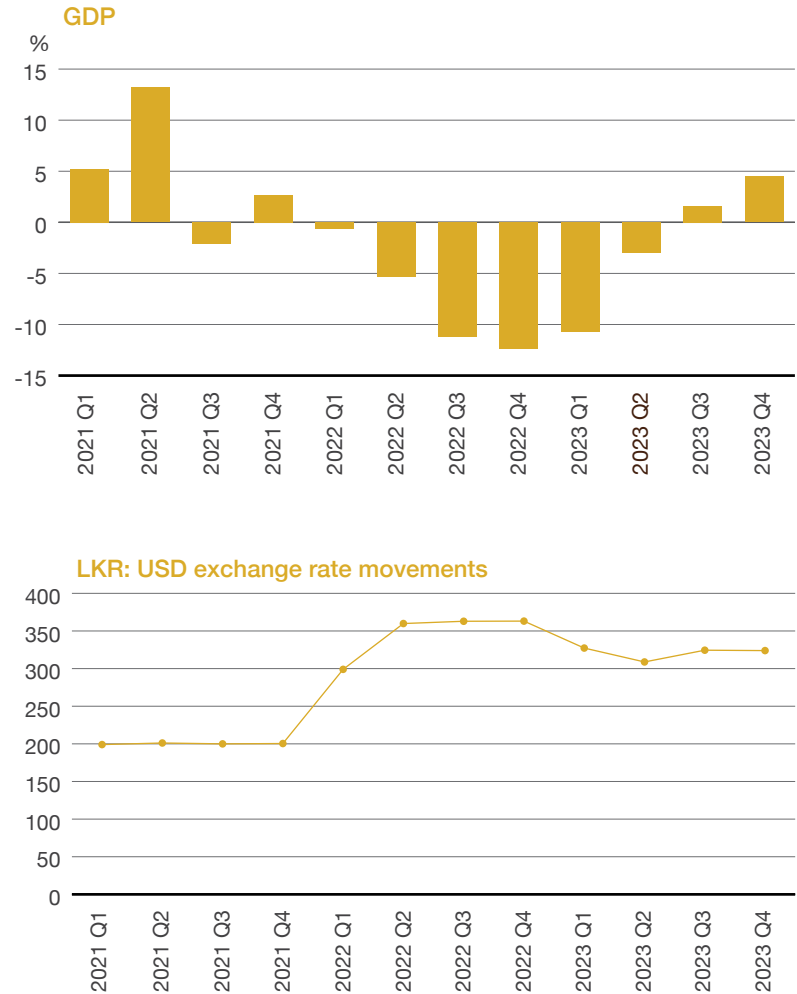
EXCHANGE RATE

After experiencing a significant devaluation in 2022, with rates surpassing 360 level against the USD, the Sri Lankan rupee saw a notable appreciation in 2023. This improvement

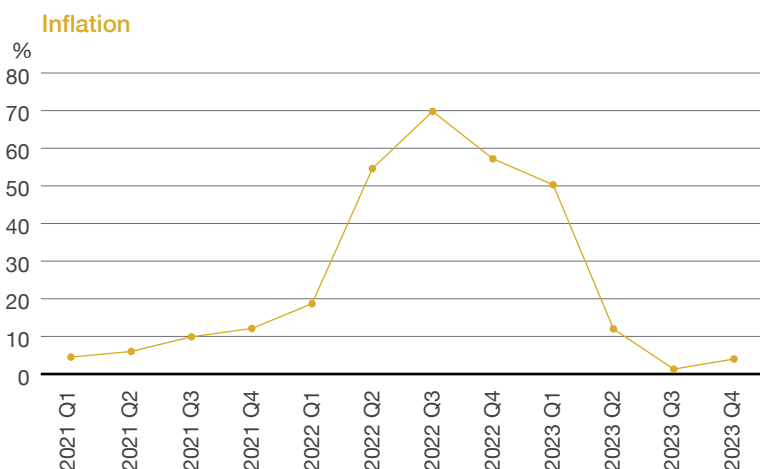
brought it below the Rs. 300 mark by mid-year, and it largely stabilised within the range of Rs. 320-330 towards the year's end. This stability was achieved amidst increased inflows, notably from tourism earnings, worker remittances, and government buyback initiatives.

INFLATION

Amidst the backdrop of a substantial appreciation of the Sri Lankan Rupee and a stabilising trend in global commodity prices, the cost of imported goods and services achieved remarkable stability throughout the year. Notably, the trajectory of global oil prices, which had soared to over USD 100 per barrel in 2022, experienced a significant decline, reaching approximately USD 70 per barrel by 2023. This downward trend translated into tangible benefits for Sri Lanka, culminating in consecutive reductions in local fuel prices over the course of 2023. The appreciation of currency further facilitated favourable conditions, making intermediary goods more affordable led to a noticeable decrease in the prices of both imported and domestically manufactured products within the local market. Reflecting this favourable economic landscape, the YoY change in the NCPI exhibited a notable trajectory. After peaking at 73.7% in September 2022, the rate gradually moderated, reaching a commendably low 2.5% by March 2024.

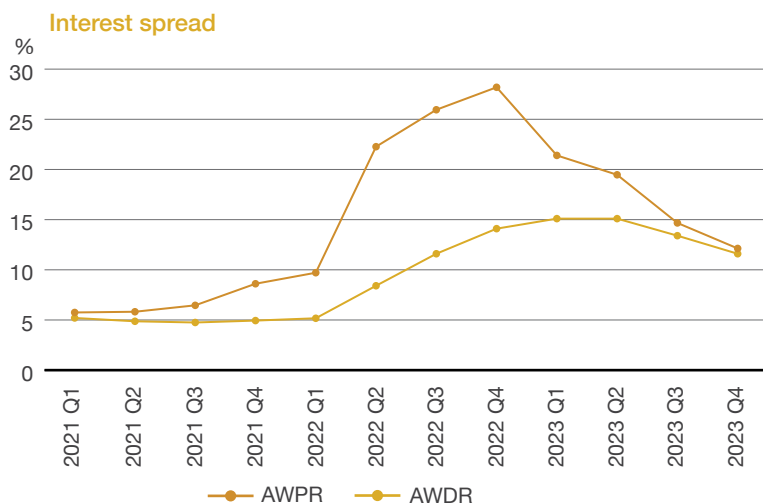


Operating Environment



INTEREST RATES

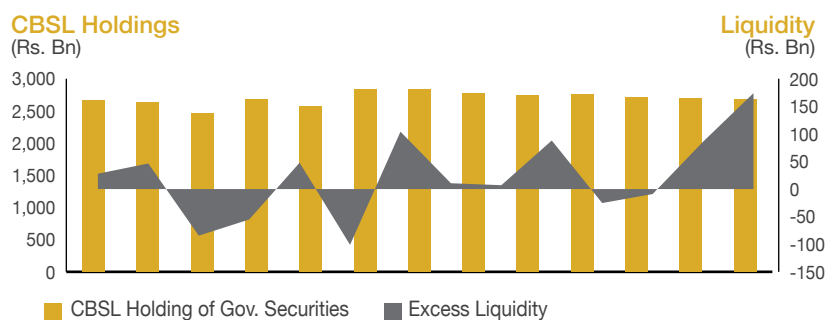
Post finalisation of the domestic debt restructuring in July 2023, the secondary market yields experienced a notable decline of 700 to 1000 basis points, accompanied by a significant reduction in monetary policy rates by the CBSL. As of March 2024, the Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) stood at 8.50% and 9.50% respectively, down from their peak of 15.50% and 16.50% in March 2023. Concurrently, the 1-Year Treasury Bill closed at 10.28% and the average weighted prime lending rate decreased from 25.28% in early 2023 to 10.69% by March 2024, indicating improved market conditions.



IMF AND DEBT RESTRUCTURING PROGRESS

In March 2023, the IMF reached a staff-level agreement with Sri Lanka, concluded the second review of the 4-year Extended Fund Facility (EFF) supported program in December 2023, granting Sri Lanka access to SDR 254 Mn (about USD 337Mn). Following the staff-level agreement reached for the 2nd review and upon successful completion of the Executive Board review, Sri Lanka stands to gain access to approximately USD 330Mn, thereby augmenting the total IMF financial support under the program to approximately USD 1Bn following three disbursements.

Debt Restructuring Progress: Sri Lanka has been broadly in line with IMF conditions achieving or exceeding most of the conditions except achieving debt sustainability that has been significantly delayed due to the delay in external debt restructuring. Following the completion of the domestic debt restructuring, now external debt restructuring stands as a key requirement for Sri Lanka to achieve debt sustainability. Significant progress was made by achieving credit assurances from the Bi-lateral partners while negotiations with the Bondholder group is still pending and is vital for the completion of the external debt restructuring. SOE reforms have been a key element that the IMF has been focusing on and SL has made major progress in some of the privatisation initiatives. With 2024 being a year of elections, it is important to see the



progress of the reforms despite the elections as the crisis in SL pushing any Government into continuous reforms.

In the backdrop of a broader macroeconomic turnaround, Sri Lanka faces challenges in consumer disposable income due to multiple tax adjustments and inflationary pressures. Despite this, recent revisions to essential utility prices and upcoming salary hikes have spurred demand. With interest rates nearing 10% and inflation stabilising to single digits, the CBSL forecasts a 3% economic expansion in 2024, albeit the IMF projects a more conservative growth rate of 1.8%. However, amidst potential political turbulence and policy uncertainties, economic conditions may become volatile.



FINANCIAL CAPITAL

As a leading player in the local capital market, having robust financial capital allows the Company to perform its role in supporting government financing through the purchase of treasury bills and treasury bonds, which in turn helps stabilise and develop the national economy. Adequate financial capital also provides the flexibility to navigate market fluctuations, absorb shocks, and seize new investment opportunities and supports the Company to maintain adequate liquidity to meet its financial obligations, and sustain investor confidence.



INPUTS

Income
Direct Expenses
Other Income
Operating Expenses
Profit Before Tax
Taxation
Dividend

Total Assets
Total Liabilities
Capital Adequacy
Cash Flow Movements

VALUE TRANSFORMATION



MATERIAL MATTERS

- Operational efficiency
- Responsible Selling
- Managing macroeconomic headwinds
- Managing socio-political impacts
- Investment and liquidity management
- Heightened importance of risk management
- Regulatory developments



MANAGEMENT APPROACH

The Company embraces a strategic approach to managing its financial capital, ensuring optimal utilisation and robust risk management. The company leverages a comprehensive framework that integrates advanced financial analysis and rigorous risk assessment to support active market participation in the primary market. This approach also involves continuous monitoring of market conditions, economic indicators, and regulatory changes to make informed investment decisions. The Company employs sophisticated financial modelling and scenario analysis to anticipate potential market shifts to manage risk spreads vis-a-vis a diversified portfolio of high-quality assets, including Treasury Bills and Treasury Bonds. Furthermore, the emphasis on liquidity management aims to safeguard the Company's ability to meet its short-term obligations while maintaining the flexibility to leverage emerging opportunities.



KEY ACTIONS

- 167% year on year improvement in direct income
- 410% year on year improvement in net trading income
- 327% year on year improvement in PBT
- 286% year on year improvement in PAT

STAKEHOLDER OUTCOMES

- Rs. 8,926 Mn Total Dividend Payout
- Rs. 2,531 Mn paid as income taxes

OUTPUTS FOR FCT - IMPACT ON OTHER CAPITALS



Manufactured capital
Strong financial performance supports expansion in physical and digital infrastructure



Intellectual Capital
Above average results enhances reputation and industry standing



Social and Relationship Capital
Strong financial results helps to improve stakeholder confidence and trust

SDG's



INCOME

First Capital Treasuries PLC concluded the current year with its strongest-ever performance to date, setting new benchmarks for success. Income generated from core business activities grew by a phenomenal 167% year on year from Rs. 9,970 Mn in FY 2022/23 to a record high of Rs. 26,599 Mn in FY 2023/24.

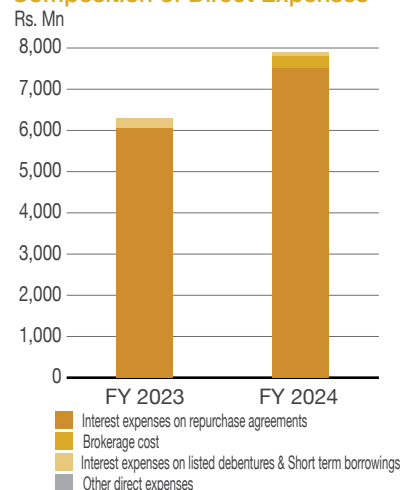
The income growth was largely the result of Trading Gain from the sale of government securities amounting to Rs. 15,811 Mn which also represents a historical milestone for the Company. Comparatively, Gain from the sale of trading portfolio of government securities recorded in the current year reflects a 11.9 times expansion from the Rs. 1,325 Mn reported in previous financial year.

The tactical management strategies of management to leverage the downward shift in interest rates to optimise the interest rates spread on the government securities portfolio, FCT's Net Interest Income stabilised from Rs. 3,598 Mn in the previous year, to Rs. 3,166 Mn in FY 2023/24.

DIRECT EXPENSES

Direct expenses, primarily comprising interest costs on repurchase agreements (repos), increased by 24% from Rs. 6,049 Mn in the previous year to Rs. 7,514 Mn in the year under review, driven by the growth in the overnight repo portfolio.

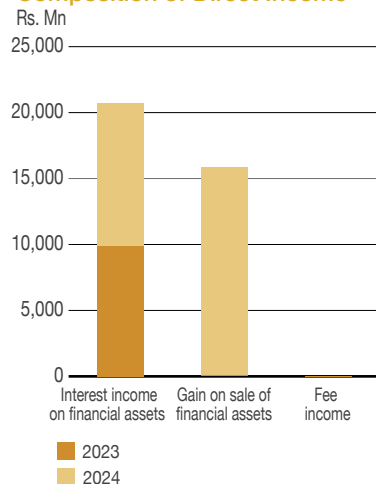
Composition of Direct Expenses



OTHER INCOME

The Company recognised reversal of marked to market gain amounting to Rs. 308 Mn on the government securities portfolio, compared to the gain of Rs. 1,078 Mn reported in the previous financial year - the result of shifting market dynamics in the current year.

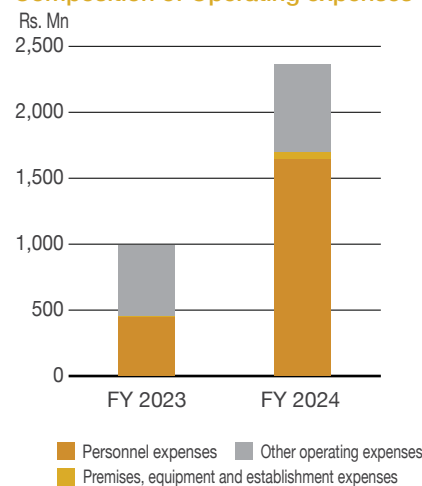
Composition of Direct Income



OPERATING EXPENSES

Operating expenses reflected a 2-fold increase in the current year, growing from Rs. 995Mn in FY 2022/23 to Rs. 2,368 Mn in the year under review. The increase was driven primarily by the uptick in personnel expenses against the backdrop of significant business expansion.

Composition of Operating expenses



PROFIT/(LOSS) BEFORE TAX (PBT)

Bolstered by strong operating results, FCT recorded PBT of Rs. 16,038 Mn in FY 2023/24, surpassing the previous record of Rs. 3,753 Mn set in the previous financial year - a significant 327% improvement year on year that also exceeds the industry average growth rate by a considerable margin.

TAXATION AND PROFIT AFTER TAX (PAT)

Income tax expenses increased from Rs. 867 Mn in FY 2022/23 to Rs. 4,895 Mn in the current year, directly as a consequence of PBT.

The Company reported PAT of Rs. 11,143 Mn in FY 2023/24, representing a 286% increase from the Rs. 2,886 Mn PAT reported in the previous financial year.

DIVIDEND

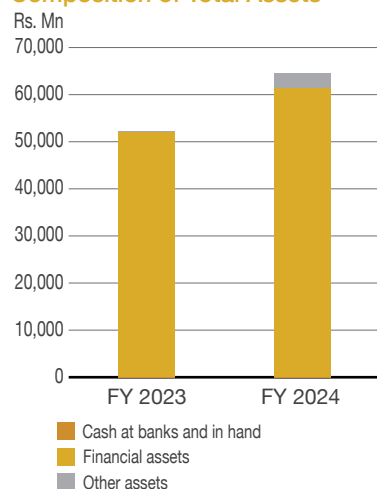
Aiming to share the Company's impressive performance with shareholders, FCT declared dividend of Rs. 14.50 per share to equity shareholders for the FY 2023/24, substantially higher than the Rs. 1.50 dividend per share announced in the previous financial year. On this basis, the total dividend payout for the current year amounted to Rs. 8,926 Mn - the highest ever dividend payout by the Company.

TOTAL ASSETS

FCT's total asset base increased to Rs. 64,556 Mn as at 31 March 2024 from Rs. 52,324 Mn at the end of FY 2022/23 reflecting an expansion of 23% year on year. Financial assets-FVTPL and financial assets at amortised cost together accounted for a bulk 95% of the Company's asset base as at 31 March 2024.

Financial Capital

Composition of Total Assets



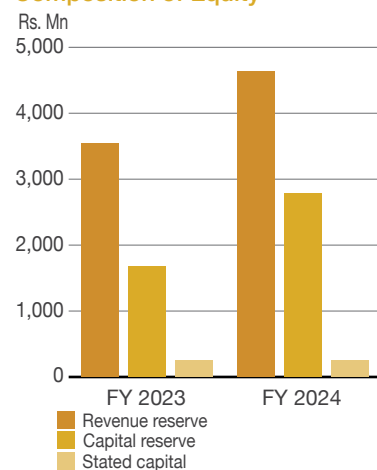
TOTAL LIABILITIES

The movement in liabilities was broadly similar to the asset book, with total liabilities of the Company increasing to Rs. 56,877 Mn in the financial year from Rs. 46,860 Mn, denoting a 21% growth year on year. Securities sold under repurchase agreements remained the largest component, accounting for 85% of total liabilities.

EQUITY

Higher retained earnings on the back of improved PAT in the current year saw total equity of the Company increasing to Rs. 7,679 Mn in FY 2023/24 from Rs. 5,464 Mn in the previous financial year, denoting a commendable 41% improvement year on year.

Composition of Equity



RISK WEIGHTED CAPITAL ADEQUACY RATIO (CAR)

FCT continued to maintain a strong CAR of 20%+/- throughout the year, which although a slight reduction from the 24% registered in the previous year, was nonetheless nearly double the 10% regulatory minimum requirements. The CAR impairment in the current year stems from the improvements in equity as well as the portfolio of risk-weighted assets.

ANALYSIS OF THE CASH FLOW STATEMENT

Operating profit before changes in operating assets and liabilities improved substantially, increasing from Rs. 3,292 Mn in FY 2022/23 to Rs. 17,431 Mn in the current year. This growth was primarily driven by trading gains of government securities.

Consequently, cash generated from operations rose to Rs. 9,935 Mn in the current year, representing a remarkable 414-fold improvement from the Rs. 24 Mn reported in the previous financial year.

Net cash flows generated from operating activities after adjusting for taxes and gratuity paid, was recorded at Rs. 7,403 Mn in FY 2023/24, a complete turnaround from the shortfall of Rs. 312 Mn reported in the previous financial year.

Meanwhile total cash outflows of Rs. 7,079 Mn in financing activities was noted on account of dividend paid to equity shareholders. This dividend payment comprised Rs. 6,156 Mn as the 1st interim dividend for FY 2023/24 and another Rs. 923 Mn on account of the dividend for the previous financial year.

FUTURE PLANS

Short - Medium Term

Initiatives on enhancing the contingent funding lines

Long Term

Focus on enhancing the debt capital funds (Tier II)



MANUFACTURED CAPITAL

Manufactured capital encompasses the tangible and digital framework empowering the Company to efficiently deliver its range of products and services to varied customer markets promptly and effectively



INPUTS



Digital Channels



IT Infrastructure



VALUE TRANSFORMATION



MATERIAL MATTERS

- Brand Image
- Client Centricity
- Operational Efficiency
- Digitalisation
- Financial Inclusion
- Responsible Selling



MANAGEMENT APPROACH

Execute deliberate and systematic investments aimed at enhancing both physical and digital infrastructure, strategically aligning with the long-term goals of the company.



KEY ACTIONS

- Launch of new online portal
- Increase security mechanisms and systems deployments to cope with ever increasing security threats



STAKEHOLDER OUTCOMES

- 17% increase in total active clients
- Access to diverse investment opportunities for customer segments across Sri Lanka

OUTPUTS FOR FCT - IMPACT ON OTHER CAPITALS



Financial Capital
Driving revenue growth and reducing cost-to-serve



Intellectual Capital
Better visibility to enhance brand positioning



Social and Relationship Capital
Promoting greater financial inclusion helps to foster customer trust and loyalty

SDG's



Manufactured Capital

DIGITAL CHANNELS

Given the increasing demand for online real time access, FCT has in recent years focused extensively on enhancing its footprint in the digital domain. During the current financial year, the Centralised IT division embarked on several significant initiatives to enhance its digital channel infrastructure. Notable advancements included e-onboarding system augmentation to facilitate a streamlined and expeditious self-onboarding process through the corporate website. Additionally, the e-onboarding agent application also underwent an upgrade, with the improved version featuring a robust new user interface that supports dynamic data capture.

IT INFRASTRUCTURE

As digital disruption continues to transform the modern business landscape, FCT has sought to stay ahead of the curve through strategic investments to fortify its hardware and core systems infrastructure.

These initiatives are primarily directed towards ongoing upgrades to server infrastructure and enhancements to core application platforms, all aimed at enhancing core speed, capacity, and security, while enabling greater scalability in alignment with planned business expansion strategies in the future.

FUTURE PLANS

Short - Medium Term

- Open up innovate digital channels to enable 24/7-365 day access and promote greater customer interaction
- Making improvements on the core application

Long Term

- Enhance transactional capability of the Mobile app through improved integration with the Group's core systems
- Launch of the missed-call balance inquiry feature





INTELLECTUAL CAPITAL

Intellectual capital is the cornerstone of FCT's business operations. From its seasoned team of financial experts, adept at navigating the complexities of the market, to its proprietary algorithms and analytical models, the company boasts a wealth of intellectual assets that collectively empower first capital treasuries to deliver superior returns to its clients, thereby strengthening trust and confidence in the fct brand



INPUTS

Brand Strength



Business Ethics and Conduct



Knowledge-based Systems and Processes



Digital Ecosystems



VALUE TRANSFORMATION



MATERIAL MATTERS

- Balanced Earnings
- Brand Image
- Client Centricity
- Digital Transformation
- Financial Inclusion
- Responsible Selling
- Managing Macroeconomic Headwinds
- Environmental, Social and Governance Matters
- Regulatory Developments



MANAGEMENT APPROACH

FCT's approach to developing its Intellectual Capital is based on investment in the professional development of its team by providing access to training programs, industry seminars, and certifications to deepen their expertise in financial markets and products. Additionally, FCT encourages cross-functional collaboration and knowledge sharing for the purpose of generating fresh insights and refining its Intellectual Capital

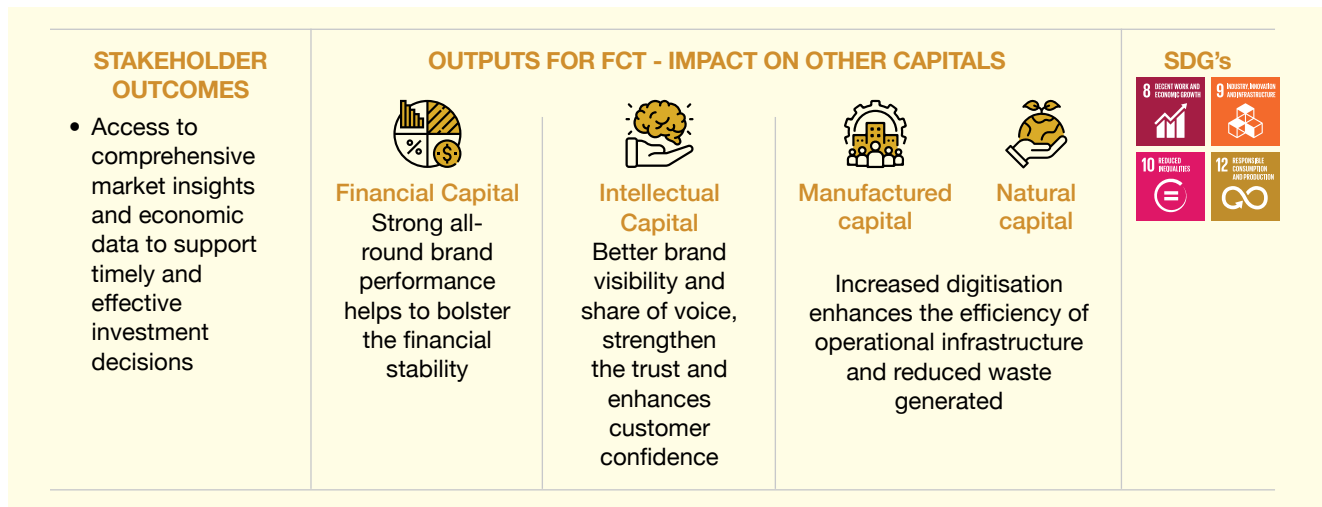


KEY ACTIONS

- Comprehensive research covering economic and market analysis
- Significantly expanded the digital ecosystems



Intellectual Capital



BRAND STRENGTH

The FCT brand today is synonymous with trust and reliability. FCT's stellar reputation is built on proven excellence in the financial services sector. Renowned for its integrity and transparency, the company has earned the confidence of clients and stakeholders alike through its commitment to delivering superior results while upholding the highest ethical standards. With a track record of successful investments and prudent risk management, FCT has garnered widespread acclaim for its astute financial acumen and client-centric approaches.

FCT's brand credentials are further augmented by the best in-class research capabilities. Advanced research capabilities coupled with the dedication to personalised service and tailored solutions has solidified FCT's position as a trusted partner for retail, high net worth, and institutional investors seeking to optimise their financial portfolios.

FCT's reputation received a further boost in the current year, owing to the company's stellar performance for FY 2023/24. In further acknowledgement of its achievements, FCT was ranked amongst the top 100 brands in Sri Lanka by Brand Finance Lanka Ltd.

In further validation of FCT's financial strength, First Capital Treasuries PLC's issuer rating of "A" with Positive outlook was endorsed by Lanka Rating Agency Limited.

FINANCIAL PROFILE TOP 100			LMD 100 SRI LANKA'S LEADING LISTED COMPANIES		
RANK 22/23	COMPANY	REVENUE (Rs. m)	RANK 22/23	COMPANY	REVENUE (Rs. m)
1	EXPOLANKA HOLDINGS	546,401	51	LANKEM CEYLON	33,755
2	HAYLEYS	487,431	52	SOFTLOGIC CAPITAL	32,687
3	LOLC HOLDINGS	333,122	53	ADL CABLES	30,147
4	CARSON CUMBERBATCH	330,459	54	COMMERCIAL CREDIT AND FINANCE	28,949
5	BURUT DARAH	330,421	55	JOHN KEELLS HOTELS	28,835
6	LANKA IDC	281,488	56	COLOMBO DOCKYARD	27,292
7	COMMERCIAL BANK OF CEYLON	280,387	57	FIN ASIA BANKING CORPORATION	25,813
8	JOHN KEELLS HOLDINGS	276,640	58	SOFTLOGIC LIFE INSURANCE	25,525
9	HATTON NATIONAL BANK	270,509	59	ASIRI HOSPITAL HOLDINGS	24,786
10	SAMPATH BANK	266,002	60	CHEVRON LUBRICANTS LANKA	24,575
11	CT HOLDINGS	196,266	61	CENTRAL FINANCE	24,474
12	CARGILLS (CEYLON)	195,618	62	SDB BANK	24,034
13	DIALOG Axiata	178,131	63	E. B. CREASY & COMPANY	23,342
14	MELSTACORP	178,082	64	UNION ASSURANCE	23,316
15	CEYLON COLD STORES	126,149	65	LAURUS DAS	22,527
16	VALLIBEL ONE	116,855	66	DILMAH CEYLON TEA COMPANY	22,313
17	HEMAS HOLDINGS	113,940	67	CITIZENS DEVELOPMENT BUSINESS FINANCE	21,561
18	NATIONAL DEVELOPMENT BANK	111,552	68	UNION BANK OF COLOMBO	21,092
19	SRI LANKA TELECOM	107,710	69	KELANI VALLEY PLANTATIONS	20,704
20	AITKEN SPENCE	96,989	70	AMBEON HOLDINGS	20,698
21	CEYLON BEVERAGE HOLDINGS	96,939	71	AMBEON CAPITAL	20,659
22	SEYLAN BANK	96,836	72	ACCESS ENGINEERING	20,565
23	HELA APPAREL HOLDINGS	95,303	73	POP GLASS CEYLON	20,067
24	LION BREWERY (CEYLON)	94,969	74	PRIME LANDS RESIDENCES	19,799
25	LOLC CEYLON HOLDINGS	88,976	75	C. V. MADIE	19,206
26	TEESRY LANKA	84,037	76	LANKA TILES	18,684
27	DIPPED PRODUCTS	80,099	77	HNB ASSURANCE	18,262
28	RICHARD PIERIS	79,194	78	CEYLON GRAIN ELEVATORS	17,868
29	COLOMBO FORT LAND & BUILDING	77,081	79	RENUKA FOODS	17,135
30	CEYLINGO INSURANCE	77,020	80	RENUKA HOLDINGS	17,089
31	NESTLE LANKA	73,707	81	VALLIBEL FINANCE	16,689
32	DFCC BANK	73,520	82	OVERSEAS REALTY (CEYLON)	15,046
33	BROWN AND COMPANY	72,652	83	FIRST CAPITAL HOLDINGS	14,297
34	LOLC FINANCE	69,027	84	LANKA MILK FOODS	14,172
35	CIC HOLDINGS	68,275	85	PRINTCARE	14,139
36	NATIONS TRUST BANK	64,818	86	HNB FINANCE	13,637
37	ROYAL CERAMICS LANKA	63,206	87	EX-PACK CORRUGATED CARTONS	13,451
38	HAYLEYS FABRIC	60,949	88	RIL PROPERTY	12,893
39	HAYCARB	60,943	89	ALLIANCE FINANCE	12,525
40	DISTILLERIES COMPANY OF SRI LANKA	56,959	90	AMADIA BANK	12,113
41	TOKYO CEMENT	56,482	91	SAIRAH FARM	11,799
42	SINGER (SRI LANKA)	54,767	92	KELANI CABLES	11,462
43	SUNSHINE HOLDINGS	51,887	93	UNITED MOTORS LANKA	10,736
44	AITKEN SPENCE HOTEL HOLDINGS	45,059	94	LANKA HOSPITALS CORPORATION	10,698
45	CEYLON TOBACCO COMPANY	44,272	95	ALUMEX	10,215
46	LANKA WALLTILES	43,455	96	JAT HOLDINGS	10,167
47	LB FINANCE	43,133	97	FIRST CAPITAL TREASURIES	9,970
48	BROWNS INVESTMENTS	42,016	98	MAWATTE VALLEY PLANTATIONS	9,331
49	PEOPLE'S LEASING & FINANCE	39,163	99	RICHARD PIERIS EXPORTS	9,041
50	DIESEL & MOTOR ENGINEERS	35,299	100	MERCANTILE INVESTMENTS AND FINANCE	9,036

First Capital Treasuries	Value	Long-term	Outlook
Issuer rating		A	Positive
Instrument rating: Listed, rated, subordinated, unsecured, redeemable debentures	Rs.750Mn	A-	Positive

BUSINESS ETHICS AND CONDUCT

Operating within the dynamic and rapidly evolving capital market landscape, FCT firmly upholds the belief that exemplary business ethics and conduct are fundamental to cultivating trust among stakeholders. In alignment with these principles, the FCT Board and all Company employees are required to adhere fully to ethics codes mandated by regulators.

Apart from mandatory compliance, the FCT Board exemplifies a strong commitment to ethical conduct by setting the tone from the top in alignment with the overarching corporate values of the FCH Group which are institutionalised through the FCH Group HR Manual and Employee Handbook. The HR Manual contains the Code of Conduct, Anti-Bribery and Corruption Policy, Gift Policy, Anti Money Laundering Policy, and other Conduct Policies, while the Employee Handbook sets out behaviours expected of FCT employees in their interactions on behalf of the Company.

To further reinforce a culture of ethics and integrity, core corporate values have been integrated into the annual employee appraisal process, in a bid to foster deeper employee dedication to these principles.

A Training session was conducted on Anti-Money Laundering & CFT during the year to educate the team.

There were no reported incidents relating to ethics violations recorded in the year under review.

KNOWLEDGE-BASED SYSTEMS AND PROCESSES

The tacit knowledge, skills and capabilities of FCT's investment advisory teams provides a vital competitive advantage, allowing the company to

remain the frontrunner in the local capital market. As part of the ongoing efforts to strengthen the knowledge base, all employees are provided regular training and encouraged to pursue continuous professional development to ensure their knowledge and skills are relevant and up-to-date in line with the latest developments in the local and global capital markets.

RESEARCH UNIT

The reputation of FCT's research unit is renowned for its depth and accuracy of its financial analyses. Leveraging a combination of rigorous methodologies, cutting-edge analytics, and seasoned expertise, FCT's research unit delivers actionable insights and strategic guidance that transcend market noise and drive tangible outcomes for investors, institutions, and industry stakeholders. Whether forecasting market trends, dissecting economic indicators, or providing tailored recommendations, the research arm's unwavering commitment to quality and integrity places it a cut above the rest.

DIGITAL ECOSYSTEMS

FCT has consistently advanced its digital ecosystems with the aim of improving operational efficiency, protecting the integrity of data assets, and fostering digital innovation.

The current financial year saw the Company making some major strides in fortifying its digital ecosystems, most notably through the commencement of phase 1 of the new CRM system rollout, aimed at optimising call centre operations and expedite complaint resolutions. Additionally, the Company undertook a substantial upgrade of its RTGS fund transfer module and SWIFT system to align with the latest global standards, specifically ISO 20022, ensuring seamless integration with international financial networks while prioritising security and reliability. These endeavours underscore FCT's unwavering commitment to embracing cutting-edge technology and delivering enhanced value to stakeholders in an increasingly digital landscape.

A new digital archiving system was also introduced to enable electronic storage of customer data in a secure environment, a move that has also helped to drive internal cost efficiencies, while systematically reducing paper usage.

FUTURE PLANS

Short - Medium Term

- Invest in Robotic Process Automation (RPA) to drive process efficiency together with AI technology to improve internal decision making capabilities

Long Term

- Implement a fully fledged AML monitoring system to enables real-time client screening and automatic transaction monitoring
- Further expand the scope of the research programme



HUMAN CAPITAL

As a service-oriented organisation, human capital represents the principle advantage that safeguards the company's competitive position and capacity to generate and deliver value to its stakeholders



INPUTS

Governance, compliance and Best Practices



Recruitment and Selection



Remuneration and Benefits



Performance Management



Training and Development



Safety and Wellbeing



Communication and Engagement



Work-Life Balance



VALUE TRANSFORMATION



MATERIAL MATTERS

- Balanced Earnings
- Brand Image
- Client Centricity
- Operational Efficiency
- Talent Attraction and Retention
- Brain-Drain Due to Migration
- Employee Wellbeing
- Managing Macroeconomic Headwinds



MANAGEMENT APPROACH

Create an environment to empower employees to carry out their job roles competently and contribute effectively to the Company's growth strategy and in doing so elevate their own personal career ambitions.



KEY ACTIONS

- Rs. 3 Mn invested in training.



STAKEHOLDER OUTCOMES

- Rs. 1.5 Bn of staff related expenses
- 12: 5 - overall gender ratio

OUTPUTS FOR FCT - IMPACT ON OTHER CAPITALS



Financial Capital

Improved employee productivity resulting in revenue growth and cost efficiencies



Intellectual Capital

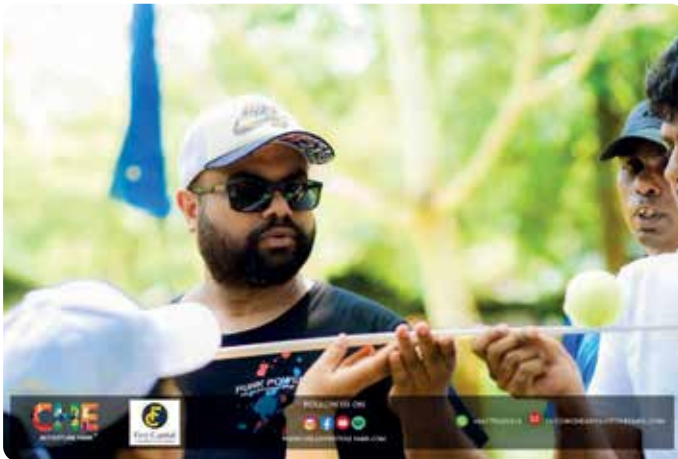
Investing in building the knowledge of teams strengthens the FCT's brand and standing in the industry



Social and Relationship Capital

Competent employees help build trust among customers and business partners

SDG's



Human Capital

GOVERNANCE, COMPLIANCE AND BEST PRACTICES

Governance, compliance, and best practices are integral components of the FCT's approach to human capital development. As a responsible business entity, FCT complies with all labour laws in Sri Lanka.

Being part of the FCH Group, the Group HR Manual encapsulates labour compliance requirements and global practices, providing an internal policy and procedural framework for human capital management.

HR MANUAL		HR MANUAL	
 Recruitment and Selection	<ul style="list-style-type: none"> Recruitment Process Internal Job Posting The Referral System Call Back Interviews 	 Training and Development	<ul style="list-style-type: none"> Staff Training Policy Knowledge Sharing Sessions
	 Remuneration and Benefits		<ul style="list-style-type: none"> Succession Planning Young Forum
	 Culture and Conduct		 Safety and Wellbeing
	 Performance Management		 Communication and Engagement
	<ul style="list-style-type: none"> Remuneration and Benefits Policy Leave Policy for Employees Policy for Staff Housing Loans Policy for Staff Vehicle Loans Examination Reimbursement Policy Educational Assistance Scheme Professional Subscription Policy Staff Distress Loan Extension after Retirement Gratuity, EPF/ETF Continuation after 60 		<ul style="list-style-type: none"> Flexi-Working Hours Policy Staff Medical / Life Insurance Work-From-Home Policy
	<ul style="list-style-type: none"> Dress Code Policy Friend@Work Policy Induction and Orientation Programme Office Relationships Conduct Declaration Policy Information Technology End User Policy Code of Conduct Gift Declaration Policy 		<ul style="list-style-type: none"> Focus Group Meetings Suggestion Scheme Skip Level Meetings Grievance Handling Procedure Whistleblowing Policy Employee Separation / Cessation Policy
	<ul style="list-style-type: none"> Performance Development Plan Cross Exposure Procedure Employee Secondments and Transfer Procedure Job rotation Policy Probationary Evaluation 		 Rewards and Recognition
			<ul style="list-style-type: none"> Recognition of Academic / Professional / Social Achievements Service Awards

REGULATORY COMPLIANCE

- Shop and Office Employees Act, of 1954
- EPF Act
- ETF Act
- Payment of Gratuity Act of Sri Lanka

VOLUNTARY BEST PRACTICES

- UNGC Principle 3: freedom of association and the effective recognition of the right to collective bargaining;
- UNGC Principle 4: elimination of all forms of forced and compulsory labour;
- UNGC Principle 5: effective abolition of child labour; and
- UNGC Principle 6: elimination of discrimination in respect of employment and occupation



Track
Record

ZERO - incidents of non-compliance of labour regulations

ZERO - incidents of reported in regard to violation of the right to freedom of association

ZERO - incidents of reported in child labour / forced compulsory labour

ZERO - incidents of reported in regard to discrimination or harassment in the workplace

RECRUITMENT AND SELECTION

At FCT recruitment is undertaken systematically to align with the needs outlined in the annual Manpower Plan. The FCH Group Recruitment Policy establishes a formal framework ensuring fair recruitment practices, emphasising non-discrimination and equal opportunity employment.

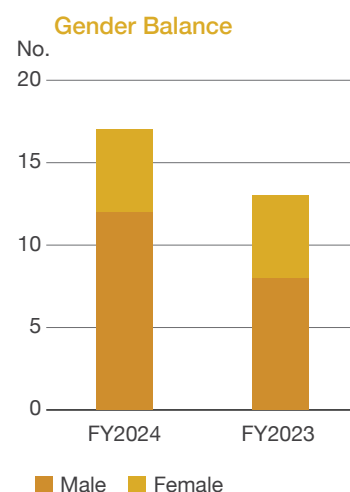
Accordingly, vacancies are publicly advertised and internally communicated to provide existing employees the chance to apply for open positions.

Candidates undergo a stringent screening process tailored to the job requirements. Upon selection, new hires remain on mandatory probation of 6 months. At the end of 6 months the Call Back process is initiated, where probationary employees engage in a series of questions and presentations to HR, determining their eligibility for permanent employment within the organisation.

DIVERSITY AND INCLUSION

In line with its commitment to diversity and inclusion, FCT upholds a firm stance against discrimination on any grounds, including age, gender, religious beliefs, marital status, or other legally protected statuses. Throughout the recruitment process, both internal and external candidates are treated with equality, with selections based solely on merit, assessing competency and alignment with the FCT's culture and work ethic. To ensure compliance with regulatory standards, the selection process includes measures to verify the age of all new recruits, adhering to minimum employment age requirements.

Workforce Profile by Age and Gender	FY2024		FY2023	
	Male	Female	Male	Female
Below 30 years	5	3	1	1
30-50 years	6	2	7	4
Over 50 years	1	-	-	-
Total	12	5	8	5



Human Capital

By nationality	FY2024		FY2023	
	Male	Female	Male	Female
Sri Lankan	12	5	8	5
Foreign	-	-	-	-
Total	12	5	8	5

By service and gender	FY2024		FY2023	
	Male	Female	Male	Female
Below 3 years	8	4	1	1
3 to 6 Years	1	-	1	-
6 to 10 Years	-	-	-	1
10 to 15 years	3	-	3	-
More than 15 years	-	1	3	3
Total	12	5	8	5

FEMALE WORKFORCE

	FY2024	FY2023
No. of female employees	5	5
No. of female employees in managerial Level	1	2
% females in managerial roles (from total female workforce)	20%	40%
% females in managerial roles (from total managerial workforce)	11%	18%
% of female recruitments	0%	0%
% of female exits	0%	0%

FEMALES IN MANAGERIAL ROLES

	FY2024	FY2023
% Females in managerial roles (from total female workforce)	20%	40%
% Females in managerial roles (from total managerial workforce)	11%	18%

RETENTION RATE (MATERNITY LEAVE)

Number of female employees	FY2024	FY2023
Entitled to leave during the year	5	5
Employees who took maternity leave	-	-
Returned during the year	-	-
Employed for the last 12 months after return from maternity leave	-	-
Return ratio (%)	N/A	N/A
Retention ratio (%)	100%	100%

	FY2024	FY2023
Retention ratio	94%	100%
Turnover rate	6%	0%

MANPOWER PLANNING

The primary objective of the Manpower Plan is to guarantee that every business unit/department across the Company possesses sufficient human resources to execute their respective business strategies. Manpower Planning entails a thorough process aligned with the annual budgeting cycle. It involves each business unit/department determining its manpower needs for the upcoming year. This plan is then submitted to the Board for approval alongside the annual budget.

ON-BOARDING

All new hires embark on their journey at FCT through a structured onboarding process. This process commences with a comprehensive day-1 orientation program aimed at familiarising newcomers, facilitating their assimilation of the corporate culture and work ethos. Following this, they are introduced to the Company's leadership teams. Additionally, during the day-1 induction, every new recruit is paired with a "Friend at Work" to provide support during the initial months of employment. This onboarding process was further enhanced in the current year, with a new requirement for all recruits to take part in the formal monthly induction program facilitated by the FCH Group's parent Company, the Janashakthi Group.

REMUNERATION AND BENEFITS

The remuneration and benefit structures at FCT are crafted to attract, inspire, and retain top-tier employees who can drive the Company's strategic and operational goals forward. To this end, salary scales are set to remain competitive in accordance with industry norms. Additionally, we endeavour to reduce the gender pay gap across employee categories by implementing minimum salary benchmarks for individuals in comparable job roles, irrespective of gender.

PERFORMANCE MANAGEMENT

An integral component of FCT's Human Capital management strategy is its robust performance management system. This system is meticulously designed to foster alignment between individual career aspirations and the overarching goals of the Company. At the onset of each financial year, department-wise Key Performance Indicators (KPIs) are established in line with the Company's short, medium and long term objectives. Department-wise KPI's are drilled down for the purpose of establishing individual KPI's for employees. Through this structured approach we aim to nurture a culture of goal congruence and encourage employees to evolve alongside the Company.

As part of this holistic approach, all permanent employees of the FCT are subject to a structured performance evaluation cycle involving a mid-year review as well as the annual performance appraisal. Both the midyear review and the annual appraisal processes are conducted digitally through the Human Resources Information System (HRIS).

The mid-year review facilitates continuous and ongoing progress tracking to detect and realign under performers, while the annual performance appraisal is a formal process carried out based on four key pillars; "Customer", "Internal Process", "Learning & Growth" and "Financial" to measure employee performance against KPI's set at the start of the year. While both the appraiser and appraisee are tasked with providing ratings based on the aforementioned pillars, the Manager assigns a final rating before the evaluation is presented for consideration by FCT's CEO to determine eligibility for increments and promotions.

	FY2023/24	FY2022/23
Percentage of staff receiving regular performance appraisals based on eligibility criteria	100%	100%

TRAINING AND DEVELOPMENT

Recognising the dynamic and continually evolving nature of our operations, FCT considers training and development as strategic imperatives. The annual training plan and budget are formulated with the aim of allocating sufficient resources to support necessary competency training. The formulation of the training plan draws heavily from the training needs assessment component within the annual performance appraisal process. Meanwhile, the management establishes the training budget based on skill development objectives aligned with the strategic plan.

In addition, the Company's e-learning platform - "I learn space" is updated on an ongoing basis, to create an environment for continuous learning.

SAFETY AND WELLBEING

While FCT's operations do not typically expose employees to occupational health risks, ensuring workplace safety remains one of our top priorities. In this regard, we diligently adhere to national safety regulations, taking every possible precaution to create a safe working environment for our employees. As part of this commitment, mandatory safety equipment has been installed at all premises.

COMMUNICATION AND ENGAGEMENT

Communication and engagement are deemed essential for fostering employee trust and sustained commitment to the long-term success of the company. Therefore, all Managers are required to uphold our open-door policy, to encourage

employees to voice their feedback and concerns freely. Additionally, the company's leadership ensures regular email communications to keep employees informed about the latest developments, including operational changes. A formal grievance handling procedure, overseen by the FCH Group's HR department, is in place to allow employees to formally address any concerns they may have.

Furthermore, the HR department conducts exit interviews with resigning employees to gather feedback and insights.

Our employee engagement approach is further supported by the planned activity calendar of informal events as well as other initiatives organised by various employee clubs and societies.

WORK-LIFE BALANCE

Recognising the demanding and fast-paced jobs our employees engage in, we are committed to fostering a healthy work-life balance. We provide various alternative work arrangements, such as flexi-time and work-from-home options. Additionally, we also introduced a mandatory annual leave policy in January 2024 to ensure all employees utilise their entitled annual leave.

These comprehensive work-life balance initiatives, implemented over the years, have allowed FCT to boast of some of the lowest absenteeism rates in the financial services industry.

FUTURE PLANS	
Short - Medium Term	Long Term
<ul style="list-style-type: none"> • Realign the performance appraisal mechanism by incorporating volunteerism targets. • Encourage clubs and societies to drive employee wellbeing activities. • Include safety awareness as part of the employee induction process. 	<ul style="list-style-type: none"> • Enhance safety measures and obtain independent assurance regarding safety procedures



SOCIAL AND RELATIONSHIP CAPITAL

Social and Relationship Capital refers to the value derived by building strong connections with key stakeholders - customers, suppliers and the wider community, that lays the foundation for innovation, growth, and business sustainable success as well as for collective resilience



INPUTS

Responsible Products



Customer Communication and Engagement



Complaint Management



Data Privacy



Fair and Equitable Procurement



Financial Inclusion



Culture and Sports



VALUE TRANSFORMATION



MATERIAL MATTERS

- Balanced Earnings
- Brand Image
- Client Centricity
- Client Privacy
- Digital Transformation
- Financial Inclusion
- Responsible Selling
- Managing Macroeconomic Headwinds
- Managing Socio-Political Impacts
- Investment and Liquidity Management
- Heightened Importance of Risk Management
- Community Engagement
- Regulatory Developments



MANAGEMENT APPROACH

Ensure consistent and persistent relationship building efforts to earn and maintain the trust of all crucial stakeholders over the short, medium, and long term



KEY ACTIONS

- Awareness building in Vavuniya region, Nuwara Eliya and Dambulla through CSE forum
- Awareness building through webinar



STAKEHOLDER OUTCOMES

- Guarantee of the best-in-class investment proposition for all customer segments
- Comprehensive research insights for clear guidance to inform investors

OUTPUTS FOR FCT - IMPACT ON OTHER CAPITALS



Financial Capital
Strong relationships with customers helps to spearhead business expansion and increase market share to enhance earnings capability



Intellectual Capital
The goodwill of customers, suppliers and the community strengthens the FCH Group reputation and industry standing



Manufactured capital
Feedback and suggestions from customers enable innovation and continuous improvement

SDG's





First Capital
A Jamshukhshi Group Company

TREASURY BILLS

Treasury bills are issued by CBSL through primary auctions. If you are looking for risk-free, short-term investment options, T-Bills which have maturity periods of 91, 182 or 364 days are a great choice.

TREASURY BONDS

Issued by CBSL through primary auctions, Treasury Bonds have a maturity period of 2-30 years, and are considered risk-free. T-Bonds also offer semi-annual coupon payments.



First Capital
A Jamshukhshi Group Company

SECURITY FOR YOUR HARD-EARNED MONEY

Enjoy the security of an asset backed by government securities with First Capital Treasuries PLC's Fixed Rate Repo.





First Capital
A Jamshukhshi Group Company

UNLOCKING GOVERNMENT SECURITIES: A COMPREHENSIVE GUIDE

- Explore Bills, Bonds, Repos, and the role of primary dealers in Govt. Securities.
- Discover Repo's potential as an investment alternative to Fixed Deposits.
- Navigate the Secondary Market, understand bids, and auction operations for bills & bonds.

20th December 2023
3:30PM to 4:30PM

REGISTER NOW!

Speaker
Sachith Perera
Chief Executive Officer
First Capital Treasuries PLC

Speaker
Shehani Nathani
Associate - Treasury Sales

Social and Relationship Capital

CUSTOMER

Customers are at the heart of FCT's success. As such, we focus on consistently delivering an unmatched value proposition that ensures 100% satisfaction throughout every stage of the customer journey.

RESPONSIBLE PRODUCTS

FCT's dedication to product responsibility commences with its pledge to offer regulatory compliant financial products and solutions. Moreover, customer segmentation plays a pivotal role in our commitment to deliver exceptional products that are adaptable and responsive to market demands, thereby effectively catering to diverse customer needs.

Further we follow a pragmatic approach to investing, where a team of seasoned experts equipped with extensive knowledge of prevailing investment trends and market dynamics explores opportunities across diverse asset classes to generate optimal returns to enable clients to pursue their financial goals even in the face of economic challenges. This is coupled with advisory services to educate customers and clients to guide them towards a prosperous financial journey.

We also launched a dedicated WhatsApp channel to deliver economic, market and investment related data and recommendations to existing and potential customers in a timely manner.



CUSTOMER COMMUNICATION AND ENGAGEMENT

Communication stands as a cornerstone of FCT's quest for achieving 100% customer satisfaction. To that end, a dedicated call center manages all inbound customer inquiries, ensuring prompt and efficient responses. Additionally, we tailor our approaches for engaging with Retail (B2C) and B2B customers with the aim of enriching customer experiences, thereby reinforcing trust and confidence in the FCT brand. As part of ongoing improvements, a new customer experience management team was established in the current financial year as a dedicated unit.

In recent years, we have leveraged digital channels to strengthen customer engagement. For instance, the Customer Relationship Management and Digital division set up in the previous year, is charged on-boarding customers to the DigiFirst Digital Onboarding Portal, a move that has proven to be successful. Apart from this, we continued to focus on improving financial literacy through webinars and other public forums. There were 878 of new customers onboarded through the digital channel during the year.

The new Customer Relationship Management (CRM) system that is under development marks another important step in our efforts to strengthen relationships with both B2C and B2B customers.

Total Active Clients

As at 31 March 2024

2,429

As at 31 March 2023

2,069

COMPLAINT MANAGEMENT

FCT prides itself on its proactive and empathetic approach to handling customer complaints. Upon receiving a complaint, all concerns are formally documented and handled in line with the standard operating procedures for complaint handling. FCT prioritises finding a fair and satisfactory resolution for the customer, whether it involves rectifying errors, offering compensation, or providing alternative solutions. Transparent communication is maintained throughout the process, ensuring customers are kept informed about the progress and expected resolution timeline.

Additionally, feedback from complaints is carefully analysed to identify recurring issues and implement preventive measures, thus continuously improving service delivery and enhancing customer satisfaction.

With the implementation of the new CRM system, the complaint handling process is set to be fully automated enabling the system to track complaints received through sources encompassing conventional channels, the call center as well as social media and ensure end-to-end management of each complaint within specified timelines.

DATA PRIVACY

Being a financial services institution, we understand the importance of preserving the integrity of our customers' and clients' personal data and information. In pursuit of this objective, FCT has made substantial investments in digital document archiving systems. These systems are fortified with state-of-the-art data protection software and reinforced by multi-level physical authorisation protocols to deter unauthorised access to sensitive customer information.

There were no reported incidents of breach of customer privacy, in the current financial year.

SUPPLIERS

Suppliers play a crucial role in ensuring FCT's business resilience and its capacity to provide seamless services to customers without interruption. The majority of the our supply chain consists of local suppliers located in Sri Lanka.

FAIR AND EQUITABLE PROCUREMENT

FCT promotes the development of strong partnerships with its key suppliers through fair and equitable procurement practices to achieve this, all procurement processes, from vendor selection to onboarding, are centrally coordinated by the FCH Group Administration Department. Group procedures adhere to standardised protocols for selecting suppliers based on their capabilities and past performance.

COMMUNITY

Grounded in the belief that fostering strong connections within the broader community is essential for ensuring long-term growth, we remain steadfast in our efforts to promote social empowerment. Aligned with the FCH Group vision

to enhance the well-being of all Sri Lankans through financial solutions, FCT undertakes meaningful initiatives geared toward fostering a sustainable and inclusive future for individuals and communities throughout Sri Lanka.

FINANCIAL INCLUSION

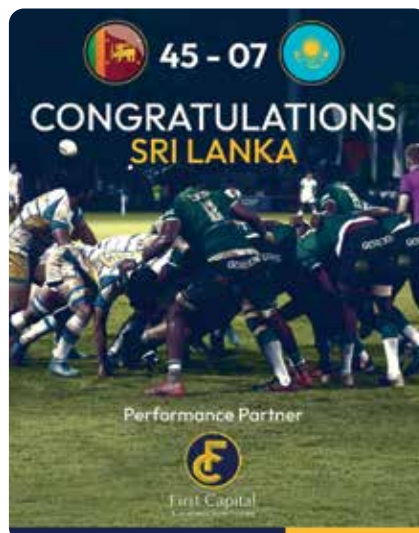
Notable programmes conducted during the year included a special awareness programme conducted at Hayleys Advantis Limited, to educate corporate professionals on economic outlook, key sectors, capital market products and potential capital market opportunities. The #FinPowerHer series initiated by



FCH Group which includes the FCT, is a distinctive women's empowerment initiative designed to elevate financial awareness and literacy among women.

CULTURE AND SPORTS

Supporting culture and sports has always been a significant aspect of FCT's community empowerment initiatives. The Company along with the group served as the Platinum sponsor to Ceylonese Rugby and Football Club at Rugby league 2023-24 and the main sponsor of the July 2023 "Masters of Performance" Golf Tournament a monthly event held at the Royal Colombo Golf Club.



FUTURE PLANS

Short - Medium Term

- Customer profiling using predictive analytics to support product innovation in tandem with evolving customer behaviour trends
- Introduce audio-visual research content to further enhance the customer experience
- Enhance scalability to serve the B2B segment through customised product proposition
- Complete the roll out of the CRM system to support integrated management of customer needs
- Revamp call centre infrastructure as source for measuring customer satisfaction

Long Term

- Leverage digital tools such as chatbots to increase customer engagement
- Further enhance the scope and scale of research insights provided to customers using AI-based technology



NATURAL CAPITAL

Natural Capital represents the natural resources consumed, utilised or eroded as a result of FCT's business operations



INPUTS



Resource Efficiency



Digital Adoption



VALUE TRANSFORMATION



MATERIAL MATTERS

- Brand Image
- Operational Efficiency
- Digital Transformation
- Environmental, Social and Governance Matters



MANAGEMENT APPROACH

Being a service organisation, FCT's core businesses do not rely on natural resources. However, as a responsible corporate entity, we strive for optimal resource efficiency to manage our carbon footprint. This commitment ultimately contributes to the reduction of Natural Capital loss over time.



KEY ACTIONS

- Significantly increased digital adoption
- Promoting Paperless culture



STAKEHOLDER OUTCOMES

- Environmental preservation for future generations
- Be compliant with regulatory requirements

OUTPUTS FOR FCT - IMPACT ON OTHER CAPITALS



Financial Capital
Lower costs resulting from resource efficiency



Intellectual Capital
Enhanced reputation as a sustainable business entity



Manufactured Capital
Increased digitisation enhances the efficiency of operational infrastructure

SDG's



RESOURCE EFFICIENCY

FCT is committed to setting a precedent in advocating for resource efficiency. Anchored by the First Capital Group Sustainability Policy implemented in 2023, the company has embarked on a deliberate journey to incorporate sustainable practices into its daily operations. Accordingly, we endeavour to manage energy consumption, control water usage and reduce paper waste generated through our daily operations. As part of these efforts, we continued to educate our employees to reinforce the importance of conserving resources.

In keeping with the First Capital Group focus, "February 2024" was designated as the month dedicated to sustainability. Alongside this initiative, we launched a campaign aimed at educating our employees on the United Nations Sustainable Development Goals (SDGs). Concurrently, FCT also participated in environmentally friendly activities, including beach clean-ups and tree

distribution projects organised by the First Capital Group.

DIGITAL ADOPTION

We have come to realise that investing in digital technology is crucial for minimising our environmental impact. Accordingly, by adopting state-of-the-art digital solutions, the Company seeks to streamline its operations and reduce paper waste.

The paperless Boardroom project, and the introduction of the e-Onboarding platform in 2022 have all played pivotal roles in promoting a paperless culture at FCT. Similarly, the implementation of the new CRM system in 2023 to

enhance internal workflow systems, along with the digital archiving system for customer data storage, has further contributed towards our paperless journey. Encouraged by these significant advancements, we are now setting our sights on achieving a fully paperless office by aiming for complete digitalisation.

Additionally, the latest analytics continues to empower proactive decision-making, further aiding in mitigating impacts, while remote collaboration tools have substantially decreased the need for travel, thus contributing towards reducing global emissions.

FUTURE PLANS

Short - Medium Term

- Increase digital adoption to convert to 100% paperless office

Long Term

- Support the First Capital Group efforts to achieve carbon neutrality

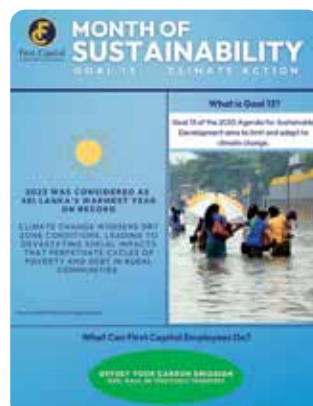


Natural Capital

First Capital designates the month of February as the "Month of Sustainability"

To enhance staff awareness and dedication to sustainability, the Company in collaboration with the parent Company designate the month of February as the "Month of Sustainability". Under this effort, the Company intended to educate employees about the 17 Sustainable Development Goals (SDGs). Emphasising the importance of aligning staff values with the organisation's

commitment to sustainability, this initiative encourages a cultural shift towards responsible practices. It serves as a means of complying with the United Nations SDGs, fostering awareness within the organisation. The understanding is that individual actions contribute collectively to achieving these global goals, reinforcing the significance of each staff member's role in promoting sustainability.



GOVERNANCE AND STEWARDSHIP



THE KING

In the game of chess, the King is the cornerstone of the kingdom. Similarly, at First Capital Treasuries, our governance framework serves as the bedrock of our operations, ensuring accountability, transparency, and integrity in all facets of our operations.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Directors of First Capital Treasuries PLC have pleasure in presenting their Annual Report together with the Audited Financial Statements for the year ended 31 March 2024 which were approved by the Directors on 4 June 2024.

REVIEW OF OPERATIONS

During the year under review, the company reported total revenue of Rs. 26,599Mn compared to Rs. 9,970Mn reported in the previous year.

Net Trading Income before expenses for the year is Rs. 18,406Mn (2022/23- Rs. 4,748Mn) and Profit before Tax for the year is Rs. 16,038 Mn (2022/23- Rs. 3,753Mn)

PRINCIPAL ACTIVITIES

The main activity of the company is operating as a Primary Dealer in Government Securities.

LEGAL STATUS

First Capital Treasuries PLC was incorporated on 19 August 1982 under the provisions of the Companies Act, No. 17 of 1982 and re-registered under the Companies Act, No. 7 of 2007. The ordinary shares of the Company were listed on the Colombo Stock Exchange on 23 December 2021.

FINANCIAL RESULTS

The Company's Profit after Tax was Rs.11,143Mn compared to Rs. 2,886 Mn in previous year.

A summary of the financial results for the year is set out below.

	2024 Rs. '000	2023 Rs. '000
Revenue	26,598,738	9,969,951
Profit before tax	16,038,040	3,752,909
Profit after tax	11,143,128	2,886,396
Total comprehensive income	11,141,555	2,883,967

The financial statements of the company are set out on pages 169 to 222 of the Annual Report.

BOARD OF DIRECTORS

Directorate

The following were the Directors of the Company as at 31 March 2024.

1. Ms. Manjula Mathews*
2. Mr. Dilshan Wirasekara
3. Mr. Ramesh Schaffter
4. Ms. Minette Perera
5. Mr. Chandana de Silva
6. Dr. Nishan de Mel

*Appointed as the Chairperson w.e.f. 12 January 2024

The profiles of the Directors are given on pages 19 to 22 of the Annual Report.

Interest in Shares / Directors Dealings in Shares

Directors/Chief Executive Officer and their shareholdings as at 31 March 2024 were as follows:

	No. of Shares 31.03.2024	No. of Shares 31.03.2023
Ms. Manjula Mathews	-	-
Mr. Nishan Fernando *	N/A	16,000
Mr. Dilshan Wirasekara	-	-
Mr. Ramesh Schaffter	-	-
Ms. Minette Perera	-	-
Mr. Chandana de Silva	-	-
Dr. Nishan de Mel	-	-
Mr. Sachith Perera (Chief Executive Officer)	-	-

* Resigned from the Board with effect from 1 January 2024.

Other Directorship/Significant Positions of Directors

Information of the other Directorships/significant positions of the present Directors of the Company are given on pages 19 to 22.

Related Party Transactions

Related party transactions have been declared at the meetings of the Directors and are detailed in Note 35 to the financial statements.

The Directors declare that the company is in compliance with the Section 9 of the Listing Rules of the Colombo Stock Exchange (CSE) pertaining to related party transactions during the year 2023/24.

Directors' Interests

As required by the Companies Act, No. 7 of 2007, an Interests Register was maintained by the Company during the period under review. All Directors have made declarations as provided for in Section 192 (2) of the Companies Act aforesaid. The Interests Register is available for inspection as required under the Companies Act.

The Company carries out transactions in the ordinary course of business with entities in which a Director of the Company is a Director. The transactions with entities where a Director of the company either has control or exercises significant influence have been classified as related party transactions and disclosed in Note 35 to the Financial Statements.

Remuneration and Fees

Details of Directors remuneration and fees are set out in Note 35.5 to the financial statements. All fees and remuneration have been duly approved by the Board of Directors of the company.

Risk and Internal Control

The Board of Directors has satisfied itself that there exists an effective and comprehensive system of internal controls to monitor, control and manage the risks to which the company is exposed, to carry on its business in an orderly manner, to safeguard its assets and to secure as far as possible the reliability and accuracy of records. We have discussed Exposure to Risk in detail under “Risk Management Report” on pages 50 to 54.

Corporate Governance

The Directors acknowledge their responsibility for the Company’s corporate governance and the system of internal control. The Directors are responsible to the shareholders for providing strategic direction to the Company and safeguarding the assets of the Company. The Board is satisfied with the effectiveness of the system of internal control for the period up to the date of signing the financial statements. The compliance with recommended corporate governance practices is disclosed on pages 86 - 149 of the Annual Report.

The performance of the company is monitored by way of regular review meetings. These meetings provide an opportunity to ensure that progress is in line with agreed targets. Regular Board meetings are held to further strengthen the review process and ensure compliance with all statutory and regulatory obligations.

Dividend

The Board of Directors of the company declared and paid a first interim dividend of Rs. 10.00 per share amounting to Rs. 6,156Mn and the second interim dividend of Rs. 4.50 per share amounting to Rs. 2,770Mn was declared for financial year 2023/24 (2022/23- Rs. 923.4Mn).

Material Accounting Policies

The accounting policies adopted in the preparation of the financial statements are given on pages 176 to 213. There were no changes in the accounting policies adopted by the Company during the year under review.

Going Concern

The Board of Directors has reviewed the company’s business plans and is satisfied that the company has adequate resources to continue its operations in the foreseeable future. Accordingly, the financial statements are prepared on a going concern basis.

Capital Expenditure

Details of property, plant and equipment and their movements during the year are given in Note 22 to the financial statements.

Reserves

The movements in reserves during the financial year 2023/24 have been presented in the Statement of Changes in Equity on page 171 of the Annual Report.

Income Tax Expenses

Income tax expenses have been computed in accordance with the provision of the Inland Revenue Act, No. 24 of 2017 and subsequent amendments thereto as disclosed in Note 12 to the financial statements.

Stated Capital

The stated capital of the company as at 31 March 2024 was Rs. 256.5 Mn consisting of 615,600,000 ordinary shares.

Share Information and Substantial Shareholders

As at 31 March 2024, there were 3,533 registered shareholders. Share information and the twenty largest shareholders as at 31 March 2024 are listed on pages 225 to 230 of the Annual Report.

Information relating to market value of a share and information on share trading is stated under Shareholder and Investor information on page 228 of the Annual Report.

Debt Securities Issued

The details of debt securities issued by the company are set out on page 231 of the Annual Report.

Corporate Donations

The details relating to corporate donations are presented under Note 10.3 to the financial statements.

Statutory Payments and Compliance with Laws and Regulations

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments due to the Government and in relation to the employees have been made on time, and that the company has not engaged in any activities contravening laws and regulations.

Environmental Protection

The Company has not engaged in any activity that is harmful or hazardous to the environment. Measures taken by the Company on environmental protection are given in the report on Natural Capital on pages 78 to 79.

Equal Opportunities

The Company is committed to providing equal opportunities to all employees irrespective of their gender, marital status, age, religion, race or disability. It is the company’s policy to give full and fair consideration to persons, with respect to applications for employment, continued employment, training, career development and promotion, having regard for each individual’s particular aptitudes and abilities.

Events Occurring after the Reporting Date

There were no material events after the financial reporting period which requires an adjustment to or a disclosure in the financial statements.

Annual Report of the Board of Directors

Independent Auditors

During the period under review, the company's Auditors were Messrs. KPMG, Chartered Accountants. The fees paid to auditors are disclosed in Note 11 to the financial statements.

Based on the declaration from Messrs. KPMG, and as far as the Directors are aware, the Auditors do not have any relationship or interest in the company, other than as disclosed in the above paragraph.

Messrs. KPMG, Chartered Accountants, have expressed their willingness to continue in office as Auditors of the company for the ensuing year.

In accordance with the Companies Act, No. 7 of 2007, a resolution proposing the re-appointment of Messrs. KPMG, Chartered Accountants, as Auditors to the Company will be submitted at the Annual General Meeting.

Independent Auditor's Report

The Independent Auditor's report on the financial statements is given on pages 166 to 168 of the Annual Report.

Auditor's Right to Information

Each person who is a Director of the company at the date of approval of this report confirms that:

As far as each Director is aware, there is no relevant audit information of which the company's Auditors are unaware.

Each Director has taken all the steps that he or she ought to have taken as a Director to make him or herself aware of any relevant audit information and to establish that the company's Auditors are aware of that information.

Future Developments

An overview of the future developments of the company is given in the Chairperson's Statement on pages 12 to 15, Chief Executive Officer's Review on pages 16 to 18 and the Management Discussion and Analysis on pages 56 to 80.

Annual General Meeting

The Annual General meeting of the Company will be held on 28 June 2024. The Notice convening the Meeting and the agenda are given on pages 257 to 258 of the Annual Report.

This Annual Report is signed for and on behalf of the Board,

(Sgd.)

Janashakthi Corporate Services Limited

Secretaries

(Sgd.)

Dilshan Wirasekara

Director

(Sgd.)

Manjula Mathews

Chairperson

4 June 2024

Colombo

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Statement sets out the responsibility of the Board of Directors, in relation to the Financial Statements of First Capital Treasuries PLC.

The Directors of the Company are responsible for ensuring that the Company maintains accurate records of accounts of all the transactions and prepare and present the financial statements to the shareholders in accordance with the relevant provisions of the Companies Act, No. 7 of 2007 and other statutes which are applicable in the preparation of financial statements. The financial statements comprise of the Statements of Financial Position as at 31 March 2024, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year ended and Notes thereto. The Directors are required to prepare these financial statements on a going concern basis unless it is not appropriate.

The Directors confirm that the financial statements of the Company give a true and fair view of;

- The state of affairs of the Company as at 31 March 2024 and
- The financial performance of the Company for the financial year ended 31 March 2024

COMPLIANCE REPORT

The Board of Directors also wishes to confirm that;

- Appropriate accounting policies have been adopted in a consistent basis and appropriate estimates and judgments have been made to reflect the true substance and form of transactions.
- The financial statements of the Company for the year ended 31 March 2024 incorporated in this report have been prepared in accordance with the Companies Act, No. 7 of 2007, Sri Lanka Accounting Standards (LKAS/SLFRS) and Listing Rules of the Colombo Stock Exchange.
- They ensure the proper accounting records which correctly record and explain the Company's transactions and also determine the Company's financial position with reasonable accuracy at any time are maintained by the Company enabling the preparation of financial statements and further enabling the financial statements to be readily and properly audited, in accordance with the Section 148 (1) of the Act. The Directors have therefore caused the Company to maintain proper books of accounts and regularly review financial reports at their meetings.
- They accept the responsibility for the integrity and objectivity of the financial statements presented.
- The financial statements of the Company have been certified by the Chief Financial Officer of the Company who is responsible for the preparation of financial statements

and signed by two Directors in accordance with Section 150 and 152 of the Companies Act.

- They review and approve all interim financial statements prior to their release.
- They have taken reasonable measures to safeguard the assets of the Company and to prevent and detect frauds and other irregularities. In this regard, the Directors have laid down effective and comprehensive internal control system.
- To the best of their knowledge, all statutory payments due in respect of the Company as at the financial reporting date have been paid or where relevant provided for.
- After considering the financial position, operating conditions and regulatory and other factors, they have a reasonable expectation that the Company possesses adequate resources to continue in operation for the foreseeable future and that the Going Concern basis is the most appropriate in the preparation of these financial statements.
- The Auditors of the Company, Messrs. KPMG who were reappointed in accordance with a resolution passed at the last Annual General Meeting were provided with all necessary information required by them in order to carry out their audit and to express an opinion which is contained on pages 166 to 168 of this Annual Report.
- As required by the Sections 166 (1) and 167 (1) of the Companies Act, they have prepared the Annual Report in time and will ensure that a copy thereof is sent to every shareholder of the Company, who expressed desire to receive a hard copy. A soft copy of the Annual Report will be published/ hosted in the Company's website and Colombo Stock Exchange website within the stipulated period of time as required by the Section 7.5 (a) and (b) of the Listing Rules of the Colombo Stock Exchange.

Accordingly, the Board of Directors is of the view that they have discharged their responsibilities as set out in the above statement.

By order of the Board,

(Sgd.)

Janashakthi Corporate Services Limited
Secretaries

4 June 2024
Colombo

CORPORATE GOVERNANCE

CHAIRPERSON'S INTRODUCTION

The Board of Directors of First Capital Treasuries PLC (FCT) recognises the importance of good governance in daily operations. The Board is responsible for the Company's overall strategy and has established clear structures for delegating strategy execution. Additionally, the FCT Board is committed to continuously enhancing governance structures and processes to meet regulatory requirements and follow best practices.

KEY GOVERNANCE HIGHLIGHTS FOR 2023/24

During the year under review, the FCT Board focused on early adoption of the new Corporate Governance rules issued by the CSE for listed entities. We reviewed our existing policies against these new rules to implement necessary actions ahead of the compliance deadlines. As a result, new policies, including the Anti-Bribery and Anti-Corruption Policy, were implemented before the financial year ended on 31 March 2024. Additionally, the Whistleblower Policy and the Policy on Risk Management and Internal Controls were updated, and formal Terms of Reference (TORs) were established for all Board Sub-Committees after establishing separate Sub-Committees at Company level based on recommendations made by Central Bank of Sri Lanka (CBSL). We also made significant progress in establishing a formal process for the appointment and re-election of Directors and for evaluating the performance and effectiveness of the Board and its Sub-Committees. With much of the groundwork completed by March 2024, I am confident we can meet the remaining requirements before the deadline of 1 October 2024.

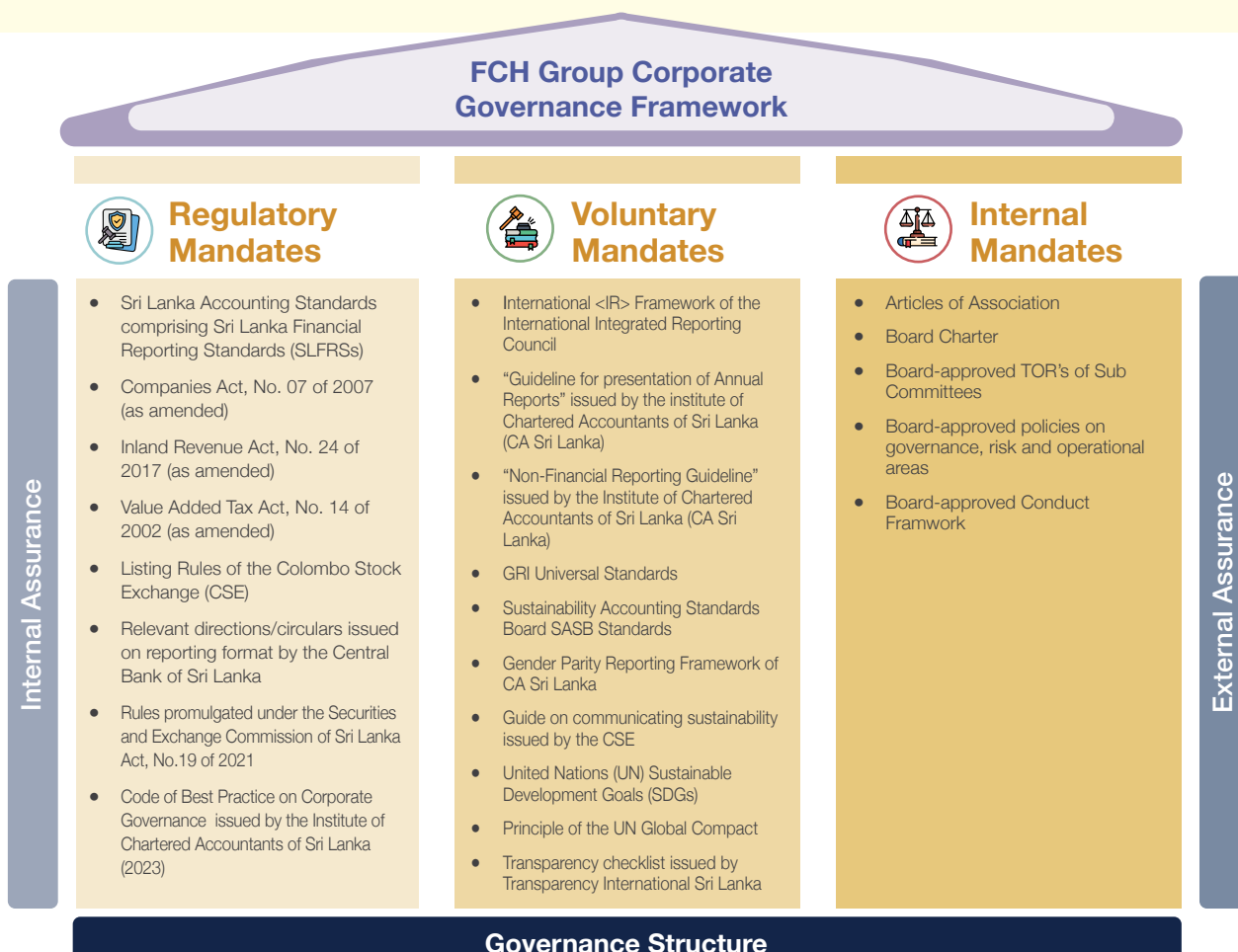
DECLARATION

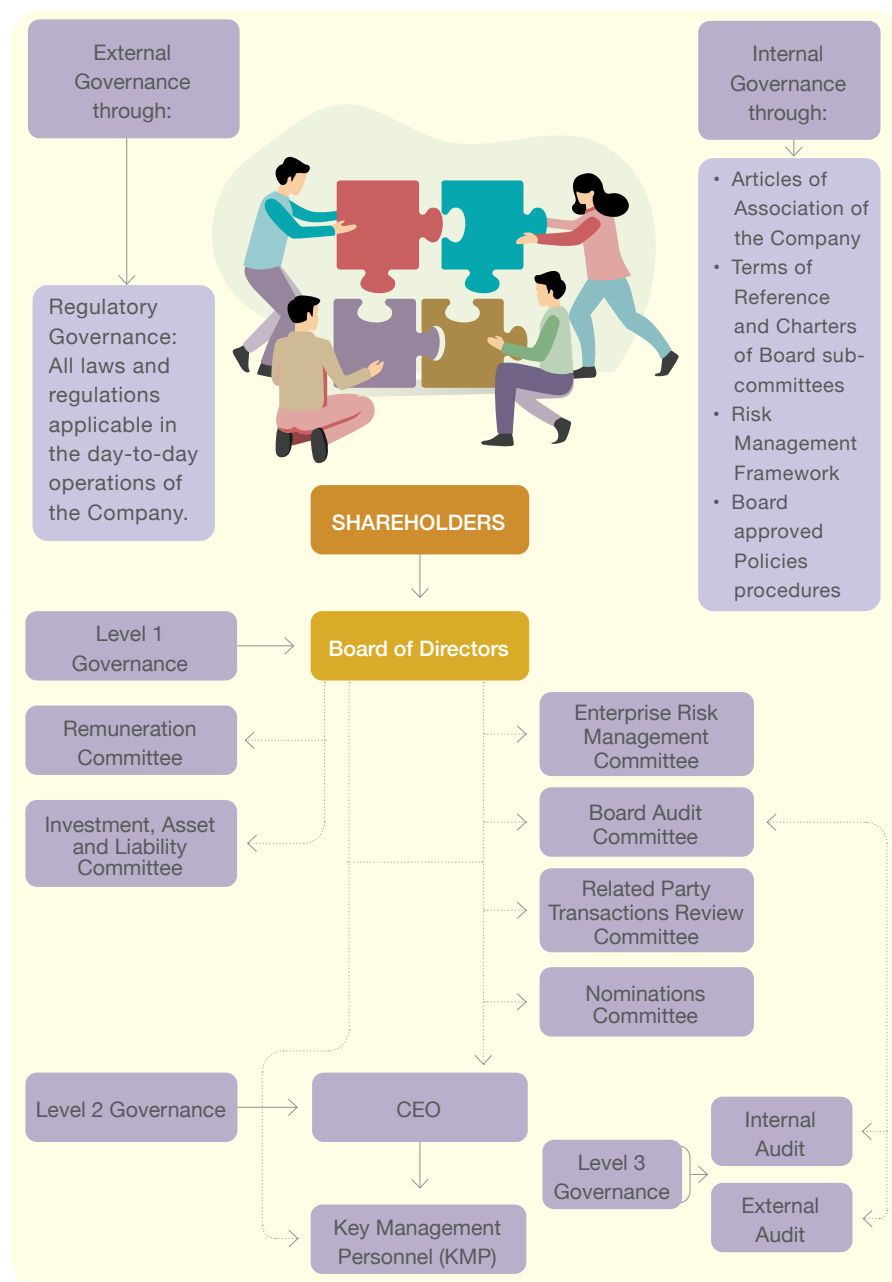
As the Chairperson of the Board, I wish to confirm that the FCT Board remains firmly committed to observing the highest standards of corporate governance, integrity and professionalism across all Company operations. Furthermore, I declare that all the members of the Board and all FCT employees have acted in compliance with the applicable regulatory and statutory requirements and have discharged their duties in accordance with the policies, procedures and standards set out under the Corporate Governance Framework, including the Code of Conduct and the Anti-Bribery and Corruption Policy.

(Sgd.)

Manjula Mathews
Chairperson

4 June 2024





CORPORATE GOVERNANCE STRUCTURE

FCT operates within a clear governance structure, ensuring effective decision-making and promoting accountability, transparency, fairness, and integrity throughout the business. As the highest governing body, the Board anchors this structure by selecting and appointing members of Board Sub-Committees and Key Management Personnel (KMPs).

The Board is further responsible for reviewing and updating the governance structure to ensure necessary improvements are made in line with the Company's growth aspirations.

THE BOARD

The Board of Directors of First Capital Treasuries PLC is the highest governing body of the Company and the main custodian responsible for embedding good governance principles throughout the organisation.

Board Composition (Principles A.5, A.5.1, A.5.2, A.10)

FCT is led by a highly competent and well-balanced Board, consisting of 06 Non-Executive Directors including 03 Independent Non-Executive Directors.

Independent Non-Executive Directors on the FCT Board are all professionals who bring diverse industry perspectives to effectively challenge Board decisions to protect the interests of shareholders and the Company as a whole.

Structure

3	3
Non-Executive Non-Independent	Non-Executive – Independent







Tenure on the Board

2	4
Less than 5 Years	More than 5 years

Gender

4	2
Male	Female

Corporate Governance

No.	Director Name	Directorship Status	Appointment Date	Tenure on the Board (years - approximately)	Skills and Expertise
1	Ms. Manjula Mathews		27.12.2022	2	Accounting & Finance, General Management, Insurance & Social Entrepreneurship
2	Mr. Dilshan Wirasekara		06.06.2017	7	Asset and Liability Risk Management, Investment Banking, General Management
3	Mr. Ramesh Schaffter		25.07.2019	5	Finance, Marketing, Insurance, General Management & Social Entrepreneurship
4	Mr. Chandana de Silva		16.12.2014	10	Finance & Management
5	Ms. Minette Perera		22.04.2015	9	Accounting & Finance, General Management
6	Dr. Nishan de Mel		24.11.2017	7	Economics, Policy, Research, Finance & Management



Non- Executive- Non-Independent



Non-Executive – Independent

BOARD MEMBERSHIP IN SUB-COMMITTEES

Name of Directors	Board Audit Committee	Remuneration Committee	Related Party Transactions Review Committee	Nomination Committee	Investment, Asset and Liability Committee	Enterprise Risk Management Committee
Ms. Manjula Mathews		x		x	x	
Mr. Ramesh Schaffter	x		x			
Mr. Chandana de Silva	x	x (Chairman)	x			
Ms. Minette Perera	x (Chairperson)		x (Chairperson)	x		
Mr. Dilshan Wirasekara					x	x
Dr. Nishan de Mel		x		x (Chairman)	x (Chairman)	x (Chairman)

Profiles of Board members are provided in a separate section of this Annual Report (pages 19 to 22).

APPOINTMENT / RE-ELECTION / RESIGNATION OF DIRECTORS (PRINCIPLES A.7, A.8)

The procedure for the appointment of Non-Executive Directors is based on the Company's Articles of Association and the CSE's listing rules. Selections are based primarily on the candidate's professional skills, experience, integrity, and industry reputation.

Currently, the Company's Articles of Association requires one-third of the Non-Executive Directors to retire at each Annual General Meeting, with the longest-serving Directors retiring first. Additionally, the provisions of the Articles stipulates a Director appointed to fill a casual vacancy must stand for re-election at the next Annual General Meeting.

FCT is currently in the process of finalising formal procedures for the appointment and re-election of Directors in compliance with the new corporate governance rules issued by the CSE. The proposed new procedures will ensure that all Non-Executive Director appointments are recommended by FCT's Nomination Committee, with due consideration to the board balance and a comprehensive assessment of the Directors' independence based on the new rules fit and proper criteria outlined under the new rules. (Principles A.1.5, A.5.3, A.5.4, A.5.5)

New Appointments for the FY 2023/24	Re-elections for the FY 2023/24	Resignations for the FY 2023/24
None	Mr. Ramesh Schaffter	Mr. Nishan Fernando
	Ms. Manjula Mathews (Re-appointment)	

RESPONSIBILITIES OF INDIVIDUAL DIRECTORS (PRINCIPLE A.1.2)

All Directors are expected to dedicate sufficient time and effort to their duties on the FCT Board, including attending Board meetings and actively contributing their knowledge, expertise, and independent judgement to the Board matters.

Additionally, all Board members must participate in the annual Board evaluation process.

ATTENDANCE AT BOARD/ REVIEW MEETINGS

Name	Board Meeting/ Review Meeting Attendance (Attended/ Eligibility to Attend)
Mr. Nishan Fernando (Former Chairman)	11/15
Mr. Chandana de Silva	16/19
Mr. Dilshan Wirasekara	19/19
Ms. Manjula Mathews	16/19
Mr. Ramesh Schaffter	16/19
Ms. Minette Perera	19/19
Dr. Nishan de Mel	18/19

The attendance of Board of Directors at Board Sub Committees are presented in the respective committee reports from pages 153 to 160.

Corporate Governance

MANAGING CONFLICTS OF INTEREST (PRINCIPLE A.10)

All Directors are required to disclose any actual or perceived conflicts of interest that could potentially compromise their ability to perform their duties effectively. These disclosures are periodically reviewed by the Company's Related Party Transactions Review Committee to ensure such transactions or dealings made by the Directors, with findings presented at Board meetings.

Further, in the event, an item in which a Director has an interest is being discussed at a Board meeting, the relevant Director is expected to recuse himself / herself from participating in any discussions on the matter.

FCT is at present in the process of developing formal protocols to document and disclose Directors' interests in contracts, in alignment with the latest corporate governance regulations set forth by the CSE.

DIVISION OF RESPONSIBILITY BETWEEN THE CHAIRMAN AND CEO (PRINCIPLES A.2, A.3)

The Chairperson's role is clearly delineated and independent from that of FCT's CEO. This division of duties aims to prevent any individual from possessing unchecked decision-making authority and to maintain a balanced distribution of power and authority within the Board.

Duties and Responsibilities of the Chairperson	Role of the CEO
<p>The Chairperson leads the Board in upholding good governance practices and overseeing its operations to protect the interests of the Company and its shareholders. The Chairperson's responsibilities include:</p> <ul style="list-style-type: none">• Planning and conducting Board meetings efficiently.• Setting meeting agendas to cover all pertinent issues in a timely manner, considering input from Directors, sub-committees, or the company secretary.• Ensuring Board members receive accurate and timely information.• Fostering an environment where both the Board as a whole and individual Directors can effectively fulfil their roles.• Encouraging open dialogue and constructive debate among Non-executive Directors to enhance Board effectiveness.• Leading the Board self-assessment process to provide meaningful feedback for improving Board performance.	<p>FCT's CEO operates under the authority delegated by the Board, managing the Company's day-to-day operations in line with approved policies. The CEO offers guidance to Key Management Personnel (KMP) and Senior Managers, while nurturing relationships with both internal and external stakeholders. The CEO reports directly to the Board.</p>

ROLE OF THE BOARD (PRINCIPLE A.1.2)

The FCT Board, as the main governing body of the Company, follows specific guidelines outlined in the Board Charter. Accordingly, the Board is collectively responsible to stakeholders for effectively managing the business with integrity. The Board sets strategic goals for the Company, ensuring adequate resources, like capital and human resources, are in place to achieve these goals. As the main steward of Company affairs, the FCT Board holds the sole authority to review and approve certain matters.

MATTERS RESERVED EXPRESSLY FOR BOARD CONSIDERATION

Overseeing the development of Company strategy in line with the vision and reviewing and approving strategic plans
Approving all major capital investments/ expansions
Approving the appointment/ removal of Board of Directors, Board Sub-Committee Members, and Company Secretary
Reviewing and updating Remuneration of Directors
Approval of all principal regulatory filings on time
Evaluating the performance of the CEO against achievement of strategic objectives
Reviewing and updating as needed the Board Charter, Board Sub Committee TOR's, governance structures, policies and procedures

BOARD ACCOUNTABILITY

Compliance

The Board is accountable to stakeholders for ensuring the Company adherence to relevant laws, regulations, codes, and standards. In fulfilling its obligations, the Board diligently oversees regulatory mandates to ensure timely compliance while prioritising the timely adoption of new regulations. Additionally, as a testament to its dedication to compliance, the Board encourages the voluntary adoption of international best practices.

Risk Management and Internal Control (Principle D.2)

The Board holds the responsibility for managing risk, including defining the nature and scope of significant risks in line with the Company's business model and strategy.

In executing risk management responsibilities, the Board has implemented a robust system of risk management and internal controls. Further, the Board has delegated the functional risk oversight to the Audit Committee and the Enterprise Risk Management Committee.

The Board, supported by the Board Audit Committee and Enterprise Risk Management Committee, evaluates the adequacy and efficacy of established risk management and internal control systems, with a view to initiating continuous improvement.

Please refer to the Risk Management Report on Pages 50 to 54 for more details.

Conduct and Ethics (Principle D.6)

The Board is tasked with cultivating a culture of equitable practices and leads by example in promoting business ethics and the highest standards of integrity at all times. To ensure these principles are cascaded down across the business, the Board has established the following conduct framework.

- **Code of Conduct for Employees**
Sets clear expectations concerning the culture, values and behaviours required by employees.
- **Anti-Bribery and Corruption policy (Principle D.6.1)** Prohibits bribery, kickbacks, gifts, and facilitation payments during business activities, outlining specific compliance measures. All Directors and employees of the Company are

bound by the Anti-Bribery and Corruption Policy without exception. Regular training sessions are held to reinforce these principles among both employees and Directors. Similarly, business partners and third parties acting on behalf of the Company are briefed on and obligated to adhere to the guidelines outlined in the Anti-Bribery and Corruption policy.

- **Whistleblowing Policy (Principle D.6.4)**, provides a platform for stakeholders to confidentially report potential financial irregularities, inappropriate financial reporting, internal control concerns or other matters warranting internal investigation. During the investigation, reasonable efforts are made to keep the whistleblower informed of progress, whenever possible and practical. Employees can readily access the Whistleblower policy via the intranet and specialised awareness sessions are regularly conducted to ensure proper understanding and utilisation.

The Board undertakes to review all conduct policies, at least annually to ensure appropriate amendments are made to reflect changes in business, rules, regulations and laws.

Corporate Governance

POLICY FRAMEWORK

HUMAN RESOURCES

HR policy manual includes,

- Recruitment policy
- Grievance handling policy
- Whistleblowing policy
- Leave policy
- Flexy working hours policy
- Policy for staff loans
- Employee separation/cessation policy
- Job rotation policy
- Remuneration and benefits policy

TECHNOLOGY & DIGITAL

It policy manual includes,

- Password policy
- Electronic mail (email) policy
- Internet policy
- Hardware and software policy
- Information security policy
- User privilege policy
- Anti-virus policy
- Backup policy
- Mobile devices policy
- Network policy
- Server policy
- Incident response policy
- Application service provider (asp) policy
- Change management policy
- Green computing policy
- Information technology end user acknowledgement policy

ETHICS AND INTEGRITY

- Code of conduct
- Anti-bribery and anti-corruption policy
- Whistleblowing policy
- Policy on outsourcing services
- Conflict of interest policy
- Anti-money laundering and terrorist financing risk management policy and procedure
- Sustainability policy
- Policy for deceased customers

RISK MANAGEMENT

- Delegated authority manual that includes
 - Raci framework
 - Investment policy
 - Operational da framework
- Enterprise risk management framework that includes
 - Interest rate risk management framework
 - Liquidity risk management framework
 - Compliance risk management framework
- Business continuity plan and risk management framework
- Credit policy manual
- Policy and guidance document for impairment of lending
- Incident and near-miss management procedure

INVESTMENT POLICY

- Investment policy and procedure
- Credit policy and procedure

COMMUNICATION

- Complaint handling policy
- Communication policy

IT Governance (Principle G)

The Board bears the responsibility for overseeing IT Governance and ensuring that IT strategies and practices align with the overall objectives and risk appetite of the Company. This entails setting clear IT objectives that support FCT's strategic direction across short, medium, and long-term horizons.

The Board also actively monitors external trends and best practices in cybersecurity, enabling the identification of potential risks and opportunities while advocating for the timely adoption of frameworks to fortify the information security resilience. To bring more focused oversight on cybersecurity risks, the Board has appointed the Chief Information Officer (CIO) to oversee the IT governance activities and report back on a regular basis.

HR Governance

The Board is responsible for overseeing HR governance within the organisation to ensure that human resources strategies and practices are in line with the Company's overall objectives and values. Additionally, the Board is actively involved in setting and reviewing compensation and benefits packages to attract and retain top talent, while also ensuring compliance with legal and regulatory requirements. By prioritising effective HR governance, the Board strives to foster a positive workplace culture, enhancing employee engagement, and driving sustainable growth.

Sustainability Governance and Reporting

The Board maintains a strong commitment to ensuring sustainable operations for the benefit of its stakeholders. To achieve this objective, the Board supervises the formulation of sustainability strategy, ensuring that the identified Material matters are integrated into the business plans. This approach empowers operational teams to implement these plans effectively on a daily basis.

In terms of reporting on sustainability performance, the Board promotes voluntary reporting in line with global best practices for sustainability, such as GRI indicators and the UN SDG's etc.

In the current financial year, the Board also began reviewing the requirements and improving the Company's readiness to adopt the new IFRS S1 and S2 reporting guidelines that are set to come into effect in the near future.

Board Concern Area	Chapter in the Annual Report	Reference
Economic Sustainability	Financial Capital	Pages 60 to 62
Environmental Sustainability	Natural Capital	Pages 78 to 80
Social Sustainability	Social and Relationship Capital	Pages 74 to 77
Brand Sustainability	Intellectual Capital	Pages 65 to 67
Employee Sustainability	Human Capital	Pages 68 to 73

STAKEHOLDER ENGAGEMENT

The Board holds ultimate responsibility for stakeholder engagement. Acknowledging that strong relationships with stakeholders are essential for long-term success, the Board promotes transparent communication to ensure stakeholders are adequately informed about the Company's performance and prospects. Moreover, the Board seeks to address stakeholder concerns and feedback in a timely and meaningful manner, striving to maintain trust and mutual understanding.

Please refer to the Stakeholder Engagement on Pages 34 to 37 for more details.

Shareholder Relations and Communication (Principle C.1, C.2, E & F)

The FCT Board assumes a fundamental role in shareholder relations and communication. Central to this responsibility is the provision of timely and accurate information about the Company's financial performance, strategic initiatives, and significant developments. The Board ensures that shareholders have access to relevant information through regular financial reports, shareholder meetings, and other communication channels. Additionally, the Board actively engages with shareholders to understand their perspectives, concerns, and priorities, fostering open dialogue and constructive feedback. Moreover, shareholders who have concerns regarding information published by the company are encouraged to make formal written representations to the Company. By prioritising effective shareholder communication and engagement, the Board aims to build confidence, enhance shareholder value, and sustain long-term relationships based on mutual respect and shared objectives.

The Annual General Meeting (AGM)

The AGM is a crucial platform for supporting interaction with shareholders. At the close of each financial year, the Board determines the AGM date. Shareholders receive notice of the AGM, along with the Annual Report, financial statements, and any proposed resolutions, including voting procedures, at least fifteen (15) working days before the AGM, in accordance with CSE listing rules. This ensures transparency and allows shareholders ample time to review materials before the meeting.

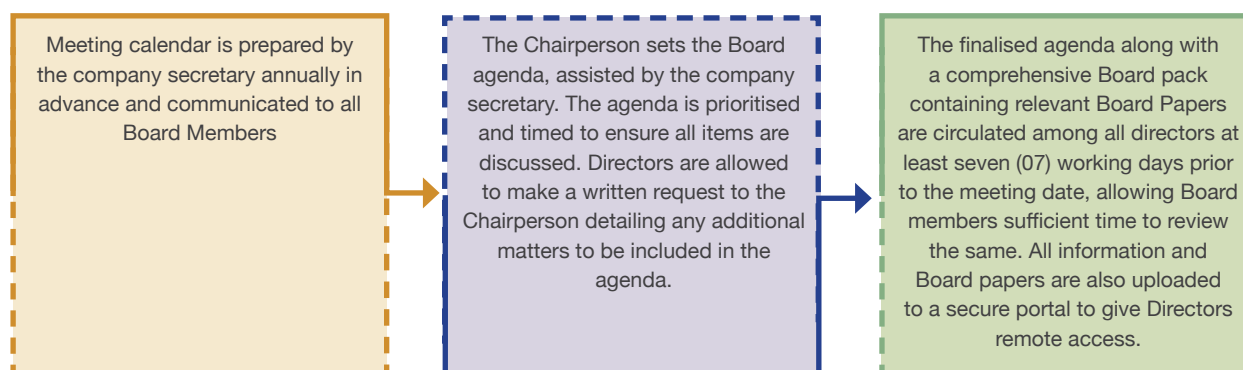
FCT's next AGM is scheduled to be held on 28 June 2024.

Corporate Governance

BOARD MEETINGS (PRINCIPLES A.1.1, A.1.6, A.1.7, A.6, A.10)

The FCT Board convenes monthly, with extra sessions scheduled as needed. Only Board members have the privilege to participate, while the Company Secretary ensures formal documentation of proceedings. Attendance of all Directors is compulsory at every meeting. As needed, Key Management Personnel (KMP) or external specialists are invited to contribute insights on specific agenda items or present on topics concerning strategy, risks, opportunities, and related matters.

PLANNING OF BOARD MEETINGS



Directors are allowed to make a written request to the Chairman detailing any additional matters to be included in the agenda. Moreover should any Director find that the information provided in the Board Papers are insufficient or unclear, they are entitled to call for further clarity or additional information, with the relevant KMP required to provide further details as needed.

If a Director is unable to attend a Board Meeting, he/ she is expected to review the Board papers and then advise the Chairperson of his / her views and comments on the matters to be discussed so that they can be conveyed to others at the meeting.

The FCT Board convened 13 times during FY 2023/24 with each session marked by robust attendance and active participation by all directors.

Board Focus	Key Initiatives for 2023/24	Future Plans
Compliance	<p>Launch of the Anti-Bribery and Anti-Corruption Policy in compliance with the new CSE rules on Corporate Governance</p> <p>Establishing Company level Board sub-committees and TOR's for all Board Sub Committees in compliance with the new CSE rules on Corporate Governance</p> <p>Establishing a formal process for the appointment and re-election of Directors and for evaluating the performance and effectiveness of the Board in compliance with the new CSE rules on Corporate Governance</p> <p>Amended the Whistleblower Policy in compliance with the new CSE rules on Corporate Governance</p>	<p>Introduce the following policies in compliance with the new CSE rules on Corporate Governance;</p> <ul style="list-style-type: none"> • Policy on the matters relating to the Board of Directors • Policy on Board Committees • Policy on Corporate Governance, Nominations and Re-election • Policy on Remuneration • Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities • Policy on Relations with Shareholders and Investors • Policy on Control and Management of Company Assets and Shareholder Investments • Policy on Corporate Disclosures • Revision to the policy on ESG and Sustainability

Board Focus	Key Initiatives for 2023/24	Future Plans
Risk Management	<p>Strengthening the Compliance Risk Management Framework</p> <p>Updated Enterprise Risk Management Framework by;</p> <ul style="list-style-type: none"> • Updating the Interest rate risk management • Establishing Liquidity Risk management framework • Establishing Compliance risk management framework 	
Culture and Ethics	<p>Update of the Anti-Money Laundering and Combating Financing of Terrorism Risk Management Process Manual</p> <p>Update of the Delegated Authority Manual</p>	
Stakeholder Engagement	Revised of the formal Complaint Handling Policy and Procedure based on new guidelines imposed by regulators	

DIRECTORS TRAINING (PRINCIPLE A.1.8)

Every Board Director has access to training at the Company's expense. Directors are encouraged to engage in regular training to stay abreast of evolving trends in the financial services sector and regulatory landscape and to support the importance of continuous professional development.

Directors Training - FY 2023/24	
Programme Focus	No. of Directors who participated
Awareness session on AML/CFT	6
Seminar on Corporate Governance Rules	2
Negotiation Essentials Online, Harvard Law School	1

Evaluating Board Performance (Principles A.9)

The Board collectively evaluates its performance and functional effectiveness on an annual basis. The Company is currently in the process of developing a formal procedure for evaluating Board performance, wherein all Directors will be required to submit an annual self evaluation to the Nomination Committee. The Nomination Committee will then review these self evaluations in terms of the Board composition and balance and mix of skills, experience, independence and knowledge, the gender representation, with the Committee recommendations submitted to the Board for appropriate action.

Evaluating the Performance of the CEO (Principle A.11)

The performance of the CEO is assessed annually by the Chairperson, typically by reviewing the executive's performance against predefined objectives, key performance indicators (KPIs), and leadership competencies. The evaluation also considers the CEO's ability to navigate challenges, foster innovation, and drive sustainable growth. Additionally, feedback from various stakeholders, including Board members, senior management, employees, and external partners, may also be incorporated to provide a holistic perspective. Transparent communication and constructive dialogue are essential during this process to identify strengths, areas for improvement and developmental opportunities for the CEO, ultimately enhancing leadership effectiveness and contributing to the overall success of the organisation.

Board Sub Committees (Principles B.2, D.3, D.4, D.5)

Board Sub Committees play a pivotal role in enhancing the effectiveness and efficiency of corporate governance by focusing on specific areas of expertise. By delegating responsibilities to Sub Committees, the Board seeks to leverage the diverse skills and knowledge of individual directors, ensuring comprehensive oversight and accountability and enhancing the Board's ability to address key challenges and opportunities.

Corporate Governance

AUDIT COMMITTEE (PAGES 153 TO 154)

Purpose:

Oversight of financial reporting, internal controls, internal and external audits and compliance with legal and regulatory requirements

Composition of the Committee:

Minette Perera

Independent Non- Executive Director (Chairperson)

Chandana de Silva

Independent Non-Executive Director

Ramesh Schaffter

Non-Independent Non-Executive Director

Meeting Frequency:

Quarterly

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE (PAGE 158)

Purpose:

Oversight of financial reporting, internal controls, internal and external audits and compliance with legal and regulatory requirements

Ensuring that the Company takes the interest of shareholders as a whole into consideration in a manner that avoids conflict of interest.

Composition of the Committee:

Minette Perera

Independent Non- Executive Director (Chairperson)

Chandana de Silva

Independent Non-Executive Director

Ramesh Schaffter

Non-Independent Non-Executive Director

Meeting Frequency:

Quarterly

REMUNERATION COMMITTEE (PAGE 155)

Purpose:

Evaluation and recommendation of the Company's remuneration structure in alignment with performance parameters.

Composition of the Committee:

Chandana de Silva

Independent Non-Executive Director (Chairman)

Manjula Mathews

Non-Independent Non-Executive Director

Nishan de Mel

Independent Non-Executive Director

Meeting Frequency:

Semi-annually

NOMINATION COMMITTEE (PAGE 159)

Purpose:

Reviewing the composition of the Board to ensure that the Board is properly constituted and balanced in terms of skills, experience and diversity.

Composition of the Committee:

Nishan de Mel

Independent Non-Executive Director (Chairman)

Minette Perera

Independent Non- Executive Director

Manjula Mathews

Non-Independent Non-Executive Director

Meeting Frequency:

As and when required

INVESTMENT, ASSET AND LIABILITY COMMITTEE (PAGE 160)

Purpose:

Reviewing investment related analysis, liquidity positions and risks and approving investment decisions of the Company in the best interest of shareholders.

Composition of the Committee:

Nishan de Mel

Independent Non-Executive Director (Chairman)

Dilshan Wirasekara

Non-Independent Non-Executive Director

Manjula Mathews

Non-Independent Non-Executive Director

Meeting Frequency:

Bi-weekly

ENTERPRISE RISK MANAGEMENT COMMITTEE (PAGES 156 TO 157)

Purpose:

Establishing and maintaining a comprehensive enterprise risk management system.

Composition of the Committee:

Nishan de Mel

Independent Non-Executive Director (Chairman)

Dilshan Wirasekara

Non-Independent Non-Executive Director

Meeting Frequency:

Monthly

Role of the Company Secretary (Principle A.1.4)

The Company Secretary serves as a vital liaison to the Board, providing essential guidance on its obligations, corporate governance standards, and regulatory compliance. The Company Secretary works closely with the Board Chairperson to set up board meetings. The company Secretary also attends all Board meetings and maintains minutes. All Directors have unfettered access to the expertise and support of the Company Secretary, reinforcing the integrity and effectiveness of Board operations.

The Janashakthi Corporate Services Limited serves as the Company Secretary of the Company.

Corporate Governance

CORPORATE GOVERNANCE COMPLIANCE REPORT ON CODE OF BEST PRACTICE

This report shows the status of compliance of the company in accordance with the Code of Best Practice on Corporate Governance published by CA Sri Lanka (2023).

Section	Regulator Requirement	Compliance Status by the Company	Remarks
Section A			
A. Directors	Every public company should be headed by an Effective Board, which should direct, lead and control the company.	Complied	Please refer the list of Director and related details
A.1 The Board	The Board should meet regularly. Board meetings should be held at least once in every quarter of a financial year, in order to effectively execute Board's responsibilities, while providing information to the Board on a structured and regular basis (ideally monthly or as agreed by the Board). The regularity of the Board meetings and the structure and process of submitting information should be agreed to and documented by the Board.	Complied	Board meetings are held on quarterly basis.
A.1.1 Frequency of Board meetings	<p>Information to be provided on a regular basis.</p> <ul style="list-style-type: none"> • A board pack containing all relevant information is submitted to the Board of Directors. • Financial and operational results on pre-agreed with Key Performance Indicators • Financial performance compared to previous periods, budgets and targets • Impact of risk factors on financial and operating results and actions to mitigate such risks • Forecast for the next period • Compliance with laws and regulations and any non-compliances • Internal control breaches or frauds during the period and related actions taken • Financial and operational decisions taken by the CEO within his delegated authority • Share trading of the Company and related party transactions by Key Management Personnel • Sustainability/ environmental, social, and governance (ESG) related risks and opportunities (if any) during the period • Cyber security related risks, mitigative measures and a security breach report (if any) during the period and any other matters the Board should be aware of 		<p>Last Board meeting was held on 12 February 2024 (FY 2023/24).</p> <p>All relevant information submitted to the Board meetings on every quarter.</p>

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.1.2 Responsibilities of the Board	The Board's role is to provide entrepreneurial leadership of the company within a framework of prudent and effective controls which enables risk to be assessed and managed. In performing its role, the Board should be responsible for matters including:	Complied	
	Ensuring the formulation and implementation of a sound business strategy;	Complied	The Board implements Strategic Planning process and the status of the same is reviewed on monthly basis. Strategies formulated are implemented through the Chief Executive Officer and Senior Management Team.
	Appointing the chair and the Senior Independent Director, if relevant;	Complied	Chairperson of the Board is an Independent Director and a separate individual from the one who holds position of CEO
	Ensuring that the Chief Executive Officer (CEO) and management team possess the skills, experience and knowledge to implement the strategy;	Complied	Fitness and proprietary criteria are met and the same is evaluated on annual basis. The company is steered by a team of multidisciplinary professionals (Profiles of Senior Management Team provided on pages 24 to 26), led by a CEO with diversified qualifications and experience reporting to the Chairperson/ Board of Directors, an industry prominent figure with diversified qualifications and experience.
	Ensuring the adoption of an effective CEO and Key Management Personnel succession strategy;	Complied	A strong succession planning process in place for identify and groom staff for key positions within the Company in order to ensure the continuity of its operations.
	Approving budgets and major capital expenditure.	Complied	Budgets and capital expenditures which requires consent of the Board are being approved.
	Determining the matters expressly reserved to the Board and those delegated to the Management including the limits of authority and financial delegation.	Complied	A formal Delegated Authority Manual is being maintained, it overlooks the delegated operational functions and determine the matters delegated to the management.

Corporate Governance

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.1.2 Responsibilities of the Board	Ensuring effective systems to secure integrity of information, internal controls, cyber security, business continuity and risk management.	Complied	These aspects are being managed through establishing a sound internal audit process and the Risk Management Framework including IT controls. Such systems are continuously monitored by the Management, Internal and External Auditors. The Board Audit Committee periodically reviews these and the findings are reported to the Board for their decisions. A Business Continuity Plan is developed and being tested periodically to ensure sustainability of operations.
	Ensuring the availability of information communication technology (ICT) roadmap in line with business strategy of the company and monitor the progress of implementation through the ICT dashboard.	Complied	This is an integral part of our strategic plan and follow up is ensured at Board meetings.
	Ensuring compliance with laws, regulations and ethical standards.	Complied	The responsibility is delegated to the Board Audit Committee. The status of the same is being reported to the Board for review. All new regulations pertaining to compliance with laws and regulations are discussed at the Board Meetings thus ensuring the commitment of the highest governing body.
	Ensuring all stakeholder interests are considered in corporate decisions.	Complied	The Company has established a strong set of values, and adhering to these values and principles are encouraged at all times. The Board evaluates the impact on all the key stakeholders of the Company before arriving at any key business decision.
	Recognising sustainable business development and ESG risk and opportunities in corporate strategy, decisions and activities and consider the need for adopting “integrated reporting”.	Complied	The Board recognises the importance of including principles of sustainability and ESG opportunities in Corporate strategy, decisions and activities. Principles of Integrated Reporting framework are being followed when finalising Annual Reports.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.1.2 Responsibilities of the Board	Ensuring that the Company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations;	Complied	Responsibility of the same is being reviewed by the Board Audit Committee. The accounting policies are reviewed on a frequent basis to ensure they are in line with the changing business specifics and best practices in the industry. The Independent Auditor's Report appears from pages 166 to 168 in the Annual Report and affirms that the company's financial statements are in line with Sri Lanka Accounting Standards.
	Establish a process of monitoring and evaluation of progress on strategy implementation, budgets, plans and related risks.	Complied	This function is being conducted through and continuously reviewed and monitored the progress of the business at the monthly Board Review Committee meetings.
	Ensuring that a process is established for corporate reporting on annual and quarterly basis or more regularly as relevant to the company.	Complied	Corporate reporting process (including financial and non-financial disclosures) follows a review process through the Board Audit Committee and the final reports are being approved by the Board. The company issues and uploads quarterly and annual financial statements together with the relevant disclosures, on the CSE and company websites.
	Fulfilling such other Board functions as are vital, given the scale, nature and complexity of the business concerned.	Complied	During the year, the Board committed to fulfil their stewardship obligations on behalf of all stakeholders in line with laws, regulations and governance practices of the company.
A.1.3 Compliance with Laws and Independent professional advice	The Board collectively, and Directors individually, must act in accordance with the laws of the country, as applicable to the business enterprise. There should be a procedure agreed to by the Board of Directors, wherein a Director can require the Company to obtain independent professional advice where necessary, at the Company's expense.	Complied	Provisions are available through the recommend, approve, consult, inform (RACI) framework for the Board of Directors to obtain such independent professional advice.

Corporate Governance

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.1.4 Company Secretary	<p>All Directors should have access to the advice and services of the Company Secretary, who is responsible to the Board in ensuring that Board procedures are followed and that applicable rules and regulations are complied with.</p> <p>If the Company secretary is employed by the company in another capacity as well, it cannot conflict with the role of Company secretary.</p> <p>Any question of the removal of the company Secretary should be a matter for the Board as a whole.</p>	Complied	Janashakthi Corporate Services Limited serves as the company Secretary for First Capital Treasuries PLC and the Board members have direct access to the advice and services of the company Secretary. The appointment and removal of the company Secretary remains with the Board through the RACI framework.
	The Company should obtain appropriate insurance cover as recommended by the Nomination Committee to the Board of Directors and key management personal (KMP).	Partially complied	Appropriate insurance covers are available for the KMPs.
A.1.5 Independent judgment	All Directors should bring independent judgment to bear in discharging their duties and responsibilities on matters relating to the Board including strategy, performance, resource allocation, risk management, compliance and standards of business conduct.	Complied	Relevant provisions and powers are provided to the Board members to bring their independent judgements, avoiding matters of potential or actual conflicts of interests and use their vote for the matters accordingly.
A.1.6. Dedication of adequate time and effort by the Board	Every Director should dedicate adequate time and effort to matters of the Board and the company, to ensure that the duties and responsibilities owed to the company are satisfactorily discharged. It must be recognised that Directors have to dedicate sufficient time before a meeting to review Board papers and call for additional information and clarification, and after a meeting to follow up on issues consequent to the meeting. This should be supplemented by a time allocation for familiarisation with business operations, risks and controls.	Complied	<p>Proper time durations are allocated by timely tabling of reports and analysis. Paperless board meeting solutions (BoardPac software) have been arranged to facilitate review, questioning and discussion of these reports prior and after the meeting. Directors' time was spent on strategy evaluation, performance review and directing corrective measures for fine tuning areas where it was deemed required. In addition to the Board meetings, Directors attended to Sub-Committee meetings and also contributed to the decision making.</p> <p>Board Sub-Committees include</p> <ul style="list-style-type: none"> • Audit Committee • Related Party Transactions Review Committee • Remuneration Committee • Nomination Committee • Investment, Asset and Liabilities Committee • Enterprise Risk Management Committee

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.1.7 Calling for resolutions for the best interest to the company	One third of Directors can call for a resolution to be presented to the Board where they feel it is in best interest to the Company to do so.	Complied	Any single Director may call for a resolution to be presented to the Board where he feels it is in the interest of the company. As per Articles of Association, resolutions can be passed with majority voting.
A.1.8 Training for new and existing Directors	<p>Every Director should receive appropriate training when first appointed to the Board of a company, and subsequently as necessary. Training curricula should encompass both general aspects of directorship and matters specific to the industry/company concerned. A Director must recognise that there is a need for continuous training and an expansion of the knowledge and skills required to effectively perform duties as a Director. The Board should regularly review and agree the training and development needs of the Directors.</p> <p>In accepting an appointment as a Director of a company, consideration should be given to the responsibilities of the role, ability to commit time any existing or potential conflicts of interest and possessing required competencies of the role.</p>	Complied	<p>Directors are encouraged to participate in continuous professional and self-development activities as necessary. The Board consists of professionals and industry experts who have adequate knowledge and experience to conduct their functions (please refer the Director profiles, pages 19 to 22). Relevant training is being provided/arranged if such requirements are identified at Board or Sub-Committee levels.</p> <p>Nomination Committee is collectively overlooking the requirement in the event of appointing a Director.</p>
A.2 Chairman and Chief Executive Officer (CEO)	<p>There are two key tasks at the top of every public company;</p> <p>(i) Conducting of the business of the Board</p> <p>(ii) Facilitating executive responsibilities for management of the company's business.</p> <p>There should be a clear division of responsibilities at the head of the company, which will ensure a balance of power and authority, such that no individual has unfettered powers of decisions.</p>	Complied	To ensure delegation of authority, the Board has set up a number of Sub-Committees to reinforce practices of self-governance.
A.2.1 Separation of Roles - Chairman and CEO	A decision to combine the posts of Chairman and CEO in one person should be justified and highlighted in the Annual Report.	Not applicable	Chairperson and CEO are two separate posts held by two different competent personnel.
A.3 Chairman's Role A.3.1	<p>The Chairman's role in preserving good Corporate Governance is crucial. As the person responsible for running the Board, the Chairman should preserve order and facilitate the effective discharge of Board functions.</p> <p>The Chairman should conduct Board proceedings in a proper manner and ensure, inter-alia, that:</p>		

Corporate Governance

Section	Regulator Requirement	Compliance Status by the Company	Remarks
	The agenda for board meetings is developed in consultation with the CEO, Directors and the Company secretary taking into considerations matters relating to strategy, performance, recourse allocation, risk management and compliance.	Complied	The agenda of the meeting is decided based on the regular discussions, sub-committee reports (including risk management requirements), regulatory guidance and the points the CEO required to present and highlight.
	Sufficiently detailed information of matters included in the agenda should be provided to Directors in timely manner.	Complied	Reports and analysis related to matters are being tabled in timely manner to provide Directors adequate time to review and discuss.
	All Directors are made aware of their duties and responsibilities and the Board and Committee structures through which it will operate in discharging its responsibilities.	Complied	Relevant Board Sub-Committees are in place and the responsibilities of the same are specified through the 'Terms and References' (TOR) of such Sub-Committee.
	The effective participation of both Executive and Non-Executive Directors is secured; all Directors are encouraged to make an effective contribution, within their respective capabilities for the benefit of the company.	Complied	The Board includes Directors with diverse knowledge and expertise and their contribution on the subject matters are being obtained.
	All Directors are encouraged to seek information considered necessary to discuss matters on the agenda of meetings and to request inclusion of matters of corporate concern on the agenda.	Complied	IT infrastructure being provided to facilitate this requirement.
A. 3 Chairman's Role A. 3.1	A balance of power between Executive and Non-executive Directors is maintained.	Complied	Please refer the Director list and details Pages 19 to 22.
	The views of Directors on issues under consideration are ascertained and a record of such deliberations reflected in the minutes.	Complied	Matters discuss at the meetings are being properly minute.
	The Board is in complete control of the company's affairs and alert to its obligations to all shareholders and other stakeholders.	Complied	Through the Sub-Committee reports and Risk Management Framework, information related to company affairs are being obtained and analysed at the Board level.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.4 Financial acumen and knowledge	The Board should ensure the availability within it of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.	Complied	The Board consists of Finance professionals and collectively possess a strong capability to assess the integrity of the Company's financial reporting systems and controls, continually review, critique these systems and make changes to them as necessary and to guide the matters related to Finance. Such professionals are being allocated to the Board Audit Committee as well. Refer Director profiles in pages 19 to 22.
A.5 Board Balance	It is preferable for the Board to have a balance of Executive and Non-Executive Directors such that no individual or small group of individuals can dominate the Board's decision-taking.	Non-Complied	The Board comprised of only Non-Executive Directors.
A.5.1. Board Balance	The Board should include Non-Executive Directors of sufficient calibre and number for their views to carry significant weight in the Board's decisions.	Complied	The Board comprised of six Non-Executive Directors.
	The Board should include at least three Non-Executive Directors or such number of Non-Executive Directors equivalent to one third of total number of Directors, whichever is higher.	Complied	The Board comprised (6) Non-Executive Directors. Please refer Director list and details (pages 19 to 22).
	In the event the Chairman and CEO is the same person or if the Chairman is not an independent director, Non-Executive Directors should comprise a majority of the Board.	Not Applicable	
	The total number of Directors is to be calculated based on the number as at the conclusion of the immediately preceding Annual General Meeting.	Complied	The Board comprised total of six (6) Directors.
	Further, any change occurring to this ratio should be rectified within 90 days from the date of the change.	Not applicable	
A.5.2/ A.5.3/ A.5.4/ A.5.5/ A.5.6 Independent Directors	Where the constitution of the Board of Directors includes only three Non-Executive Directors, all three Non-Executive Directors should be 'independent'. In other instances, three or two third of Non-Executive Directors appointed to the Board of Directors whichever is higher should be 'independent'.	Partially complied	The Board comprised Three (3) Independent Directors out of total six (6) Directors. Please refer Director list and details pages 19 to 22. The Company is in the process of changing the composition to comply with the new Corporate Governance rules which will be effective by 1 October 2024.
	For a Director to be deemed 'independent' such Director should be Independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.	Complied	The Board considers Non-Executive Director's independence on an annual basis. The independence of Non- Executive Directors is determined in line with the Listing Rules of Colombo Stock Exchange (CSE).

Corporate Governance

Section	Regulator Requirement	Compliance Status by the Company	Remarks
	Each Non-Executive Director should submit a signed and dated declaration annually of his/her independence or non-independence against the specified criteria set out in the Specimen in Schedule C and confirm at the end of each quarter whether the declared status on independence continues.	Complied	Non-Executive Directors have submitted the declaration to determine their independence or non-independence.
	The Board should make a determination annually, unless a change has arisen subsequently, as to the Independence or Non-Independence of each Non-Executive Director based on such a declaration made of decided criteria and other information available to the Board. The Board should determine whether the Director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement.	Complied	Independency of the Board of Directors is being periodically evaluated.
	The Board should specify the criteria not met and the basis for its determination in the annual report, if it determines that a Director is independent notwithstanding the existence of relationships or circumstances which indicate the contrary and should set out in the Annual Report the names of Directors determined to be 'independent'.	Not applicable	
	A.5.6 - If an alternate Director is appointed by a Non-Executive Director such alternate director should not be an executive of the Company.	Not Applicable	
	If an alternate Director is appointed by an Independent Director, the person who is appointed also should meet the criteria of independence and the provision on minimum number of independent Directors also should be satisfied.	Not applicable	
	Alternate Directors shall provide declaration of independence as required for directors whom he/she alternate to. The name and brief profile of the alternate directors should be disclosed in the Annual Report.		
A.5.7/ A.5.8 Senior Independent Director (SID)	A.5.7 In the event the Chairman and CEO is the same person or the Chairman is not an Independent Director or the Chairman is the immediately preceding CEO, or the Chairman and CEO are close family members, the Board should appoint one of the Independent Non- Executive Directors to be the SID and disclose this appointment in the Annual Report.	Substantially Complied	Appointing a Senior Independent Director is in line with the Corporate Governance section of the Listing Rules.
	The senior independent director should provide guidance to the chairman on matters of governance of the company, to enable this process he should meet at least twice each year with the Non-Executive Directors and at least once a year with the executive Directors, to enable discussion and communication of governance related matters. The outcome of these discussions should be informed to the Chairman.	Not applicable	

Section	Regulator Requirement	Compliance Status by the Company	Remarks
	A.5.8 The Senior Independent Director should make himself available for confidential discussions with other Directors who may have concerns which they believe have not been properly considered by the Board as a whole and which pertain to significant issues that are detrimental to the Company.	Not applicable	
	The Senior Independent Director should participate in all meetings with majority, significant, and minority shareholders and be made aware of their concerns by the company secretary.	Not applicable	
A.5.9 Meetings with Non Executive Directors	The Chairman should hold meetings with the Non-Executive Directors only, without the Executive Directors being present, as necessary and at least once each year.	Not practiced	Chairperson and the Directors maintain a solid rapport and work together professionally. As such, formal meetings were not conducted during the year. If any issue is arisen, it's discussed and resolved amicably in any event.
A.5.10 Recording of Concern in Board Minutes	Where Directors have concerns about the matters of the Company which cannot be unanimously resolved, they should ensure their concerns are recorded in the Board Minutes.	Complied	All matters discussed at the Board meeting is being properly minute.
A.6 Supply of information	The Board should be provided with timely information in a form and of a quality appropriate to enable it to discharge its duties.		
A.6.1 Obligation of the Management	Management has an obligation to provide the Board with appropriate and timely information, but information volunteered by management may not be enough in all circumstances and Directors should make further inquiries where necessary. The Chairman should ensure all Directors are properly briefed on issues arising at Board meetings.	Complied	Proper time durations are being allocated by timely tabling of reports and analysis. Paperless Board meeting solutions (BoardPac software) have been arranged to facilitate review, inquiries and discussion of these reports prior and after the meeting.
A.6.2 Management has obligation to provide appropriate and timely information	The agenda and papers required for a Board Meeting should ordinarily be provided to Directors at least seven (7) days before the meeting, to facilitate its effective conduct. The minutes of the meeting should ordinarily be provided to Directors at least two weeks after the meeting date.	Complied	Agenda and the papers are being tabled at least a week prior to the meeting and minutes are being circulated within two weeks after the meeting.
A.7 Appointment to the Board	There should be a formal and transparent procedure for the appointment of new Directors to the Board.		

Corporate Governance

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.7.1 Nomination Committee	A Nomination Committee comprising a minimum of three members should be established to make recommendations to the Board on all new board appointments.	Complied	Providing recommendations for the Board appointments is the primary responsibility of the Nomination Committee appointed by the Board of Directors.
	The majority of the membership of the Committee shall comprise maximum of 3 Directors of be Non-Executive Directors and shall include at least two or one third (whichever is higher) of Independent Non- Executive directors.	Complied	The Committee is comprised of three (3) members whereas the majority of Directors are Independent Non-Executive Directors.
	The Chairman of the Committee shall be an Independent Non-Executive Director appointed by the Board. If the Chairman of the Company is an Independent Non-Executive Director, he/she should chair the Nomination Committee. In situations where a Senior Independent Director has been appointed, he/she should chair the Nomination Committee.	Complied	Chairman of the Committee is an independent Non-Executive director. Nevertheless, Chairman of the Committee and the Chairperson of the Company (Non-Independent Non-Executive Director) is two different personnel to be complied with the amended Listing Rule 9.3.3.
A.7.2 Assessing Board Composition	<p>The Nomination Committee should annually assess Board-composition against pre-defined criteria of skill and knowledge requirements to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the company.</p> <p>The Committee should also consider diversity on the Board including gender, age and any other factor relevant to the industry.</p> <p>The findings of such assessment should be taken into account when new Board appointments are considered and when incumbent Directors come up for re-election, including a process to determine that such proposed Board appointees are fit and proper.</p> <p>Members of the Nomination Committee should not participate in decision making relating to their own appointment/ reappointment and the Chairman of the Board should not chair the Committee when it is dealing with the appointment of his/her successor.</p>	Complied	The assessment takes place annually prior to the Annual General Meeting.
A.7.3 Succession plan for CEO and Key Management Personnel	The Committee should ensure that there is a succession plan for the chief executive officer and for all key management personnel (KPM) and determine the training and development requirements for those identified for succession.	Complied	Company ensures succession plan of the CEO, KMPs and critical staff members annually as integrate element of Business Continuity Planning.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.7.4 Appointment of New Directors to the Board	<p>Upon the appointment of a new Director to the Board, the company should forthwith disclose to shareholders:</p> <ul style="list-style-type: none"> • a brief resume of the Director; • the nature of his expertise in relevant functional areas; • the names of companies in which the Director holds directorships or memberships in Board Committees; and • whether such Director can be considered 'independent'. <p>Even if a Director is appointed as an Alternate Director, the disclosures stated above should be made.</p>	Complied	Changes in Directorships are published on the CSE website immediately after such events along with the required set of information. An immediate disclosure to the CSE is made upon the appointment of new Directors.
A.7.5 Appointment to the Nomination Committee	The Chairman and members of the Nomination Committee should be identified in the annual report. A separate section of the Annual Report should describe the work of the Nomination Committee including the process it has used in relation to Board appointments	Complied	Please refer to Nomination Committee details on Page 159.
A.7.6	Terms of reference for Nomination Committee are set out in place.		Terms of Reference of Nomination Committee are in place.
A.8 Re-election	All Directors should be required to submit themselves for re-election at regular intervals and at least once in every three years.		
A.8.1 Appointment of Non-Executive Directors	Non-Executive Directors should be appointed for specified terms subject to re-election and to the provisions in the Companies Act relating to the removal of a Director, and their re-appointment should not be automatic.	Complied	This process is evaluated annually and re-elections are being taking place at the AGM. Re-appointment of the Non-Executive Directors has been done according to the provision of the Companies Act.
A.8.2 Electing of Directors and Re-election	All Directors including the Chairman of the Board, should be subject to election by shareholders at the first opportunity after their appointment and to re-election thereafter at intervals of no more than three years. The names of Directors submitted for election or re-election should be accompanied by a resume minimally as set out in paragraph A.7.4 above, to enable shareholders to make an informed decision on their election.	Complied	This procedure is in place.
A.8.3 Resignation	In the event of a resignation of a Director prior to completion of his appointed term, the Director should provide a written communication to the Board of his reasons for resignation.	Complied	The Directors who resigned/retired during the year have given written communication to the Board.
A.9 Appraisal of Board performance	Board should periodically appraise their own performance in order to ensure that Board responsibilities are satisfactorily discharged.		
A.9.1	The Board should have in place a formal and rigorous process for annually reviewing the performance of the Board and its Committees and should address any matters that may arise from such review, in the discharge of its key responsibilities.	Substantially complied	The Board conducts this process. However, a formal process for the same is not in place.

Corporate Governance

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.9.2	<p>The Board should also undertake an annual self-evaluation of its own performance and that of its Committees, Chairman, Non-Executive Directors and Executive Directors.</p> <p>The evaluation of the Board and the Chairman should be carried out by each Director individually. Evaluation of Non- Executive Directors should be carried out individually by the Executive Directors and the Chairman. Evaluation of Executive Directors should be carried out individually by the Chairman and Non-Executive Directors.</p> <p>The Board should consider a periodic 360-degree appraisal of Executive Directors and other Key Management Personnel.</p> <p>The collective outcome should be compiled and made available to the Nomination Committee, which should consider the results of the evaluation and make recommendation to the Board on initiatives and actions required to improve the balance of skills, experience, independence, industry and company knowledge training of directors, governance processes, strategy review and other factors relevant to its effectiveness.</p>	Substantially complied	The Board conducts this process. However, a formal process for the same is not in place.
A.9.3	The Board should have a process to review the participation, contribution and engagement of each Director at the time of re-election.	Substantially complied	The Board conducts this process. However, a formal process for the same is not in place.
A.9.4	The Board should state how such performance evaluations have been conducted, in the Annual Report.	Complied	
A.10 Disclosure of information in respect of Directors	Shareholders should be kept advised of relevant details in respect of Directors.	Complied	

Section	Regulator Requirement	Compliance Status by the Company	Remarks
A.10.1	<p>The Annual Report should set out following information in relation to each Director:</p> <ul style="list-style-type: none"> • name, qualifications and brief profile; • the nature of his/her expertise in relevant functional areas; • immediate family and/or material business relationships with other Directors of the company; • whether Executive, Non-Executive and/or Independent Director; • names of listed companies in Sri Lanka in which the Director concerned serves as a Director; • names of other companies in which the Director concerned serves as a Director, provided that where he/she holds directorships in companies within a group of which the company is a part, their names need not be disclosed; it is sufficient to state that he/ she holds other directorships in such companies; • number/percentage of Board meetings of the Company attended during the year; • the total number of Board seats held by each Director indicating listed and unlisted Companies and whether in an Executive or Non-Executive capacity; • names of Board Committees in which the Director serves as Chairman or a member; and • number/percentage of Committee meetings attended during the year. 	Substantially complied	Please refer Director list and details pages 19 to 22.
A.11 Appraisal of CEO	The Board should be required, at least annually, to assess the performance of the CEO.	Complied	The Board have setup a Remuneration Committee for this requirement.
A.11.1 Target / Goals for the CEO	At the commencement of every fiscal year, the Board in consultation with the CEO, should set, in line with the short, medium and long-term objectives of the company, reasonable financial and non-financial targets that should be met by the CEO during the year.	Complied	The Board ensures that a business performance plan is completed and approved by the Board for each year of operation. This plan is developed to tie up with the corporate plan of the company and Key Performance Indicators (KPIs) are drawn up to monitor the success of operations. The overall KPIs are used to evaluate the performance of the CEO against results achieved by the company.
A.11.2 Evaluation of the performance of the CEO	The performance of the CEO should be evaluated by the Board at the end of each fiscal year to ascertain whether the targets set by the Board have been achieved and if not, whether the failure to meet such targets were reasonable in the circumstances.	Complied	The Remuneration Committee of the Board carries out this evaluation and submits their briefing to the Board for any further discussion required.

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Section	Regulator Requirement	Compliance Status by the Company	Remarks
Section B - Directors' remuneration			
B.1 Remuneration procedure	Companies should establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. To avoid potential conflicts of interest, no Director should be involved in deciding his/her own remuneration.	Complied	The Board has implemented a formal and transparent procedure for developing policies on remuneration by setting up a Remuneration Committee.
B.2 Remuneration Committee	Level and makeup of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to corporate and individual performance ensuring the balance between short, medium and long-term perspectives of the performance outcomes.	Complied	
B.2.1 Remuneration Committee Purpose	The Board of Directors should set up a Remuneration Committee to make recommendations to the board on the company's framework of remunerating the CEO, Executive and Non-Executive Directors, and guidelines for fair and transparent procedures for remunerating Senior Management, including post-employment benefits as well as terminal benefits.	Complied	The purpose of the Committee is to assist the Board in matters of compensation of the company's Directors, Corporate Management Team and other employees as determined by the Committee.
B.2.2 Composition	Remuneration Committees should consist exclusively of Non-Executive Directors with a minimum of three Non-Executive Directors of whom the majority should be Independent. The Chairman should be an Independent Non-executive Director and should be appointed by the Board.	Complied	The Remuneration Committee consists of two Independent Non-Executive Directors. Please refer details on page 155.
B.2.3 Remuneration of Executive Directors & Senior Management	The remuneration committee should consult the Chairman and/or CEO about its proposals relating to the remuneration of Executive Directors & Senior Management and have access to professional advice from within and outside the company, in discharging their responsibilities.	Complied	The Remuneration Committee decides the remuneration of the directors. The Committee has provisions to obtain professional advises if required.
B.2.4 The level and make up of remuneration	<p>The Remuneration Committee should provide the packages needed to attract, retain and motivate Executive Directors and the chief executive of the quality required but should avoid paying more than is necessary for this purpose and ensure that the process for senior management compensation is structured in the similar manner.</p> <p>The Board as a whole, or where required by the Articles of Association the shareholders, should determine the remuneration of Non-Executive Directors, including members of the Remuneration Committee, within the limits set in the Articles of Association. Where permitted by the Articles, the Board may delegate this responsibility to a Sub-Committee of the Board, which might include the CEO.</p>	Complied	The Remuneration Committee decides the remuneration of the directors. The Committee has provisions to obtain professional advice if required.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
B.2.5 Design the remuneration for long term success	Executive Directors' remuneration should be designed to promote the short medium and long-term performance of the Company.	Complied	The remuneration levels are designed to attract and retain the best talent to ensure the long-term success and sustainability of the business.
B.2.6 Design the remuneration of the Executive Directors to promote long-term success of the company	The Remuneration Committee should judge where to position levels of remuneration of the Company, relative to other companies. It should be aware what comparable companies are paying and should take account of relative performance, but should use such comparisons with caution, mindful of the risk that they can result in an increase of remuneration levels with no corresponding improvement in performance.	Complied	Relevant remuneration surveys are being conducted by the Remuneration Committee to analyse the adequacy of the remuneration packages provided.
B.2.7 Comparison of remuneration within the group	The Remuneration Committee should be sensitive to remuneration and employment conditions elsewhere in the Company or group of which it is a part, especially when determining annual salary increases.	Complied	Salary standards are being maintained and the Committee conducts a centralised function to the entire group of Companies.
B.2.8 Performance based remuneration	<p>The performance-related elements of remuneration of the CEO and Executive Directors should be designed and tailored to align their interests with those of the Company and main stakeholders and to give these Directors appropriate incentives to perform at the highest levels. The performance-related elements should be transparent, stretching and rigorously applied. The Committee should review at least annually the performance of the CEO and Executive Directors against the set targets and goals, which have been approved by the Board, and recommend the basis for revising remuneration, benefits and other payments of performance-based incentives.</p> <p>The Committee should ensure that the guidelines for fair and transparent procedures recommended by them and approved by the Board for evaluating senior managements' performance and revising their remuneration, benefits and other payments of performance-based incentives is followed.</p>	Complied	A proper performance evaluation is being conducted by the Remuneration Committee. A standard and transparent evaluation methodology is being followed for all Directors.
B.2.9 Executive share optional	Executive share options should not be offered at a discount (i.e. less than market price prevailing at the time the exercise price is determined), save as permitted by the Listing Rules of the Stock Exchange. Shares granted under share option schemes should not be exercisable in less than three years and the Remuneration Committee should consider requiring Directors to hold a minimum number of shares and to hold shares for a further period after vesting or exercise.	Complied	No Executive share options offered under discounted prices.

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Section	Regulator Requirement	Compliance Status by the Company	Remarks
B.2.10 Designing the remuneration	In designing schemes of performance-related remuneration, Remuneration Committees should follow the provisions set out in Schedule G. The schemes should include provisions that would enable the Company to recover sums paid or withhold a portion of such performance related remuneration and specify the circumstances in which a company may not be entitled to do so.	Complied	
B.2.11 Early termination of Directors	Remuneration Committees should consider what compensation commitments (including pension contributions) their CEO's and Executive Directors' contracts of service, if any, entail in the event of early termination. Remuneration Committees should in particular, consider the advantages of providing explicitly for such compensation commitments to apply other than in the case of removal for misconduct, in initial contracts.	Complied	Remuneration Committee consider such information in decision making on remuneration of the Directors.
B.2.12 Early termination of Directors	Where the initial contract does not explicitly provide For compensation commitments, Remuneration Committees should, within legal constraints, tailor their approach in early termination cases to the relevant circumstances. The broad aim should be, to avoid rewarding poor performance while dealing fairly with cases where departure is not due to poor performance.	Complied	A proper performance evaluation is being conducted by the Remuneration Committee.
B.2.13 The level and make up of remuneration	The Board as a whole, or where required by the Articles of Association, the shareholders should determine the remuneration of Non-Executive Directors, including members of the Remuneration Committee. The Board may delegate this responsibility to a Sub-Committee of the Board, which might include the CEO.	Complied	Board decides the remuneration of Non-Executive Directors.
B.2.14 Remuneration for Non-Executive directors	Levels of remuneration for Non-Executive Directors should reflect the time commitment and responsibilities of their role, taking into consideration market practices which should be reviewed periodically. Remuneration for Non-Executive Directors should not normally include share options. If exceptionally options are granted, shareholder approval should be sought in advance and any shares acquired by exercise of the options should be held until at least one year after the Non-Executive Director leaves the Board. Holding share options could be relevant to the determination of a Non-Executive Director's independence. (as set out in provision A.5.5)	Complied	Fee of Non-Executive Directors is determined by the time, commitment and responsibilities of their role.
B.2.15 Annual report disclosures	The Chairman and members of the Remuneration Committee should be listed in the Annual Report each year.	Complied	Please refer page 155.
B.2.16 Terms of Reference	The terms of reference for Remuneration Committees are set out in Schedule H.	Complied	

Section	Regulator Requirement	Compliance Status by the Company	Remarks
B.3 Disclosures of Remuneration	The Company's Annual Report should contain a statement of remuneration policy and details of remuneration of the board as a whole.	Complied	Aggregate remuneration paid to Directors is mentioned in Note 35.5 to the financial statements. Please refer Director list and details (Pages 19 to 22)
B.3.1 Annual report disclosure on remuneration payment to Directors	The Annual Report should set out the names of Directors (or persons in the parent Company's committee in the case of a Group Company) comprising the Remuneration Committee, scope, number of meetings held, a statement of remuneration policy and set out the aggregate remuneration paid to executive and Non-Executive directors.	Complied	Please refer page 155.
B.3.2 Annual report disclosure on remuneration payment to Senior Management and CEO	The annual report should also contain the number and aggregate remuneration of the senior management personnel reporting directly to the CEO including that of the CEO, if he/she is not an Executive Director.	Complied	Aggregate remuneration paid during the year 2023/24 is Rs. 46 Mn (10 persons).
Section C - Relations with shareholders			
C.1 Constructive use of the AGM and conduct of General Meetings.	Boards should use the AGM to communicate with shareholders and should encourage their participation.	Complied	
C.1.1 Adequate notice of the AGM	Companies should arrange for the notice of the AGM and related papers to be sent to the shareholders as determined by the statute, before the meeting.	Complied	A copy of the Annual Report including Financial Statements along with the notice of Meeting is sent to shareholders 15 working days prior to the date of the AGM.
C.1.2 Separate resolution for all separate issues at the AGM	Companies should propose a separate resolution at the AGM on each substantially separate issue and should in particular propose a resolution at the AGM relating to the adoption of the report and accounts. For each resolution, proxy appointment forms should provide shareholders with the option to direct their proxy to vote either for or against the resolution or to withhold their vote. The proxy form and any announcement of the results of a vote should make it clear that a "vote withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against the resolution.	Complied	Relevant proxy appointment forms are being provided for each resolution.

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Section	Regulator Requirement	Compliance Status by the Company	Remarks
C.1.3 Recording and counting proxy appointment	<p>The company should ensure that all the valid proxy appointments received for general meetings are properly recorded and counted. For each resolution, where a vote has been taken on a show of hands, the Company should ensure that the following information is given at the meeting and made available as soon as reasonably practicable on a website which is maintained by or on behalf of the company:</p> <ul style="list-style-type: none"> the number of shares in respect of which proxy appointments have been validly made the number of votes for the resolution the number of votes against the resolution the number of shares in respect of which the vote was directed to be withheld. when, in the opinion of the Board, a significant proportion of votes have been cast against a resolution at any general meeting, the Board should take steps to understand the reasons behind the vote results and determine any actions are required 	Complied	Relevant procedures are being followed at the AGM.
C.1.4 Availability of Board Sub-Committee Chairpersons	The Chairman of the Board should arrange for the Chairmen of the Audit, Remuneration, Nomination and Related Party Transactions Review Committees and the Senior Independent Director where such appointment has been made, to be available to answer questions at the AGM if so requested by the Chairman.	Complied	All respective Chairmen/ Chairperson of the Sub-Committees attend the AGM and available for any questions.
C.1.5 Procedure for voting	Companies should circulate, along with every notice of general meeting, a summary of the procedures governing voting at General Meetings.	Complied	Disseminations are made through Colombo Stock Exchange (CSE)
C.2 Communication with the shareholders	The Board should implement effective communication with shareholders.	Complied	All information with regard to the Annual Report is disseminated through Chief Financial Officer and all other changes are communicated through the Company Secretary - Janashakthi Corporate Services Limited.
C.2.1 Effective Communication with shareholders	There should be a channel to reach all shareholders of the company in order to disseminate timely information.	Complied	Disseminations are made through Colombo Stock Exchange (CSE).
C.2.2 policy and methodology for communication with shareholders	The Company should disclose the policy and methodology for communication with shareholders.	Complied	Please refer shareholder communication section.
C.2.3 Implementation of the policy and the methodology	The Company should disclose how the above policy and methodology is implemented.	Complied	Please refer shareholder communication section.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
C.2.4 Contact person in relation to shareholder communications	The Company should disclose the contact person for such communication.	Complied	Please refer shareholder communication section.
C.2.5 Process to make all Directors aware of major issues and concern of shareholders and responding them	There should be a process to make all Directors aware of major issues and concerns of shareholders, and this process has to be disclosed by the Company.	Complied	Shareholder inquiries and concerns are being communicated to the Directors through the Company Secretary. The Company Secretary maintains a record of all correspondence received and will deliver such correspondence to the Board or individual Director as applicable.
C.2.6 Person to contact in relation to shareholders and responding them	The Company should decide the person to contact in relation to shareholders' matters. The relevant person with statutory responsibilities to contact in relation to shareholders' matters is the company Secretary or in his / her absence should be a member of the Board of Directors.	Complied	Shareholder inquiries and concerns are being communicated to the Directors through the Company Secretary.
C.2.7 Responding to shareholder matters	The process for responding to shareholder matters should be formulated by the Board and disclosed.	Complied	Please refer shareholder communication section.
C.3 Major and material transactions	Further to complying with the requirements under the Companies Act, Securities and Exchange Commission law and Colombo Stock Exchange regulations; as applicable, Directors should disclose to shareholders all proposed material transactions, which if entered into, would materially alter/ vary the Company's net assets base or in the case of a Company with subsidiaries, the Consolidated Group net asset base.	Complied	
C.3.1 Major transactions	Prior to a Company engaging in or committing to a 'Major transaction' with a Related Party, involving the acquisition, sale or disposition of greater than one third of the value of the Company's assets or that of a subsidiary which has a material bearing on the Company and/ or consolidated net assets of the Company, or a transaction which has or has or is likely to have the effect of the Company acquiring obligations and liabilities, of greater than one third of the value of the Company's assets, the Directors should disclose to shareholders the purpose and all material facts of such transaction and obtain shareholders' approval by Ordinary Resolution at an Extraordinary General Meeting. It also applies to transactions or series of related transactions which have the purpose or effect of substantially altering the nature of the business carried on by the Company.	Complied	
C.3.2	Limited liability Companies should in addition comply with section 185 (1), (2), (3) and any other provisions of the Companies Act, 07 of 2007 and articles of association of the Company.	Not Applicable	

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Section	Regulator Requirement	Compliance Status by the Company	Remarks
C.3.3	Public listed Companies should in addition comply with the disclosure requirements and shareholder approval by special resolution as required by the rules and regulations of the Securities and the Exchange Commission and by the Colombo Stock Exchange which are contained in the Section 9.14 (related party transactions) of the listing rules.	Complied	The company secretary ensures the disclosure requirements and shareholder approval by special resolution.
D. Accountability and Audit			
D.1 Financial and Business Reporting (The Annual Report)			
D.1	The Board should present a balanced and understandable assessment of the Company's financial position, performance, business model, governance structure, risk management, internal controls and challenges, opportunities and prospects.	Complied	All required sections are included in the Annual Report.
D.1.1	Board should present an Annual Report including financial statements that is true and fair, balanced and understandable and prepared in accordance with the relevant laws and regulations and any deviation being clearly explained.	Complied	The Annual Report is audited by the M/s KPMG and the same is being reviewed by the Board Audit Committee prior to obtaining approval from the Board. Above mentioned process ensures the compliance with relevant laws, regulations and standards.
D.1.2	The Board's responsibility to present a balanced and understandable assessment extends to interim and other price-sensitive public reports and reports to regulators, as well as to information required to be presented by statutory requirements.	Complied	The review process of interim and other price sensitive public reports follows the same review and monitoring processes prior to publication.
D.1.3	The Board should before it approves the Company's financial statements for a financial period, obtain from the CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the company and that the system of risk management and internal control was operating effectively.	Complied	The declaration is obtained by the Board Audit Committee at the point of recommending financial statements for the approval of the Board.
D.1.4 Directors report	The Directors' Report, which forms part of the Annual Report, should contain declarations by the Directors to the effect that:	Complied	Please refer the Director declaration.
	The Company has not engaged in any activity, which contravenes laws and regulations;	Complied	
	The Directors have declared all material interests in contracts involving the company and refrained from voting on matters in which they were materially interested;	Complied	
	The Company has made all endeavours to ensure the equitable treatment of shareholders;	Complied	
	The Directors have complied with best practices of corporate governance.	Complied	
	Property, plant and equipment is reflected at fair value, where it is different from fair value adequate disclosures are made.	Complied	

Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.1.4 Directors report	They have conducted a review of the internal controls, covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith,	Complied	
	The business is a going concern, with supporting assumption or qualifications as necessary (The matters to which the Board should give due consideration when adopting the going concern assumption are set out in schedule j to this code).	Complied	Pages 19 to 22.
	The Directors should explain in the Annual Report their responsibility for preparing the Annual Report and financial statements, and state that they consider the Annual Report and financial statements, taken as a whole, are fair, balanced, and understandable, and provides the information necessary for shareholders to assess the Company's financial position, performance, ESG/ sustainability risk and opportunities, business model, and outlook and if it is unable to make any of these declarations, explain why it is unable to do so.		
D.1.5 Statement of Directors and auditors responsibility for the financial statement	The Annual Report should contain a statement setting out the responsibilities of the Board for the preparation and presentation of financial statements, together with a statement by the Auditors about their reporting responsibilities. Further, the Annual Report should contain a Report/Statement on risk management and Internal control. (Refer H for the contents of the statement on internal control)	Complied	<p>The Statement of Directors' responsibility in preparation of the Financial Statements is given on page 85 while the Independent Auditor's report on pages 166 to 168 states the Auditor's responsibility for the Financial Statements.</p> <p>The statement on risk management and internal control is given on page 49.</p>

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Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.1.6 Management discussion analysis	<p>The Annual Report should contain a “Management Discussion & Analysis”, discussing, among other issues:</p> <ul style="list-style-type: none"> • Business model • Industry structure and developments; • Opportunities and threats; • Risks management; • Internal control systems and their adequacy; • Corporate and enterprise governance • Stakeholder relationships • Social and environmental governance activities carried out by the company; • Financial performance; • Investment in physical and intellectual capital • Human resource management carried out by the company • Prospects for the future. <p>The management discussion & analysis may be structured based on the integrated reporting framework issued by International Integrated Reporting Council and “A Preparer’s Guide to Integrated Corporate Reporting”, handbook on integrated corporate reporting and non-financial reporting guideline issued by CA Sri Lanka.</p>	Complied	Please refer the Management Discussion and Analysis section Pages 56 to 80.
D.1.7 Summoning an Extra Ordinary General Meeting (EGM) to notify serious loss of capital	In the event the net assets of the company fall below 50% of the value of the Company’s shareholders’ funds, the Directors shall forthwith summon an Extraordinary General Meeting of the company to notify shareholders of the position and of remedial action being taken. The Directors should report periodically to the shareholders progress on this remedial action.	Not applicable	

Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.1.8 Related Party Transactions	<p>The Board should adequately and accurately disclose the Related Party Transactions in its Annual Report:</p> <ul style="list-style-type: none"> Each Related Party should submit signed and dated declaration quarterly mentioning whether they have Related Party Transactions with the Company as defined in this code; It should be the responsibility of the company secretary to keep a record on Related Party Transactions and make necessary disclosures accordingly; There should be a process to capture Related Parties and Related Party Transactions. This process needs to be operationalised and Related Party Transactions should be properly documented. A record/ register either in hard or soft form on Related Party and Related Party Transaction should be maintained by the company; This record should ensure that the Company captures information to comply with the respective Related Party disclosure requirements imposed by SEC/Accounting Standards/ Auditing Standards and similar regulations. 	Complied	The Company has system capability to identify Related Party Transactions. Such reports can be generated through the system.
D.2 Risk management and internal control	The Board should establish a policy for determining the nature and extent of the principal risks, which are anticipated to be undertaken in achieving its strategic objectives. The Board should have a process of risk management and a sound system of internal control to safeguard shareholders' investments and the Company's assets.	Complied	Enterprise Risk Management Framework is in place to achieve this requirement.
D.2.1 Risk management framework	The Board should adopt a framework for risk management and the processes to identify, assess, monitor and manage risks with clear delegation of responsibilities to ensure its effectiveness in supporting achievement of the strategic, operational, and financial objectives of the Company.	Complied	The Board monitor the effectiveness of Risk Management processes and internal controls through the Risk Management Framework and reporting processes.
D.2.1.1 Risk assessment	The board should ensure that the Company has carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.	Complied	
D.2.1.2 Disclosures	The Board should describe the risk management framework, processes, responsibilities and explain in the Annual Report how they are being managed or mitigated.	Complied	Please refer page 50 to 54 Risk Management section
D.2.1.3 Risk committee	While the Board as a whole is ultimately responsible for risk management, the Board should establish a risk committee to oversee risk management. Alternatively, the entire board may take up this role or allocate certain aspects of risk to other Committees established by the Board and retain certain aspects specifically at Board level.	Complied	Enterprise Risk Management Committee (a Board Sub-Committee) is established for this task.

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Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.2.1.4 Regulatory requirements	The Company should consider regulatory requirements and sector/industry specific business risks in determining the need to have a separate risk committee. Companies may consider combining audit and risk functions under one Committee.	Complied	
D.2.1.5 Risk Committee composition	When an independent Risk Committee established, the Committee should comprise of at least three members, a majority of whom should be Non-Executive Directors and be chaired by an Independent Non-Executive Director.	Substantially complied	The Committee consists of two members and chaired by an Independent Non-Executive Director.
D.2.1.6 Terms of reference	The Risk Committee should have a written term of reference dealing clearly with its authority and duties. The terms of reference must address at a minimum how it will assist the Board's oversight of risk management.	Complied	Responsibility has been assigned through the TOR of Enterprise Risk Management Committee.
D.2.1.7 Disclosures	The Annual Report should contain a report of the risk committee, setting out its role and how it discharged its responsibilities.	Complied	Pages 156 to 157.
D.2.1.8 Regulatory requirements on forming Risk Committee	Companies in regulated industries should consider applicable laws and regulations in determining the composition, scope, roles and responsibilities of the Risk Committee. Guidance on establishing a risk management framework is given in schedule K.	Not applicable	
D.2.2 Procedures	The Board should establish a process to ensure internal controls are designed, implemented and monitored, to provide reasonable assurance of the achievement of an entity's objectives on reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.	Complied	The delegated authority manual provides the RACI framework of establishing and reviewing policies and procedures which will ultimately achieve this objective.
D.2.2.1 Review and monitoring	The Board should ensure that an effective system of internal controls is establish in respect of financial, operational and compliance system, processes, and practices and are monitored regularly. Further, at least annually the Board should obtain a review of the effectiveness of the internal control systems and report on that review in the Annual Report. The monitoring and review should cover all material controls, including financial, operational and compliance controls.	Complied	The Company achieves this through the outsourced internal audit functions. Such reports are being verified and actions are being followed up by the Board Audit Committee. Refer to page 49 for the statement on internal controls.
D.2.2.2 Internal audit	Companies should have an internal audit function.	Complied	Outsourced
D.2.2.3 Audit Committee	The Board should require the Audit Committee to ensure carrying out reviews of the process and effectiveness of internal controls and report their recommendations to the Board. Board should take responsibility for disclosures on internal controls in the Annual Report.	Complied	Refer to pages 153 to 154.
D.2.2.4 Responsibilities of Directors	The Schedule L contains guidance on the responsibilities of directors in maintaining a sound system of internal control and the contents of the statement of internal control.	Complied	

Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.2.2 Review the need for internal audit function	The Directors should confirm in the Annual Report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The Directors should describe those risks and explain how they are being managed or mitigated.	Complied	Refer to pages 153 to 154.
D.2.3 Internal Audit Function	Companies should have an internal audit function.	Complied	
D.3. Audit Committee	The Board should establish formal and transparent arrangements for considering how they should; select and apply accounting policies for financial reporting, determine the structure and content of corporate reporting, implement internal control and risk management ensure compliance with laws and regulations and ensuring the independence of the Company's Auditors.	Complied	
D.3.1 Composition of the Audit Committee	The Board should establish an Audit Committee exclusively of Non-Executive Directors with a minimum of three Non-Executive Directors of whom at least two should be independent. If there are more Non-Executive Directors, the majority should be independent. The Committee should be chaired by an Independent Non-Executive Director who is a member from a professional accounting body. The board should satisfy itself that at least one member of the audit committee has recent and relevant experience in financial reporting and control.	Complied	Please refer page 153.
D.3.2 TOR of the Audit Committee	The Audit Committee should have a written TOR, dealing clearly with its authority and duties. The Audit Committee's written terms of reference must address: <ul style="list-style-type: none"> • The Committee's purpose • The duties and responsibilities of the Audit Committee 	Complied	TOR of Board Audit Committee complies with all the requirements mentioned.
D.3.3 Disclosures	A separate section of the Annual Report should describe the work of the Committee in discharging its responsibilities. The Annual Report should contain a report by the audit committee, setting out the manner of compliance by the company, in relation to the above, during the period to which the Annual Report relates.	Complied	Please refer the Audit Committee report pages 153 to 154.
D.4 Risk Committee	The Board should establish a procedure for risk management including how they determine, risk culture, risk appetite, risk identification and classification, rating and management of risk.	Complied	The Board monitor the effectiveness of Risk Management processes and internal controls through the Risk Management Framework and reporting processes

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Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.4.1 Composition of Risk Committee	The Board should establish a Risk Committee which should comprise of a minimum three members, a majority of whom should be Non-Executive Directors and be chaired by an Independent Non-Executive Director. The CEO and chief financial officer should be required to attend all meetings of the Risk Committee. The Chief Information Officer and heads of strategic business units should be invited to attend as necessary.	Substantially Complied	The Committee consists of two Directors and the Chairman is an Independent Director. The CEO and CFO are attending all meetings and relevant heads of business and service functions are invited as necessary.
D.4.2 Terms of reference of Risk Committee	The Risk Committee should have written terms of reference dealing clearly with its authority and duties. The terms of reference must address at a minimum how it will assist the Board's oversight.	Complied	Responsibility has been assigned through the TOR of the Enterprise Risk Management Committee.
D.4.3 Risk Committee	The Committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. The Chief Risk Officer shall be the Secretary of the Committee. If the company does not have a designated Chief Risk Officer, CEO shall nominate a Senior Executive to serve as the secretary to the Committee.	Complied	The committee meets monthly. The Chief Risk Officer is the Secretary of the Committee.
D.4.4 Independent professional advice	The Committee should have authority to seek external professional advice if required in connection with the performance of its duties.	Complied	Provisions are available for the Committee to obtain such advice.
D.4.5 Disclosures	The Annual Report should contain a report of the risk committee, setting out its role and how it discharged its responsibilities.	Complied	Please refer to pages 156 to 157 for the Committee details.
D.5 Related party transactions review committee	The Board should establish a procedure to ensure that the company does not engage in transactions with "Related Parties" in a manner that would grant such parties "more favourable treatment" than that accorded to third parties in the normal course of business.	Complied	
D.5.1 Disclosures of related party transaction review committee	A Related Party and Related Party Transactions will be as defined in LKAS 24.	Complied	
D.5.2 Related Party Transaction Review Committee Composition	The Board should establish a Related Party Transactions (RPT) Review Committee consisting exclusively of Non- Executive Directors with a minimum of three Non- Executive Directors of whom the majority should be independent. Executive Directors may attend by invitation. The Chairman should be an Independent Non-Executive Director appointed by the Board.	Complied	Please refer page 158 for the Committee details.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.5.3	<p>RPT Review Committee should have written terms of reference dealing clearly with its authority and duties which should be approved by the Board of Directors. The RPT Review Committee's written terms of reference must address:</p> <ul style="list-style-type: none"> • A procedure for documenting Related Parties in accordance with the definitions in LKAS 24 and the CSE Listing Rules. <p>A procedure to obtain a statement from each related party:</p> <ul style="list-style-type: none"> • if such party is a person; details of their close family members and entities in which the aforementioned parties have control, joint control, significant influence or serve as a Key Management Personnel and, transactions if any, in accordance with the listing rules of Colombo Stock Exchange. • If such party is an entity as defined in LKAS 24 as a Related Party details of transactions and balances with such party/parties. <p>Declaration of Related Parties and Related Party Transactions should be obtained at least once in each quarter, and when there is a change in circumstances from each key management personnel, and in respect of Related Parties which are entities, from their CEO.</p> <p>In any event prior to entering into any transaction between such Related Parties and the Company, its parent or any of subsidiaries, sub-subsidiaries, fellow subsidiaries, associates, joint ventures and any other entities which are considered related parties as defined in LKAS 24, a specific disclosure should be made and reviewed by the RPT Review Committee and/or the board of directors as relevant, unless they are exempted related party transactions as defined in CSE listing rules.</p> <p>Personnel of the Company responsible for contracting, procurement, payments, and any other channel through which an inflow or outflow of resources can result, should have a list of all Related Parties and have a process in place to capture and report any Related Party Transaction within their area of responsibility.</p>	Complied	The TOR of the Committee addresses the relevant requirements.

Corporate Governance

Section	Regulator Requirement	Compliance Status by the Company	Remarks
	<ul style="list-style-type: none"> • A procedure to inform all Related Parties of what Constitutes exempted Related Party Transactions. • A procedure to identify and for Directors and other Key Management Personnel to report recurrent and non-recurrent transactions and to obtain Board or shareholder approval by special or ordinary resolution as required by the CSE listing rules. • A policy and procedure to delegate dealing with recurrent Related Party Transactions (as defined in the CSE listing rules) to relevant management personnel. • A procedure for the RPT Review Committee to review and recommend to the Board matters relating to such transactions. • Any interested Directors should not participate at the meeting at which the transaction relating to him/her is discussed unless invited to seek clarification/information. • A procedure and definition of disclosures required to be made by the Company on an annual basis, those requiring immediate disclosure and those requiring shareholder approval. • A procedure to identify Related Party Transactions which require immediate disclosure as per the CSE listing rules and to ensure that required disclosures are made by the company to the CSE in accordance with the CSE listing rules. • A procedure to identify Related Party Transactions which require shareholder approval by special resolution at an Extraordinary General Meeting. • The company secretary should maintain a permanent record in manual or electronic form of such statements, submissions, approvals and minutes. • Review and recommend to the board the Related Party Disclosures to be made in the Annual Report of the Company. 		
D.6. Code of Business Conduct & Ethics	Companies must adopt a code of business conduct & Ethics for Directors, Key Management Personnel and all other employees' including but not limited to: dealing with shares of the Company; compliance with listing rules; bribery and corruption; confidentiality; encouraging that any illegal, fraudulent and unethical behaviour be promptly reported to those charged with governance. The Company must disclose waivers of the Code for Directors, if any.	Complied	All such policies are in place.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.6.1 Code of Business Conduct and ethics	<p>All Companies must disclose whether they have a code of Business Conduct & Ethics for Directors and Key Management Personnel and if they have such a code, make an affirmative declaration in the Annual Report that all Directors and Key Management Personnel have declared compliance with such code, and if unable to make that declaration, state why they are unable to do so. Each Company may determine its own policies in the formulation of such a code, but all Companies should address the following important topics in their respective codes:</p> <ul style="list-style-type: none"> • conflict of interest; • bribery and corruption; • entertainment and gifts; • accurate accounting and record-keeping; • fair and transparent procurement practices; • corporate opportunities; • confidentiality; • fair dealing; • protection and proper use of company assets including information assets; • Sexual harassment, discrimination and abuse • compliance with laws, rules and regulations (including insider trading laws); and • encouraging the reporting of any illegal, fraudulent or unethical behaviour. 	Complied	The company adopted the code of Business Conduct and Ethics stipulated by the regulators.
D.6.2 Process in place to ensure that material and price sensitive information	The Company should have a process in place to ensure that material and price sensitive information is promptly identified and reported in accordance with the relevant regulations.	Complied	The Company has formulated a policy.
D.6.3 Policy, process for monitoring, and disclosure of shares purchased	The Company should establish a policy, process for monitoring, and disclosure of shares purchased by any Director, Key Management Personnel or any other employee involved in financial reporting.	Substantially complied	Statement of Corporate Governance in accordance with the Listing Rules is made in Annual Report. Share transactions are being monitored and disclosed by the Company Secretary.
D.6.4 Procedures on code of conduct	The Company should establish a procedure to deal with complaints received from whistle-blowers such as employees, customers, suppliers and any other parties in relation to non-compliance with company's code of business conduct and ethics.	Complied	
D.6.5 Training	The Company should conduct training on the code of business conduct and ethics as part of induction training of new employees and require confirmation of compliance at least on annual basis from all employees.	Complied	

Corporate Governance

Section	Regulator Requirement	Compliance Status by the Company	Remarks
D.6.6 Compliance	The process for companywide dissemination of the policy, training arrangements, violations/non compliances (if any) with actions taken should be reported to the board on a regular basis. Any exemptions/ waivers from compliance with the code of business conduct and ethics with reasons and timelines should be approved by the Board.	Complied	
D.6.7 Affirmation by the Chairman for no violation	The Chairman must affirm in the company's Annual Report that a code of conduct and ethics has been introduced companywide and the procedure for disseminating, monitoring and compliance with that code. He must also disclose that he is not aware of any violation of any of the provisions of the code of Business Conduct & Ethics. disclosures should contain the types and numbers of violation and procedures followed in dealing with them.	Complied	Please refer Chairman's report.
D.7 Corporate governance disclosures	Directors should be required to disclose the extent to which the Company adheres to establish principles and practices of good Corporate Governance.	Complied	Please refer the Corporate Governance report pages 86 to 149.
D.7.1 Corporate Governance Report in Annual Report	The Directors should include in the Company's Annual Report, a Corporate Governance Report setting out the manner and extent to which the Company has complied with the principles and provisions of this code.	Complied	Please refer the Corporate Governance report pages 86 to 149.
Section E - Shareholders			
Section E - Institutional Investors			
E.1 Shareholder Voting	Institutional shareholders have a responsibility to make considered use of their votes and should be encouraged to ensure their voting intentions are translated into practice.	Complied	The shareholders are given sufficient opportunity at the AGM to discuss any matters with the Directors.
E.1.1 Views of shareholders	A listed company should conduct a regular and structured dialogue with shareholders based on a mutual understanding of objectives. Arising from such dialogue, the Chairman should ensure the views of shareholders are communicated to the Board as a whole.	Complied	The Company Secretary corresponds with the shareholders as and when the need arises.
E.2. Evaluation Governance Disclosures (Principle)	When evaluating Companies' governance arrangements, particularly those relating to Board structure and composition, institutional investors should be encouraged to give due weight to all relevant factors drawn to their attention.	Complied	The Management and Board maintain regular dialogue with institutional shareholders with regard to key business transactions.
Section F - Other Investors			
F.1. Investing/ Divesting Decision (Principle)	Individual shareholders, investing directly in shares of companies should be encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions.	Complied	Required financial and non-financial information are being disseminated through Colombo Stock Exchange to facilitate this requirement.
F.2. Shareholder Voting (principle)	Individual shareholders should be encouraged to participate in General Meetings of companies and exercise their voting rights.	Complied	Invitations are being circulated to all shareholders to participate to general meetings of the company.

Section	Regulator Requirement	Compliance Status by the Company	Remarks
Section G - Internet of Things and Cybersecurity			
G.1. (Principle)	The Board should have a process to identify how in the organisation's business model, IT devices within and outside the organisation can connect to the organisation's network to send and receive information and the consequent cybersecurity risks that may affect the business. Internal and external parties could have computing devices embedded in everyday objects which may enable them to interconnect with the company's network to send and receive data. Such access could be authorised or unauthorised.	Complied	Based on the IT Policy Manual approved by the Board, Information and cyber security audits are being conducted and reports of the same are being reviewed by the Board Audit Committee and discussed at the Board meetings.
G.2 (Principle)	<p>The Board should appoint a Chief Information Security Officer (CISO) with sufficient expertise, authority and budgetary allocation to introduce and implement a cybersecurity risk management policy which should be approved by the Board.</p> <p>The policy should include a robust cybersecurity risk management process, incident response system, vendor management system, disaster recovery plan and a governance structure to monitor effective implementation, Reporting process, scope and regularity of an information communication technology (ICT) audit, and the need for cybersecurity insurance.</p>	Substantially complied	There is a dedicated team ensuring the IT Governance aspect under Head of IT even though there is no designated Chief Information Security Officer. As per the IT Policy of the company, periodic IT and cyber security audits are being conducted and it gives assurance to the same.
G.3 (Principle)	<p>The Board should allocate regular and adequate time on the board meeting agenda for discussions about cyber-risk management. The matters taken up for the discussion on the board meeting agenda may include;</p> <ul style="list-style-type: none"> • Potential cybersecurity risks in the company's business model • CISO's security strategy and status of the current projects • Compliance with the cybersecurity risk management process and incident reports • Findings and recommendations from independent reviewers 	Complied	Risk register items related to information security and cyber security are being discussed at the Enterprise Risk Management Committee and at the board meetings.
G.4 (Principle)	The Board should ensure the effectiveness of the cybersecurity risk management through independent periodic review and assurance. The scope and the frequency of the independent periodic reviews could be determined based on the industry vulnerability, company's business model and incident findings.	Complied	Based on the IT Policy approved by the Board, information and cyber security audits are being conducted and reports of the same are being reviewed by the Board Audit Committee and discussed at the Board meetings.
G.5 (Principle)	The Board should disclose in the annual report, the process to identify and manage cyber security risks.	Complied	Please refer the Risk Management Section.

Corporate Governance

Section	Regulator Requirement	Compliance Status by the Company	Remarks
Section H.1 - Sustainability : ESG Risk and Opportunities			
H.1 Board Concerns on ESG	The Board should consider sustainability/ESG risk and opportunities in the Company's business model, operations, short and medium-term planning and in its long-term strategy to ensure that the Company remains resilient and able to deliver durable and sustainable value over the short, medium and long term in order to maintain the confidence and continued engagement of shareholders and all significant stakeholders.	Complied	The Board and Key Management has given necessary awareness on sustainability and ESG aspects. The same is embedded when formulating the strategic plan.
H.1.1 Strategic Plans	The Company should include the impact of sustainability/ ESG risks and opportunities in its business plans, strategic plans and present to the board for consideration on a regular basis. This could be in the form of scenarios, probability of occurrence, likely impact, mitigative actions and monitoring and management.	Complied	
H.2 Stakeholder Engagement	<p>The Board and Key Management Personnel should continuously engage with and consider the views of its stakeholders to better understand and manage the company's sustainability/ESG risk and opportunities, as stakeholder expectations are heightening across various sustainability/ESG issues relating to the protection of environment and other ESG issues.</p> <p>Many institutional investors consider these factors in their investment decision making.</p>	Complied	
H.2.1 Procedure on stakeholder Interest	The Company should have a process to recognise significant stakeholders and material matters relating to significant stakeholders and a method of engagement relevant to their level of interest and influence.	Complied	Refer to pages 38 to 40, material matters. Refer to pages 34 to 37, stakeholder engagement
H.3 Governance framework	The Company should establish a governance framework and structure which includes conformance, performance and sustainability/ESG factors.	Partially Complied	
H.3.1 Environmental Governance	Sustainability factors should be addressed through a process of environmental governance and social governance.	Partially Complied	

Section	Regulator Requirement	Compliance Status by the Company	Remarks
H.3.1.1 Policies and Practices	<p>Environmental governance of an organisation should adopt an integrated approach that takes into consideration the direct and indirect economic, social, health and environmental implications on business strategies, plans, decisions and operations. The company policy and practices on matters such a followings should be considered:</p> <p>health and safety,</p> <ul style="list-style-type: none"> • climate change, • pollution prevention, • effluent treatment, • sustainable resource use, • restoration of natural resources, • renewable energy, and • biodiversity. 	Partially Complied	
H.3.1.2 Community Engagement	<p>Social governance of an organisation should include an integrated approach to engage separately with representative groups of the community, customers, employees, suppliers, outsourced providers and any other party that can influence or be influenced by the organisation's business model in relation to aspects material to its sustainable growth.</p> <p>The organisation should include an integrated approach to build a relationship with the community for sustainable development including a process for responsive community engagement, fair competition and business practices, thereby demonstrating corporate social responsibility.</p> <p>The organisation should adopt an integrated approach to building a relationship with customers. This includes establishing a process for customer feedback through engagement, efficient service delivery, standards for product responsibility and product recall and other matters material and relevant to the organisation's business model and customer experience.</p> <p>The labour practice related governance of an organisation should encompass all policies and practices in relation to work performed by or on behalf of the organisation in accordance with its business model and should also include policies and practices such as health and safety, equal opportunity, gender balance, career development and training, reward and recognition, conditions of work, work-life balance and industrial relations.</p> <p>The organisation should have policies and procedures to ensure that suppliers and outsourced providers comply with social governance norms of the Company.</p>	Complied	

Corporate Governance

Section	Regulator Requirement	Compliance Status by the Company	Remarks
H.4 Governance Structure	The Board should establish a governance structure to support sustainability/ESG factors including its ability to create value and manage risks in the short, medium and long term, recognising, managing and measuring on all pertinent aspects of sustainability using financial and Non-Financial measures.	Partially Complied	
H.4.1 Key resources and Capitals	The Company should recognise the key resources/ capitals deployed in its business and stakeholders who can influence these resources/capitals and establish financial and non-financial measures for resource/capital management and related outputs and outcomes.	Complied	Refer to pages 60 to 80.
H.4.2 Process of managing ESG	The Company should have a process to ascertain, assess and manage sustainability/ESG factors which have an impact on the sustainability of the Company.	Complied	
H.4.3 Financial and Non-financial measures	The Company should establish financial and non-financial measures in respect of all material matters relating to significant stakeholders including as determined in H.2.1 and environmental and social factors stated in H.3.1.1 and H.3.1.2.	Partially Complied	
H.5 Disclosures	The Company's Annual Report should contain sufficient information to enable investors and other stakeholders to assess how ESG risks and opportunities are recognised, managed, measured and reported.	Complied	Refer to pages 30 to 31.
H.5.1 ESG Business strategy	<p>Environmental, social and governance considerations can affect a Company's ability to execute its business strategy and create value. While many of these factors are 'non-financial', their management and likely impact have financial consequences. Hence, they are important factors to be built into a Company's business model, strategy, governance and risk management framework. Sustainability/ESG factors relevant to the company could impact the following:</p> <ul style="list-style-type: none"> • Access to financial capital • Cost savings and productivity • Brand value and reputation • Employee recruitment • Employee retention Access to markets • License to operate • Market capitalisation <p>Integrating sustainability/ ESG related policies and practices into a company's strategy, business model, governance and risk management, and reporting its likely impact and implications are increasingly seen by investors as material to their investment decisions.</p>	Complied	

Section	Regulator Requirement	Compliance Status by the Company	Remarks
	<p>Further, investors want to understand how well companies are managing the risks associated with such factors, as this is seen as a key test of the long-term sustainability of the Company.</p> <p>They are also increasing interested in the opportunities presented by the low carbon economy and are allocating capital to companies that are well equipped to benefit from this.</p>		
H.5.2 Disclosures	<p>Companies should provide information in relation to:</p> <ul style="list-style-type: none"> • The relevance of environmental, social and governance factors to their business models and strategy. • How sustainability/ESG related issues may affect their business, e.g. through legislation, reputational damage, employee turnover, license to operate, legal action, stakeholder relationships, and how these impacts may affect business, strategy, and financial and operational performance. • How risks and opportunities pertaining to sustainability/ESG are recognised, managed, measured and reported. 	Complied	Refer to pages 30 to 31.
H.5.3 Corporate Governance	The disclosures should deal with how the Company has complied with the mandatory and voluntary codes of corporate governance and how its leadership structure, organisational culture, code of conduct and business model supports sustainability of the Company in the short, medium and long term.	Complied	Refer to pages 86 to 149.
H.5.4 ESG Reporting	<p>Sustainability/ESG reporting is a board's responsibility, and it is designed to add value by providing a credible account of the Company's economic, social and environmental impacts.</p> <p>Sustainability/ESG reporting and disclosure should be formalised as part of the Company's reporting process and take place on a regular basis.</p> <p>Such reporting should link sustainable/ESG issues more closely with strategy. Sustainability/ESG reporting may be built on a number of different guidelines, such as:</p> <ul style="list-style-type: none"> • Integrated reporting framework • The global reporting initiative guidelines 	Complied	Refer to pages 41 to 45 and pages 30 to 31.

STATEMENT OF COMPLIANCE

COMPLIANCE REQUIREMENTS ON CORPORATE GOVERNANCE RULES (SECTION 9) OF THE LISTING RULES

The Continuing Listing Rule Section 9.1.3 of the Colombo Stock Exchange mandates companies listed on the Colombo Stock Exchange to publish a statement in the Annual Report, confirming compliance with the Corporate Governance rules.

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
9.2 Policies			
9.2.1	<p>Listed Entities shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Entity on its website;</p> <p>(a) Policy on the matters relating to the Board of Directors</p> <p>(b) Policy on Board Committees</p> <p>(c) Policy on Corporate Governance, Nominations and Re-election</p> <p>(d) Policy on Remuneration</p> <p>(e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities</p> <p>(f) Policy on Risk management and Internal controls</p> <p>(g) Policy on Relations with Shareholders and Investors</p> <p>(h) Policy on Environmental, Social and Governance Sustainability</p> <p>(i) Policy on Control and Management of Company Assets and Shareholder Investments</p> <p>(j) Policy on Corporate Disclosures</p> <p>(k) Policy on Whistleblowing</p> <p>(l) Policy on Anti-Bribery and Corruption</p>	To be complied by the due date (1 October 2024)	N/A
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report.	N/A	N/A
9.2.3	<p>Listed Entities shall disclose in its Annual Report:</p> <p>(i) the list of policies that are in place in conformity Rule 9.2.1 above, with reference to its website.</p> <p>(ii) details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above.</p>	To be complied by the due date (1 October 2024)	N/A
9.2.4	Listed Entities shall make available all such policies to shareholders upon a written request being made for any such Policy.	To be complied by the due date (1 October 2024)	N/A

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
9.3 Board Committees			
9.3.1	<p>Listed Entities shall ensure that the following Board Committees are established and maintained at a minimum and are functioning effectively. The said Board Committees at minimum shall include;</p> <p>(a) Nominations and Governance Committee</p> <p>(b) Remuneration Committee</p> <p>(c) Audit Committee</p> <p>(d) Related Party Transactions Review Committee.</p>	Complied	Refer the pages 96 to 97
9.3.2	Listed Entities shall comply with the composition, responsibilities and disclosures required in respect of the above Board Committees as set out in these Rules.	Complied	Refer the pages 96 to 97
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	To be complied by the due date (1 October 2024)	N/A
9.4 Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders			
9.4.1	<p>Listed Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC.</p> <p>(a) The number of shares in respect of which proxy appointments have been validly made;</p> <p>(b) The number of votes in favour of the resolution;</p> <p>(c) The number of votes against the resolution; and</p> <p>(d) The number of shares in respect of which the vote was directed to be abstained.</p>	Complied	N/A
9.4.2	<p>Communication and relations with shareholders and investors</p> <p>(a) Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity.</p> <p>(b) Listed Entities shall disclose the contact person for such communication.</p> <p>(c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders, and such process shall be disclosed by the Entity in the Annual Report and the website of the Entity.</p> <p>(d) Listed Entities that intend to conduct any shareholder meetings through virtual or hybrid means shall comply with the Guidelines issued by the Exchange in relation to same and published on the website of the Exchange.</p>	To be complied by the due date (1 October 2024)	N/A

Statement of Compliance

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
9.5 Policy on matters relating to the Board of Directors			
9.5.1	<p>Listed Entities shall establish and maintain a formal policy governing matters relating to the Board of Directors and such policy shall:</p> <p>(a) recognise the need for a balance of representation between Executive and Non-Executive Directors and cover at minimum Board composition, the roles and functions of the Chairperson and CFO or equivalent position (hereinafter commonly referred to as the CEO), Board balance and procedures for the appraisal of Board performance and the appraisal of the CEO.</p> <p>(b) where a Listed Entity decides to combine the role of the Chairperson and CEO,</p> <p>(i) set out the rationale for combining such positions; and</p> <p>(ii) require the Board Charter of the Listed Entity to contain terms of reference/functions of the Senior Independent Director (SID) and the powers of the SID, which should be equivalent to that of the Chairperson in the instance of a conflict of interest</p> <p>(iii) set out the measures implemented to safeguard the interests of the SID</p> <p>(c) require diversity in Board composition for Board effectiveness in terms of a range of experience, skills, competencies, age, gender, industry requirements and importance of objective selection of directors</p> <p>(d) stipulate the maximum number of Directors with the rationale for the same</p> <p>(e) specify the frequency of Board meetings, having regard to the requirements under the Listing Rules</p> <p>(f) provide mechanisms for ensuring that Directors are kept abreast of the Listing Rules and on-going compliance and/or non-compliance by the Listed Entity with obligations arising under such rules</p> <p>(g) specify the minimum number of meetings, in numbers and percentage, that a Director must attend, in order to ensure consistent attendance at Board Meetings and to avoid being deemed to vacate such position</p> <p>(h) provide requirements relating to trading in securities of the Listed Entity and its listed group companies and disclosure of such requirements</p> <p>(i) specify the maximum number of directorships in Listed Entities that may be held by Directors</p> <p>(j) Recognise the right to participate at meetings of the Board and Board Committees by audio visual means and for such participation to be taken into account when deciding on the quorum</p>	To be complied by the due date (1 October 2024)	N/A

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
9.5.2	Listed Entities shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.	To be complied by the due date (1 October 2024)	N/A
9.6 Chairperson and CEO			
9.6.1	The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below.	Complied	Refer the page 90
9.6.2	Where the Chairperson of a Listed Entity is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an Immediate Market Announcement if such date of appointment and/or combination of the said roles falls subsequent to the implementation of these Rules. Such Market Announcement shall include the rationale for appointment of an Executive Director as Chairperson and/or combining the positions of the Chairperson and CEO of the Listed Entity.	N/A	N/A
9.6.3	The Requirement for a SID (a), (b), (c), (d) and (e)	N/A	N/A
9.6.4	Where a Listed Entity has appointed a SID as required in terms of Rule 9.6.1 above, such Entity shall set out the rationale for such appointment in the Annual Report of the Entity.	N/A	N/A
9.7 Fitness of Directors and CEOs			
9.7.1	The Listed Entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules: In evaluating fitness and propriety of the persons referred in these Rules, Listed Entities shall utilise the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 below.	Complied	
9.7.2	Listed Entities shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made.	Complied	
9.7.3	Fit and Proper Assessment Criteria a) Honesty, Integrity and Reputation b) Competence and Capability c) Financial Soundness	Complied	

Statement of Compliance

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
9.7.4	Listed Entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Complied	Declarations from all directors and CEO were obtained
9.7.5	Disclosures in the Annual Report of Listed Entities shall include the following disclosures/reports in the Annual Report;		
	a) A statement that the Directors and CEO of the Listed Entity satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange.	Complied	Refer the pages 86 to 89
	b) Any non-compliance/s by a Director and/or the CEO of the Listed Entity with the Fit and Proper Assessment Criteria set out in these Rules during the financial year and the remedial action taken by the Listed Entity to rectify such non-compliance/s.	N/A	N/A
9.8 Board Composition			
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors	Complied	Refer the pages 19 to 22
9.8.2	Minimum Number of Independent Directors: (a) The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher. Internal (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change	To be complied by the due date (1 October 2024)	N/A
9.8.3	Criteria for determining independence:	To be complied by the due date (1 October 2024)	N/A
9.8.4	Definitions related to Section 9.8.3	N/A	N/A
9.8.5	The Board of Directors of Listed Entities shall require: (a) Each Independent Director to submit a signed and dated declaration annually of his or her “independence” or “non-independence” against the criteria specified herein and in the format in Appendix 9A, containing at a minimum the content prescribed therein. (b) Make an annual determination as to the “independence” or “non-independence” of each Independent Director based on the Directors` declaration and other information available to it and shall set out the names of Directors determined to be ‘independent’ in the Annual Report. (c) If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof.	To be complied by the due date (1 October 2024)	N/A

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
9.9 Alternate Directors			
9.9	<p>If a Listed Entity provides for the appointment of Alternate Directors, it shall be required to comply with the following requirements and such requirements shall also be incorporated into the Articles of Association of the Entity:</p> <p>(a) Alternate directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment.</p> <p>(b) If an Alternate Director is appointed for a Non-Executive Director such alternate should not be an executive of the Listed Entity.</p> <p>(c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence specified in these Rules and the Listed Entity shall satisfy the requirements relating to the minimum number of Independent Directors specified in these Rules. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made.</p> <p>(d) The Listed Entity shall make an immediate Market Announcement regarding the appointment of an Alternate Director. Such Market Announcement shall include the following:</p> <ol style="list-style-type: none"> The exceptional circumstances leading to such appointment; The information on the capacity in which such Alternate Director is appointed, i.e., whether as an Executive, Non-Executive or Independent Director; The time period for which he/she is appointed, which shall not exceed one (1) year from the date of appointment; and, A Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity. <p>(e) The attendance of any Alternate Director at any meeting, including a Board Committee Meeting shall be counted for the purpose of quorum.</p>	Complied	No alternate directors are appointed to the Board as at date.
9.10 Disclosures relating to Directors			
9.10.1	Listed Entities shall disclose its policy on the maximum number of directorships it's Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Entity shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 above.	To be complied by the due date (1 October 2024)	N/A

Statement of Compliance

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
9.10.2	Listed Entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following; i. a brief resume of such Director; ii. his/her capacity of directorship; and, iii. Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity.	Complied	No appointments were made during the FY
9.10.3	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.	To be complied from 01 Oct 2024 onwards (as advised by CSE)	N/A
9.10.4	Listed Entities shall also disclose the following in relation to the Directors in the Annual Report: (a) name, qualifications and brief profile (b) the nature of his/her expertise in relevant functional areas (c) whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity (d) whether Executive, Non-Executive and/or independent Director (e) the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel indicating whether such companies are listed or unlisted companies and whether such Director functions in an executive or non-executive capacity, provided that where he/she holds directorships in companies within a Group of which the Listed Entity is a part, their names (if not listed) need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies (f) number of Board meetings of the Listed Entity attended during the year (g) names of Board Committees in which the Director serves as Chairperson or a member (h) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member and (i) The terms of reference and powers of the SID (where applicable).	Complied	Refer the pages 19 to 22 Refer the pages 19 to 22 Refer the pages 19 to 22 Refer the pages 19 to 22 Refer the pages 19 to 22 Refer the page 89 Refer the pages 96 to 97 Refer the pages 153 to 160 Refer the A.1.2 on page 99

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
9.11 NOMINATIONS AND GOVERNANCE COMMITTEE			
9.11.1	Listed Entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules.	To be complied by the due date (1 October 2024)	N/A
9.11.2	Listed Entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	To be complied by the due date (1 October 2024)	N/A
9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of Composition meetings	To be complied by the due date (1 October 2024)	N/A
9.11.4	<p>(1) The members of the Nominations and Governance Committee shall;</p> <p>(a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity.</p> <p>(b) not comprise of Executive Directors of the Listed Entity.</p> <p>(2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors.</p> <p>(3) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Entity.</p>	To be complied by the due date (1 October 2024)	N/A
9.11.5	Functions of the Nominations and Governance Committee	To be complied by the due date (1 October 2024)	N/A
9.11.6	<p>Disclosures in Annual Report</p> <p>The Annual Report of Listed Entities shall contain a report of the Nominations and Governance Committee signed by its Chairperson.</p>	To be complied by the due date (1 October 2024)	N/A
9.12 REMUNERATION COMMITTEE			
9.12.2	Listed Entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules.	Complied	
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.	To be complied by the due date (1 October 2024)	

Statement of Compliance

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	To be complied by the due date (1 October 2024)	
9.12.5	Remuneration Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied	
9.12.6	<p>Composition</p> <p>(1) The members of the Remuneration Committee shall;</p> <p>(a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity.</p> <p>(b) not comprise of Executive Directors of the Listed Entity.</p> <p>(2) In a situation where both the parent company and the subsidiary are 'Listed Entities', the Remuneration Committee of the parent company may be permitted to function as the Remuneration Committee of the subsidiary.</p> <p>(3) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.</p>	Complied	Refer the page 155
9.12.7	Functions of Remuneration Committee	Complied	
9.12.8	The Annual Report should set out the following:		
	(a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the parent company's Remuneration Committee in the case of a group company)	Complied	Refer the page 155
	(b) A statement regarding the remuneration policy and	To be complied by the due date (1 October 2024)	N/A
	(c) The aggregate remuneration of the Executive and Non-Executive Directors.	Complied	Refer the page 155
9.13 AUDIT COMMITTEE			
9.13.1	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules	Complied	<p>A separate Sub-Committee is in place (Enterprise Risk Management Committee)</p> <p>Refer the pages 156 to 157</p>
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties.	Complied	

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
9.13.3	<p>Composition</p> <p>(1) The members of the Audit Committee shall;</p> <p>(a) comprise of a minimum of three (03) directors of the Listed Entity, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors.</p> <p>(b) not comprise of Executive Directors of the Listed Entity.</p> <p>(2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be Independent Directors.</p> <p>(3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market.</p> <p>(4) If both, the parent company and the subsidiary are 'Listed Entities', the Audit Committee of the parent company may function as the Audit Committee of the subsidiary.</p> <p>(5) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.</p> <p>(6) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer of the Listed Entity shall attend the Audit Committee meetings by invitation.</p> <p>Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation.</p> <p>(7) The Chairperson of the Audit Committee shall be a member of a recognised professional accounting body.</p> <p>Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.</p>	Complied	Refer the pages 153 to 154
9.13.4	Functions of the Audit Committee	Complied	Terms and references cover all the required functions

Statement of Compliance

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
9.13.5	Disclosures in Annual Report		
	(1) The Audit Committee shall also prepare an Audit Committee Report which shall be included in the Annual Report of the Listed Entity. The Audit Committee Report shall set out the manner in which the entity has complied with the requirements applicable to the Audit Committee during the period for which the Annual Report relates.	Complied	Refer the pages 153 to 154
	(2) The Audit Committee Report shall contain the following disclosures:	Complied	Refer the pages 153 to 154
	(a) the names of the Chairperson and the members of the Audit Committee, and the nature of directorships held by such members (or persons in the parent company's committee in the case of a group company)		
	(b) The status of risk management and internal control of the Listed Entity and as a Group (where applicable)		
	(c) A statement that it has received assurance from the CEO and the CFO of the Entity's operations and finances.		
	(d) An opinion on the compliance with financial reporting requirements, information requirements under these Rules, the Companies Act and the SEC Act and other relevant financial reporting related regulations and requirements.		
	(e) whether the Listed Entity has a formal Audit Charter		
	(f) the manner in which internal audit assurance is achieved and a summary of the work of the internal audit function		
	(g) Details demonstrating the effective discharge of its functions and duties for that financial year of the Listed Entity		
	(h) a statement confirming that written assurance was obtained from the external auditors approved by the SEC, confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements and		
	(i) a statement confirming that the Audit Committee has made a determination of the independence of auditors and the basis of such determination. It shall also contain details on the number of years that the external auditor and the audit partner were engaged. If the external auditor provides non audit services, explanations must be made of how auditor objectivity and independence are safeguarded taking into consideration fees paid for non-audit services provided by the external auditor and affiliated parties.		

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
9.14 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE			
9.14.1	Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules.	Complied	
9.14.2	<p>Composition</p> <p>(1) The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include Executive Directors, at the option of the Listed Entity. An Independent Director shall be appointed as the Chairperson of the Committee</p> <p>(2) If a parent company and the subsidiary are Listed Entities, the Related Party Transactions Review Committee of the parent company may be permitted to function as the Related Party Transactions Review Committee of the subsidiary</p>	Complied	Refer the page 158
9.14.3	<p>Functions of the Related Party Transactions Review Committee</p> <p>(1) Listed Entities shall have a Related Party Transactions Review Committee which shall be responsible for reviewing the Related Party Transactions as set out herein.</p> <p>(2) The objective of these Rules on Related Party Transactions is to ensure that the interests of shareholders as a whole are taken into account by a Listed Entity when entering into Related Party Transactions. These Rules further provide specific measures to prevent Directors, CEOs or substantial shareholders taking advantage of their positions</p> <p>(3) When applying these Rules on Related Party Transactions, the objective and the economic and commercial substance of the Related Party Transactions should take precedence over the legal form and technicality</p> <p>(4) The Related Party Transactions Review Committee shall establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related Party Transactions on an end-to-end basis across the Entity's operations</p>	Complied	Terms of references cover all the required functions

Statement of Compliance

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
9.14.4	<p>General requirements</p> <p>(1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors.</p> <p>(2) The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions, and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person</p> <p>(3) Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction</p> <p>(4) If a Director of the Listed Entity has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not:</p> <p>(a) be present while the matter is being considered at the meeting; and,</p> <p>(b) vote on the matter</p>	Complied	
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Complied	
9.14.6	Shareholder approval	Complied	No such transaction was conducted
9.14.7	Immediate disclosures	Complied	There was no requirement to make an immediate disclosure
9.14.8	Disclosures in the Annual Report	Complied	Refer the page 158
9.14.9	Acquisition and disposal of assets from/ to Related Parties	Complied	
9.14.10	Exempted Related Party Transactions	Complied	
9.15 Definitions			

Listing Rule Reference	Listing Rule (Description)	Status of Compliance	Details/Reference
9.16 Additional Disclosures			
	The following declarations by the Board of Directors to be included in the Annual Report:		
	(i) They have declared all material interests in contracts involving in the Entity and whether they have refrained from voting on matters in which they were materially interested	Complied	Refer the page 90
	(ii) they have conducted a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith, and, if unable to make any of these declarations an explanation on why it is unable to do so	Complied	Refer the page 154
	(iii) they made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions	Complied	Refer the page 86
	(iv) disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations.	Complied	Refer the page 83

REPORT ON THE STATUS OF COMPLIANCE WITH SECTION 168 OF THE COMPANIES ACT NO. 07 OF 2007 IS PRESENTED BELOW.

Reference To The Companies Act	Information Required To Be Disclosed As Per The Companies Act	Status Of Compliance	Details/Reference
Section 168 (1) (a)	The nature of the business of the Company together with any change thereof during the accounting period	Complied	Refer the page 173

Statement of Compliance

Reference To The Companies Act	Information Required To Be Disclosed As Per The Companies Act	Status Of Compliance	Details/Reference
Section 168 (1) (b)	Signed Financial Statements of the Company for the accounting period completed in accordance with Section 151 and 152	Complied	Financial Statements of the Group and the Company for the year ended 31 March 2024 have been prepared in accordance with the requirements of the Sri Lanka Accounting Standards and comply with the requirements of the Companies Act No. 07 of 2007 which were duly certified by the Chief Financial Officer (the person responsible for the preparation of the Financial Statements) and were approved by two members of the Board as appearing on page 170 form an integral part of this Report.
Section 168 (1) (c)	Auditors' Report on the Financial Statements of the Company	Complied	Refer pages 166 to 168 for the "Independent Auditors' Report"
Section 168 (1) (d)	Accounting policies of the Company and any change therein	Complied	<p>Note to the Financial Statements: Material Accounting Policies adopted in the preparation of the Financial Statements of the Group and the Company are given on pages from 176 to 213.</p> <p>There were no changes to the Accounting Policies adopted.</p>
Section 168 (1) (e)	Particulars of the entries made in the Interests Register of the Company during the accounting period	Complied	<p>The Company maintains the Interest Registers.</p> <p>All Directors have made declarations as required by Sections 192 (1) and (2) of the Companies Act aforesaid and all related entries were made in the Interest Registers during the year under review.</p> <p>The Interest Registers are available for inspection by shareholders, or their authorised representatives as required by Section 119 (1) (d) of the Companies Act No. 07 of 2007.</p>

Reference To The Companies Act	Information Required To Be Disclosed As Per The Companies Act	Status Of Compliance	Details/Reference
Section 168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Complied	Refer Note 35.5 to the Financial Statements on page 212. Further, refer the Remuneration Committee Report on page 155.
Section 168 (1) (g)	Total amount of donations made by the Company during the accounting period	Complied	Refer Note 10.3 to the Financial Statements on page 190
Section 168 (1) (h)	Information on Directorate of the Company during and at the end of the accounting period	Complied	Refer the Pages 19 to 22.
Section 168 (1) (i)	Separate disclosure on amounts payable to the Auditors as Audit Fees and Fees for other services rendered during the accounting period by the Company	Complied	Note 11 to the Financial Statements on page 190.
Section 168 (1) (j)	Auditors' relationship or any interest with the Company	Complied	Refer the page 166 to 168 for Auditors' Report.
Section 168 (1) (k)	Acknowledgement of the contents of this report/ signatures on behalf of the Board	Complied	Refer the page 6.

TRANSPARENCY INTERNATIONAL SRI LANKA DISCLOSURE CHECK LIST

Adherence to the Requirements of Transparency International Sri Lanka

Question No.	Check list on Transparency in Corporate Reporting (TRAC)	Reference
1	Does the company have a publicly stated commitment to anti-corruption?	Please refer page 91.
2	Does the company publicly commit to be in compliance with all relevant laws, including anti-corruption laws?	Internal processes are in place to ensure that the Company comply with all laws regulations, directions and internal policies of the Company. The Board affirms that the Company complies with all relevant laws, regulations, directions and internal policies of the Company.
3	Does the company leadership (Chairperson/CEO/ Member of the Board of Directors) demonstrate support for anti-corruption?	The Board approved Anti-Bribery and Corruption (ABC) Policy is in place. Operationalisation and compliance of the policy is ensured through the Chief Risk Officer.
4	Does the company's code of conduct / anti-corruption policy explicitly apply to all employees and Directors?	Please refer page 91.
5	Does the Company's anti-corruption policy explicitly apply to persons who are not employees but are authorised to act on behalf of the Company or represent it (for example: agents, advisors, representatives or intermediaries)?	The Board approved ABC Policy applies for all stakeholders.
6	Does the Company require external entities that provide goods or services under contract (for example: contractors, subcontractors, suppliers) to abide by the company's anti-corruption programme or supplier code?	The Anti- Bribery and Corruption Policy explicitly applies for external entities that provide goods and services under contracts to comply with company's ABC policy requirements.
7	Does the Company have in place an anti-corruption training programme for its employees and Directors?	We have implemented the policy this financial year and based on the guidelines, awareness and training should be provided to the employees and Directors. Awareness for the employees has been conducted by the HR division.
8	Does the Company have a policy on gifts, hospitality and expenses?	Yes. It is incorporated into the ABC Policy.
9	Does the policy on gifts, hospitality or expenses include a definition of thresholds (descriptive or quoted as amounts) as well as procedures and reporting requirements?	Yes. It is clearly defined.
10	Is there a policy that explicitly prohibits facilitation payments?	Yes. It is incorporated into the ABC Policy.
11	Does the Company provide a mechanism/channel through which employees can report suspected acts of corruption or breaches of anti-corruption policies, and does the mechanism/channel allow for confidential and/ or anonymous reporting (whistle-blowing)?	Board approved whistle blowing policy is in place. Please refer page 91 for more details.
12	Does the whistle-blowing mechanism/channel enable employees and others to raise concerns and report suspected acts of corruption or breaches of anti-corruption policies without risk of reprisal?	The whistleblowing policy effectively delineates the procedure for reporting suspicions of corruption or breaches of anti-corruption regulations, guaranteeing that individuals can raise concerns without apprehension of reprisal.
13	Does the mechanism/channel provide for two-way communication with the whistle-blower for any needed follow-up on the concern/s raised?	The mechanism provides for two-way communication with the whistle-blower for any needed follow-up on the concerns raised.

Question No.	Check list on Transparency in Corporate Reporting (TRAC)	Reference
14	Does the Company carry out regular or continuous monitoring of its anti-corruption programme/policy to review its suitability, adequacy and effectiveness, and implement improvements as appropriate?	Yes. The policy is reviewed on an annual basis or as and when required.
15	Does the Company have a policy on political contributions that either prohibits such contributions or if it does not, requires such contributions to be publicly disclosed?	Yes. There is a defined process to be followed and the policy requires such contributions to be disclosed in the Annual report. No political contributions were made during the period.
16	Does the company disclose its ultimate beneficial owner/s?	Yes. Please refer page 173.
17	Which of the following information does the Company disclose for all of its fully consolidated subsidiaries? - The full list with names	Not Applicable
18	Which of the following information does the Company disclose for all of its fully consolidated subsidiaries? - Percentages owned in each of them	Not Applicable
19	Which of the following information does the Company disclose for all of its fully consolidated subsidiaries? - Countries of incorporation (for each entity) The place of incorporation is the principal address of the corporation in the state where it's incorporated/ registered.	The Company does not have foreign operations. The Company is not a Group Company, thus is not required to prepare consolidated financial statements.
20	Which of the following information does the Company disclose for all of its fully consolidated subsidiaries? - Countries of operations (for each entity) A multinational corporation (MNC) is a company that has business operations in at least one country other than its home country. Countries in which it conducts business aside from the home country are considered to be countries of operations.	The Company does not have foreign operations.
21	Which of the following information does the Company disclose for all of its non-fully consolidated holdings (consolidated by equity method or proportionally), such as associates, joint-ventures? - the full list with names	Not Applicable
22	Which of the following information does the Company disclose for all of its non-fully consolidated holdings (consolidated by equity method or proportionally), such as associates, joint-ventures? - percentages owned in each of them	Not Applicable
23	Which of the following information does the Company disclose for all of its non-fully consolidated holdings (consolidated by equity method or proportionally), such as associates, joint-ventures? - Countries of incorporation (for each entity) The place of incorporation is the principal address of the corporation in the state where it's incorporated/ registered.	Not Applicable

Transparency International Sri Lanka Disclosure Check list

Question No.	Check list on Transparency in Corporate Reporting (TRAC)	Reference
24	Which of the following information does the Company disclose for all of its non-fully consolidated holdings (consolidated by equity method or proportionally), such as associates, joint-ventures? - Countries of operations (for each entity) A multinational corporation (MNC) is a company that has business operations in at least one country other than its home country. Countries in which it conducts business aside from the home country are considered to be countries of operations.	Not Applicable
25	Does the Company disclose its revenue/sales in Sri Lanka?	Please refer page 169.
26	Does the Company disclose its capital expenditure in Sri Lanka?	Please refer pages 199 to 202.
27	Does the Company disclose its pre-tax income in Sri Lanka?	Please refer page 169.
28	Does the Company disclose its income tax in Sri Lanka?	Please refer pages 191 to 192.
29	Does the Company disclose its community contribution (Corporate Social Responsibility programmes) in Sri Lanka?	Please refer pages 74 to 77.
30	Does the Company have an explicit publicly stated commitment against sexual harassment?	The Company's code of conduct covers the commitment to non-discrimination based on gender.
31	Does the Company have an explicit, publicly stated commitment to non-discrimination based on gender?	Board approved HR policy of the Company include the company's commitment to non discrimination based on the gender.
32	Does the Company adopt a gender inclusive/equal opportunity recruitment policy?	Please refer Human Capital section on pages 68 to 73 for gender balance.
33	Does the Company adopt a gender inclusive promotion policy?	The Company adopts a non- discrimination policy for promotions based on gender.
34	Does the Company have a policy for bidding on government contracts/tenders?	Not Applicable. The Company does not engage in bidding on government contracts/tenders
35	Does the Company disclose its current contracts with local and/or foreign governments?	Not Applicable. No such contracts with local and/or foreign governments.
36	Does the Company publish tendering and post award documents for government contracts and awarded tenders?	Not Applicable. No such contracts or awarded tenders
37	Does the Company disclose audited financial accounts for government contracts and awarded tenders?	No such transactions

AUDIT COMMITTEE REPORT

First Capital Holdings PLC is the immediate listed parent Company of First Capital Treasuries PLC, which is the primary dealer arm of the First Capital Group. The Audit Committee of First Capital Holdings PLC thus functioned as the Audit Committee of First Capital Treasuries PLC which has complied with the policies and procedures set out by the Group Audit Committee. In accordance with the recommendations made by the Central Bank of Sri Lanka, the Company established a Company specific Board Audit Committee by establishing the Terms of Reference in November 2023.

CHARTER OF THE COMMITTEE

The Board Audit Committee (BAC) assists the Board in the discharge of its responsibilities by overseeing financial reporting, internal/ external audits and internal control practices. The BAC Charter clearly defines the Terms of Reference (TOR) of the Committee and regulates the composition, functions and responsibilities of the BAC. The Committee shall have the power to conduct or authorise investigations into any matters within the Committee's scope of responsibilities. The Committee shall have unrestricted access to members of the management and other employees of the Company, as well as all information relevant to the carrying out of its responsibilities.

COMPOSITION

The Audit Committee consists of two Independent Non-Executive Directors and one Non-Independent Non-Executive Director of the Company. The Committee is chaired by Ms. Minette Perera.

The members of the Board Audit Committee are as follows.

Ms. Minette Perera – Chairperson – Independent Non-Executive Director

Mr. Chandana de Silva – Independent Non-Executive Director

Mr. Ramesh Schaffter – Non-Independent Non-Executive Director

Ms. Amila Belpamulla - Secretary to the Committee
- Company Secretary

Brief profiles of the members of the Board appointed Audit Committee are given on Pages 19 to 22 of the Annual Report.

MEETINGS

Four audit committee meetings were held during the year under review. The External Auditors and Internal Auditors are also present at meetings on a need basis. The proceedings of the Audit Committee meetings are reported to the Board of Directors on a regular basis.

The attendance of the Members for the Audit Committee meetings during the year 2023/24 is as follows.

Membership Status	Name	Attendance in 2023/24 (Attended/ Eligible to Attend)
Chairperson	Ms. Minette Perera	4/4
Members	Mr. Chandana de Silva (since 12 January 2024)	1/1
	Mr. Nishan Fernando (Until 31 December 2023)	3/3
	Mr. Ramesh Schaffter	3/4

Regular Attendees by Invitation:

Mr. Dilshan Wirasekara (Non-Executive Non-Independent Director)	4/4
Mr. Mangala Jayashantha (Chief Financial Officer)	4/4
Ms. Harshanee Deshapriya (Group Chief Legal Officer)	4/4
Mr. Kapila Perera (Chief Risk Officer)	4/4

FUNCTIONS

The primary function of the Committee is to assist the Board in fulfilling its oversight responsibilities, primarily through:

- Overseeing management's conduct of the Company's financial reporting process and systems of internal accounting and financial controls;
- Monitoring the independence and performance of the Company's external auditors;
- Providing an avenue of communication among the external auditors, internal auditors, management and the Board; and
- Review the integrity and adequacy of Company's internal control process

FINANCIAL REPORTING SYSTEM

The Committee reviewed the financial reporting system adopted by the Company with particular reference to the following;

- The preparation, presentation and adequacy of the disclosures in the Company's annual and interim financial statements in accordance with the Sri Lanka Accounting Standards, the Companies Act No. 7 of 2007 and other applicable statutes.
- The underlying rationale and basis for the significant estimates and judgments to the financial statements.

Audit Committee Report

INTERNAL AUDIT / CONSULTANCY SERVICE

M/s Ernst & Young Consulting Services (Pvt) Ltd has been assigned as the consultant to the Board Audit Committee and to conduct benchmark review of internal controls covering the operations of First Capital Treasuries PLC and reporting there on. Control weaknesses/ gaps highlighted in the audit reports were examined by the Committee and follow up action taken by the management on the audit recommendations / leading practices were also reviewed. The Committee reviewed the effectiveness of the internal audit/consultancy function and the scope and procedures during the ensuing year.

EXTERNAL AUDIT

External Auditors' management letters pertaining to the previous year's audit and the Management's response thereto were discussed during the year. Follow-up action taken by the management to ensure that the recommendations contained in the management letter were implemented was reviewed. Further, the draft annual financial statements for 2023/24 were also reviewed with the External Auditors prior to release.

The Committee reviewed the non-audit services provided by the auditors to ensure that the provision of these services does not impair their independence and objectivity.

The fees payable to the auditors have been recommended by the Committee to the Board for approval.

Having determined the independence of the auditor and reviewed the effectiveness of the External Audit, the Audit Committee also recommended to the Board of Directors that Messrs KPMG be reappointed as Auditors for the financial year ending 31 March 2025, subject to the approval of the shareholders at the Annual General Meeting.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Committee reviewed major financial risk exposures and the guidelines and policies which management has put in place to govern the process of monitoring, controlling and reporting such exposures. The Committee also reviewed the pending legal matters relating to the Company and its impact to the Company emphasising on the risks embedded. The Company has a separate policy on Incident and Near miss reporting procedure and whistleblowing procedures to avoid the financial and reputation risk involved and the Committee is briefed on the significant incidents raised.

(Sgd.)

Minette Perera

Chairperson - Board Audit Committee

4 June 2024

REMUNERATION COMMITTEE REPORT

COMPOSITION OF THE COMMITTEE

The Remuneration Committee was appointed by the Board of Directors of the Company. The Group Remuneration Committee served as FCT's Remuneration Committee until January 2024. Subsequently, a distinct Committee was formed for the Company and remains operational independently. As at 31 March 2024, the Committee comprised the following directors.

Mr. Chandana de Silva

Independent Non-Executive Director (Chairman of the Committee)

Ms. Manjula Mathews

Non-Independent Non-Executive Director (Member)

Dr. Nishan de Mel

Independent- Non-Executive Director (Member)

Brief profiles of the members of the Board appointed Remuneration Committee are given on pages 19 to 22 of the Annual Report.

SCOPE OF THE REMUNERATION COMMITTEE

The scope of the Remuneration committee covers the Company's remuneration and benefits, competency development of employees, especially the key drivers of the business, and succession planning.

KEY RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

- Review and recommend a remuneration and incentive scheme, including any proposed equity incentive awards including terminal benefits/pension rights for the CEO and KMPs.
- Review proposed increments and market adjustments to compensation to ensure appropriate rates in relation to market/industry and the compensation philosophy.
- Approve annual increments, bonuses, incentives and any other compensation changes for the CEO and the Senior Management team including KMPs, based on corporate and individual performance against set targets and goals.
- Ensure the remuneration and benefits are set on a fair and equitable basis.
- Ensure a proper mechanism is in place for management development and succession planning and periodic reviews of the same.
- Review market data on compensation and benefits and approve periodic recommendations made by the management.

- Communication with shareholders on the remuneration policy and the committee's work (on behalf of the Board) through a Remuneration Committee report.
- Participate in the recruitment and selection process of the KMPs based on the recommendations made by the CEO.
- Recommend appropriate service contracts for Executive Directors.
- Approve the terms of any compensation package in the event of early termination of the contract of an Executive Director.
- Provide direction on disciplinary matters that involves an employee that could create a significant impact to the company.

COMMITTEE MEETINGS

The Remuneration Committee convened five times during the period under review.

Name of the Board Sub-Committee Member	Membership Status	Attendance in 2023/24 (Attended/ Eligible to Attend)
Mr. Chandana de Silva	Chairman	5/5
Ms. Manjula Mathews	Member	5/5
Dr. Nishan de Mel	Member	4/5
Mr. Ramesh Schaffter (Until 26 May 2023)	Member	1/1

OTHER MATTERS

The Remuneration Committee is authorised by the Board to seek appropriate professional advice inside and outside the Company as and when it considers this necessary.

(Sgd.)

Chandana de Silva

Chairman - Remuneration Committee

4 June 2024

ENTERPRISE RISK MANAGEMENT COMMITTEE REPORT

The Enterprise Risk Management Committee of First Capital Holdings PLC (Immediate Listed Parent Company of First Capital Treasuries PLC) functioned as the Enterprise Risk Management Committee of First Capital Treasuries PLC which has complied with the policies and procedures set out by the Group Enterprise Risk Management Committee. However, based on the recommendation made by the Central Bank of Sri Lanka, the Company established a Company specific Enterprise Risk Management Committee (ERMC) by approving a separate charter which was approved by the Board of Directors in November 2023.

The ERMC is responsible for establishing and maintaining a comprehensive Enterprise-wide Risk Management System for identifying, assessing and managing risk to assist the Corporate Management Team in managing risk with reasonable assurance in a dynamic business environment.

CHARTER OF THE COMMITTEE

The Group Enterprise Risk Management Committee was formed in May, 2012. The Committee was formed by the Board of Directors based on the requirement mentioned in "Code of Best Practice on Corporate Governance" to conduct a review of the risks facing the Group and the effectiveness of the system of internal controls. Although the responsibility was mentioned under the Board Audit Committee, Group ERMC was formed independently considering the gravity of attention required in monitoring and assessing risk regularly for the Group. The charter of the Company specific ERMC was approved by the Board of Directors in November 2023.

COMPOSITION OF THE COMMITTEE

Name of the Board Sub-Committee Member	Designation	Membership Status
Dr. Nishan de Mel	Independent Non-Executive Director	Chairman
Mr. Dilshan Wirasekara	Non-Independent Non-Executive Director	Member
Mr. Mangala Jayashantha	Chief Financial Officer	Member
Ms. Sujani Sellahewa	Executive Vice President – Operations	Member
Mr. Kapila Perera	Chief Risk Officer	Secretary to the Committee

KEY RESPONSIBILITIES AND SCOPE OF WORK OF THE COMMITTEE

- Overall responsibility for the Enterprise Risk Management process, including developing and implementing the processes and procedures to identify, assess, respond to and report on the extreme/high/ significant risks identified in the risk assessment process.
- Monitor the risk management process which involves the systematic application of policies, procedures and practices to the activities of communicating and consulting, establishing the context and assessing, treating, monitoring, reviewing, recording and reporting risk.
- Ensure proper risk management by recommending to the board ownership, roles, responsibilities, and accountabilities related to risk management.
- Promote the Enterprise Risk Management model to the Corporate Management Team and educate them on the enterprise risk management process.
- Ensure that risk management is integrated into all organisational activities and should demonstrate leadership and commitment.
- Ensure that the risk management framework remains appropriate to the context of the organisation.
- Review and recommend the charter of the ERMC for approval of the Board.
- Review periodic reports on the ERMC's discharge of their responsibilities listed in its charter.
- Work with business units on monitoring and reporting to ensure compliance with the regulatory standards and reporting of the risks identified and prioritised by the Committee, as well as those risks which are not included in the scope of the ERMC.
- Work with business units regarding their internal control aspect and ensuring that a dynamic monitoring, reporting and remedial process is in place.
- Report to the Audit Committee and the Board of Directors regarding;
 - The progression of enterprise risk management and its implementation.
 - Identifying significant and material risk exposures across Company.
 - Consolidated enterprise risk management plan encompassing analysis and recommendations.
- Request budget allocation for consulting, training, software, or other expenses determined necessary.
- Submit a risk assessment report/ risk register on quarterly basis to the Board of Directors.
- Take prompt corrective action to mitigate the effects of specific risks in the case such risks are at levels beyond the prudent levels decided by the Committee/Board on the basis of the Company's policies and regulatory and supervisory requirements.
- Ensured staffs are trained adequately on compliance related laws, regulations, policies and procedures as a tool in mitigating the Company's compliance risk by educating employees and maintaining their ongoing awareness. The

programmes include both formal training courses and ongoing communications.

- Review and approve periodic compliance reports to the regulators (CBSL, CSE etc.) which require approval of the Board of Directors.

COMMITTEE MEETINGS

The ERM Committee held 11 meetings during the year under review. The proceedings of the Committee meetings have been reported to the Board Audit Committee and the Board Meetings.

Attendance		
Chairman:	Mr. Nishan Fernando (Chairman till 31 December 2023)	07/09
	Dr. Nishan de Mel (Chairman since 1 January 2024)	02/02
Members:	Mr. Dilshan Wirasekara (Non-Executive Non-Independent Director)	11/11
	Mr. Mangala Jayashantha (Chief Financial Officer)	11/11
	Ms. Sujani Sellahewa (Executive Vice President – Operations)	11/11
Secretary:	Mr. Kapila Perera (Chief Risk Officer)	11/11
Regular Attendees by Invitation:		
	Mr. Sachith Perera (Chief Executive Officer)	11/11

OTHER RESPONSIBILITIES OF THE COMMITTEE

ERMC also supports the Board of Directors in fulfilling its oversight responsibilities relating to compliance matters. In this capacity, the Committee reviews the implementation of compliance programs, policies and procedures that are designed to respond to the various compliance and regulatory risks of the Company. The Committee is also responsible to review and refer for action to any Sub-Committee of Board matters that are either specifically referred to the attention of the Committee or that comes to the attention of the Committee from Board filings that impact systemic risks to the Company, with a clear objective of eliminating repeat findings or managing forward risks.

(Sgd.)

Nishan de Mel

Chairman – Enterprise Risk Management Committee

4 June 2024

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

COMPOSITION OF THE COMMITTEE

The Related Party Transactions Review Committee was appointed by the Board of Directors of the Company and reports directly to the Board. The Group Related Party Transactions Review committee served as FCT's Related Party Transactions Review Committee and subsequently, a distinct Committee was formed for the Company and remains operational independently. The Committee consists of three (3) members with a combination of two Independent Non-Executive Directors and one Non Independent Non- Executive Director. The members of the Committee are as follows:

Ms. Minette Perera - Independent Non-Executive Director (Chairperson)

Mr. Chandana de Silva – Independent Non-Executive Director

Mr. Ramesh Schaffter – Non- Independent Non-Executive Director

Brief profiles of the members of the Board appointed Related Party Transactions Review Committee are given on pages 19 to 22 of the Annual Report.

The Company Secretary functions as the Secretary to the Committee.

SCOPE

The Related Party Transactions Review Committee was formed by the Board to assist the Board in reviewing the Related Party Transactions (RPT) carried out by the Company.

The mandate of the Committee includes inter-alia the assurance of the following:

1. Developing and recommending for adoption by the Board of Directors of the Company and its subsidiaries, a RPT Policy which is consistent with the listing rules of the Colombo Stock Exchange (CSE).
2. Making immediate market disclosures on applicable RPT, as required by Section 9 of the Continuing Listing Requirements of the CSE.
3. Making appropriate disclosures on RPT in the Annual Report, as required by Section 9 of the Continuing Listing Requirements of the CSE.

POLICIES AND PROCEDURES

The Company has adopted a Related Party Transactions (RPTs) Policy in view of structuring the Company's policies and procedures to uphold good governance and in the best interests of the Company.

The Committee adopted policies and procedures for (a) reviewing the Related Party Transactions at each quarterly meeting, (b) identifying and reporting on recurrent and non-recurrent transactions to be in line with the applicable CSE Rules.

The Committee ensures that all transactions with related parties are in the best interests of all stakeholders, adequate transparency is maintained and are in compliance with the Listing Rules.

The Committee reviewed related party transactions during the year and communicated its observations to the Board.

MEETINGS

The Committee held four meetings during the year under review. Proceedings of the committee meetings are regularly reported to the Board of Directors.

The attendance at the Related Party Transactions Review Committee meeting during the year 2023/24 is as follows.

Membership Status	Name of Director	Attendance in 2023/24 (Attended/ Eligible to Attend)
Chairperson	Ms. Minette Perera	4/4
Member	Mr. Ramesh Schaffter	4/4
Member	Mr. Chandana de Silva (Since 12 January 2024)	1/1
Former Member	Mr. Nishan Fernando (Until 31 December 2023)	3/3

DURING THE YEAR UNDER REVIEW

There were no non-recurrent Related Party Transactions that exceeded the thresholds that required the immediate market disclosure, shareholder approval or disclosure in the Annual Report, as required under Section 9 of the Continuing Listing Requirements of the CSE.

There were no recurrent Related Party Transactions that exceeded the thresholds that required the immediate market disclosure or shareholder approval as required under Section 9 of the Continuing Listing Requirements of the CSE. Recurrent Related Party Transactions that require disclosure in the Annual Report are given in Note 35 of the Financial Statements.

DECLARATION BY THE BOARD OF DIRECTORS

A declaration by the Board of Directors relating to compliance under the listing rules is given on page 82 of the Annual Report.

(Sgd.)

Minette Perera

Chairperson-Related Party Transactions Review Committee

4 June 2024

NOMINATION COMMITTEE REPORT

REPORT OF THE BOARD NOMINATION COMMITTEE

The principal role of the Nomination Committee is to proactively manage the composition of the Board which is under the delegated authority of the Board of Directors of the Company.

CHARTER OF THE COMMITTEE

The Committee has the authority to discuss the issues under its purview and report back to the Board of Directors with recommendations, enabling the Board to take relevant decisions, define and establish the nomination process for Non-Executive Directors (NEDs), lead the process of Board appointments and make recommendations to the Board on the appointment of Non-Executive Directors.

In addition, the Committee focuses on the following objectives in discharging its responsibilities:

- Review the composition of the Board and ensure that there is an appropriate balance between Executive and Non-Executive Directors.
- Assess the skills and knowledge required in the Board for the Board to discharge its duties effectively and strategically.
- Periodically assess the extent to which the required skills are represented at the Board.
- Prepare a clear description of the role and capabilities required for appointments.
- Identify and recommend suitable candidates for appointments to the Board.
- Ensure, on appointment to the Board, Non-Executive Directors receive a formal letter of appointment clearly specifying the expectations in terms of time commitment, involvement outside of the formal Board meetings, participation in Committees, amongst others.
- Ensure that every appointee undergoes an induction to the Company.
- Ensure that the appointment of the Chairperson and the Executive Directors is a collective decision by the Board.
- Self-assessment of the Nomination Committee and its members.

COMPOSITION OF THE COMMITTEE

During the year under review, the Board Nomination Committee comprised of the following members. The Committee met three (3) times during the year 2023/24.

BOARD MEMBERS AND ATTENDANCE

Name of the Board Sub-Committee Member	Membership Status	Attendance in 2023/24 (Attended/Eligible to Attend)
Mr. Nishan Fernando	Former Chairman (Independent Non-Executive Director) (Until 31 December 2023)	2/2
Dr. Nishan de Mel	Chairman (Independent Non-Executive Director)	3/3
Ms. Manjula Mathews	Member (Non-Independent Non-Executive Director)	3/3
Ms. Minette Perera	Member (Independent Non-Executive Director) (Since 3 January 2024)	1/1

COMMITTEE STRUCTURE DIVERSITY

Type of Directorship	Composition (%)
Non-Executive	100%
Executive	0%
Total	100%

SECRETARY TO THE NOMINATION COMMITTEE

Janashakthi Corporate Services Limited serves as the Secretary to the Nomination Committee.

PROFESSIONAL ADVICE

The Committee has the authority to seek external professional advice on matters within its purview whenever required.

THE YEAR AHEAD

The Committee will continue to review the skills and knowledge required by the Board, minimise key individual dependency risk and identify and groom suitable candidates to key positions of the organisation. The Committee will also ensure that the Company is in compliance with its stipulated framework and is in compliance with the regulations issued by the Colombo Stock Exchange (CSE) on Board composition.

CONCLUSION

The Committee continues to work closely with the Board of Directors in relation to the structure, size and composition of the Board, ensuring diversity and balance of skills, knowledge and experience. The Committee is satisfied that the representation of skills, knowledge and experience on the Board is appropriate for the Company's current needs at Board level.

(sgd.)

Nishan de Mel

Chairman - Board Nomination Committee

4 June 2024

INVESTMENT, ASSET AND LIABILITY COMMITTEE REPORT

The Investment, Asset and Liability Committee (IALCO) has the delegated authority of the Board of Directors to make strategic and operational investment decisions and is primarily responsible for the investment strategy and the asset and liability management of the Company. Investment decisions on debt, equity, and other related investment proposals are being evaluated by the Committee for the best interest of the Company. The Committee also evaluates the liquidity positions of the Company regulatory compliances related to Investment decisions while enhancing the shareholder value.

COMPOSITION OF THE COMMITTEE

Name of the Board Sub-Committee Member	Designation	Membership Status
Dr. Nishan de Mel	Non-Executive Independent Director	Chairman
Mr. Dilshan Wirasekara	Non-Executive Non-Independent Director	Member
Ms. Manjula Mathews	Non-Executive Non-Independent Director	Member

KEY RESPONSIBILITIES AND SCOPE OF WORK OF THE COMMITTEE

- Developing the investment strategy of the Company based on the strategic plan
- Review, Evaluate and approve investment decisions relating to the investment strategy
- Ensure adherence to the regulatory and internal compliance levels and policies in making investment and borrowing decisions
- Reviews the performance of the existing portfolios
- Advise and recommend investment decisions for the best interests of the stakeholders

COMMITTEE MEETINGS

The Investment Committee held 25 meetings during the year under review. The proceedings of the Committee meetings have been escalated to the Board Meetings.

Attendance

Name of the Board Sub-Committee Member	Membership Status	Attendance in 2023/24 (Attended/ Eligible to Attend)
Dr. Nishan de Mel	Chairman	25/25
Mr. Nishan Fernando*	Former Member	19/19
Mr. Dilshan Wirasekara	Member	25/25
Ms. Manjula Mathews	Member	23/25

* Resigned during the financial year.

METHODOLOGY ADOPTED BY THE COMMITTEE

The committee evaluates the business environment and captures the changes in micro and macro factors in making decisions that will be best suited to the business unit prevailing under the given conditions. The Committee would also instruct executive officers from time to time on investment paradigms for enhancing shareholder returns.

The Committee meets bi-weekly to evaluate the strategy and risks associated with the future and past investment decisions. Also, the Committee evaluated the progress of the investment decisions made by the Committee in past and measured the performance of the portfolios carried out by the Company. The performance report of each business unit with key performance indicators is presented to the Investment Committee to make better decisions and to the evaluation of past decisions.

(Sgd.)

Dr. Nishan de Mel

Chairman- Investment Asset and Liability Committee

4 June 2024

FINANCIAL STATEMENTS



THE ROOK

Just as the rook on a chessboard provides strategic support and defence, our financial statements offer a comprehensive overview of First Capital Treasuries' performance and stability.

FINANCIAL CALENDAR

Annual General Meetings held/ to be held on

For the Year 2022/23

8 September 2023

For the Year 2023/24

28 June 2024

Annual Report and Accounts signed/to be signed

For the Year 2022/23

15 August 2023

For the Year 2023/24

4 June 2024

Interim Financial Statements Calendar	Submission to CSE	Publication in the Newspaper
1 st Quarter 2023/24 Interim Financial Report (Unaudited)	15 August 2023	N/A
2 nd Quarter 2023/24 Interim Financial Report (Unaudited)	15 November 2023	Unaudited half year financials - 29 November 2023
3 rd Quarter 2023/24 Interim Financial Report (Unaudited)	13 February 2024	N/A
4 th Quarter 2023/24 Interim Financial Report (Unaudited)	31 May 2024	To be published in November 2024

Annual Financial Statements Calendar	Submission to CSE	Publication in the Newspaper
Annual Financial Statements for 2022/23 (Audited)	18 August 2023	27 September 2023
Annual Financial Statements for 2023/24 (Audited)	4 June 2024	To be published

Dividend Calendar – 2023/24	Amount per share (Gross) - Rs.
1 st Interim dividend	10.00
2 nd Interim dividend	4.50



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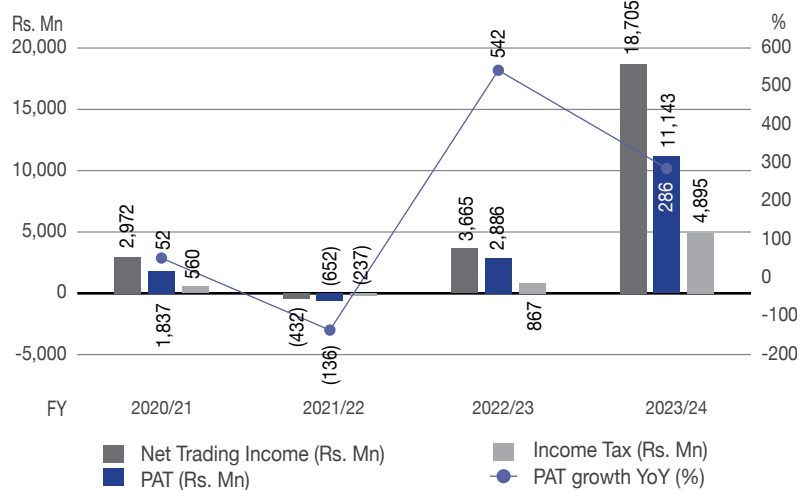
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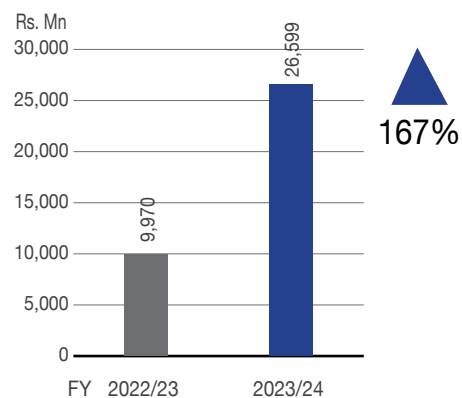
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FINANCIAL PERFORMANCE

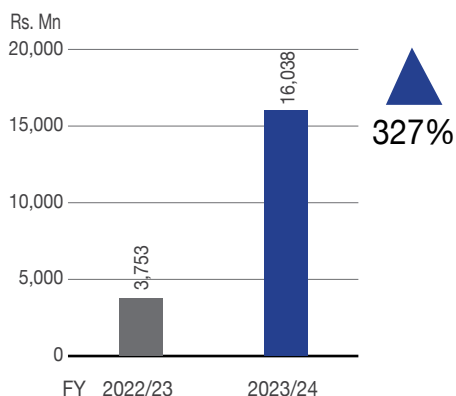
Profit growth



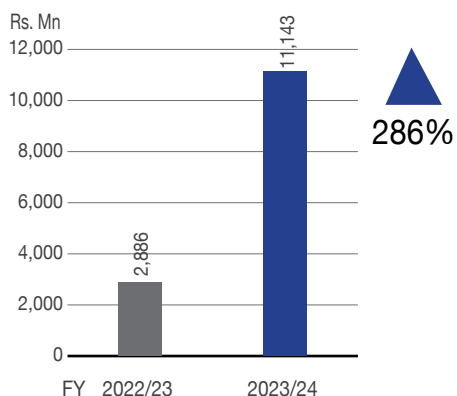
Direct income



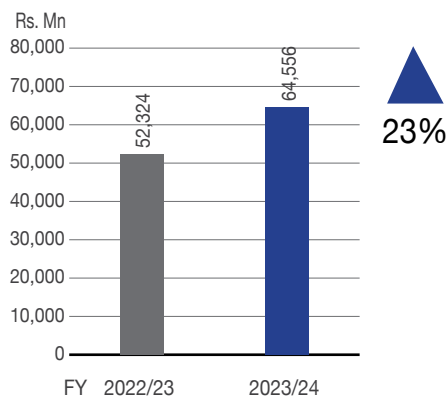
Profit before tax



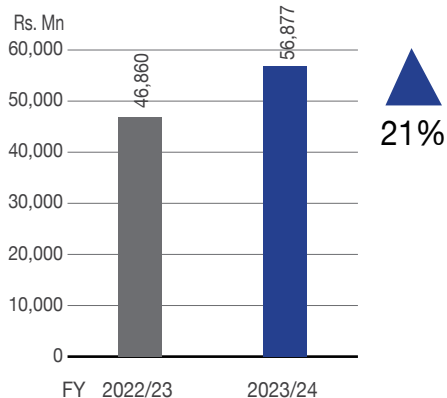
Profit for the year



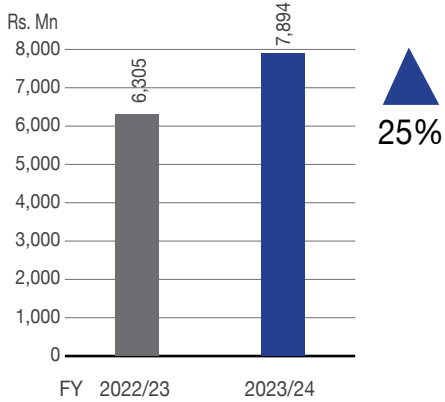
Total assets



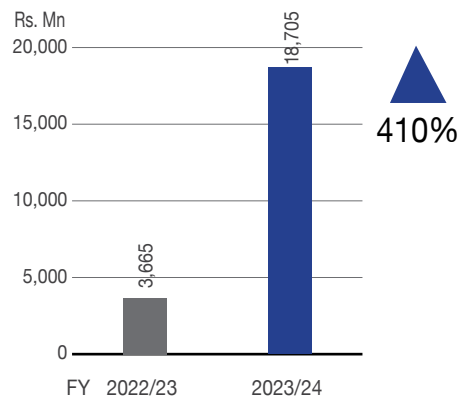
Total liabilities



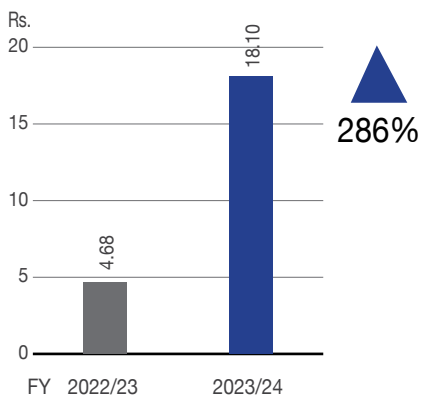
Direct expenses



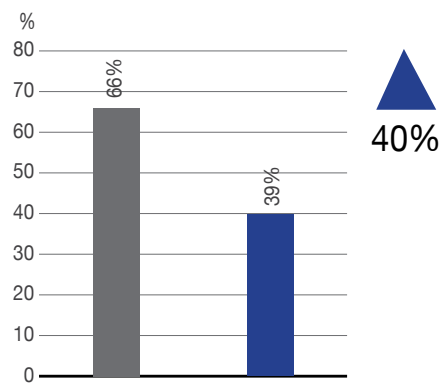
Net trading income



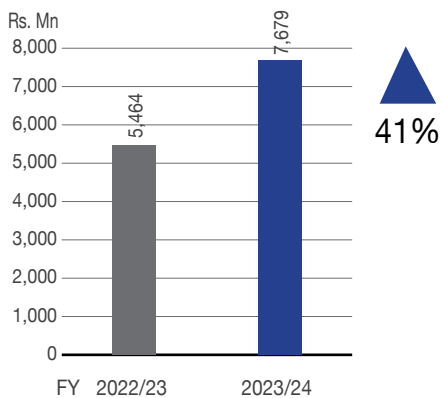
Basic earnings per share



Cost to income ratio



Total equity



INDEPENDENT AUDITOR'S REPORT



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(Chartered Accountants)
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TO THE SHAREHOLDERS OF FIRST CAPITAL TREASURIES PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of First Capital Treasuries PLC ("the company"), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics for professional Accountants

issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Carrying amount of financial assets

Refer the material accounting policy in Note 3.4 and explanatory Notes 17 and 18 to the financial statements.

Risk Description	Our Response
<p>As at 31 March 2024, the company's financial assets portfolio consists with treasury bills and treasury bonds measured at fair value and amortised cost. Further, these financial assets make up 95% of total assets by value and is considered to be a key driver of the company's capital and revenue performance.</p> <p>As the company's business operations are sensitive to market conditions, the carrying amounts of these financial assets are considered to be an area of risk for the current financial year considering the uncertainties and volatilities in the macroeconomic environment existed during the year that are still prevailing as at the reporting date. Due to frequent changes in the macro-economic environment, the composition of the investment portfolio of the company and the observability of the market data were affected making the investment decisions and measurement more challenging and significant.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none">Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the management's key internal controls over identification, measurement and management of measurement risk as well as evaluating the methodologies and input parameters used by the company in determining carrying amounts including fair values.Comparing observable inputs against independent sources and externally available market data and re-performing independent valuations.Making inquiries of the management on the market conditions and reviewing the minutes of the enterprise risk management committee meetings.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee

C. P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T. J. S. Rajakarier FCA
W. K. D. C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.W.M.O.W.D.B. Rathnadiwakara FCA

W. J. C. Perera FCA
G. A. U. Karunaratne FCA
R. H. Rajan FCA
A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FTII
K. Somasundaram ACMA(UK)



Risk Description	Our Response
Accordingly, due to their materiality in the context of the financial statements as a whole and the prevailing uncertain and volatile macro-economic environment, the carrying amount of financial assets are considered to be an area which had a great effect on our overall audit strategy and allocation of resources in planning and completing our audit.	<ul style="list-style-type: none"> • Testing mathematical accuracy and verifying the appropriateness and completeness of the data used. • Obtaining and agreeing with the third-party confirmations of outstanding financial instruments. • Assessing the adequacy of the disclosures in the financial statements in accordance with the relevant accounting standards.

2. Recognition of gains/losses on sales and interest income of financial assets

Refer the material accounting policy and explanatory Note 6 to the financial statements.

Risk Description	Our Response
As described in Note 06, the company has recognised a total income of Rs. 26,599Mn during the year comprising of gains/ losses on sales and interest income on financial assets. Based on the company's business model, this arises from different types of financial instruments. In addition, the company considers such income as an important element in the preparation of budgets and measuring management performance. Further, during the year, business operations of the company was significantly affected due to the prevailing uncertain and volatile macro-economic environment and policy decisions throughout the year. This has resulted a significant increase in total income which was mainly due to the significant increase in interest income. These factors could create situations for gains/ losses on sales.	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the management's key internal controls over the gains/ losses on sales and interest income recognition and measurement. • Testing the operating effectiveness of key IT application controls over gains/ losses on sales and interest income, in addition to evaluating the integrity of the general IT control environment. • Making inquiries of the management on the market conditions and reviewing the minutes of the enterprise risk management committee meetings. • Evaluating the appropriateness of the company's gains/ losses on sales and interest income recognition policies, including the recognition, measurement and classification criteria as well as disclosure requirements in comparison with the macro-economic environment. • Performing test of details over gain/losses on sales and interest income by inspecting a sample of transactions, recomputation of gain/losses and interest income and testing of cut off transactions in order to ensure such income is recognised and measured in accordance with the applicable financial reporting requirements and the company accounting policies.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and we have nothing to report in this regard.

Independent Auditor's Report



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3544.

Chartered Accountants
Colombo, Sri Lanka

4 June 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March	Note	2024 Rs.'000	2023 Rs.'000
Income	6	26,598,738	9,969,951
Direct expenses	7	(7,893,976)	(6,305,233)
Net trading income		18,704,762	3,664,718
Other income	8	8,752	5,202
Net gain/(loss) on fair valuation of financial assets recognised through profit or loss measured at fair value	9	(307,629)	1,077,830
		18,405,885	4,747,750
Operating expenses			
Personnel expenses	10.1	(1,641,574)	(443,479)
Premises, equipment and establishment expenses	10.2	(54,911)	(14,158)
Other operating expenses	10.3	(671,360)	(537,204)
		(2,367,845)	(994,841)
Profit before tax	11	16,038,040	3,752,909
Income tax expense	12	(4,894,912)	(866,513)
Profit for the year		11,143,128	2,886,396
Other comprehensive income			
<i>Items that will never be reclassified to profit or loss</i>			
Actuarial gain/(loss) on retirement benefit obligation	30	(2,247)	(3,470)
Tax effect on other comprehensive income	12	674	1,041
<i>Item that are or may be reclassified to profit or loss</i>		-	-
Other comprehensive income/(loss)		(1,573)	(2,429)
Total comprehensive income for the year		11,141,555	2,883,967
Basic earnings per share (Rs.)	13	18.10	4.68

Figures in brackets indicate deductions.

The notes disclosed on pages 173 to 222 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March,	Note	2024 Rs. '000	2023 Rs. '000
Assets			
Cash at banks and in hand	15	29,161	24,023
Derivative financial instruments	16	51,933	51,194
Financial assets recognised through profit or loss - measured at fair value	17	56,684,886	50,753,172
Financial assets - at amortised cost	18	4,539,304	1,131,851
Receivable from related companies	19	5,245	3,744
Deferred tax asset	20	-	4,964
Other assets	21	2,922,901	338,354
Property, plant and equipment and right of use assets	22	321,891	16,112
Intangible assets	23	622	494
Total assets		64,555,943	52,323,908
Liabilities			
Derivative financial instruments	24	71,742	153,586
Securities sold under re-purchase agreements	25	48,482,468	43,830,826
Creditors and other payables	26	4,279,710	1,453,226
Payable to related companies	27	279,955	11,755
Deferred tax liability	20	16,276	-
Taxes payable	28	2,971,647	629,708
Borrowing on listed debentures	29	764,042	762,076
Retirement benefit obligations	30	10,735	18,718
Total liabilities		56,876,575	46,859,895
Equity			
Stated capital	31	256,500	256,500
Risk reserve	32	2,789,746	1,675,433
Retained earnings		4,635,122	3,534,080
Fair valuation reserve	33	(2,000)	(2,000)
Total equity		7,679,368	5,464,013
Total equity and liabilities		64,555,943	52,323,908
Net assets per share (Rs.)			
		12.47	8.88

The notes disclosed on pages 173 to 222 form an integral part of these Financial Statements.

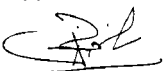
I certify that these Financial Statements are prepared and presented in compliance with the requirements of the Companies Act No. 07 of 2007.



Mangala Jayashantha
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board,



Dilshan Wirasekara
Director



Manjula Mathews
Chairperson

4 June 2024
Colombo

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March,	Note	Stated Capital Rs.'000	Risk Reserve Rs.'000	Retained Earnings Rs.'000	Fair Valuation Reserve Rs.'000	Total Equity Rs.'000
Balance as at 1 April 2022		256,500	1,386,793	2,232,267	(2,000)	3,873,560
Impact of surcharge tax liability	12.3	-	-	(370,114)	-	(370,114)
Adjusted balance as at 1 April 2022		256,500	1,386,793	1,862,153	(2,000)	3,503,446
Total comprehensive income for the year						
Profit for the year		-	-	2,886,396	-	2,886,396
Other comprehensive loss for the year		-	-	(2,429)	-	(2,429)
Total comprehensive income for the year		-	-	2,883,967	-	2,883,967
Transactions with equity holders						
Distribution to equity holders						
Dividend declared 2022/23	34	-	-	(923,400)	-	(923,400)
Total distribution to equity holders		-	-	(923,400)	-	(923,400)
Total transactions with equity holders		-	-	(923,400)	-	(923,400)
Transfers to risk reserve	32	-	288,640	(288,640)		-
Balance as at 31 March 2023		256,500	1,675,433	3,534,080	(2,000)	5,464,013
Balance as at 1 April 2023		256,500	1,675,433	3,534,080	(2,000)	5,464,013
Total comprehensive income for the year						
Profit for the year		-	-	11,143,128	-	11,143,128
Other comprehensive loss for the year		-	-	(1,573)	-	(1,573)
Total comprehensive income for the year		-	-	11,141,555	-	11,141,555
Transactions with equity holders						
Distribution to equity holders						
Dividend paid 2023/24 - 1 st interim	34	-	-	(6,156,000)	-	(6,156,000)
Dividend declared 2023/24 - 2 nd interim	34			(2,770,200)		(2,770,200)
Total distribution to equity holders		-	-	(8,926,200)	-	(8,926,200)
Total transactions with equity holders		-	-	(8,926,200)	-	(8,926,200)
Transfers to risk reserve	32	-	1,114,313	(1,114,313)		-
Balance as at 31 March 2024		256,500	2,789,746	4,635,122	(2,000)	7,679,368

Figures in brackets indicate deductions.

The notes disclosed on pages 173 to 222 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

Accounting policy

The Statement of Cash Flow has been prepared using the “Direct Method” of preparing cash flows in accordance with the Sri Lanka Accounting Standard - (LKAS 7) “Statement of Cash Flows”. Cash at banks and in hand comprise cash in hand, balances with banks as presented in the Statement of Financial Position are subject to an insignificant risk of changes in value.

For the year ended 31 March,	Note	2024 Rs. '000	2023 Rs. '000
Cash flows from operating activities			
Interest receipts and gains realised		26,578,897	9,967,457
Interest payments and other direct cost		(6,792,098)	(6,199,981)
Other receipts		8,288	5,136
Cash payments to employees and suppliers		(2,364,419)	(480,172)
Operating profit before changes in operating assets and liabilities		17,430,668	3,292,440
Increase in financial assets- fair value through profit or loss- measured at fair value		(6,321,926)	(25,060,452)
(Increase)/decrease in financial assets at amortised cost		(3,387,612)	1,980,444
Increase in other assets		(2,583,951)	(9)
Increase in receivable from related companies		(1,502)	(1,684)
(Decrease)/Increase in creditors and accrued charges		979,090	(521,240)
Increase in payable to related companies		268,200	5,227
Increase in securities sold under repurchase agreements		3,551,730	20,329,236
Cash generated from operations		9,934,697	23,962
Income tax paid	28	(2,531,059)	(335,588)
Gratuity paid	30	(557)	-
Net cash flows generated from/(used in) operating activities		7,403,081	(311,626)
Cash flows from investing activities			
Acquisition of property, plant and equipment and right of use assets	22	(318,636)	(12,843)
Acquisition of intangible assets	23	(370)	(160)
Proceeds from sale of property, plant and equipment	8	463	67
Net cash flows used in investing activities		(318,543)	(12,936)
Cash flows from financing activities			
Dividend paid 2022/23		(923,400)	-
Dividend paid 2023/24 - 1 st interim	34	(6,156,000)	-
Net cash flows used in financing activities		(7,079,400)	-
Net increase in cash and cash equivalents		5,138	(324,562)
Cash and cash equivalents at the beginning of the year		24,023	348,585
Cash and cash equivalents at the end of the year	15	29,161	24,023

Figures in brackets indicate deductions.

The notes disclosed on pages 173 to 222 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1 Domicile and Legal Form

First Capital Treasuries PLC (“the company”) is a public limited liability company incorporated and domiciled in Sri Lanka on 19 August 1982. The registered office and place of business of the Company is No.02, Deal Place, Colombo 03. The ordinary shares and The debentures issued by the Company are listed on the Colombo Stock Exchange. The staff strength of the company as at 31 March 2024 is 17 (2023 – 13). The Company’s ultimate controlling parties are Mr. Ramesh Schaffter and Mr. Prakash Schaffter (jointly).

1.2 Parent Entity and Ultimate Parent Entity

The company’s parent entity is First Capital Limited. The ultimate parent undertaking and controlling party of the Company is Janashakthi Limited.

1.3 Principal Activities

The principal activity of the Company continued to be engaged in the business operations of a Primary Dealer in Government Securities. There were no significant changes in the nature of the principal activities of the Company during the financial year.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs) laid down by the Institute of Chartered Accountants of Sri Lanka, and in compliance with the requirements of the Companies Act, No. 7 of 2007 and provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange. These Financial Statements, except for information on cash flows have been prepared following the accrual basis of accounting.

These SLFRSs and LKASs are available at the website of CA Sri Lanka www.casrilanka.com.

The company did not adopt any inappropriate accounting treatment, which are not in compliance with the requirements of the SLFRSs and LKASs and regulations governing the preparation and presentation of the Financial Statements.

Further, the tax liability arising from the Surcharge Tax Act, No: 14 of 2022 has been accounted as recommended by the Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka as disclosed under the Note 12.3.

2.1.1 Directors’ Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards and as per the provisions of the Companies Act No. 07 of 2007 and related disclosure requirements of Listing Rules.

This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Board of Directors acknowledges their responsibility as set out in the “Annual Report of the Board of Directors”, “Statement of Director’s Responsibility” and the certification on the Statement of Financial Position on page 82 (Annual Report of Board of Directors), 85 (Statement of Director’s Responsibility), 170 (Statement of Financial Position).

The Financial Statements of the Company as at 31 March 2024 comprises of –

- The Statement of Profit or Loss and Other Comprehensive Income providing information on the performance for the year under review (Refer pages 169).
- Statement of Financial Position providing the information on the financial position of the Company as at the year end (Refer page 170).
- Statement of Changes in Equity providing the movement in the shareholders’ funds during the year under review for the Company (Refer pages 171).
- Notes to the Financial Statements, which comprise of the Accounting Policies and other explanatory notes and information (Refer pages 173 to 222).

2.2 Presentation of Financial Statements

The assets and liabilities of the Statement of Financial Position are Companied by nature and listed in order to reflect their relative liquidity and maturity pattern.

2.3 Approval of Financial Statements by Directors

The Financial Statements for the year ended 31 March 2024 were authorised for issue by the Board of Directors on 4 June 2024.

Notes to the Financial Statements

2.4 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the Financial Statements, except for the following.

Category	Basis of Measurement	Note	Page Numbers
Derivative financial assets/liabilities	Fair value	Note 16 & 24	194 & 203
Financial assets recognised through profit or loss measured at fair value	Fair value	Note 17	194 & 195
Financial assets at amortised cost	Amortised cost	Note 18	195 & 196
Right of use of assets	Prepaid Lease Rentals	Note 22	200 & 201
Retirement benefit obligations	Gratuity formula method	Note 30	206 & 207
Securities sold under re-purchase agreements	Amortised cost	Note 25	203 & 204

2.5 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees, which is the company's functional currency. Financial information presented in Sri Lankan Rupees.

2.6 Use of Significant Judgments, Estimates and Assumptions

The preparation of Financial Statements in conformity with SLFRSs/ LKASs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments, estimates and assumptions in applying accounting policies that have

the most significant effect on the amounts recognised in the Financial Statements are included in the following notes to these Financial Statements.

The following table includes the items that involve significant accounting judgments, estimates and assumptions in the preparations of the Financial Statements of company.

Critical Accounting Estimate/ Judgment	Disclosure Note	Page Numbers
Going concern	Note 2.11	175 & 176
Classification of financial assets and liabilities	Note 3.4.2	177
Fair value of financial instruments	Note 2.6.5	175
Useful lives of intangible assets	Note 23	202
Useful lives of property, plant and equipment	Note 22	199 & 200
Retirement benefit obligation	Note 30	206 & 207
Deferred tax	Note 20	197 & 198
Derecognition of Financial Assets and Financial Liabilities	Note 3.4.7	179
Impairment of non-financial assets	Note 3.5	180
Provisions for liabilities, commitments and contingencies	Note 2.6.7	175

2.6.1 Determination of Fair Values

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the company has access at that date. The fair value of a liability reflects its non-performance risk. Several of the company's and the company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

2.6.2 Fair Value of Non-Financial Assets

The fair value used by the company in the measurement of non-financial assets is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market that is accessible by the company for the asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would act in their economic best interest when pricing the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.6.3 Useful Lives of Depreciable Assets

Management reviews its estimation of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the useful life of certain property, plant and equipment.

2.6.4 Defined Benefit Obligation

The cost of the defined benefit plans are determined using the gratuity formula method. Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as mortality rates, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expense.

2.6.5 Fair Value of Financial Instruments

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.6.6 Recognition of Deferred Tax Assets

Management applies significant judgment to the extent the deferred tax assets can be recognised based on an assessment of the probability of the company future taxable income against which the deferred tax assets can be utilised. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various future tax jurisdictions.

2.6.7 Provisions for Liabilities, Commitments and Contingencies

The company receives legal claims in the normal course of business. Management has made judgements as

to the likelihood of any claim succeeding in making provisions the time of concluding legal claims is uncertain, as is the amount of possible outflow of economic benefits. Timing and cost ultimately depends on the due processes in respective legal jurisdictions.

2.7 Comparative Information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period in the Financial Statements in order to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability.

2.8 Materiality, Presentation and Aggregation

As per LKAS – 1 "Presentation of Financial Statements" (LKAS 1) and amendments to the LKAS 1 "Disclosure Initiative" which was effective from 1 January 2016, each material class of similar items are presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the company. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

2.9 Rounding

The amounts in the Financial Statements have been rounded off to the nearest thousands, except where otherwise indicated as permitted by the LKAS 1.

2.10 Events after Reporting Date

In this regard, all material and important events that occurred after the reporting period are considered and appropriate disclosures are made where necessary (Note 39).

2.11 Going Concern

The Board of Directors of the company has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board of Directors is not aware of any material uncertainties that may cast significant doubt upon the ability of the company to continue as a going concern.

The company is fully conscious and have evaluated the impacts of the deteriorated economic environment, followed with a sovereign default by the country and the volatility in interest rates and the exchange rates during the year 2023/24 and beyond and have

Notes to the Financial Statements

assessed the impacts on capital, profitability and liquidity. The company has adequate level of financial and other resources to face the uncertainties via economic unrest and therefore the impact on the business operations is expected to be minimal. The prevailing economic uncertainties do not have a significant impact on the liquidity, valuation of assets and solvency of the company.

Therefore, the Financial Statements of the company continue to be prepared on a going concern basis.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements of the company, unless otherwise indicated.

In addition, the company adopted the disclosure of accounting policies (Amendments to LKAS 1 and SLFRS Practice statements) from 01 January 2023. The amendments require the disclosure of “material” rather than “significant” accounting policies. These amendments did not result in any changes to the accounting policies themselves.

3.1 New and Amended Standards and Interpretations

The amendment to Accounting Standards LKAS 8 and LKAS 1 do not have a material effect on the company Financial Statements.

3.2 Summary of Material Accounting Policies

Index of Material Accounting Policy Information

Accounting Policy	Note	Page Number
Material accounting policies - General		
Financial Instruments	3.4	177 to 180
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3.3 Foreign Currency

3.3.1 Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currency (Sri Lankan Rupees - Rs.) at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the middle rate of exchange prevailing at the reporting date. The foreign currency gain or loss on monetary items are the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are

recognised in Statement of Profit or Loss.

3.4 Financial Instruments

3.4.1 Initial Recognition, Classification and Subsequent Measurement

3.4.1.1 Date of Recognition

All financial assets and liabilities are initially recognised on the trade date, i.e. the date that the company becomes a party to the contractual provisions of the instrument. This includes “regular way trades”: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

3.4.1.2 Initial Measurement of Financial Instruments

The classification of financial instruments at initial recognition depends on the purpose and the management’s intention for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

3.4.2 Classification and Subsequent Measurement of Financial Instruments

On initial recognition, a financial asset is classified as measured at: amortised cost, FVTOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are Assessment of whether contractual cash flows are Solely Payments of Principal and Interest (“SPPI”).

A debt instrument is measured at FVTOCI only if it meets both of the following condition and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3.4.2.1 Business Model Assessment

The company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management.

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether Management’s strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the company’s Management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the company’s stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cashflows nor held both

Notes to the Financial Statements

to collect contractual cash flows and to sell financial assets.

3.4.3 Financial Assets

Financial assets are classified appropriately as Financial assets recognised through profit or loss, Financial assets measured at fair value through other comprehensive income and Financial assets at amortised cost. All the Financial assets are recognised at fair value at its initial recognition.

3.4.3.1 Financial Assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income (FVTOCI) are non-derivative financial assets that are designated FVTOCI and that are not classified in any of the previous categories of financial assets. FVTOCI are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, these are measured at fair value and changes therein, other than impairment losses are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment in debt instrument is derecognised, the cumulative gain or loss in other comprehensive income is transferred to Profit or Loss.

Financial assets at FVTOCI comprise investments in unquoted equities.

Financial Assets - Assessment whether contractual cash flows are solely payments of principal and interest (SPPI test)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate,

including variable-rate features;

- prepayment and extension features; and
- terms that limit the company's claim to cash flows from specified assets (e.g. non recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVTOCI	These assets are subsequently measured at fair value. Dividend is recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3.4.4 Financial Liabilities

The company classifies financial liabilities, other than financial guarantees and loan commitments, into one of the following categories:

- Financial liabilities at amortised cost; and

- Financial liabilities at fair value through profit or loss,

3.4.5 Classification and Subsequent Measurement of Financial Liabilities

The subsequent measurement of financial liabilities depends on their classification.

3.4.6 Reclassification of Financial Assets and Liabilities

Financial assets are not reclassified subsequent to their initial recognition, except and only in those rare circumstances when the company's changes its objective of the business model for managing such financial assets. Financial liabilities are not reclassified as such reclassifications are not permitted by SLFRS 9.

3.4.7 Derecognition of Financial Assets and Financial Liabilities

3.4.7.1 Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a company of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
- The company has transferred substantially all the risks and rewards of the asset, or
- The company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the company's continuing involvement in the asset. In that case, the company also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be

required to repay.

3.4.7.2 Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.4.8 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.4.9 Amortised Cost Measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

3.4.10 Fair Value Measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique

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incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the company on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid. The company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

3.5 Impairment of Non-Financial Assets

At each reporting date, the company reviews the carrying amounts of its non-financial assets (other than investment properties and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, all company assets are combined together into the smallest class of assets that generates cash inflows from continuing use that is

largely independent of the cash inflows of other assets or CGUs.

The 'recoverable amount' of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 'Value in use' is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

The company's corporate assets do not generate separate cash inflows and are used by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGUs to which the corporate assets are allocated.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.6 Borrowings

Repo borrowings, borrowing on debentures are the company's sources of debt funding. When the company sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (sale and repurchase agreement), the arrangement is accounted for as a borrowing, and the underlying asset continues to be recognised in the company's financial statements. The company classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The borrowing on debentures are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

3.7 Value Added Tax on Financial Services (VAT on FS)

VAT on Financial Services is calculated in accordance with the amended VAT Act No. 7 of 2003 and subsequent amendments thereto. VAT on financial

services is computed on the prescribed rate. The company is required to pay VAT on Financial Services on the VAT liable turnover at the rate of 18%.

3.7.1 Advance Income Tax (AIT) on Dividends

Dividends distributed after 01 January 2023 shall be subject to 15% AIT where shareholders shall receive dividends net of AIT. AIT deducted on dividends shall be final tax and will attract no further tax in the hands of the shareholders. With the introduction of the Inland Revenue (Amendment) Acts No. 10 of 2021 and No. 45 of 2022, any dividends paid out of the dividends received, shall be exempted from income tax net of the cost of funds.

3.7.2 Social Security Contribution Levy (SSCL)

Social Security Contribution Levy (SSCL) is a turnover based direct tax, it has two tax bases.

1. Value Addition attributable to financial services.
2. Turnover liable for General VAT (Turnover not liable for financial services).

The Value Addition attributable for Financial Services shall be derived with the application of the turnover ratio distinguishing General VAT and VAT on Financial Services. Tax fraction 2.5/120.5 is applied in computing SSCL. In addition, turnover, liable for General VAT too shall be chargeable with SSCL. The company is required to pay SSCL on the General VAT liable turnover at the rate of 2.5%.

3.7.3 Advance Income Tax (AIT) and Withholding Tax (WHT)

Advance Income Tax (AIT) which has similar attributes to the Withholding Tax has been re-introduced with the introduction of Inland Revenue (Amendment) Act No. 45 of 2022 effecting from 01 January 2023. AIT shall be charged on the interest paid or credited from all interest bearing deposit accounts denominated in Sri Lankan Rupees at the rate of 5% on such interest payments or credits. Interest received on interest bearing foreign currency accounts, "Special Deposit Accounts" and Diplomatic accounts are exempted from AIT. Withholding Tax has been reintroduced on Services Fees paid to Individuals and the rent paid any person under the Inland Revenue (Amendment) Act No. 45 of 2022 effecting from 01 January 2023. If any individual including a sole proprietorship is paid with a service related fees as provided under the Section 85 - (1C) of the Inland Revenue (Amendment) Act No. 45 of 2022, the Withholding Tax agent or the service recipient has to deduct Withholding Tax at the rate of 5% on the total gross amount if such payment exceeds LKR 100,000 per calendar month. Withholding Tax has re-introduced

on rent expenses paid to any person if such aggregate gross rent income surpasses or equal to LKR 100,000 for a calendar month at the rate of 10%.

3.7.4 Surcharge Tax

As per the Provisions of the Surcharge Tax Act No. 14 of 2022 if the aggregate of the taxable income of the company for the Year of Assessment 2020/21, exceed LKR 2,000 Mn, is liable to pay Surcharge Tax calculated at 25% on the taxable income. Details of "Surcharge Tax" are given in 2022/23 of Note 12.3.

4. FINANCIAL RISK MANAGEMENT FRAMEWORK

The Board of Directors of the company has the overall responsibility for the establishment and oversight of the company's Risk Management Framework. The Risk Management Policy of the company translates overall risk appetite on business activities in a holistic approach to provide the guidance required for convergence of strategic and risk perspectives of the company. The Board Enterprise Risk Management Committee (ERMC) meets quarterly to review and assess the company's overall risks and to focus on policy recommendations and strategies in an integrated manner and the Board of Directors is duly updated of its activities.

The company's board risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

A detailed disclosure on how the financial risk management is carried out within the Company's Risk Management Framework with due consideration given

Notes to the Financial Statements



to Market, Liquidity, Credit, and Operational risks are given in the Notes to the Financial Statements Section on “Risk Management disclosures” on pages 215 to 219.

5. NEW AMENDMENTS TO THE SRI LANKA ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued following new amendments to the Sri Lanka Accounting Standards which will become applicable for financial periods beginning after on or after 1 January 2024. Accordingly, the company has not applied the following new amendments to the standard in preparing these Financial Statements.

5.1 New standards and amendments: applicable on or after 1 January 2024

The Company intends to adopt the new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements, if applicable, when they become effective.

5.1.1 Classification of liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to LKAS 1)

The amendments clarify that the classification of liabilities as current or non-current shall be based

on rights that are in existence at the end of the reporting period. Such classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The standard also clarifies that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. Accordingly, when an entity classifies a liability arising from a loan arrangement as non-current and that liability is subject to the covenants which an entity is required to comply with within twelve months of the reporting date, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the liability could become repayable within twelve months of the reporting period, including:

- the carrying amount of the liability
- the information about the covenants
- facts and circumstances, if any, that indicate the entity may have difficulty complying with the covenants. Such facts and circumstances could also include the fact that the entity would not have complied with the covenants based on its circumstances at the end of the reporting period.

5.1.2 Lease Liability in a Sale and Leaseback – Amendments to SLFRS 16

This narrow-scope amendments to the requirements for sale and leaseback transactions in SLFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction. The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines ‘lease payments’ and ‘revised lease payments’ in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

5.1.3 Supplier finance arrangements – Amendments to LKAS 7 and SLFRS 7

The objective of the new disclosures is to provide information about Supplier finance arrangements (SFAs) that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include:

- Terms and conditions of SFAs;
- Carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented;
- Carrying amount of the financial liabilities for which suppliers have already received payment from the finance providers;
- Range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements;
- Non-cash changes in the carrying amounts of financial liabilities;
- Access to SFA facilities and concentration of liquidity risk with finance providers. The amendments apply to annual reporting periods beginning on or after 1 January 2024 along with certain transitional reliefs.

5.1.4 Lack of exchangeability (Amendments to LKAS 21)

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable
- the spot exchange rate used
- the estimation process and
- risks to the company because the currency is not exchangeable.

5.2 New accounting standards effective for annual reporting periods beginning on or after 1 January 2025

The company intends to adopt the new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company's financial statements, if applicable, when they become effective.

5.2.1 SLFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

The objective of SLFRS S1 is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity.

SLFRS S1 requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects').

SLFRS S1 prescribes how an entity prepares and reports its sustainability-related financial disclosures. It sets out general requirements for the content and presentation of those disclosures so that the information disclosed is useful to users in making decisions relating to providing resources to the entity.

SLFRS S1 sets out the requirements for disclosing information about an entity's sustainability-related risks and opportunities. In particular, an entity is required to provide disclosures about:

- a. the governance processes, controls and procedures the entity uses to monitor, manage and oversee sustainability-related risks and opportunities;
- b. the entity's strategy for managing sustainability-related risks and opportunities;
- c. the processes the entity uses to identify, assess, prioritise and monitor sustainability-related risks and opportunities; and
- d. the entity's performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation.

5.2.2 SLFRS S2 Climate-related Disclosures

The objective of SLFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity.

SLFRS S2 requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred

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to as 'climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects').

SLFRS S2 applies to:

- a. climate-related risks to which the entity is exposed, which are:
 - i. climate-related physical risks; and
 - ii. climate-related transition risks; and
- b. climate-related opportunities available to the entity.

SLFRS S2 sets out the requirements for disclosing information about an entity's climate-related risks and opportunities. In particular, SLFRS S2 requires an entity to disclose information that enables users of general purpose financial reports to understand:

- a. the governance processes, controls and procedures the entity uses to monitor, manage and oversee climate-related risks and opportunities;
- b. the entity's strategy for managing climate-related risks and opportunities;
- c. the processes the entity uses to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process; and
- d. the entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.

5.3 New accounting standards effective for annual reporting periods beginning on or after 1 January 2027

The company intends to adopt the new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company's financial statements, if applicable, when they become effective.

5.3.1 IFRS 18 Presentation and Disclosure in Financial Statements

The objective of this standard is to give investors more transparent and comparable information about company's financial performance, thereby enabling

better investment decisions. IFRS 18 introduces three sets of new requirements to improve company's reporting of financial performance and give investors a better basis for analysing and comparing companies:

- i. Improved comparability in the statement of profit or loss (income statement)

Currently there is no specified structure for the income statement. Company choose their own subtotals to include. Often company report an operating profit but the way operating profit is calculated varies from company to company, reducing comparability.

IFRS 18 introduces three defined categories for income and expenses-operating, investing and financing to improve the structure of the income statement, and requires all companies to provide new defined subtotals, including operating profit. The improved structure and new subtotals will give investors a consistent starting point for analysing company's performance and make it easier to compare company.

- ii. Enhanced transparency of management-defined performance measures

Many companies provide company-specific measures, often referred to as alternative performance measures. Investors find this information useful. However, most companies don't currently provide enough information to enable investors to understand how these measures are calculated and how they relate to the required measures in the income statement.

IFRS 18 therefore requires companies to disclose explanations of those company-specific measures that are related to the income statement, referred to as management-defined performance measures. The new requirements will improve the discipline and transparency of management-defined performance measures, and make them subject to audit.

- iii. More useful grouping of information in the financial statements

Investor analysis of companies' performance is hampered if the information provided by company is too summarised or too detailed. IFRS 18 sets out enhanced guidance on how to organise information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also

requires company to provide more transparency about operating expenses, helping investors to find and understand the information they need.

5.3.2 IFRS 19 Subsidiaries without Public Accountability: Disclosures

The objective of this standard is to specifies the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. An eligible subsidiary that applies IFRS 19 is required to apply the requirements in other IFRS Accounting Standards for recognition, measurement and presentation requirements. For disclosure requirements, it applies IFRS 19 instead of the disclosure requirements in other IFRS Accounting Standards, except in specified circumstances.

In accordance with IFRS 18 Presentation and Disclosure in Financial Statements, an entity applying IFRS 19 is not required to provide a specific disclosure required by IFRS 19 if the information resulting from that disclosure would not be material.

An entity is required to consider whether to provide additional disclosures when compliance with the specific requirements in IFRS 19 is insufficient to enable users of financial statements to understand the effect of transactions and other events and conditions on the entity's financial position and financial performance.

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6 INCOME

Accounting policy

Interest income and expense

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate (EIR) is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability.

When calculating the EIR, the company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the EIR includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the EIR of the instrument.

Interest income and expense presented in the statement of profit or loss and other comprehensive income include:

- interest on financial assets and financial liabilities measured at amortised cost calculated on an EIR basis; and
- interest on financial assets measured at fair value through profit or loss are calculated on an EIR basis.

Interest income and expense on all trading assets and liabilities are considered to be incidental to the company's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income. Fair value changes on other derivatives held for risk management purposes, and other financial assets and financial liabilities carried at fair value through profit or loss, are presented in net income as gain/(loss) on fair valuation of other financial instruments at fair value through profit or loss in the statement of profit or loss and other comprehensive income.

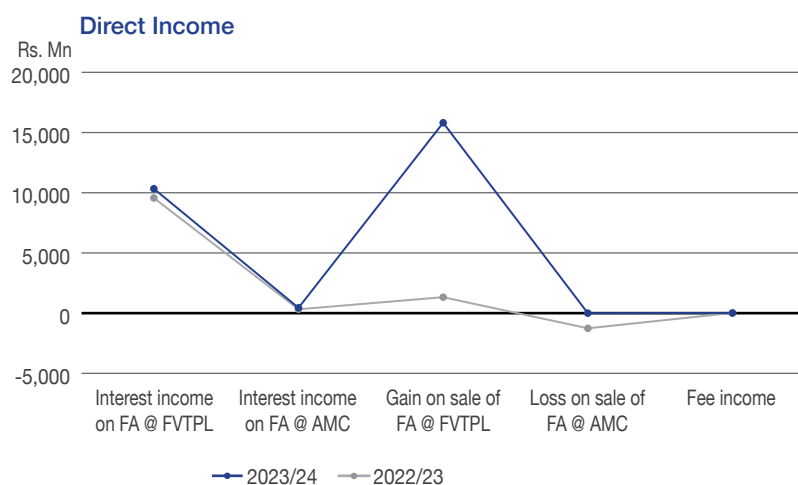
Interest expense is recognised in the Statement of Profit or Loss and Other Comprehensive Income (SOPLOC) as it accrues and is calculated by using the EIR method. Accrued interest is included within the carrying value of the interest-bearing financial liability. The company's expense includes repo interest expense, interest expenses on short/ long-term borrowing and other interest expenses. As at the reporting date, the company has classified financial liabilities under Fair Value through Profit and Loss and the amortised cost categories.

Accounting policy

Gain/(loss) on sale of financial assets measured at fair value through profit or loss

Gain/(loss) on sale of financial assets measured at fair value through profit or loss comprises realised trading gains on disposal of government securities, is presented as sale of financial assets at fair value through profit or loss in the statement of profit or loss.

For the year ended 31 March,	2024 Rs. '000	2023 Rs. '000
Interest income on financial assets recognised through profit or loss measured at fair value	10,333,640	9,564,677
Interest income on financial assets at amortised cost	443,383	322,480
Gain on sale of financial assets recognised through profit or loss measured at fair value	15,811,184	1,325,209
Loss on sale of financial assets at amortised cost	-	(1,258,594)
Fee income	10,531	16,179
	26,598,738	9,969,951



Notes to the Financial Statements

6.1 Timing of income recognition

For the year ended 31 March,	2024 Rs. '000	2023 Rs. '000
Income generated at a point in time	15,821,715	82,794
Income generated over the period	10,777,023	9,887,157
	26,598,738	9,969,951

7 DIRECT EXPENSES

For the year ended 31 March,	2024 Rs. '000	2023 Rs. '000
Interest expenses on repurchase agreements	7,513,552	6,048,593
Interest expenses on listed debentures	97,591	97,124
Interest expenses on short term borrowings	-	143,728
Brokerage cost	274,131	9,864
Other direct expenses	8,702	5,924
	7,893,976	6,305,233

8 OTHER INCOME

Accounting policy

Other Income

Other income is recognised on an accrual basis. Other income comprises fees, disposal gain/losses on property, plant and equipment, exchange gain/(losses) and miscellaneous income.

Gains or losses on disposal of an item of property, plant and equipment (PPE)

Any gain or loss on disposal of an item of PPE (calculated as the difference between net proceeds from disposal and carrying amount of the item at the time of disposal) is recognised as 'other income' in the SOPL in the year in which the company transfers control of the asset to the buyer. When revalued assets are sold, any related amount included in the revaluation reserves are transferred to retained earnings.

For the year ended 31 March,	2024 Rs. '000	2023 Rs. '000
Profit on sale of property, plant and equipment	463	67
Exchange gain/(loss)	(38)	38
Administrative income	7,275	4,874
Miscellaneous income	1,052	223
	8,752	5,202

9 NET GAIN/(LOSS) ON FAIR VALUATION OF FINANCIAL ASSETS RECOGNISED THROUGH PROFIT OR LOSS MEASURED AT FAIR VALUE

Accounting policy

Gain/(loss) on fair valuation of financial assets – fair value through profit or loss

Gain/(loss) on fair valuation of financial assets is the unrealised gain/(loss) on fair valuation (marked to market valuation) of government securities. The fair valuation gain/(loss) is presented in the statement of profit or loss other comprehensive income.

For the year ended 31 March,	2024 Rs. '000	2023 Rs. '000
Gain/(loss) on fair valuation of financial assets recognised through profit or loss measured at fair value	(390,212)	1,182,790
Gain on fair valuation of derivative financial assets	740	46,004
Gain/(loss) on fair valuation of derivative financial liabilities	81,843	(150,964)
	(307,629)	1,077,830

Gain/(loss) on fair valuation of financial assets has been accounted for in accordance with the SLFRS 9.

10 OPERATING EXPENSES

Accounting policy

Expenses recognition

Expenses are recognised in the statement of profit or loss and other comprehensive income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

For the presentation of the statement of profit or loss and other comprehensive income the directors are of the opinion that the nature of the expenses method present fairly the element of the company's performance, and hence such presentation method is adopted.

Employee Provident Fund (EPF)

All employees of the company are members of the Employees' Provident Fund. The company and employees contribute 12% and 8% respectively of the salary to EPF.

Employees Trust Fund (ETF)

All employees of the company are members of the Employees Trust Fund. The company contributes 3% of the salary of each employee to ETF.

10.1 Personnel expenses

For the year ended 31 March,	Note	2024 Rs. '000	2023 Rs. '000
Salaries		121,681	85,248
Employer's contribution to EPF & ETF		18,992	13,261
Performance bonus		1,357,438	290,630
Retirement benefit cost	30	2,512	3,687
Other personnel expenses		140,951	50,653
		1,641,574	443,479

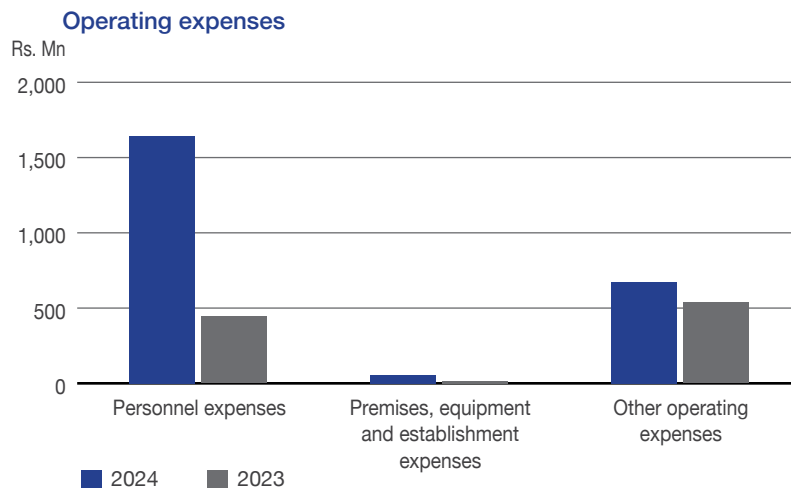
10.2 Premises, equipment and establishment expenses

For the year ended 31 March,	Note	2024 Rs. '000	2023 Rs. '000
Building maintenance charges		25,693	968
Depreciation and amortisation	22, 23	13,099	4,752
Electricity		2,138	1,347
Other premises, equipment and establishment expenses		13,981	7,091
		54,911	14,158

Notes to the Financial Statements

10.3 Other operating expenses

For the year ended 31 March,	2024 Rs. '000	2023 Rs. '000
Value added tax on financial services	451,420	417,297
Professional service related expenses	77,005	19,151
Bank related charges	17,284	23,696
Communication and information technology expenses	29,492	23,192
Sales promotion expenses	33,038	11,974
Donations	426	1,150
Travelling expenses	748	1,673
Social security contribution levy	62,643	39,071
Miscellaneous expenses	(696)	-
	671,360	537,204



11 PROFIT BEFORE TAX

For the year ended 31 March,	Note	2024 Rs. '000	2023 Rs. '000
Profit before taxation is stated after charging all expenses including the following:			
Directors' emoluments		7,962	153,240
Auditors' remuneration - Audit services		815	660
Auditors' remuneration - Other services		778	524
Depreciation on property, plant and equipment and right of use assets	22	12,857	4,513
Amortisation of intangible assets	23	242	239
Retirement benefit cost	30	2,512	3,687
Salaries		121,681	85,248
Employer's contribution to defined contribution plans		18,992	13,261
Legal fees		1,011	4,145
Donations		426	1,150
Regulatory penalty charges		-	1

Directors' emoluments represent the salaries, fees and other short-term benefits paid to both Executive and Non-Executive Directors of the company are presented in Note 35.5 on page 212.

12 TAXATION

Tax Exposures

In determining the amount of current tax and deferred tax, the company considers the impact of tax exposure, including whether additional taxes and penalties are due. Finalisation of the tax liability with authorities may change the position already recorded in the Financial Statements and such changes to tax liabilities could impact the tax expense either as an over or under provision in the period in which such a determination is made.

Accounting policy

Tax Expense

Tax expense comprises current and deferred tax. Income tax and deferred tax expense is recognised in statement of profit or loss except to the extent that it relates to items recognised in the statement of other comprehensive income or statement of changes in equity.

Current tax expense

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the tax on dividend income.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and is measured using the tax rates enacted or substantively enacted as at the reporting date.

According to Inland Revenue (Amendment) Act No. 45 of 2022, income tax rate applicable for companies is 30% for the year 2023/24.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are not discounted. The net increase in the carrying amount of deferred tax liability net of deferred tax asset is recognised as deferred tax expense and conversely any net decrease is recognised as reversal to deferred tax expense, in the statement of profit or loss.

The company is liable to pay income tax at the rate of 30% in accordance with the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto. Comparative figures depict different income tax rates charged as per the Inland Revenue (Amendment) Act No. 45 of 2022, which was 30% with effect from 1 October 2022 and 14% up to 30 September 2022.

Notes to the Financial Statements

For the year ended 31 March,	Note	2024 Rs. '000	2023 Rs. '000
Recognised in profit or loss			
Current tax expense	12.1	(4,937,677)	(776,118)
Over provision for tax		64,679	-
Deferred tax asset recognised during the year	20.2	(21,914)	(90,395)
		(4,894,912)	(866,513)
Recognised in other comprehensive income			
Deferred tax asset reversed during the year	20.2	674	1,041

12.1 Reconciliation of accounting profit/(loss) to income tax

For the year ended 31 March,	Note	2024 Rs. '000	2023 Rs. '000
Profit before tax		16,038,040	3,752,909
Less : Exempted income		(462,503)	-
Add : Disallowable expenses		488,107	489,589
Less : Allowable expenses		(67,223)	(5,887)
Add : Assessable charge on depreciable assets		462,503	-
Statutory income		16,458,924	4,236,611
Tax loss claimed during the year	12.2	-	(708,801)
Taxable income		16,458,924	3,527,810

	Taxable Income	Tax rate	Tax expense
For the year ended 31 March 2024	16,458,924	30%	4,937,677

Effective tax rate

For the year ended 31 March,	2024	2023
Effective tax rate	30.79%	20.68%

12.2 Accumulated Tax Losses

For the year ended 31 March,	2024 Rs. '000	2023 Rs. '000
Balance at the beginning of the year	-	661,930
Adjustment with respect of previous year	-	46,871
Loss utilised during the year	-	(708,801)
Balance at the end of the year	-	-

12.3 As per Surcharge Tax Act No. 14 of 2022, which was enacted on 8 April 2022, the applicable tax liability shall 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 in statement of changes in equity amounting to Rs. 370 Mn.

13 EARNINGS PER SHARE (EPS)

Accounting policy

The company presents Basic EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

For the year ended 31 March,	2024	2023
Profit attributable to ordinary shareholders (Rs.'000)	11,143,128	2,886,396
Weighted average number of ordinary shares in issue	615,600,000	615,600,000
Basic and diluted earnings per share (Rs.)	18.10	4.68

There were no potentially dilutive ordinary shares outstanding at anytime during the year, hence diluted earnings per share is equal to the basic earnings per share.

14 DIVIDEND PER SHARE (DPS)

Dividend on ordinary shares are recognised as a liability and deducted from equity when they are approved by the company's Board of Directors in accordance with the Articles of Association of the company. Dividend declared by the Board of Directors before the reporting date is recognised as a liability in accordance with the Sri Lanka Accounting Standard – LKAS 10 on "Events after the reporting period".

Dividend declared from recorded profit

For the year ended 31 March,	2024	2023
Dividend declared per share (Rs.)	14.50	1.50
Number of ordinary shares ('000)	615,600	615,600
Total dividend declared (Rs. '000)	8,926,200	923,400

Interim dividend declared

The Board of Directors declared a total interim dividend of Rs. 14.50 per share for the financial year 2023/24 (2022/23 - dividend per share of Rs. 1.50). Please refer Note 34.

Compliance with the Section 56 and 57 of the Companies Act No. 7 of 2007

As required by the Section 56 of the Companies Act, No. 7 of 2007, the Board of Directors of the company need to satisfy the solvency test in accordance with the Section 57, prior to recommending the dividend. A statement of solvency duly completed and signed by the Directors on 15 March 2024 has been reviewed by Messrs. KPMG.

Notes to the Financial Statements

15 CASH AT BANKS AND IN HAND

Accounting policy

Cash and cash equivalents comprise cash in hand and cash at banks and other highly liquid financial assets which are held for the purpose of meeting short- term cash commitments with original maturities of less than three months which are subject to insignificant risk of changes in their fair value. Bank overdrafts that are repayable on demand and form an integral part of the company cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

As at 31 March,	Note	2024 Rs. '000	2023 Rs. '000
Cash at banks	42.4.1	29,086	23,948
Cash in hand	42.4.1	75	75
Total		29,161	24,023

16 DERIVATIVE FINANCIAL INSTRUMENTS

Accounting policy

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statement of financial position.

If a derivative is not held for trading, and is not designated in a qualifying hedge relationship, then all changes in its fair value are recognised immediately in profit or loss as a component of net gain/(loss) from fair valuation of financial instruments at fair value through profit or loss.

As at 31 March,	2024 Rs. '000	2023 Rs. '000
Forward purchase contracts - Government securities	49,989	38,918
Forward sale contracts - Government securities	1,944	12,276
	51,933	51,194

17 FINANCIAL ASSETS RECOGNISED THROUGH PROFIT OR LOSS - MEASURED AT FAIR VALUE

Accounting policy

A Financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the company's documented risk management or investment strategy. Upon initial recognition, transaction costs are recognised in profit or loss as incurred.

Financial assets at fair value through profit or loss are initially measured at fair value, Subsequent to initial recognition, they are remeasured at fair value. Changes in fair value are recorded in 'Net gain/(loss) on fair valuation of financial assets recognised through profit or loss measured at fair value' in the SOPLOCI. Investment in government securities represent financial assets at fair value through profit or loss.

As at 31 March,	Market Value		Face Value	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Treasury bills	18,227,996	1,955,608	18,633,283	2,167,574
Treasury bonds	38,456,890	48,797,564	36,459,308	55,932,350
	56,684,886	50,753,172	55,092,591	58,099,924

17.1 Securities pledged as Collateral

Out of the Government securities classified as Financial assets recognised through profit or loss - measured at fair value, following securities had been pledged as collateral for repurchase agreements entered into by the Company as at 31 March 2024.

As at 31 March,	Market Value		Face Value	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Treasury bills	13,605,361	769,319	13,923,141	842,680
Treasury bonds	37,145,268	44,654,397	35,066,565	51,153,145
	50,750,629	45,423,716	48,989,706	51,995,825

18 FINANCIAL ASSETS - AT AMORTISED COST

Accounting policy

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Investment in government securities represents the financial assets at amortised cost.

Initial measurement

Financial Instruments classified as amortised cost are initially measured at fair value plus transaction costs that are directly attributable to acquisition or issue of such instrument.

Subsequent measurement

After the initial measurement, these assets are subsequently measured at amortised cost (gross carrying amount using the EIR, less provision for impairment).

Securities purchased under resale agreements (Reverse Repo)

When the company purchases a financial asset and simultaneously enters into an agreement to resale the asset (or a similar asset) at a fixed price on a future date (reverse repo), the arrangement is accounted for as a financial asset in the Statement of Financial Position reflecting the transaction's economic substance as a loan granted by the company. Subsequent to initial recognition, these securities issued are measured at amortised cost using the EIR with the corresponding interest income/receivable being recognised as interest income in the Income Statement.

Notes to the Financial Statements

As at 31 March,	2024 Rs. '000	2023 Rs. '000
Investments under re-sale agreements - Treasury bills	1,060,827	205,012
Investments under re-sale agreements - Treasury bonds	3,478,477	926,839
	4,539,304	1,131,851

18.1 Securities received as collateral

As at 31 March,	Market Value		Face Value	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs. '000
Treasury bills	1,196,154	260,975	1,217,000	264,720
Treasury bonds	4,060,822	1,251,788	3,435,945	1,522,110
	5,256,976	1,512,763	4,652,945	1,786,830

The Company is entitled to repledge the securities received as collateral for its Borrowings (Repos) and requires to return the said collateral to the respective counterparties at the time of the settlement of outstandings (Reverse Repos). Accordingly, the Company has repledged market value of treasury bonds amounting to Rs. 2,808 Mn as at 31 March 2024 and treasury bills amounting to Rs. 1,121Mn were repledged. (comparative repledged market value of treasury bonds amounting to Rs. 325.03Mn).

The Company follows the guidelines stipulated in the direction, Re-purchase and Reverse re-purchase transactions of dealer direct participants in scripless treasury bonds and scripless treasury bills issued by the Central Bank of Sri Lanka (Direction No. 01 of 2019 dated 20 December 2019), in receiving securities for reverse repurchase agreements. Only the eligible securities are being used for such receipts and the Section 4.3, 4.4 and 4.5 are being complied with when considering the haircut requirements.

The Company have established an effective risk management framework by implementing necessary policies and procedures to ensure compliance with the said guidelines. An effective internal control system is being used to verify the accuracy of security receipts.

The Company's policy is that the discounted market values of eligible securities are adequately covered the resale values of the securities in line with the direction of Central Bank of Sri Lanka as follows (at the time of origination of the transactions as well as the ongoing transactions).

Remaining Term to Maturity of the Eligible Security	Minimum Haircut (%)
Up to 1 year	4
More than 1 year and up to 3 years	6
More than 3 year and up to 5 years	8
More than 5 year and up to 8 years	10
More than 8 years	12

19 RECEIVABLE FROM RELATED COMPANIES

As at 31 March,	2024 Rs. '000	2023 Rs. '000
First Capital Equities (Pvt) Limited	-	2,109
First Capital Asset Management Limited	2,000	1,635
Janashakthi Limited	3,245	-
	5,245	3,744

20 DEFERRED TAX ASSET/(LIABILITY)

Accounting policy

Deferred Taxation

Deferred tax is recognised by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

Deferred Tax Asset

Management applies significant judgment to the extent the deferred tax assets can be recognised based on an assessment of the probability of the company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various future tax jurisdictions.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credits and unused tax losses (if any), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is probable that sufficient taxable profit will be available to allow the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Current and deferred tax assets and liabilities are offset only to the extent that they relate to income taxes imposed by the same taxation authority, there is a legal right and intentions to settle on a net basis and it is allowed under the tax laws of the relevant jurisdiction. Details of deferred tax liabilities/(assets) are given in Note 20.1 and 20.2 to the Financial Statements.

20.1 Deferred Tax Asset

As at 31 March,	Note	2024 Rs. '000	2023 Rs. '000
Balance at the beginning of the year		4,964	94,318
Impact of change in income tax rate recognised in profit or loss	12	-	105,942
Impact of change in income tax rate recognised in other comprehensive income	12	-	1,850
Transferred to deferred tax liabilities	12	(4,964)	(198,187)
Recognised/(reversed) in other comprehensive income during the year	12	-	1,041
Balance at the end of the year		-	4,964

Notes to the Financial Statements

Accounting policy

Deferred Tax Liability

Deferred tax liabilities are recognised for all taxable temporary differences affects neither the accounting profit nor taxable profit or loss and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

20.2 Deferred Tax Liability

As at 31 March,	Note	2024 Rs. '000	2023 Rs. '000
Balance at the beginning of the year		-	-
Tranferred from deferred tax assets		(4,964)	
Charge/(reversal) in profit or loss during the year	12	21,914	-
Recognised/(reversed) in other comprehensive income during the year	12	(674)	-
Balance at the end of the year		16,276	-

- 20.3** Deferred tax assets are recognised by considering the brought forward tax losses of which, the amount in the opinion of the Directors, will be available to allow the benefit of the loss to be realised in accordance with LKAS 12 and provisions of Inland Revenue (Amendment) Act, No.45 of 2022. The deferred tax assets/liabilities have been computed on the basis of 30% (2022/23 - 30%).

Deferred tax is attributable to the followings;

	2024		2023	
	(Taxable)/ Deductible Temporary Difference Rs. '000	Tax Effect Rs. '000	(Taxable)/ Deductible Temporary Difference Rs. '000	Tax Effect Rs. '000
On property, plant and equipment	(64,988)	(19,496)	(2,170)	(651)
On retirement benefit obligations	10,735	3,220	18,718	5,615
	(54,253)	(16,276)	16,548	4,964

The company's does not have brought forward tax losses as at 31 March 2024 (31 March 2022 – Rs. 661.93 Mn).

21 OTHER ASSETS

As at 31 March,	Note	2024 Rs. '000	2023 Rs. '000
Advance paid for building		230,000	230,000
Advance paid for land		77,300	77,300
Prepayments and other receivable		80,776	30,862
Treasury bill maturity proceeds	21.1	2,534,825	-
Staff loans	21.2	-	192
		2,922,901	338,354

21.1 Treasury bill maturity proceeds

There are maturity proceeds receivable from the Government of Sri Lanka for Treasury Bill investments matured on a holiday (28 March 2024).

21.2 Staff Loans

As at 31 March,	2024 Rs. '000	2023 Rs. '000
Balance at the beginning of the year	192	949
Disbursements during the year	-	-
Recoveries during the year	(192)	(757)
Balance at the end of the year	-	192

22 PROPERTY, PLANT AND EQUIPMENT AND RIGHT OF USE ASSETS

Accounting policy

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one period.

Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property or equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised within other income in Statement of profit or loss.

Subsequent Cost

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the company. Ongoing repairs and maintenance are expensed as incurred.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in Statement of profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term. Land is not depreciated. Depreciation methods, useful lifetime, and residual values are reviewed at each reporting date and adjusted if appropriate.

The estimated useful lives of significant items of property, plant and equipment are as follows:

Type of Asset	Life Time (Years)
Computer equipment	5 – 6
Fixtures and fittings	5
Furniture	5
Office equipment	5
Motor vehicle	5

Notes to the Financial Statements

22 Property, plant and equipment and right of use assets (contd.)

Accounting policy

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in Statement of profit or loss when the item is derecognised. When replacement costs are recognised in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognised.

Right of Use Assets

Recognition

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control use of an identified asset, the company uses the definition of a lease in SLFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property and equipment, the company has selected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

ROU assets

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The company applies the cost model for subsequent measurement of the ROU asset and accordingly, the right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lessor transfers ownership of the underlying asset to the company by the end of the lease term or the cost of the right-of-use asset reflects that the company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Depreciation expenses

Depreciation expenses has been charged to income statement under premises, equipment and establishment expenses.

2023/24	Office Equipment Rs.'000	Furniture Rs.'000	Fixtures & Fittings Rs.'000	Right of Use Asset Rs. '000	Total Rs. '000
Cost					
Balance as at 1 April 2023	37,381	7,117	19,052	1,456	65,006
Additions during the year	140,461	499	175,786	1,890	318,636
Disposals during the year	(491)	-	(8,720)	(1,456)	(10,667)
As at 31 March 2024	177,351	7,616	186,118	1,890	372,975
Accumulated Depreciation					
As at 1 April 2023	21,875	7,117	19,052	850	48,894
Charge for the year	4,716	56	7,242	843	12,857
Disposals during the year	(491)	-	(8,720)	(1,456)	(10,667)
As at 31 March 2024	26,100	7,173	17,574	237	51,084
Carrying Value As at 31 March 2024	151,251	443	168,544	1,653	321,891
2022/23	Office Equipment Rs.'000	Furniture Rs.'000	Fixtures & Fittings Rs.'000	Right of Use Asset Rs. '000	Total Rs. '000
Cost					
Balance as at 1 April 2022	24,538	7,272	19,052	9,987	60,849
Additions during the year	12,843	-	-	-	12,843
Disposals during the year	-	(155)	-	(8,531)	(8,686)
As at 31 March 2023	37,381	7,117	19,052	1,456	65,006
Accumulated Depreciation					
As at 1 April 2022	19,875	7,272	19,052	6,868	53,067
Charge for the year	2,000	-	-	2,513	4,513
Disposals during the year	-	(155)	-	(8,531)	(8,686)
As at 31 March 2023	21,875	7,117	19,052	850	48,894
Carrying Value As at 31 March 2023	15,506	-	-	606	16,112

Based on the assessment of potential impairment carried out by the company as at 31 March 2024, no provision was required to be made in the Financial Statements.

Property, Plant and Equipment included fully depreciated assets having a gross amount of Rs. 50,738,532 as at 31 March 2024 (2022/23 Rs. 59,416,015).

There were no capitalised borrowing cost related to the acquisition of Property, Plant and Equipment during the year (2022/23 - Nil).

There were no restrictions on the title of the Property, Plant and Equipment as at 31 March 2024.

There were no items of Property, Plant and Equipment pledged as security as at 31 March 2024.

There were no temporary idle items of Property, Plant and Equipment as at 31 March 2024.

Notes to the Financial Statements

23 INTANGIBLE ASSETS

Accounting policy

Software

Software acquired by the company is measured at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Software is amortised on a straight-line basis in profit or loss over its estimated useful life, from the date on which it is available for use. The estimated useful life of software is 5 – 6 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

	Software Rs.'000	Total	
		2024 Rs.'000	2023 Rs. '000
Cost			
As at 1 April	17,472	17,472	17,312
Additions during the year	370	370	160
As at 31 March	17,842	17,842	17,472
Accumulated Amortisation			
Amortisation			
As at 1 April	16,978	16,978	16,739
Amortisation charge for the year	242	242	239
Balance as at 31 March	17,220	17,220	16,978
Carrying Value as at 31 March 2024	622	622	-
Carrying Value as at 31 March 2023	494	-	494

Accounting policy

The company initially recognises debt securities and borrowings on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the company becomes party to the contractual provisions of the instruments. The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using effective interest rate method. Financial liabilities comprise;

- Securities sold under re-purchase agreements
- Borrowing on listed debentures

A financial liability is measured initially at fair value plus, transaction costs that are directly attributable to its acquisition or issue. Subsequent measurement of financial liability is at fair value or amortised cost. The amortised cost of a financial liability is the amount at which the financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount.

Financial liabilities at amortised cost

Financial liabilities issued by the company that are not designated at fair value through profit or loss are recognised initially at fair value plus any directly attributable transaction costs, by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

The Effective Interest Rate amortisation is included in "Interest expense" in the statement of profit or loss. Gains and losses too are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivative liabilities held for risk management purposes.

24 DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 March	2024 Rs. '000	2023 Rs. '000
Forward purchase contracts - Government securities	202	4,506
Forward sale contracts - Government securities	71,540	149,080
	71,742	153,586

25 SECURITIES SOLD UNDER RE-PURCHASE AGREEMENTS

As at 31 March	2024 Rs. '000	2023 Rs. '000
Against treasury bills	7,420,359	249,510
Against treasury bonds	41,062,109	43,581,316
	48,482,468	43,830,826

Notes to the Financial Statements

Securities given as collateral

As at 31 March,	Market Value		Face Value	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Treasury bills	14,726,738	769,319	15,063,141	842,680
Treasury bonds	39,953,367	44,979,430	37,471,265	51,576,145
	54,680,105	45,748,749	52,534,406	52,418,825

The company follows the guidelines stipulated in the direction, Reverse Re-purchase and Re-purchase Transactions of Dealer Direct Participants in Scripless Treasury Bonds and Scripless Treasury Bills issued by the Central Bank of Sri Lanka (Direction No. 01 of 2019 dated 20 December 2019) ,in allocating securities for repurchase agreements. Only the eligible securities are being used for such allocations and the Section 4.3, 4.4 and 4.5 are being complied with when considering the haircut requirements.

The company's policy is that the discounted market values of eligible securities are adequately covered the repurchase values of the securities in line with the direction of Central Bank of Sri Lanka as follows (at the time of origination of the transactions as well as the ongoing transactions).

Remaining Term to Maturity of the Eligible Security	Minimum Haircut (%)
Up to 1 year	4
More than 1 year and up to 3 years	6
More than 3 year and up to 5 years	8
More than 5 year and up to 8 years	10
More than 8 years	12

The company has established an effective risk management framework by implementing necessary policies and procedures to ensure compliance with the said guidelines. An effective internal control system is being used to verify the accuracy of security allocations.

26 CREDITORS AND OTHER PAYABLES

Accounting policy

Provisions

A provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Dividends Payable

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are recommended and declared by the Board of Directors.

Other Liabilities

Other liabilities are recorded at amounts expected to be payable at the reporting date.

As at 31 March	2024 Rs. '000	2023 Rs. '000
Provision for staff expenses	1,432,244	305,058
Dividend payable	2,772,969	923,400
Provision for statutory liabilities	18,722	201,827
Other provisions and payables	55,775	22,941
	4,279,710	1,453,226

27 PAYABLE TO RELATED COMPANIES

As at 31 March	2024 Rs. '000	2023 Rs. '000
First Capital Holdings PLC	29,974	4,692
First Capital Limited	246,713	3,887
First Capital Equities (Pvt) Limited	550	-
Janashakthi Business Services Limited	2,718	-
Janashakthi Limited	-	3,176
	279,955	11,755

28 TAXES PAYABLE

For the year ended 31 March	Note	2024 Rs. '000	2023 Rs. '000
Balance at the beginning of the year		629,708	-
Current Tax provision for the year	12	4,937,677	776,118
Over provision of tax with respect to previous year		(64,679)	-
		5,502,706	776,118
Payment made during the year		(2,531,059)	(146,410)
Balance at the end of the year		2,971,647	629,708

29 BORROWING ON LISTED DEBENTURES

For the year ended 31 March	2024 Rs. '000	2023 Rs. '000
Balance at the beginning of the year	762,076	760,577
Accrual of interest	97,591	97,124
	859,667	857,701
Less: Settlement of interest (Coupon)	(95,625)	(95,625)
Less: Debentures redeemed during the year	-	-
Balance at the end of the year	764,042	762,076

Notes to the Financial Statements

29 BORROWING ON LISTED DEBENTURES (CONTD.)

29.1 The debentures consist of 7,500,000 Rated, Subordinated, Unsecured, Redeemable 5 year (2020/2025) listed debentures at a face value of Rs. 100/- interest payable at a rate of 12.75% Semi - Annually issued in January 2020. The debentures are quoted on the Colombo Stock Exchange.

Tenure	No. of debentures	Face value Rs. '000	Carrying value 31.03.2024 Rs. '000	Allotment date	Maturity date	Rate of interest	Frequency on interest payment
5 year	7,500,000	750,000	764,042	30 January 2020	30 January 2025	12.75% (AER - 13.16%)	Semi-Annually

30 RETIREMENT BENEFIT OBLIGATIONS

Accounting policy

Defined Contribution Plan

A defined contribution plan is a post-employment plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay a further amount. Obligations for contributions to defined contribution plans are recognised as expense in the Statement of profit or loss as and when they are due.

Employees' Provident Fund

The company and employee contribute 12% - 15% and 8% - 10% respectively on the salary of each employee to an approved Provident Fund.

Employees' Trust Fund

The company contributes 3% of the salary of each employee to the Employees Trust Fund maintained by the Employees' Trust Fund Board.

Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Gratuity

Gratuity is a Defined benefit plan. The company annually measures the present value of the promised retirement benefits for gratuity, which is a Defined benefit plan. The cost of providing benefits under the defined benefits plans is determined using the Gratuity Formula method. Gain or loss arising as a result of changes in assumption is recognised in other comprehensive income (OCI) in the period in which it arises.

The Gratuity liability is not externally funded. These items are companied under Defined Benefit Liability in the Statement of Financial Position.

According to the payment of Gratuity Act No.12 of 1983, the liability for gratuity payment to an employee arises only after the completion of 5 years of continued service.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of profit or loss. The company recognises gain and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

As at 31 March,	2024 Rs. '000	2023 Rs. '000
Balance at the beginning of the year	18,718	11,561
Amount recognised in profit or loss for the year		
Gratuity charge for the year	1,735	1,607
Interest charge for the year	777	2,080
Amount recognised in Other comprehensive income for the year		
Actuarial (gain)/loss for the year	2,247	3,470
Benefits paid during the year	(557)	-
Transfers made during the year	(12,185)	-
Balance at the end of the year	10,735	18,718

As required by Sri Lanka Accounting Standard LKAS 19 - "Employee Benefits", the company has adopted the gratuity formula method in computing the gratuity liability.

The average duration of the defined benefit obligation is 19.85 years as at 31 March 2024.

30.1 Principal Assumptions used:

As at 31 March,	2024 Rs. '000	2023 Rs. '000
Discount rate/interest rate	12.50%	18.00%
Expected annual average salary increment	8.00%	10.00%
Staff turnover factor	14.00%	12.00%
Retirement age of employees	60 Years	60 Years

As per the LKAS 19 issued by the Institute of Chartered Accountants of Sri Lanka, A Long-term treasury bond rate of 12.50% p.a. (2023 - 18% p.a.) was used to discount future liabilities taking into consideration the remaining working life of eligible employees for the purpose of valuing Employee benefit obligations. Further, the salary increment rate of 8% (2023/24) is considered appropriate to be in line with the company's targeted future salary increments when taking into account the current market conditions and inflation rate.

30.2 Maturity analysis of the retirement benefit obligations

As at 31 March,	2024 Rs. '000	2023 Rs. '000
Up to 1 year	-	-
1 - 5 years	-	-
5 - 10 years	1,071	457
Over 10 years	9,664	18,261
	10,735	18,718

Notes to the Financial Statements

30 RETIREMENT BENEFIT OBLIGATIONS (CONTD.)

30.3 Sensitivity of the assumptions used

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

As at 31 March,	2024 Rs.'000 Sensitivity	2024 Rs.'000 Approx. RBO	2023 Rs.'000 Sensitivity	2023 Rs.'000 Approx. RBO
Decrease in discount rate by 1%	629	11,364	2,424	21,142
Increase in discount rate by 1%	(588)	10,147	(2,110)	16,609
Decrease in salary increment by 1%	(617)	10,118	(2,291)	16,428
Increase in salary increment by 1%	650	11,385	2,563	21,282

31 STATED CAPITAL

As at 31 March,	2024 Rs. '000	2023 Rs. '000
Ordinary Shares of 615,600,000	256,500	256,500

Ordinary shares in the company are recognised at the amount paid per ordinary share net of directly attributable issue costs. The shares of the company are quoted on the Colombo Stock Exchange. The holders of ordinary shares are entitled to receive dividends declared from time to time and are entitled to one vote per share at General Meetings of the company.

Rights of ordinary shareholders

The shares of First Capital Treasuries PLC are quoted in the Colombo Stock Exchange Diri Savi Board. All issued shares are fully paid. There is one class of ordinary shares. All shares issued carry equal voting rights.

Movement in ordinary voting shares	Note	Number of shares	Amount Rs. '000
Fully paid ordinary shares			
As at 1 April 2022		153,900,000	256,500
Share split/issue	31.1	461,700,000	-
Re-purchase of shares		-	-
As at 31 March 2023		615,600,000	256,500
Share split/issue		-	-
Re-purchase of shares		-	-
As at 31 March 2024		615,600,000	256,500

Refer share information section on pages 225 to 230 for more information on the composition of shares in issue as at 31 March 2024.

- 31.1** 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).

32 RISK RESERVE

As at,	2024 Rs. '000	2023 Rs. '000
Balance at the beginning of the year	1,675,433	1,386,793
Transfer during the year	1,114,313	288,640
Balance at the end of the year	2,789,746	1,675,433

The company makes a transfer of 10% (2022/23 -10%) of its profit after tax to the risk reserve in accordance with the directions issued by the Central Bank of Sri Lanka.

33 FAIR VALUATION RESERVE VIA FINANCIAL ASSET RECOGNISED THROUGH OTHER COMPREHENSIVE INCOME

As at,	2024 Rs. '000	2023 Rs. '000
Balance at the beginning of the year	(2,000)	(2,000)
Transfer during the year	-	-
Balance at the end of the year	(2,000)	(2,000)

The above reserve is relating to the company's equity investment in Lanka Financial Services Bureau Limited amounting to Rs. 2Mn (at cost) which was accounted for "Financial assets - fair value through other comprehensive income." Carrying value of the said investment as at 31 March 2024 is zero (31 March 2023 - zero).

34 DIVIDEND

Accounting policy

Dividend on ordinary shares is recognised as a liability and deducted from equity when they are recommended and declared by the Board of Directors (except for the final dividend for the year).

The Board of Directors of the company declared a first interim dividend of Rs. 10 per share amounting to Rs. 6,156 Mn (paid in October 2023) and a second interim dividend of Rs. 4.50 per share amounting Rs. 2,770 Mn for the year 2023/24 on 15 March 2024. Total Dividend for the year 2023/24 - Rs. 8,926 Mn. (2022/23 - Rs. 923 Mn).

Notes to the Financial Statements

35 RELATED PARTY DISCLOSURES

Accounting policy

The company carried out transactions in the ordinary course of business on arm's length basis with parties who are defined as related parties as per the Sri Lanka Accounting Standard – LKAS 24 'Related Party Disclosures'.

35.1 Directorships in Other Companies

The Directors of First Capital Treasuries PLC (Reporting Entity) are also Directors of the following companies (as of 31 March 2024).

Name of the company	Relationship	Ms. Manjula Mathews	Mr. Dilshan Wirasekara	Ms. Minette Perera	Mr. Chandana de Silva	Dr. Nishan de Mel	Mr. Ramesh Schaffter
Janashakthi Limited	Subsidiary of the Ultimate Parent	Director	-	Director	Chairman	-	Managing Director/ Group CEO
Janashakthi Insurance PLC	Subsidiary of the Ultimate Parent	-	-	-	-	Director	Director
Janashakthi Capital Limited	Subsidiary of the Ultimate Parent	-	-	-	-	-	Director
Janashakthi Business Services (Private) Limited	Subsidiary of the Ultimate Parent	-	-	-	-	-	Director
Janashakthi Corporate Services Limited	Subsidiary of the Ultimate Parent	-	-	-	-	-	Director
Beckett Capital (Pvt) Ltd	Subsidiary of the Ultimate Parent	-	-	-	-	-	Director
Orient Finance PLC	Subsidiary of the Ultimate Parent	-	-	Director	-	-	-
First Capital Holdings PLC	Intermediate Parent	Deputy Chairperson	Managing Director/ CEO	-	Director	-	Director
First Capital Limited	Immediate Parent	Deputy Chairperson	Managing Director/ CEO	-	Director	-	-
First Capital Asset Management Limited	Subsidiary of Immediate Parent	Deputy Chairperson	Managing Director/ CEO	Director	Director	Director	-
First Capital Markets Limited	Subsidiary of Immediate Parent	Deputy Chairperson	Managing Director/ CEO	Director	Director	Director	-
First Capital Equities (Private) Limited	Subsidiary of Immediate Parent	Deputy Chairperson	Managing Director	Director	Director	Director	-
First Capital Trustee Services (Private) Limited	Subsidiary of Immediate Parent	Deputy Chairperson	Managing Director/ CEO	-	-	-	-
First Capital Advisory Services (Pvt) Limited	Subsidiary of Immediate Parent	Deputy Chairperson	Managing Director/ CEO	-	-	-	-

KMP - Key Management Personnel

Notes

- Mr. Prakash Anand Schaffter resigned from the position of Alternate Director to Mr. Ramesh Schaffter of First Capital Holdings PLC with effect from 8 January 2024.
- Ms. Minette Perera stepped down from the Board of Directors of First Capital Holdings PLC with effect from 1 January 2024.
- Dr. Nishan de Mel stepped down from the Board of Directors of First Capital Holdings PLC with effect from 1 January 2024.
- Ms. Manjula Mathews, Non-Independent, Non-Executive Director has been appointed as the Chairperson of First Capital Treasuries PLC ("the company") with effect from on 12 January 2024.
- Mr. Nishan Fernando has stepped down from the Board of First Capital Treasuries PLC with effect from 1 January 2024 from his position as the Chairman (Independent Non-Executive Director).

First Capital Asset Management Limited manages licensed Unit Trusts namely First Capital Wealth Fund, First Capital Fixed Income Fund, First Capital Gilt-Edged Fund, First Capital Money Market Fund and First Capital Equity Fund which are also treated as Related Parties of the company.

The company carries out transactions with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24), "Related Party Disclosure", in the ordinary course of its business. The details of such transactions are reported below. The pricing applicable to such transactions is based on the assessment of risk and pricing model of the company and is comparable with what is applied to transactions between the company and its unrelated customers.

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

35 RELATED PARTY DISCLOSURES (CONTD.)

35.2 Transactions with Parent Companies

Nature of Transaction	2023/24 Rs. '000	2022/23 Rs. '000
Statement of Profit or Loss and Other Comprehensive Income		
Interest income on resale agreements	906	2,230
Interest expenses on repurchase agreements	162,493	45,176
Interest expense on debentures	2,924	2,910
Management Fees	50,000	-
Reimbursement of expenses	20,239	19,980
Administrative expenses	3,675	-
Gain/(loss) realised on sale of government securities	519,441	17,162
Interest expenses on Intra-day Liquidity Facility	-	143,728
Commitment fee	8,702	6,244
Corporate guarantee charges	-	306
Statement of Changes in Equity		
Dividend paid	(5,500,940)	(825,141)
Dividend declared	(2,475,423)	-
Statement of Financial Position		
Right of use asset (at cost)	5,257	3,961
Borrowings on listed debentures	22,891	22,832
Securities sold under repurchase agreements (government securities)	400,405	-
Transfer of retirement benefit obligations	12,712	-
Current account payable	276,687	13,844
Current account receivable	3,246	-

35.3 Transactions with subsidiaries of the parent company (First Capital Limited)

Nature of Transaction	2023/24 Rs. '000	2022/23 Rs. '000
Statement of Financial Position		
Right of use asset (at cost)	1,550	416
Current account receivables	2,000	959

Notes to the Financial Statements

35.4 Transaction with other related parties

Nature of Transaction	2023/24 Rs. '000	2022/23 Rs. '000
Statement of Profit or Loss and Other Comprehensive Income		
Interest income on re-sale agreements	49,209	29,393
Gain on sale of government securities	676,864	12,298
Interest expenses on re-purchase agreements	1,302,041	217,293
Interest expenses on debenture	31,875	31,875
Secretarial fees paid	461	402
Statement of Financial Position		
Securities purchased under re-sale agreements (government securities)	1,495,635	-
Securities sold under re-purchase agreements (government securities)	12,527,897	1,744,284
Borrowings on listed debentures	254,681	254,025
Current account payables	2,718	-

Outstanding trading investments (Resale agreements with parent company) at year end are secured (i.e. collateralised via assets without guarantees). Other investments and current account balances with related parties are unsecured. The settlement of all transactions occurs in cash. No expenses have been recognised in the current year or previous years for bad or doubtful debts in respect of amounts owed by related parties.

35.5 Transactions with Key Management Personnel (KMP) and their Close Family Members (CFM)

According to Sri Lanka Accounting Standards LKAS 24 "Related Party Disclosures", Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of the entity. Accordingly, the Board of Directors and Chief Executive Officer have been classified as key management personnel of the entity.

Close Family Members of a Key Management Person are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the Entity. They may include;

- The individual's domestic partner and children;
- Children of the individual's domestic partner; and
- Dependants of the individual or individual's domestic partner

Close Family Members are related parties to the Entity.

Transactions with Key management personnel and their close family members are disclosed below.

Transaction with KMP & CFM

Nature of Transaction	2023/24 Rs. '000	2022/23 Rs. '000
Statement of Profit or Loss and Other Comprehensive Income		
Emoluments paid - short term benefits	7,962	153,240
Interest income on re-sale agreements	45,825	11,097
Interest expense on re-purchase agreements	5,186	607
Statement of Financial Position		
Securities purchased under re-sale agreements (against government securities)	520,544	137,074
Securities sold under re-purchase agreements (against government securities)	22,948	-

Accounting policy

Commitments and Contingencies

All discernible risks are accounted for in determining the amount of all known liabilities. The company's share of any contingencies and capital commitments of a the company is also liable severally or otherwise are also included with appropriate disclosures.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognised in the statement of financial position but are disclosed unless they are remote.

36 CONTINGENT LIABILITIES

There were no material contingent liabilities as at the reporting date which require disclosures in the financial statements for the year ended 31 March 2024.

37 LITIGATION AND CLAIMS

There were no material litigations or claims with respect to employee compensation. Further, the company did not have any other material litigations or claims that could have a material impact on the financial position of the company, or which would lead to disclosures in the financial statements for the year ended 31 March 2024.

38 COMMITMENTS

There were no material capital commitments as at the reporting date which require disclosures in the financial statements other than those disclosed below:

(a) Capital Commitments

The company entered into an agreement to acquire three condominium units currently occupied by the company for a purchase consideration of Rs. 270 Mn. A cash advance of Rs. 230 Mn has been made as of 31 March 2024.

The company entered into a sale and purchase agreement to acquire a property (land and premises) for a consideration of Rs. 382 Mn and an advance of Rs. 77.3 Mn was paid. However, in consequent to the seller failing to honour the terms of the agreement, legal proceedings were initiated against the seller and the District Court granted an interim order in favour of the company, against the Seller disposing and alienating the property to any third party. The legal proceedings have not been concluded yet.

(b) Other Commitments

The value of forward purchase contracts (Government Securities) as at 31 March 2024 is Rs. 14,567 Mn (31 March 2023 - Rs. 2,764 Mn) and the value of forward sales contracts (Government Securities) as at 31 March 2024 is Rs. 7,162 Mn (31 March 2023 - Rs. 9,493 Mn).

39 EVENTS AFTER THE REPORTING PERIOD

Accounting policy

Events after the reporting date are those events, favourable and unfavourable, that occur between the reporting date and the date when the Financial Statements are authorised for issue. In this regard, all material and important events that occurred after the reporting period are considered and appropriate disclosures are made where necessary.

There have been no material events subsequent to the reporting date which require disclosures/adjustments in the financial statements.

Notes to the Financial Statements

40 ECONOMIC OUTLOOK AND THE BUSINESS IMPACT

The Economic activities for near term are expected to be induced by the favourable development occurrences. Continuous reduction in policy rates by the Central Bank of Sri Lanka was experienced since May 2023. The GDP growth for year 2024 is expected to be moderately increased due to gradual growth in economic activities as a result of improved level of private consumption primarily derived through the lower inflation.

The Economy is expected to recover in the medium to long term conditional on restoring reassurance on the implementation of proposed economic adjustment programme via the International Monetary Fund (IMF) and social coherence. The company has adequate level of financial and other resources to face the uncertainties via economic unrest (if any) and therefore the impact on the business operations is expected to be minimal. The prevailing economic environment does not trigger a significant impact on the liquidity, valuation of assets and solvency of the company.

41 CAPITAL MANAGEMENT

The objectives of the capital management of the company are summarised below.

1. Appropriately allocate capital to meet the strategic objectives.
2. Enable the company to face any economic downturn/crisis situation (via a solid capital buffer)

The company's policy is to maintain a strong capital base to ensure investor, creditor, and market confidence in order to sustain the future development of the business, complying with the regulatory requirements on an ongoing basis. The company monitors the return on capital, gearing ratio, dividend payout to ordinary shareholders.

The Capital comprises stated capital, capital reserves and revenue reserves with adjustments on intangible assets and deferred tax assets (core capital – Tier I) and subordinated debts (Tier II). The company manages its capital structure and adjusts it accordingly in line with the changes in regulatory, economic and market conditions and the overall risk appetite. Summary of the capital structure of the company is as follows:

As at 31 March	2024 Rs. '000	2023 Rs. '000
Core capital	7,679	5,459
Subordinated debts (listed debts) - Discounted value	450	600
Total capital funds	8,129	6,059

The company is required to maintain statutory minimum core capital and risk weighted capital adequacy positions as prescribed by the CBSL periodically.

Minimum core capital requirement for primary dealer companies as per the CBSL Direction No. 01 of 2021 is as follows;

Effective Date	Minimum of Core Capital Requirement	Actual Core Capital
Prior to 1 January 2022	Rs. 1.0 Bn	Rs. 3.8 Bn
1 January 2022	Rs. 2.0 Bn	Rs. 5.5 Bn
1 January 2023	Rs. 2.5 Bn	Rs. 7.6 Bn

The company's compliance status in relation to minimum core capital and risk weighted capital adequacy ratio is as follows;

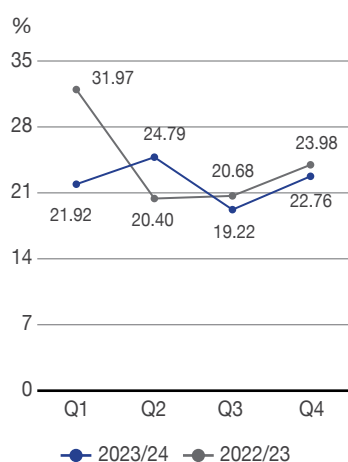
Compliance requirement	Status as at 31 March 2024	Status as at 31 March 2023
Minimum core capital of Rs. 2.5 Bn	Rs. 7.7 Bn	Rs. 5.5 Bn
Risk weighted capital adequacy ratio (RWCAR) of 10%	22.76%	23.98%

Sensitivity Analysis of Risk Weighted Capital Adequacy Ratio (RWCAR)

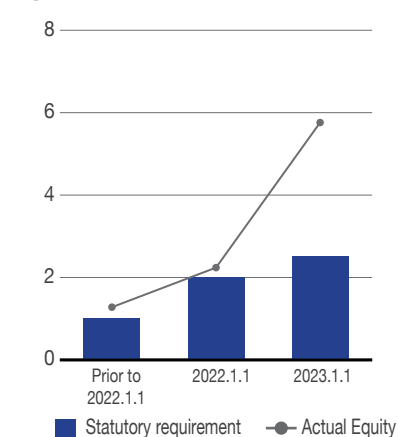
The following table shows the estimated impact on RWCAR ratio due to various predicted scenario testing

Variable	Change in assumptions	Estimated RWCAR Ratio
Interest Rate	-100Bps	21.68%
	+100Bps	23.91%
Other Assets	+10%	22.55%
	-10%	22.97%

Quarterly RWCAR



Minimum statutory core capital requirement vs Company Equity



42 FINANCIAL RISK MANAGEMENT

Overview

The company has exposure to the following risks via financial instruments.

- Market Risk
- Liquidity Risk
- Credit Risk
- Operational Risk

42.1 Risk Management Framework

The Board of Directors has the overall responsibility for the establishment and oversight of the company's risk management framework. The company has established an Enterprise Risk Management Committee (ERMC) which is tasked with reviewing wide-ranging risk categories that includes market, liquidity, credit and operational risk. Functionally, ERMC identifies, measures, monitors and controls risk while keeping the Board of Directors informed.

The company's risk management policies are established to identify and analyse the risk confronted by the company, to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and products and services offered.

Notes to the Financial Statements

42.2 Market Risk

Market risk is the risk that changes in market prices, such as interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Management of market risk includes the following elements:

- The operational authority for managing market risk is vested with the Investment Committee (IC).
- Interest rate risk is managed within the approved limits by the Investment Committee.

Interest rate risk	2023/24 Rs. '000	2022/23 Rs. '000
Fixed rate instruments		
Financial assets		
Derivative financial assets	51,933	51,194
Financial assets recognised through profit or loss - measured at fair value	56,684,886	50,753,172
Financial assets at amortised cost	4,539,304	1,131,851
	61,276,123	51,936,217
Financial liabilities		
Derivative financial liabilities	71,742	153,586
Securities sold under re-purchase agreements	48,482,468	43,830,826
Borrowings on listed debentures	764,042	762,076
	49,318,252	44,746,488

Fair value sensitivity analysis for fixed rate instruments

A reasonably possible 1% change in interest rates at the reporting date would have increased or decreased equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant except the interest rate.

As at 31 March	Profit or loss		Equity, net of tax	
	1% Decrease Rs.'000	1% Increase Rs.'000	1% Decrease Rs.'000	1% Increase Rs. '000
Fixed rate instruments				
Financial assets				
Derivative financial instruments	93,698	61,217	65,588	42,852
Financial assets recognised through profit or loss - measured at fair value	690,689	(1,435,054)	483,482	(1,004,538)
	784,387	(1,373,837)	549,070	(961,686)
Financial liabilities				
Derivative financial instruments	(146,019)	(13,013)	(102,213)	(9,109)
Borrowings on listed debentures	7,255	(7,255)	5,078	(5,078)
	(138,764)	(20,268)	(97,135)	(14,187)

42 FINANCIAL RISK MANAGEMENT (CONTD.)

42.3 Liquidity Risk

Liquidity risk is the risk that the company will not have adequate financial resources to meet company's obligations as when they fall due. This risk arises from mismatches in the timing of cash flows.

Management of liquidity risk includes the following elements:

- Taking steps to ensure, as far as possible, that it will always have adequate financial resources to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Maturity Analysis of Financial Assets and Financial Liabilities

	Carrying Amount Rs. '000	Total Rs. '000	On demand Rs. '000	Up to 3 Months Rs. '000	3 Months to 1 Year Rs. '000	1-3 Years Rs. '000	3-5 Years Rs. '000	Over 5 Years Rs. '000
Assets								
Cash at banks and in hand	29,161	29,161	29,161	-	-	-	-	-
Derivative financial instruments	51,933	51,933	49,141	2,792	-	-	-	-
Financial assets recognised through profit or loss - measured at fair value	56,684,886	56,684,886	-	14,079,325	4,202,768	13,439,836	23,840,041	1,122,916
Financial assets - at amortised cost	4,539,304	4,539,304	3,272,317	1,266,987	-	-	-	-
Receivable from related companies	5,245	5,245	5,245	-	-	-	-	-
Trade receivable	2,534,825	2,534,825	2,534,825	-	-	-	-	-
Total as at 31 March 2024	63,845,354	63,845,354	5,890,689	15,349,104	4,202,768	13,439,836	23,840,041	1,122,916
As at 31 March 2023	51,964,176	51,964,176	45,826	1,588,022	1,694,585	18,569,135	26,978,234	3,088,375
Liabilities								
Derivative financial instruments	71,742	71,742	32,401	39,341	-	-	-	-
Securities sold under repurchase agreements	48,482,468	48,482,468	12,764,313	21,744,370	13,966,092	2,002	5,691	-
Payable to related companies	279,955	279,955	279,955	-	-	-	-	-
Borrowing on debentures	764,042	845,887	-	-	845,887	-	-	-
Total as at 31 March 2024	49,598,207	49,680,052	13,076,669	21,783,711	14,811,979	2,002	5,691	-
As at 31 March 2023	44,758,243	45,143,807	29,840	44,069,000	191,221	845,887	7,859	-

Notes to the Financial Statements

42 FINANCIAL RISK MANAGEMENT (CONTD.)

42.4 Credit Risk

Credit risk is the risk of financial loss to the company if a client or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's investment in reverse repo agreements and forward transactions.

Management of credit risk includes the following components:

- Formulating credit policies in consultation with business units covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities.
- Limiting concentration of exposures to counterparties.
- Reviewing compliance through regular audits by internal audit.

42.4.1 Credit risk exposure - Cash at bank and in hand

Credit risk exposure of cash at bank and cash in hand is depicted in the below table using carrying values as at the Statement of Financial Position date.

As at 31 March	Rating	Rating agency	2024 Rs. '000	2023 Rs. '000
Bank of Ceylon	A	Fitch	17,499	3,872
Commercial Bank of Ceylon PLC	A	Fitch	38	40
Hatton National Bank PLC	A	Fitch	2,217	44
National Development Bank PLC	A-	Fitch	28	30
People's Bank	A	Fitch	521	521
Seylan Bank PLC	A-	Fitch	3,996	8,644
Total Exposure to Credit Risk			24,299	13,151
Central Bank of Sri Lanka			4,787	10,797
Cash in hand			75	75
Cash and Cash Equivalents			29,161	24,023

Credit Quality by Class of Financial Assets

	12 Month expected credit losses Rs. '000	Life time expected credit losses not credit impaired Rs. '000	Life time expected credit losses credit impaired Rs. '000	Total Rs. '000
--	--	--	--	-------------------

As at 31 March 2024

Assets

Financial assets - at amortised cost	4,539,304	-	-	4,539,304
Trade receivable	2,534,825	-	-	2,534,825
Total	7,074,129	-	-	7,074,129

As at 31 March 2023

Assets

Financial assets - at amortised cost	1,131,851	-	-	1,131,851
Staff loan	192	-	-	192
Total	1,132,043	-	-	1,132,043

Analysis of Concentration Risk

The following table shows the risk concentration by sector for the components of Statement of Financial Position.

	Cash at banks	Derivative financial instruments	Financial assets recognised through profit or loss - measured at fair value	Financial assets - at amortised cost	Trade Receivable	Receivable from related companies
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
As at 31 March 2024						
Sector wise breakdown						
Government	22,807	29,240	56,684,886	-	2,534,825	-
Corporate	6,279	595	-	744,215	-	5,245
Others	75	22,098	-	3,795,089	-	-
Total	29,161	51,933	56,684,886	4,539,304	2,534,825	5,245
As at 31 March 2023						
Sector wise breakdown						
Government	15,190	16,687	50,753,172	-	-	-
Corporate	8,758	30,122	-	384,932	-	3,744
Others	75	4,385	-	746,919	192	-
Total	24,023	51,194	50,753,172	1,131,851	192	3,744

42.5 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's involvement with financial instruments, including processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the business reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the department. This responsibility is supported by the development of overall Company's standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions.
- Requirements for the reconciliation and monitoring of the transaction.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Development of business contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

Compliance with Company's internal controls and procedures is supported by a programme of periodic reviews undertaken by Internal Audit. The results of internal audit reviews are discussed with the management of the Company with summaries submitted to the Audit Committee.

Notes to the Financial Statements

43 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.

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 regular 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 the market transactions involving comparable securities.

Level- 3

Financial Instruments that are not supported by observable market prices information.

The following tables compare the fair values of the financial instruments with their carrying values.

As at 31 March	2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Rs.'000	Rs.'000	Rs.'000	Rs. '000
Financial assets measured at fair value				
Derivative financial instruments	51,933	51,933	51,194	51,194
Financial assets recognised through profit or loss - measured at fair value	56,684,886	56,684,886	50,753,172	50,753,172
	56,736,819	56,736,819	50,804,366	50,804,366
Financial assets not measured at fair value				
Cash at banks and in hand	29,161	29,161	24,023	24,023
Staff Loan	-	-	192	192
Financial assets - at amortised cost	4,539,304	4,539,304	1,131,851	1,131,851
Receivable from related companies	5,245	5,245	3,744	3,744
Trade receivable	2,534,825	2,534,825	-	-
	7,108,535	7,108,535	1,159,810	1,159,810
Total financial assets	63,845,354	63,845,354	51,964,176	51,964,176

43.1 Fair Value Versus the Carrying Amount

As at 31 March	2024		2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	Rs.'000	Rs.'000	Rs.'000	Rs. '000
Financial liabilities measured at fair value				
Derivative financial instruments	71,742	71,742	153,586	153,586
	71,742	71,742	153,586	153,586
Financial liabilities not measured at fair value				
Securities sold under repurchase agreements	48,482,468	48,698,838	43,830,826	43,837,662
Payable to related companies	279,955	279,955	11,755	11,755
Borrowing on listed debentures	764,042	759,959	762,076	566,783
	49,526,465	49,738,752	44,604,657	44,416,200
Total financial liabilities	49,598,207	49,810,494	44,758,243	44,569,786

43.2 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 March 2024	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	49,989	49,989	-	-	49,989
Forward sale contracts	1,944	1,944	-	-	1,944
	51,933	51,933	-	-	51,933
Financial assets recognised through profit or loss - measured at fair value					
Investment in government securities	56,684,886	56,684,886	-	-	56,684,886
	56,684,886	56,684,886	-	-	56,684,886
Financial assets recognised through other comprehensive income					
	-	-	-	-	-
	56,736,819	56,736,819	-	-	56,736,819
Financial assets not measured at fair value					
Cash at banks and in hand	29,161	-	-	29,161	29,161
Financial assets - at amortised cost	4,539,304	-	-	4,539,304	4,539,304
Receivable from related companies	5,245	-	-	5,245	5,245
Trade receivable	2,534,825	-	-	2,534,825	2,534,825
	7,108,535	-	-	7,108,535	7,108,535
Total financial assets	63,845,354	56,736,819	-	7,108,535	63,845,354
Financial liabilities measured at fair value					
Derivative financial instruments					
Forward purchase contracts	202	202	-	-	202
Forward sale contracts	71,540	71,540	-	-	71,540
	71,742	71,742	-	-	71,742
Financial liabilities not measured at fair value					
Securities sold under re-purchase agreements	48,482,468	-	-	48,698,838	48,698,838
Payable to related companies	279,955	-	-	279,955	279,955
Borrowing on listed debentures	764,042	-	759,959	-	759,959
	49,526,465	-	759,959	48,978,793	49,738,752
Total financial liabilities	49,598,207	71,742	759,959	48,978,793	49,810,494

Notes to the Financial Statements

43 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT (CONTD.)

As at 31 March 2023	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	38,918	38,918	-	-	38,918
Forward sale contracts	12,276	12,276	-	-	12,276
	51,194	51,194	-	-	51,194
Financial assets recognised through profit or loss - measured at fair value					
Investment in government securities	50,753,172	50,753,172	-	-	50,753,172
	50,753,172	50,753,172	-	-	50,753,172
Financial assets recognised through other comprehensive income					
	-	-	-	-	-
	50,804,366	50,804,366	-	-	50,804,366
Financial assets not measured at fair value					
Cash at banks and in hand	24,023	-	-	24,023	24,023
Financial assets - at amortised cost	1,131,851	-	-	1,131,851	1,131,851
Receivable from related companies	3,744	-	-	3,744	3,744
	1,159,618	-	-	1,159,618	1,159,618
Total financial assets	51,963,984	50,804,366	-	1,159,618	51,963,984
Financial liabilities measured at fair value					
Derivative financial instruments					
Forward purchase contracts	4,506	4,506	-	-	4,506
Forward sale contracts	149,080	149,080	-	-	149,080
	153,586	153,586	-	-	153,586
Securities sold under re-purchase agreements	43,830,826	-	-	43,837,662	43,837,662
Payable to related companies	11,755	-	-	11,755	11,755
Borrowing on listed debentures	762,076	-	566,783	-	566,783
	44,604,657	-	566,783	43,849,417	44,416,200
Total financial liabilities	44,758,243	153,586	566,783	43,849,417	44,569,786

SUPPLEMENTARY INFORMATION



THE PAWN

Like the humble pawn on a chessboard, the supplementary information may seem small in stature, but plays a crucial role in enhancing stakeholder understanding and decision-making.

INVESTOR INFORMATION

INVESTOR INFORMATION CONTENT

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1 STOCK EXCHANGE LISTING

Ordinary shares of First Capital Treasuries PLC (FCT) were listed on the Colombo Stock Exchange on 23 December 2021.

GLCS Sector Classification Investment Banking and Brokerage

CSE stock symbol FCT.N0000

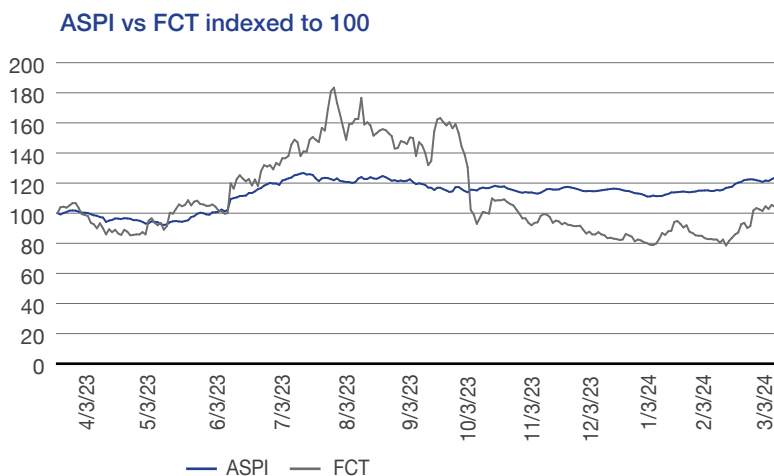
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2 CSE PERFORMANCE

2.1 Best Performing Sectors based on Index Value

Sector	Index Value		Change %
	31/03/2024	31/03/2023	
Banks	839.21	555.10	51.18%
Food & Staples	2,075.65	1,384.20	49.95%
Capital Goods	1,579.63	1,266.06	24.77%
Food Beverage	1,185.51	974.47	21.66%
Consumer Durable	1,589.80	1,312.18	21.16%

2.2 CSE VS FCT Index Chart



3. ANALYSIS OF EQUITY MARKET PERFORMANCE AND FCT'S SHARE PERFORMANCE

3.1 Performance of Global Equity Markets

Global equity markets offered double digit returns during FY24 period, as all major indices including Dow Jones, S&P500, NASDAQ, DAX, Euro Stoxx 50, MSCI World showing strong gains. The cooling down of US inflation (which peaked at 9.1% YoY in Jun-22) and dovish comments from the Federal Reserve Chairman Jerome Powell fueled the bullish sentiment of equity markets around the world. Meanwhile, Chinese stocks ended FY24 with losses exceeding +10% largely due to widespread and persistent housing and local government debt problems, and disappointed recovery of the Chinese economy post Covid-19.

3.2 Performance of the Colombo Stock Exchange

The Colombo stock market performed in-line with the global equities and posted a gain of 23.7% during FY24 period. The strong recovery of the economy from economic crisis in 2022, rapid slowdown in CCPI YoY inflation in 2023 and proactive measures taken by the CBSL with monetary policy easing to boost economic growth are identified as key catalyst towards the improved sentiment and the performance of the ASPI during FY24 period.

Investor Information

3.3 Performance of the FCT's Share

The FCT's share moved with significant volatility during FY24 with the share hitting an all-time high of Rs. 47.50 on 21 August 2023 and a 52-week low of Rs. 19.00 on 3 of May 2023. The significant fluctuations of the share price during the period was largely attributable to the growth in earning during the period.

Modes of Engagement with Investors



4 DISTRIBUTION OF SHAREHOLDING

No. of Shares held	31 March 2024				31 March 2023			
	Shareholders		Holding		Shareholders		Holding	
	Number	%	Number	%	Number	%	Number	%
1-1,000	1,471	41.64	513,915	0.08	561	36.22	175,864	0.03
1,001 - 10,000	1,398	39.57	5,891,403	0.95	593	38.28	2,769,352	0.45
10,001 - 100,000	599	16.95	17,245,021	2.80	321	20.72	10,109,323	1.64
100,001 - 1,000,000	61	1.73	13,796,117	2.25	70	4.52	21,665,050	3.52
Over 1,000,000	4	0.11	578,153,544	93.92	4	0.26	580,880,411	94.36
Total	3,533	100.00	615,600,000	100.00	1,549	100.00	615,600,000	100.00

5 ANALYSIS OF SHAREHOLDING

Category of Shareholders	31 March 2024				31 March 2023			
	Shareholders		Holding		Shareholders		Holding	
	Number	%	Number	%	Number	%	Number	%
Individuals	3,343	94.62	32,412,176	5.27	1,402	90.51	20,338,366	3.30
Institutions	190	5.38	583,187,824	94.73	147	9.49	595,261,634	96.70
Total	3,533	100.00	615,600,000	100.00	1,549	100.00	615,600,000	100.00
Resident	3,523	99.72	615,317,435	99.95	1,541	99.48	615,307,984	99.95
Non-Resident	10	0.28	282,565	0.05	8	0.52	292,016	0.05
Total	3,533	100.00	615,600,000	100.00	1,549	100.00	615,600,000	100.00

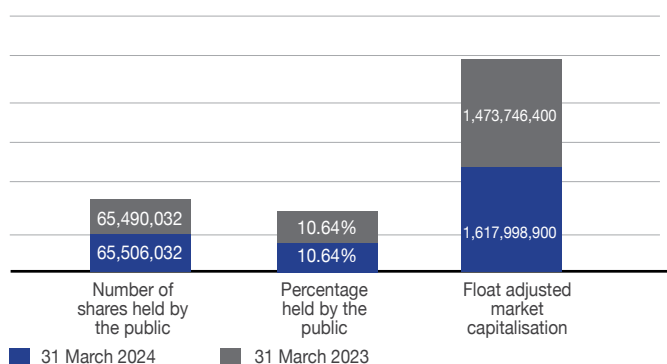
6 PUBLIC SHARE HOLDING

	31 March 2024	31 March 2023
Number of shares held by the public	65,506,032	65,490,032
Percentage held by the public	10.64%	10.64%
Float adjusted market capitalisation	1,617,998,900	1,473,746,400

Number of public shareholders as at 31 March 2024 is 3,532.

The company is complied with the Minimum Public Holding requirement under option 1 of the Section 7.13.1 (b) of the Listing Rules of the Colombo Stock Exchange.

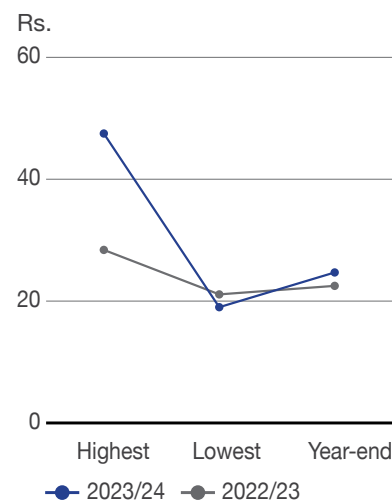
Public Share Holding



7 SHARE PRICE MOVEMENT IN LAST TWO YEARS

	2023/24	2022/23
	Rs.	Rs.
Highest	47.50	28.40
Lowest	19.00	21.10
Year-end	24.70	22.50

Share Price Movement



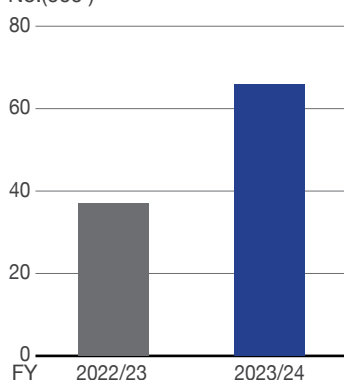
Investor information

8 SHARE TRADING DETAILS AND MARKET CAPITALISATION

	2023/24	2022/23
Number of transactions	63,989	37,488
Number of shares traded	157,255,641	172,079,612
Value of shares traded (Rs.)	5,462,397,347	3,672,021,598
Market capitalisation (Rs.)	15,205,320,000	13,851,000,000

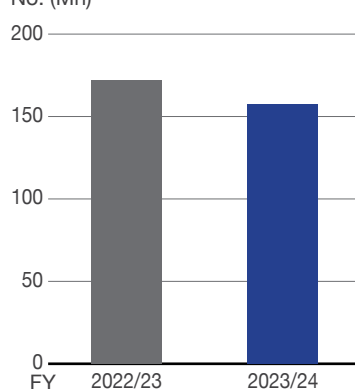
Number of Transactions

No.(000')



Number of Shares Traded

No. (Mn)



9 DIVIDEND INFORMATION

Dividend	2023/24	2022/23	2021/22	2020/21
Cash – Rs. per share				
1 st Interim	10.00	1.50	-	8.38*
2 nd Interim	4.50	-	-	-
Total	14.50	1.50	-	8.38*
Gross dividend paid (Rs. Mn.)				
1 st Interim	6,156.00	923.40	-	515,565
2 nd Interim	2,770.20	-	-	-
Total	8,926.20	923.40	-	515,565
Dividend payout ratio (%)	80.11	32.05	-	70.14

* Sub-division of shares has been retrospectively adjusted.

10 TOP TWENTY SHAREHOLDERS

	No. of Shares as at 31 March 2024	Holding (%)	No. of Shares as at 31 March 2023	Holding (%)
1. First Capital Limited	550,093,968	89.36	550,093,968	89.36
2. Employees Trust Fund Board	25,924,978	4.21	28,056,475	4.56
3. Deutsche Bank AG-National Equity Fund	1,100,931	0.18	-	-
4. Mr. K.R.E.M.D.M.B. Jayasundara	1,033,667	0.17	-	-
5. Mr. J.M Wanigasekara	805,712	0.13	-	-
6. Mr. P.A.C. Priyantha	753,645	0.12	-	-
7. Dr. K.A.S.S. Rodrigo	650,000	0.11	-	-
8. Mr. D.N.P. Rathnayake	555,327	0.09	-	-
9. Mr. E.N. Weerakoon	522,878	0.08	-	-
10. Miss. D.R. Edussuriya	500,000	0.08	-	-
11. People's Leasing and Finance PLC/H.Guruge	377,331	0.06	-	-
12. Mr. R.V.D. Piyathilake	313,000	0.05	-	-
13. Mr. T.F. Raheem	310,000	0.05	-	-
14. Dr. J.P.A. Kumara	300,300	0.05	-	-
15. Deutsche Bank AG As Trustee To Assetline Income Plus Growth Fund	300,000	0.05	-	-
15. Mr. C.D.S. Rathnayake	300,000	0.05	-	-
17. Mr. G.R. Weerakoon	275,000	0.04	-	-
18. Bank of Ceylon No. 1 Account	274,936	0.04	-	-
19. Mrs. N.C. Madanayake	250,000	0.04	-	-
19. Miss. T.C.P. Peiris	250,000	0.04	-	-
19. Merchant Bank of Sri Lanka PLC/M.Batuwantudawa	250,000	0.04	-	-
Total	585,141,673	95.04	578,150,443	93.92

11 DIRECTORS SHAREHOLDING INCLUDING CEO

	No. of Shares 31.03.2024	No. of Shares 31.03.2023
Ms. Manjula Mathews, Chairperson*	-	-
Mr. Nishan Fernando**	N/A	16,000
Mr. Dilshan Wirasekara	-	-
Ms. Minette Perera	-	-
Mr. Chandana de Silva	-	-
Dr. Nishan de Mel	-	-
Mr. Ramesh Schaffter	-	-
Mr. Sachith Perera (Chief Executive Officer)	-	-

* Appointed as the chairperson with w.e.f. 12 January 2024.

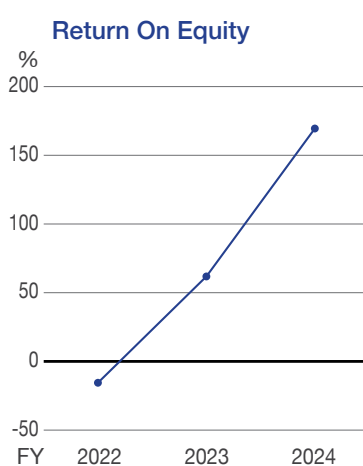
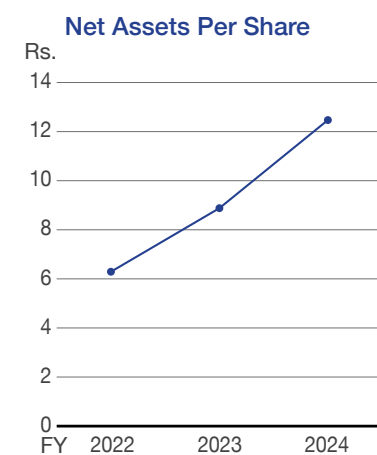
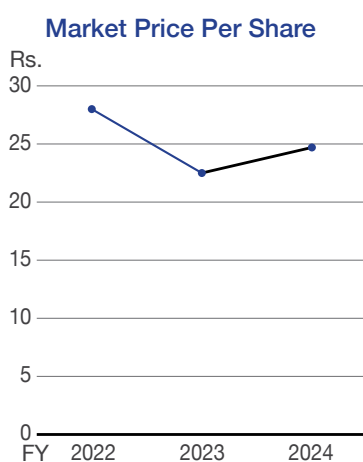
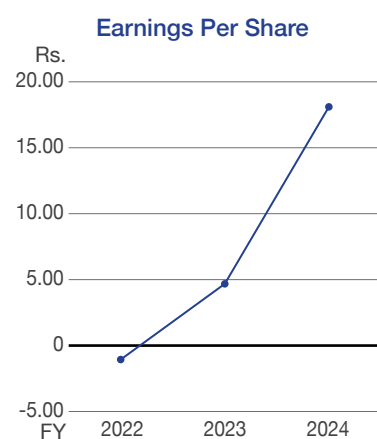
** Resigned from the Board on 1 January 2024.

Investor information

12 KEY SHAREHOLDERS RETURN INDICATORS

	2024	2023	2022
Earnings Per Share	18.10	4.68	(1.06)
Market Price Per Share	24.70	22.50	28.00
Net Assets Per Share	12.47	8.88	6.29
Return on Equity	169.56%	61.82%	-15.55%

The effect of the sub-division of shares has been adjusted retrospectively.



INFORMATION ON LISTED DEBENTURES

1 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

2 OBJECTIVES OF DEBENTURE ISSUE

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

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. To finance the redemption of Listed Debentures matured on 6 February 2020	500,000	500,000	66.67%	500,000	100%
2. To invest in Government Securities	250,000	250,000	33.33%	250,000	100%

3 MARKET VALUE DETAILS OF DEBENTURES

Debentures with 5 year maturity have been traded during the year ended 31 March 2024. Last traded price (yield) has been recognised as the market value.

5 year fixed rate (12.75% p.a. payable semi-annually)	2023/24 (Rs.)	2022/23 (Rs.)
Highest price	-	-
Lowest price	-	-
Last traded price	102.44	-

Debenture Interest Yield (last traded)	2023/24	2022/23
5 year fixed rate (12.75 % p.a. payable semi-annually)	11.92%	N/A

Yield of Comparable Government Securities (%)	As at 31.03.2024	As at 31.03.2023
Treasury bond (maturity - 15 January 2025)	10.46%	29.89%

4 DEBT RATIOS

	As at 31.03.2024	As at 31.03.2023
Debt/equity ratio (times)	6.41	8.16
Quick asset ratio (times)	1.21	1.15
Interest cover (times)	3.11	1.60

5 CREDIT RATINGS

Lanka Rating Agency Limited ("the Rating Agency") has assigned an Entity rating of "A" (pronounced "single A") to First Capital Treasuries PLC (the company) and an Issue rating of "A-" (pronounced "single A minus") to the company's Debentures, with a "positive outlook" replacing the previous "stable outlook".

QUARTERLY RESULTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - 2023/24 AND 2022/23

For the quarter ended	2023/24				2022/23			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	30-06-2023	30-09-2023	31-12-2023	31-03-2024	30-06-2022	30-09-2022	31-12-2022	31-03-2023
Income	5,299,488	11,034,289	5,195,192	5,078,521	1,388,200	2,491,757	3,359,393	2,735,803
Direct income	5,297,597	11,033,073	5,195,219	5,072,849	1,388,023	2,491,755	3,359,299	2,730,874
Direct expenses	(2,036,134)	(1,492,022)	(2,285,706)	(2,080,114)	(963,168)	(1,716,963)	(1,833,165)	(1,791,937)
Net trading income	3,261,463	9,541,051	2,909,513	2,992,735	424,855	774,792	1,526,134	938,937
Other income/ (expense)	1,891	1,216	(27)	5,672	177	2	94	4,929
Gain/ (Loss) on fair valuation of financial assets recognised through profit or loss measured at fair value	1,442,551	1,358,175	(1,681,485)	(1,426,870)	132,518	209,926	15,853	719,533
	4,705,905	10,900,442	1,228,001	1,571,537	557,550	984,720	1,542,081	1,663,399
Operating expenses								
Administrative expenses	(527,461)	(1,416,570)	58,905	81,397	(42,853)	(41,710)	(111,826)	(305,264)
Sales and distribution expenses	(1,998)	(4,647)	(9,304)	(17,089)	(1,749)	(976)	(734)	(8,516)
Other operating expenses	(190,856)	(158,108)	(108,821)	(73,293)	(32,008)	(115,224)	(200,083)	(133,898)
	(720,315)	(1,579,325)	(59,220)	(8,995)	(76,610)	(157,910)	(312,643)	(447,678)
Profit before tax	3,985,590	9,321,117	1,168,781	1,562,552	480,940	826,810	1,229,438	1,215,721
Income tax expense	(1,253,668)	(2,842,855)	(318,156)	(480,233)	(72,161)	(131,581)	(426,778)	(235,993)
Profit for the period	2,731,922	6,478,262	850,625	1,082,319	408,779	695,229	802,660	979,728
Other comprehensive income								
Items that will never be reclassified to profit or loss	-	-	-	-	-	-	-	-
Actuarial loss on retirement benefit obligation	-	-	-	(2,247)	-	-	-	(3,470)
Items that are or may be reclassified to profit or loss	-	-	-	674	-	-	-	1,041
Other comprehensive loss for the period	-	-	-	(1,573)	-	-	-	(2,429)
Total comprehensive income for the period	2,731,922	6,478,262	850,625	1,080,746	408,779	695,229	802,660	977,299
Earnings per share (Rs.)	4.44	10.52	1.38	1.76	0.66	1.13	1.30	1.59

STATEMENT OF FINANCIAL POSITION - 2023/24 AND 2022/23

As at	2023/24				2022/23			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	30-06-2023	30-09-2023	31-12-2023	31-03-2024	30-06-2022	30-09-2022	31-12-2022	31-03-2023
Assets								
Cash at banks and in hand	1,743,677	59,159	34,807	29,161	133,961	25,335	38,194	24,023
Derivative financial instruments	40,048	541,587	32,608	51,933	286,504	544,410	20,412	51,194
Financial assets recognised through profit or loss - measured at fair value	41,240,203	57,538,554	86,313,548	56,684,886	28,897,084	34,580,508	43,235,129	50,753,172
Financial assets at amortised cost	1,768,415	1,963,149	4,220,252	4,539,304	4,381,297	10,307,609	10,023,077	1,131,851
Receivable from related companies	33,170	3,153	-	5,245	386	327	368	3,744
Taxes receivable	-	-	5	-	-	-	-	-
Deferred tax asset	5,210	5,697	5,369	-	22,157	1,865	4,230	4,964
Other assets	633,109	560,730	621,421	2,922,901	367,952	365,578	386,866	338,354
Property, plant and equipment and right of use assets	15,430	14,193	20,637	321,891	6,840	5,677	4,521	16,112
Intangible assets	437	457	615	622	499	450	400	494
Total Assets	45,479,699	60,686,679	91,249,262	64,555,943	34,096,680	45,831,759	53,713,197	52,323,908
Liabilities								
Bank overdrafts	-	-	-	-	914	-	-	-
Derivative financial instruments	215,104	602,497	208,710	71,742	219,045	236,140	277,512	153,586
Securities sold under re-purchase agreements	32,206,297	39,072,927	75,681,125	48,482,468	27,733,659	39,168,277	45,426,981	43,830,826
Short term borrowings	-	-	-	-	1,000,740	692,175	751,479	-
Payable to related companies	3,117	8,691	36,432	279,955	9,171	8,118	16,556	11,755
Creditors and other payables	2,316,055	1,888,917	1,680,152	4,279,710	423,655	233,289	489,639	1,453,226
Taxes payable	1,737,166	3,655,089	3,464,327	2,971,647	-	111,289	540,432	629,708
Deferred tax liability	-	-	-	16,276	-	-	-	-
Retirement benefit obligations	19,589	20,952	21,609	10,735	12,382	13,207	14,051	18,718
Borrowings on listed debentures	786,436	763,409	788,083	764,042	784,889	761,811	786,434	762,076
Total Liabilities	37,283,764	46,012,482	81,880,438	56,876,575	30,184,455	41,224,306	48,303,084	46,859,895
Equity								
Stated capital	256,500	256,500	256,500	256,500	256,500	256,500	256,500	256,500
Risk reserve	1,948,625	2,596,451	2,681,514	2,789,746	1,427,671	1,497,194	1,577,460	1,675,433
Retained earnings	5,992,810	11,823,246	6,432,810	4,635,122	2,230,054	2,855,759	3,578,153	3,534,080
Fair valuation reserve	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Total Equity	8,195,935	14,674,197	9,368,824	7,679,368	3,912,225	4,607,453	5,410,113	5,464,013
Total Equity and Liabilities	45,479,699	60,686,679	91,249,262	64,555,943	34,096,680	45,831,759	53,713,197	52,323,908

TEN-YEAR SUMMARY

Year ended 31 March	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000
Trading Results			
Gross income	26,598,738	9,969,951	622,824
Profit/(loss) before tax	16,038,040	3,752,909	(889,699)
Tax (charge)/reversal	(4,894,912)	(866,513)	237,254
Profit/(loss) after tax	11,143,128	2,886,396	(652,445)
Other comprehensive income/(loss)	(1,573)	(2,429)	7,782
Total comprehensive income/(loss)	11,141,555	2,883,967	(644,663)
As at 31 March	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000
Financial Position			
Assets			
Cash at banks and in hand	29,161	24,023	348,585
Derivative financial instruments	51,933	51,194	5,190
Financial assets recognised through profit or loss - measured at fair value	56,684,886	50,753,172	24,509,930
Financial assets -fair value through other comprehensive income	-	-	-
Financial assets - at amortised cost	4,539,304	1,131,851	3,109,800
Deferred tax asset	-	4,964	94,318
Property, plant and equipment and right of use assets	321,891	16,112	7,782
Other assets	2,928,768	342,592	340,978
Total assets	64,555,943	52,323,908	28,416,583
Liabilities			
Bank overdrafts	-	-	-
Derivative financial instruments	71,742	153,586	2,622
Securities sold under re-purchase agreements	48,482,468	43,830,826	23,397,838
Short term borrowings	-	-	-
Tax payables	2,971,647	629,708	-
Retirement benefit obligations	10,735	18,718	11,561
Borrowings on listed debentures	764,042	762,076	760,577
Other liabilities	4,575,941	1,464,981	370,425
Total liabilities	56,876,575	46,859,895	24,543,023
Equity			
Stated capital	256,500	256,500	256,500
Risk reserve	2,789,746	1,675,433	1,386,793
Retained earnings	4,635,122	3,534,080	2,232,267
Fair Valuation Reserve	(2,000)	(2,000)	(2,000)
Total equity	7,679,368	5,464,013	3,873,560
Total equity and liabilities	64,555,943	52,323,908	28,416,583
Other Financial Information			
Earnings/(loss) per share* - Rs.	18.10	4.68	(1.06)
Dividend per share* - Rs.	14.50	1.5	-
Dividend payout (%)	80.11	32.05	-
Leverage (times)	6.41	8.16	6.24
Net assets per share* - Rs.	12.47	8.88	6.29

* The effect of the sub- division of shares has been adjusted retrospectively.

Financial Instruments as at 31 March 2024, 31 March 2023, 31 March 2022, 31 March 2021, 31 March 2020 and 31 March 2019 have been presented in accordance with SLFRS 9 and Financial Instruments as at 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015 have been presented in accordance with LKAS 39.

	2021 Rs. '000	2020 Rs. '000	2019 Rs. '000	2018 Rs. '000	2017 Rs. '000	2016 Rs. '000	2015 Rs. '000
	4,294,461	3,708,401	2,671,869	2,510,251	2,536,109	847,442	1,937,351
	2,397,342	1,751,660	137,428	823,406	343,765	11,213	729,705
	(560,061)	(544,083)	(41,621)	847,465	-	-	-
	1,837,281	1,207,577	95,807	1,670,871	343,765	11,213	729,705
	(2,246)	(1,244)	(2,204)	(438)	4,410	(697)	2,414
	1,835,035	1,206,333	93,603	1,670,433	348,175	10,516	732,119
	2021 Rs. '000	2020 Rs. '000	2019 Rs. '000	2018 Rs. '000	2017 Rs. '000	2016 Rs. '000	2015 Rs. '000
	146,614	8,361	2,144	3,077	13,731	1,382	2,120
	2,315	2,734	3,454	47,868	24,075	40,861	40,609
	23,085,413	36,212,069	29,533,427	23,376,073	15,384,251	9,206,856	8,637,938
	-	-	-	1,000	1,000	1,000	1,000
	2,158,045	793,503	1,863,996	968,887	6,369,562	5,903,738	7,323,882
	4,731	262,493	806,482	847,635	-	-	-
	9,849	7,195	1,255	1,393	2,581	5,697	18,991
	317,490	96,246	112,189	256,751	144,336	151,658	70,979
	25,724,457	37,382,601	32,322,947	25,502,684	21,939,536	15,311,192	16,095,519
	-	-	6,660	2,759	-	1,532	-
	824	3,118	2,878	21,659	2,240	20,835	31,359
	19,330,472	32,182,773	27,482,737	21,691,825	19,677,003	13,271,621	14,011,649
	-	-	991,384	-	-	-	-
	740,959	439,878	-	-	-	37,358	33,929
	19,843	14,331	11,446	10,974	8,600	12,327	9,368
	759,255	758,342	511,111	510,689	510,304	509,953	505,143
	354,881	246,756	91,848	133,498	80,472	20,165	77,186
	21,206,234	33,645,198	29,098,064	22,371,404	20,278,619	13,873,791	14,668,634
	256,500	256,500	256,500	256,500	256,500	256,500	256,500
	1,386,793	1,203,065	1,082,307	1,072,726	905,639	871,262	870,141
	2,876,930	2,279,838	1,887,076	1,802,054	498,778	309,639	300,244
	(2,000)	(2,000)	(1,000)	-	-	-	-
	4,518,223	3,737,403	3,224,883	3,131,280	1,660,917	1,437,401	1,426,885
	25,724,457	37,382,601	32,322,947	25,502,684	21,939,536	15,311,192	16,095,519
	2.98	1.96	0.16	2.71	0.56	0.02	1.19
	0.84	1.29	-	0.33	0.20	-	1.03
	28.19	65.63	-	11.97	36.26	-	86.47
	4.45	8.81	8.99	7.09	12.15	9.59	10.17
	7.34	6.07	5.24	5.09	2.70	2.33	2.32

HORIZONTAL AND VERTICAL ANALYSIS OF INCOME STATEMENT OVER FIVE YEARS

HORIZONTAL ANALYSIS

For the year ended 31 March,	2024		2023		2022		2021		2020	
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
Income	26,598,738	167	9,969,951	1,501	622,824	(85)	4,294,461	16	3,708,401	39
Direct expenses	(7,893,976)	25	(6,305,233)	498	(1,054,939)	(20)	(1,322,859)	(36)	(2,056,410)	(12)
Net trading income/(loss)	18,704,762	410	3,664,718	(948)	(432,115)	(115)	2,971,602	80	1,651,991	390
Other income	8,752	68	5,202	(91)	55,002	(73)	206,834	39,752	519	(94)
Net gain/(loss) on fair valuation of financial assets recognised through profit or loss measured at fair value	(307,629)	(129)	1,077,830	(1,560)	(73,849)	(81)	(385,933)	(206)	362,930	(576)
	18,405,885	288	4,747,750	(1,153)	(450,962)	(116)	2,792,503	39	2,015,440	649
Operating expenses										
Personnel expenses	(1,641,574)	270	(443,479)	300	(110,893)	(66)	(324,084)	62	(199,523)	170
Premises, equipment and establishment expenses	(54,911)	288	(14,158)	(54)	(30,601)	(9)	(33,595)	(1)	(33,765)	4
Other operating expenses	(671,360)	25	(537,204)	81	(297,243)	693	(37,482)	23	(30,492)	20
	(2,367,845)	138	(994,841)	127	(438,737)	11	(395,161)	50	(263,780)	100
Profit/(loss) before tax	16,038,040	327	3,752,909	(522)	(889,699)	(137)	2,397,342	37	1,751,660	1,175
Taxation	(4,894,912)	465	(866,513)	(465)	237,254	(142)	(560,061)	3	(544,083)	1,207
Profit/(loss) for the year	11,143,128	286	2,886,396	(542)	(652,445)	(136)	1,837,281	52	1,207,577	1,160
Other comprehensive income										
Items that will never be reclassified to Profit or Loss										
Loss on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	(100)	(1,000)	-
Actuarial gain/(loss) on retirement benefit obligation	(2,247)	(35)	(3,470)	(138)	9,049	(406)	(2,955)	774	(338)	(80)
Tax effect on other comprehensive income	674	(35)	1,041	(182)	(1,267)	(279)	709	654	94	(80)
Item that are or may be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-
Other comprehensive income/(loss)	(1,573)	(35)	(2,429)	(131)	7,782	(446)	(2,246)	81	(1,244)	(44)
Total comprehensive income/(loss) for the year	11,141,555	286	2,883,967	(547)	(644,663)	(135)	1,835,035	52	1,206,333	1,189

VERTICAL ANALYSIS

As at 31 March	2024		2023		2022		2021		2020	
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
Income	26,598,738	100	9,969,951	100	622,824	100	4,294,461	100	3,708,401	100
Direct expenses	(7,893,976)	(30)	(6,305,233)	(63)	(1,054,939)	(169)	(1,322,859)	(31)	(2,056,410)	(55)
Net trading income/(loss)	18,704,762	70	3,664,718	37	(432,115)	(69)	2,971,602	69	1,651,991	45
Other income	8,752	0	5,202	0	55,002	9	206,834	5	519	0
Net gain/(loss) on fair valuation of financial assets recognised through profit or loss measured at fair value	(307,629)	(1)	1,077,830	11	(73,849)	(12)	(385,933)	(9)	362,930	10
	18,405,885	69	4,747,750	48	(450,962)	(72)	2,792,503	65	2,015,440	54
Operating expenses										
Personnel expenses	(1,641,574)	(6)	(443,479)	(4)	(110,893)	(18)	(324,084)	(8)	(199,523)	(5)
Premises, equipment and establishment expenses	(54,911)	(0)	(14,158)	0	(30,601)	(5)	(33,595)	(1)	(33,765)	(1)
Other operating expenses	(671,360)	(3)	(537,204)	(5)	(297,243)	(48)	(37,482)	(1)	(30,492)	(1)
	(2,367,845)	(24)	(994,841)	(10)	(438,737)	(70)	(395,161)	(9)	(263,780)	(7)
Profit/(loss) before tax	16,038,040	60	3,752,909	38	(889,699)	(143)	2,397,342	56	1,751,660	47
Taxation	(4,894,912)	(18)	(866,513)	(9)	237,254	38	(560,061)	(13)	(544,083)	(15)
Profit/(loss) for the year	11,143,128	42	2,886,396	29	(652,445)	(105)	1,837,281	43	1,207,577	33
Other comprehensive income										
Items that will never be reclassified to profit or loss										
Loss on financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	(1,000)	0
Actuarial gain/(loss) on retirement benefit obligation	(2,247)	(0)	(3,470)	0	9,049	1	(2,955)	0	(338)	0
Tax effect on other comprehensive income	674	0	1,041	0	(1,267)	0	709	0	94	0
Item that are or may be reclassified to Profit or Loss	-	-	-	-	-	-	-	-	-	-
Other comprehensive income/(loss)	(1,573)	(0)	(2,429)	0	7,782	1	(2,246)	0	(1,244)	0
Total comprehensive income/(loss) for the year	11,141,555	42	2,883,967	29	(644,663)	(104)	1,835,035	43	1,206,333	33

HORIZONTAL AND VERTICAL ANALYSIS OF STATEMENT OF FINANCIAL POSITION OVER FIVE YEARS

HORIZONTAL ANALYSIS

As at 31 March	2024		2023		2022		2021		2020	
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
ASSETS										
Cash at banks and in hand	29,161	21	24,023	(93)	348,585	138	146,614	1,654	8,361	290
Derivative financial instruments	51,933	1	51,194	886	5,190	124	2,315	(15)	2,734	(21)
Financial assets recognised through profit or loss - measured at fair value	56,684,886	12	50,753,172	107	24,509,930	6	23,085,413	(36)	36,212,069	23
Financial assets - at amortised cost	4,539,304	301	1,131,851	(64)	3,109,800	44	2,158,045	172	793,503	(57)
Receivable from related companies	5,245	40	3,744	82	2,060	1,148	165	(54)	360	(97)
Taxes receivable	-	-	-	-	-	-	-	(100)	508	(65)
Deferred tax asset	-	(100)	4,964	(95)	94,318	1,894	4,731	(98)	262,493	(67)
Other assets	2,922,901	764	338,354	0	338,345	7	316,406	236	94,272	(4)
Property, plant and equipment and right of use assets	321,891	1,898	16,112	107	7,782	(21)	9,849	37	7,195	473
Intangible assets	622	26	494	(14)	573	(38)	919	(17)	1,106	(21)
TOTAL ASSETS	64,555,943	23	52,323,908	84	28,416,583	10	25,724,457	(31)	37,382,601	16
LIABILITIES										
Derivative financial instruments	71,742	(53)	153,586	5,758	2,622	218	824	(74)	3,118	8
Securities sold under repurchase agreements	48,482,468	11	43,830,826	87	23,397,838	21	19,330,472	(40)	32,182,773	17
Creditors and other payables	4,279,710	194	1,453,226	299	363,897	8	336,366	48	227,058	149
Payable to related companies	279,955	2,282	11,755	80	6,528	(65)	18,515	(6)	19,698	2,651
Deferred tax liability	16,276	100	-	-	-	-	-	-	-	-
Taxes payable	2,971,647	372	629,708	-	-	(100)	740,959	68	439,878	-
Borrowing on listed debentures	764,042	0	762,076	0	760,577	0	759,255	0	758,342	48
Retirement benefit obligations	10,735	(43)	18,718	62	11,561	(42)	19,843	38	14,331	25
TOTAL LIABILITIES	56,876,575	21	46,859,895	91	24,543,023	16	21,206,234	(37)	33,645,198	16
EQUITY										
Stated capital	256,500	-	256,500	-	256,500	-	256,500	-	256,500	-
Risk reserve	2,789,746	67	1,675,433	21	1,386,793	-	1,386,793	15	1,203,065	11
Retained earnings	4,635,122	31	3,534,080	58	2,232,267	(22)	2,876,930	26	2,279,838	21
Fair valuation reserve	(2,000)	-	(2,000)	-	(2,000)	-	(2,000)	-	(2,000)	100
TOTAL EQUITY	7,479,368	41	5,464,013	41	3,873,560	(14)	4,518,223	21	3,737,403	16
TOTAL EQUITY AND LIABILITIES	64,555,943	23	52,323,908	84	28,416,583	10	25,724,457	(31)	37,382,601	16

VERTICAL ANALYSIS

As at 31 March	2024		2023		2022		2021		2020	
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
Cash at banks and in hand	29,161	0	24,023	0	348,585	1	146,614	1	8,361	0
Derivative financial instruments	51,933	0	51,194	0	5,190	0	2,315	0	2,734	0
Financial assets recognised through profit or loss - measured at fair value	56,684,886	88	50,753,172	97	24,509,930	87	23,085,413	90	36,212,069	97
Financial assets - at amortised cost	4,539,304	7	1,131,851	2	3,109,800	11	2,158,045	8	793,503	2
Receivable from related companies	5,245	0	3,744	0	2,060	0	165	0	360	0
Taxes receivable	-	-	-	-	-	-	-	-	508	0
Deferred tax asset	-	-	4,964	0	94,318	0	4,731	0	262,493	1
Other assets	2,922,901	5	338,354	1	338,345	1	316,406	1	94,272	0
Property, plant and equipment and right of use assets	321,891	0	16,112	0	7,782	0	9,849	0	7,195	0
Intangible assets	622	0	494	0	573	0	919	0	1,106	0
TOTAL ASSETS	64,555,943	100	52,323,908	100	28,416,583	100	25,724,457	100	37,382,601	100
LIABILITIES										
Derivative financial instruments	71,742	0	153,586	0	2,622	0	824	0	3,118	0
Securities sold under repurchase agreements	48,482,468	75	43,830,826	84	23,397,838	82	19,330,472	75	32,182,773	86
Creditors and other payables	4,279,710	7	1,453,226	3	363,897	1	336,366	1	227,058	1
Payable to related companies	279,955	0	11,755	0	6,528	0	18,515	0	19,698	0
Deferred tax liability	16,276	100	-	-	-	-	-	-	-	-
Taxes payable	2,971,647	5	629,708	1	-	-	740,959	3	439,878	1
Borrowing on listed debentures	764,042	1	762,076	1	760,577	3	759,255	3	758,342	2
Retirement benefit obligations	10,735	0	18,718	0	11,561	0	19,843	0	14,331	0
TOTAL LIABILITIES	56,876,575	88	46,859,895	90	24,543,023	86	21,206,234	82	33,645,198	90
EQUITY										
Stated capital	256,500	0	256,500	0	256,500	1	256,500	1	256,500	1
Risk reserve	2,789,746	4	1,675,433	3	1,386,793	5	1,386,793	5	1,203,065	3
Retained earnings	4,635,122	7	3,534,080	7	2,232,267	8	2,876,930	11	2,279,838	6
Fair valuation reserve	(2,000)	(0)	(2,000)	0	(2,000)	0	(2,000)	0	(2,000)	0
TOTAL EQUITY	7,679,368	12	5,464,013	10	3,873,560	14	4,518,223	18	3,737,403	10
TOTAL EQUITY AND LIABILITIES	64,555,943	100	52,323,908	100	28,416,583	100	25,724,457	100	37,382,601	100

BASIS OF RATIOS

No.	Ratios	Basis of calculation
1	Capital adequacy ratio (%)	Tier 1 and Tier 2 capital/ Total risk weighted assets
2	Cost to income ratio (percentage, times)	Total direct and operating expenses/ Total income and Fair Valuation Gain/losses
3	Debt to equity ratio or Financial leverage (times)	Total interest bearing debt/ Total equity
4	Debt to asset ratio (times)	Total interest bearing debt/ Total assets
5	Dividend payout (%)	Total dividend paid to ordinary shareholders/ Profit attributable to ordinary shareholders of the company
6	Dividend yield (%)	Dividend per share/ Closing market price per share
7	Earnings per share (Rs.)	Profit attributable to ordinary shareholders/ weighted average number of ordinary shares in issue
8	Equity asset ratio (times) (Rs.)	Total equity/ Total assets
9	Interest cover (times)	Profit before interest expenses and tax expenses/ Interest expenses
10	Net assets value per share (Rs.)	Equity attributable to the ordinary Shareholders/ Number of ordinary shares in issue
11	Net profit margin (%)	Profit/(loss) for the year/ Income
12	Operating profit margin (%)	Operating profit/(loss) for the year/ Income
13	Price earning ratio (PE) (times)	Market price per share (Closing market price per share)/ Earnings per share
14	Quick assets ratio (times)	Quick assets/ Current liabilities
15	Return on assets (ROA) (%)	Profit/ (loss) for the year/ Average total assets
16	Return on capital employed (ROCE) (%)	Profit before interest expenses and tax expenses/ Average (Interest bearing Debt + Total equity)
17	Return on equity (ROE) (%)	Profit/(loss) attributable to equityholders/ Average equity attributable to the equityholders
18	Workforce return on investment (times)	Net profit after tax/ investment on the workforce inclusive of salaries, benefits and training

INDEPENDENT ASSURANCE ON INTEGRATED REPORTING



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INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF FIRST CAPITAL TREASURIES PLC

We have been engaged by the Directors of First Capital Treasuries PLC ("the Company") to provide limited assurance in respect of the Integrated Report for the year ended 31 March 2024 (the "Integrated Report"). The criteria used as a basis of reporting is the content elements of the International Integrated Reporting Council (IIRC)'s Integrated Reporting Framework (<IR> Framework) as disclosed in this Integrated Report.

Basis for Conclusion

We conducted our work in accordance with the Sri Lankan Standard on Assurance Engagements SLSAE 3000 (Standard). In accordance with the Standard we have:

- Ensured that the engagement team possess the appropriate knowledge, skills and professional competencies;
- Used our professional judgement to plan and perform the engagement to provide limited assurance that we are not aware of any material misstatements in the Company's Integrated Report, whether due to fraud or error; and
- Considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness.

Our Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

We have not been engaged to provide an assurance conclusion on the fitness for purpose or the operating effectiveness of the Company's strategy or how the Company creates value, including the governance, strategic management and other key business processes. The procedures we have performed in relation to the Company's strategy and how the Company creates value are outlined below.

Limited Assurance Integrated Report

Based on the evidence we obtained from the assurance procedures performed, as described below, we are not aware of any material misstatements that causes us to believe that the Integrated Report, as defined above, for the year ended 31st March 2024, has not in all material respects, been

prepared in accordance with the Content Elements of the IIRC's International Integrated <IR> Framework.

Board of Directors and Management's responsibility

The Board of Directors and Management are responsible for:

- Determining that the criteria is appropriate to meet the needs of intended users, being the Company's members and any other intended users.
- Preparing and presenting of the Integrated Report in accordance with the criteria set out in the IIRC's <IR> Framework. This includes disclosing the criteria, including any significant inherent limitations.
- Ensuring the Company's strategy is well presented in the Company's Integrated Report and reflects how the Company creates value as they operate in practice
- Identifying stakeholders and stakeholder requirements;
- Identifying material issues and reflecting those in the Company's Integrated Report; and
- Preparation and fair presentation of the Integrated reporting information;
- Design and implementation of internal controls that the Company determines necessary to enable the preparation and presentation of the Integrated Report that is free from material misstatement, whether due to fraud or error.
- Informing us of any known and/or contentious issues relating to the Integrated Report.
- Preventing and detecting of fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities;
- Processes to ensure that the Company personnel involved with the preparation and presentation of the integrated reporting information are properly trained, systems are properly updated and that any changes in reporting is relevant to the Integrated Report information encompass all significant business units. This responsibility also includes informing us of any changes in the Company's operations.
- The responsibility also includes informing changes in the Company's Operations since the date of our most recent assurance report on the Integrated reporting information.

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C. P. Jayatilake FCA
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M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T. J. S. Rajakarier FCA
W. K. D. C. Abeyaratne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.W.M.O.W.D.B. Rathnadiwakara FCA

W. J. C. Perera FCA
G. A. U. Karunaratne FCA
R. H. Rajan FCA
A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FTII
K. Somasundaram ACMA(UK)

Independent Assurance on Integrated Reporting



Our responsibility

Our responsibility is to perform an external assurance engagement in relation to the Integrated Report and to issue an assurance report that includes our conclusions.

We conducted our assurance engagement in accordance with Sri Lanka Standard on Assurance Engagements SLSAE 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information (SLSAE 3000) issued by the Institute of Chartered Accountants of Sri Lanka.

We have complied with the independence and other ethical requirements of the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics).

SLSAE 3000 requires that we plan and perform the engagement to obtain limited assurance about whether the Integrated Report is free from material misstatement.

The firm applies Sri Lanka Standard on Quality Control (SLSQC) 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding professional compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Limited assurance on the Integrated Report

Our limited assurance engagement on the Integrated Report consisted of making enquiries, primarily of persons responsible for the preparation of the Integrated Report, and applying analytical and other procedures, as appropriate. These procedures included:

1. Interviews with executives, senior management and relevant staff to understand the internal controls, governance structure and reporting process relevant to the Integrated Report;
2. Reviewing of the relevant internal policies and procedures developed by the Company, including those relevant to determining what matters most to the Company's stakeholders, how the Company creates value, the Company's external environment, strategy, approaches to putting members first, governance and reporting.
3. Reviewing the description of the Company's strategy and how the Company creates value in the Integrated Report and enquiring of management as to whether the description accurately reflects their understanding;
4. Assessing of the suitability and application of the Content Elements of the <IR> Framework in the Integrated Report;
5. Assessing of the alignment between the Company's strategy, the disclosures on how the Company creates value and what matters most to the Company's stakeholders.
6. Reviewing Board minutes to ensure consistency with the content of the Integrated Report.
7. Reading the Integrated Report in its entirety to ensure it is consistent with our overall knowledge obtained during the assurance engagement.

8. Obtaining a letter of representation from management dated 4 June 2024 on the content of the Company's Integrated Report.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion on the Integrated Report.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Company.

Limitations of our review

The Integrated Report includes prospective information. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the Integrated Report.

Purpose of our report

In accordance with the terms of our engagement, this assurance report has been prepared for the Company for the purpose of assisting the Directors in determining whether the Company's Integrated Report is prepared in accordance with the IIRC's International <IR> Framework and for no other purpose or in any other context.

Restriction of use of our report

This report has been prepared for the Company for the purpose of providing an assurance conclusion on the Integrated Report and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Company, or for any other purpose than that for which it was prepared.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company, for any purpose or in any other context. Any party other than the Company who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company for our work, for this independent assurance report, or for the conclusions we have reached.

Chartered Accountants
Colombo, Sri Lanka

4 June 2024

INDEPENDENT ASSURANCE ON SUSTAINABILITY REPORTING



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INDEPENDENT ASSURANCE REPORT TO FIRST CAPITAL TREASURIES PLC

We have been engaged by the Directors of First Capital Treasuries PLC ("the Company") to provide reasonable assurance and limited assurance in respect of the Sustainability Indicators as identified below for the year ended 31 March 2024. The Sustainability Indicators are included in the First Capital Treasuries PLC Integrated Annual Report for the year ended 31 March 2024 (the "Report").

The Reasonable Assurance Sustainability Indicators covered by our reasonable assurance engagement are:

Assured Sustainability Indicators	Integrated Annual Report Page
Financial Highlights	28

Limited Assurance Sustainability Indicators	Integrated Annual Report Page
Operational Highlights	29

Information provided on following

Financial Capital	60 to 62
Manufactured Capital	63 to 64
Intellectual Capital	65 to 67
Human Capital	68 to 73
Social and Relationship Capital	74 to 77
Natural Capital	78 to 80

Our conclusions

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Reasonable Assurance Sustainability Indicators

In our opinion, in all material respects, the Reasonable Assurance Sustainability Indicators, as defined above, for the

year ended 31 March 2024, in all material respects, has been prepared and presented by the management of First Capital Treasuries PLC in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards Guidelines.

Limited Assurance Sustainability Indicators

Based on the evidence we obtained from the assurance procedures performed, as described below we

are not aware of any material misstatements that causes us to believe that the Limited Assurance Sustainability Indicators, as defined above, for the year ended 31 March 2024, have not in all material respects, been prepared and presented by the management of First Capital Treasuries PLC in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards Guidelines.

Management's Responsibility

Management is responsible for the preparation and presentation of the Reasonable Assurance Sustainability Indicators and the Limited Assurance Sustainability Indicators in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards Guidelines.

These responsibilities include establishing such internal controls as management determines are necessary to enable the preparation of the Reasonable Assurance Sustainability Indicators and the Limited Assurance Sustainability Indicators that are free from material misstatement whether due to fraud or error.

Management is responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities.

Management is also responsible for ensuring that staff involved with the preparation and presentation of the description and Report are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

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Independent assurance on sustainability reporting`



Our responsibility

Our responsibility is to express a reasonable assurance conclusion on the Company's preparation and presentation of the Reasonable Assurance Sustainability Indicators and a limited assurance conclusion on the preparation and presentation of the Limited Assurance Sustainability Indicators included in the Report, as defined above.

We conducted our assurance engagement in accordance with Sri Lanka Standard on Assurance Engagements SLSAE 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information (SLSAE 3000) issued by the Institute of Chartered Accountants of Sri Lanka.

We have complied with the independence and other ethical requirements of the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics).

SLSAE 3000 requires that we plan and perform the engagement to obtain reasonable assurance about whether the Reasonable Assurance Sustainability Indicators are free from material misstatement and limited assurance about whether the Limited Assurance Sustainability Indicators are free from material misstatement.

The firm applies Sri Lanka Standard on Quality Control (SLSQC) 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding professional compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reasonable assurance over Reasonable Assurance Sustainability Indicators

The procedures selected in our reasonable assurance engagement depend on our judgment, including the assessment of the risks of material misstatement of the Reasonable Assurance Sustainability Indicators whether due to fraud or error.

In making those risk assessments, we have considered internal controls relevant to the preparation and presentation of the Reasonable Assurance Sustainability Indicators in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal controls over the preparation and presentation of the Report.

Our engagement also included assessing the appropriateness of the Reasonable Assurance Sustainability Indicators, the suitability of the criteria, being the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards

Guidelines, used by the Company in preparing and presenting the Reasonable Assurance Sustainability Indicators within the Report, obtaining an understanding of the compilation of the financial and non-financial information to the sources from which it was obtained, evaluating the reasonableness of estimates made by the Company, and re-computation of the calculations of the Reasonable Assurance Sustainability Indicators.

Limited assurance on the Assured Sustainability Indicators

Our limited assurance engagement on the Limited Assurance Sustainability Indicators consisted of making enquiries, primarily of persons responsible for the preparation of the Limited Assurance Sustainability Indicators, and applying analytical and other procedures, as appropriate. These procedures included:

- interviews with senior management and relevant staff at corporate and selected site level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- enquiries of management to gain an understanding of the Company's processes for determining material issues for the Company's key stakeholder groups;
- enquiries of relevant staff at corporate and selected site level responsible for the preparation of the Limited Assurance Sustainability Indicators;
- enquiries about the design and implementation of the systems and methods used to collect and report the Limited Assurance Sustainability Indicators, including the aggregation of the reported information;
- comparing the Limited Assurance Sustainability Indicators to relevant underlying sources on a sample basis to determine whether all the relevant information has been appropriately included in the Report;
- reading the Limited Assurance Sustainability Indicators presented in the Report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of the Company;
- reading the remainder of the Report to determine whether there are any material misstatements of fact or material inconsistencies based on our understanding obtained as part of our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have



been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion on the Limited Assurance Sustainability Indicators.

Purpose of our report

In accordance with the terms of our engagement, this assurance report has been prepared for the Company for the purpose of assisting the Directors in determining whether the Company's Reasonable and Limited Assurance Sustainability Indicators are prepared and presented in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards Guidelines and for no other purpose or in any other context.

Restriction of use of our report

This report has been prepared for the Directors of First Capital Treasuries PLC for the purpose of providing an assurance conclusion on the Reasonable Assurance Sustainability Indicators and the Limited Assurance Sustainability Indicators included in the First Capital Treasuries PLC Integrated Annual Report for the year ended 31 March 2024 and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of First Capital Treasuries PLC, or for any other purpose than that for which it was prepared.

A handwritten signature in black ink, appearing to be 'KPMG' or a similar stylized mark.

Chartered Accountants
Colombo, Sri Lanka

4 June 2024

GRI CONTENT INDEX

Statement of use	First Capital Treasuries PLC has reported in accordance with the GRI Standards for the period from 1 April 2023 to 31 March 2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI standard/ Other source	Disclosure	Location (page)	Omission		
			Requirement (s) omitted	Reason	Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organisational details	Inner Back Cover			
	2-2 Entities included in the organisation's sustainability reporting	173			
	2-3 Reporting period, frequency and contact point	4 to 6			
	2-4 Restatements of information				No restatements were made
	2-5 External assurance	243-245			
	2-6 Activities, value chain and other business relationships	32-33			
	2-7 Employees	68-73			
	2-8 Workers who are not employees		2-8 a, b, c	Not applicable	FCT does not engage workers who are not employees
	2-9 Governance structure and composition	87			
	2-10 Nomination and selection of the highest governance body	89			
	2-11 Chair of the highest governance body	90			
	2-12 Role of the highest governance body in overseeing the management of impacts	90			
	2-13 Delegation of responsibility for managing impacts	90			
	2-14 Role of the highest governance body in sustainability reporting	30			
	2-15 Conflicts of interest	90			
	2-16 Communication of critical concerns	91			
	2-17 Collective knowledge of the highest governance body	19-22			
	2-18 Evaluation of the performance of the highest governance body	-	2-18 a,b,c	Not applicable	This process is yet to be implemented at FCT

GRI standard/ Other source	Disclosure	Location (page)	Omission		
			Requirement (s) omitted	Reason	Explanation
	2-19 Remuneration policies	155			
	2-20 Process to determine remuneration	155			
	2-21 Annual total compensation ratio		2-21 a,b,c	Confidentiality constraints	Constraints in disclosing total compensation ratio
	2-22 Statement on sustainable development strategy	41			
	2-23 Policy commitments	30-31			
	2-24 Embedding policy commitments	30-31			
	2-25 Processes to remediate negative impacts	30-31			
	2-26 Mechanisms for seeking advice and raising concerns	94			
	2-27 Compliance with laws and regulations	98-149			
	2-28 Membership associations				FCT is a member of Primary dealer association
	2-29 Approach to stakeholder engagement	34-37			
	2-30 Collective bargaining agreements		2-30 a,b	Not applicable	FCT does not have collective agreements with its employees
Material Topics					
GRI 3: Material Material Topics 2021	3-1 Process to determine material topics				
	3-2 List of material topics	38-40			
	3-3 Management of material topics				
Economic Performance					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	48			
	201-2 Financial implications and other risks and opportunities due to climate change	42-45			
	201-3 Defined benefit plan obligations and other retirement plans	206-208			
	201-4 Financial assistance received from government				No financial assistance is received from the government

GRI Content Index

GRI standard/ Other source	Disclosure	Location (page)	Omission		
			Requirement (s) omitted	Reason	Explanation
Indirect economic impacts					
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	63-64			
	203-2 Significant indirect economic impacts	63-64			
Tax					
GRI 207: Tax 2019	207-1 Approach to tax	191-192			
	207-2 Tax governance, control, and risk management	191-192			
	207-3 Stakeholder engagement and management of concerns related to tax	191-192			
	207-4 Country-by-country reporting				Not applicable for FCT
Employment					
GRI 401:	401-1 New employee hires and employee turnover	68-73			
Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	68-73			
	401-3 Parental leave	68-73			
Training and education					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	68-73			
	404-2 Programmes for upgrading employee skills and transition assistance programmes	68-73			
	404-3 Percentage of employees receiving regular performance and career development reviews	68-73			
Customer privacy					
GRI 418:	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	76			
Customer Privacy					

SASB INDEX

The Company adopts SASB for the first time in the financial year 2023/24. These standards define materiality for each industry and accounting metrics specific to 77 industries, which are further sub-categorised. We have indexed below disclosures related to the sector that is most closely aligned to our businesses: Investment Banking & Brokerage (FN-IB).

We do not currently disclose all metrics included in the standards for these sectors. Since the standards for each industry are based on U.S. laws and regulations and systems, some metrics are not applicable to First Capital, which is domiciled in Sri Lanka. However, we strive to disclose information that is consistent with the purpose and content of each relevant metric to the extent possible. All data is as at, or for the year ended 31 March 2024 unless otherwise noted.

We are committed to provide investors with useful, relevant and meaningful sustainability information within the context of our businesses, and may evolve our disclosure on these topics over time.

Topic	Accounting Metric	Category	Code	Response
Employee Diversity and Inclusion	Percentage of gender and racial/ ethnic group representation for (1) executive management (2) non-executive management (3) professionals and (4) all other employees	Quantitative	FN-IB-330a.1	<p>Although the measurement method is not consistent with all the metrics recommended by SASB standards, the following information is disclosed as alternative data:</p> <ul style="list-style-type: none"> • Gender representation of employees by occupational level • Ethnicity of workforce by gender • Number of hires by gender • Number and percentage of women in management <p>Our ESG scorecard provides the above and other Diversity and Inclusion data on pages 30 to 31.</p>
Incorporation of Environmental, Social and Governance Factors	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment banking and brokering; and in investment and/ or wealth management processes and strategies	Discussion and Analysis	FN-IB-410a.3	<p>Our corporate strategy has been refined and reprioritised to accommodate a deeper sustainability perspective as reflected in our new vision.</p> <p>The Board approved Sustainability Policy at group level stems across the Company in informing our future framework for ESG considerations in our businesses. This policy asserts our intentions to align strategy, targets, and risk management policies to address material matters in a timely manner, and how we will incorporate the sustainability approach into all business decisions, functions, and processes.</p> <p>We have set objectives in digitalisation and financial inclusion and focus on ESG factors covering four areas of interest: Sustainable financial solutions, being a responsible entity, community engagement and conserving the environment.</p> <p>See more on ESG approach and governance on pages 30 to 31.</p>

Topic	Accounting Metric	Category	Code	Response
Business Ethics	Description of whistleblower policies and procedures	Discussion and Analysis	FN-IB-510a.2	<p>We have a group level whistleblowing policy in place. It is designed to enable employees of the Company to report any action that is illegal, fraudulent or in violation of any policy.</p> <p>Concerns on potential or actual violations may be channelled to the immediate supervisor of the employee or directly, in writing, to the Audit Committee Chair.</p> <p>Employees are encouraged to disclose their names when forwarding complaints to facilitate appropriate follow-up questions as investigation may otherwise not be possible without the source of the information being identified.</p> <p>All matters are carefully reviewed and investigated with regard for confidentiality and in accordance with protocols for legal, regulatory and ethical compliance.</p> <p>An assurance is given that the whistleblowers will be protected from retaliation or victimisation.</p> <p>We make further disclosures regarding the policy and procedures on pages 68 to 73 in our governance report.</p>
Professional Integrity	Number and percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Quantitative	FN-IB-510.b.1	There were no non-compliances in these areas during the financial year.
	<p>Total amount of monetary losses as a result of legal proceedings associated with:</p> <ul style="list-style-type: none"> Marketing and communication of financial product-related information to new and returning customers; Fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations and Professional integrity, including duty of care 	Quantitative	FN-IB-510a.1 FN-IB-510b.31	<p>First Capital is involved from time to time in regulatory and arbitration proceedings and inquiries concerning matters arising in connection with the conduct of our businesses.</p> <p>We review such matters on a case-by-case basis for provisioning and establish whether a probable loss can be reasonably estimated.</p> <p>We have not made provisions in view of legal proceeding during the year.</p> <p>Material legal proceedings are disclosed in full under Notes 36 & 37 of the Financial Statements. However, there are no material litigation or claims relating to the areas relevant to the SASB standard.</p>

Topic	Accounting Metric	Category	Code	Response
	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	Quantitative	FN-IB-510b.2	There are no mediation and arbitration cases that are ongoing in view of professional integrity, including duty of care.
	Description of approach to ensuring professional integrity, including duty of care	Discussion and Analysis	FN-IB-510b.4	<p>We strive for the highest standards of business ethics and personal accountability, and we take action to ensure that conduct and performance remains in line. We are bound by a suite of policies and procedures applicable across the Company.</p> <p>Our business practices are based on corporate values that are relevant to ethical conduct and are bound by the CBSL regulations. Alongside directors and key management personnel must clear the fitness and proprietary requirements stipulated by regulators on an annual basis.</p>
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	Quantitative	FN-IB-550a.1	Not applicable.
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Discussion and Analysis	FN-IB-550a.2	<p>Although the measurement method is not consistent with the metrics recommended by SASB standards, the following information is disclosed as alternative data;</p> <p>We conduct various scenario analyses as part of an established resource allocation process.</p> <p>Stress testing is performed by the Risk and Compliance division on monthly basis and also at times of risk exposure volatilities to assess the impact of interest rate and market risk on portfolio values, capital adequacy, earnings and net asset positions and also to flag any potential threat to regulatory requirements/ limits.</p>

INTEGRATED REPORTING - CONTENT INDEX

IR Reference	Para. No.	Description	Page No. / Note
1G	1.2	An integrated report should include a statement from those charged with governance	6
2B	2.4	Value created, preserved or eroded by an organisation over time manifests	32 to 33
2C	2.10	All organisations depend on various forms of capital for their success	60 to 80
2D	2.20	The process through which value is created, preserved or eroded is depicted	46 to 47
3A	3.3	Strategic focus and future orientation	46 to 47
3B	3.6	Connectivity of information	Connectivity of the information is maintained throughout the report
3C	3.10	Stakeholder relationships	34 to 37
3D	3.17	Materiality	38 to 40
	3.18	The materiality determination process	38
	3.21	Identifying relevant matters	39 to 40
	3.28	Prioritising important matters	38 to 40
3E		Conciseness	Concise IR report is available on pages 4 to 33
3F		Reliability and completeness	External Assurance on IR reporting is available on pages 241 to 242
3G		Consistency and comparability	28 to 31
4A	4.4, 4.5, 4.6, 4.7	Organisational overview and external environment	56 to 80
4B	4.8	Governance	86 to 149
4C	4.10, 4.11, 4.12, 4.13, 4.14,	Business model	32 to 33
	4.15, 4.16, 4.17, 4.18, 4.19,		
	4.20, 4.21, 4.22		
4D	4.23, 4.24, 4.25, 4.26	Risks and opportunities	50 to 54
4E	4.27, 4.28, 4.29	Strategy and resource allocation	46 to 47
4F	4.31, 4.32, 4.33	Performance	60 to 80
4G	4.35, 4.36, 4.37, 4.38,	Outlook	Note 40 & page 18
	4.39		
4H	4.41, 4.42, 4.43, 4.44,	Basis of preparation and presentation	Page 5 & 6, page 173
	4.45, 4.46, 4.47		

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Sri Lanka Economic Performance 2023-

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Purchasing Managers Index Sri Lanka-

https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/press/pr/press_20240116_pmi_december_2023_e.pdf

Sri Lanka Rupee Performance-

<https://www.cbsl.gov.lk/rates-and-indicators/exchange-rates>

AWPLR Performance-

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External Sector Performance Sri Lanka-

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GLOSSARY OF FINANCIAL AND BUSINESS TERMS

A

1. Accounting Policies:

The specific principles, bases, conventions, rules and practices adopted by an entity in preparing and presenting financial statements.

2. Accrual Basis:

Recognising the effects of transactions and other events when they occur without waiting for receipt or payment of cash or cash equivalent.

3. Additional Issue:

The issuance of new shares for sale to public by a company that has already held its Initial Public Offering (IPO).

4. Amortisation:

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

5. Amortised Cost:

Amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and minus any reduction for impairment or uncollectability.

6. Asset:

A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.

C

7. Capital Adequacy Ratio (CAR):

A measure of a Primary Dealer's capital and is a prudential requirement reflecting the dealer's level of stability. Two categories of capital are measured by the CAR namely Tier 1 and Tier 2.

Tier 1 capital in view of local Primary Dealers consists of shareholders' equity, retained earnings or other surpluses and preference shares types as selectively set out by the Central Bank of Sri Lanka.

Tier 2 capital includes revaluation reserves, subordinated term debt, perpetual subordinated debt and cumulative preference shares as

selectively set out by the Central Bank of Sri Lanka.

8. Capital Employed:

The sum of shareholders' equity and debt liabilities simplified as Total Assets less Current Liabilities denoting the total amount of capital used in the acquisition of profits.

9. Capital Reserves:

The profits of a company which (for various reasons) are not regarded as distributable to shareholders as dividends. These include gains on the revaluation of capital assets.

10. Cash Equivalents:

Short-term, highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

11. Contingent Liabilities:

Conditions or situations at the reporting date, the financial affects of which are to be determined by future events which may or may not occur.

12. Corporate Governance:

Process by which corporate entities are governed to promote stakeholder interest. Shareholders exert collective pressure on management to ensure equitable decision making on matters that may affect the value of their holdings and base their response on statutory requirements or on so called "Best Practice".

13. Credit Rating:

An evaluation of a corporate's ability to repay its obligations or likelihood of not defaulting, carried out by an independent rating agency.

14. Credit Risk:

The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

D

15. Deferred Tax:

Sum set aside in the financial statements that may become payable/receivable in a financial year other than the current financial year. It arises because of

temporary differences between tax rules and accounting conventions.

16. De-recognition:

Removal of a previously recognised financial asset or financial liability from an entity's Statement of Financial Position.

17. Derivatives:

A derivative is a financial instrument or other contract, the value of which changes in response to some underlying variable (eg. an interest rate), that has an initial net investment smaller than would be required for other instruments that have a similar response to the variable, and that will be settled at a future date.

18. Dividend Cover:

Profit after tax divided by gross dividends. This measures the number of times the dividend is covered by distributable profits.

19. Depreciation:

The systematic allocation of the depreciable amount of an asset over its useful life.

20. Dividend Payout:

It is the percentage of earnings paid to shareholders in dividends.

21. Dividend Yield:

Dividend earned per share as a percentage of its market value.

E

22. Earnings per Share:

Profit attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue.

23. Effective Interest Method:

A method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

24. Events occurring after the Reporting Period:

Significant events that occur between the reporting date and the date on which financial statements are authorised for issue.

25. Expected Credit Losses:

Expected credit losses are a probability – weighted estimate of credit losses over the expected life of the financial instrument.

- **12 Month Expected Credit Losses:**
The portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date.
- **Lifetime Expected Credit Losses:**
The expected credit losses that result from all possible default events over the expected life of a financial instrument.

F

26. Fair Value:

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

27. Financial assets recognised through profit or loss -measured at fair value:

These financial assets are held within a business model with the objective to sell financial assets.

28. Financial assets at amortised cost:

These financial assets are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. These assets are tested for impairment.

29. Financial assets - fair value through other comprehensive income:

These financial assets are held within a business model with the objective to both hold financial assets in order to collect contractual cash flows and sell financial assets.

30. Financial Asset or Financial Liability at Fair Value through Profit or Loss:

Financial asset or financial liability that is held for trading or upon initial recognition designated by the entity as 'at fair value through profit or loss'.

31. Financial Instrument:

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

32. Forward Rate Agreement:

An agreement between two parties who wish to protect themselves against a future movement in interest rates.

G

33. Gross Dividends:

The portion of profit inclusive of tax withheld distributed to shareholders.

34. Guarantee:

A promise made for a fee by a third party (Guarantor), who is not a party to the contract between two others, that the guarantor will be liable if one of the parties fails to fulfil the contractual obligations.

H

35. Held to Maturity Investment:

Non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.

I

36. Impairment:

This occurs when recoverable amount of an asset is less than its carrying amount.

37. Intangible Asset:

An identifiable non-monetary asset without physical substance held for use in the production/supply of goods/ services or for rental to others or for administrative purposes.

38. Interest Rate Risk:

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

39. Interest Rate SWAP:

An interest rate SWAP is a contract, whereby two parties agree to exchange a set of interest cash flows based on a notional principle on pre-arranged dates. Normally fixed rate is exchanged for a floating rate.

40. Interest Cover:

A ratio showing the number of times interest charges is covered by earnings before interest and tax.

41. IPO or Initial Public Offering:

The first sale of a company's shares to the public, leading to the listing of its shares on the stock market.

K

42. Key Management Personnel:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

L

43. Lease:

An agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

44. Liabilities:

Debt or obligations of a business.

45. Liquidity Risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

46. Listed:

A company or its financial securities which are admitted for trading on a stock exchange.

47. Loans and Receivables:

Non derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those intends to sell immediately or in the near term and designated as fair value through profit or loss or available for sale on initial recognition.

M

48. Market Value per Share:

The price at which an ordinary share is transacted in the stock market.

49. Market Capitalisation:

The market value of a company at a given date obtained by multiplying the share price by the number of issued shares.

Glossary of Financial and Business Terms

50. Materiality:

The relative significance of a transaction or an event, the omission or misstatement of which could influence the decisions of users of financial statements.

N

51. Net Assets per Share:

Net assets (total assets less total liabilities) divided by the number of shares issued.

O

52. Operational Risk:

This refers to the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

53. Outright:

The purchase or sale of a currency or security for delivery on any date other than spot (not being a swap transaction).

54. Overnight:

Deposit or swap transaction for settlement on transaction date to or against the next business day after transaction date.

P

55. Policy Rates:

The rates that are used by a central bank to implement or signal its monetary policy stance. The Central Bank of Sri Lanka uses the Standing Deposit Facility Rate and Standing Lending Facility Rate as policy rates.

56. Price Earnings Ratio:

Market price of a share divided by earnings per share.

57. Primary Dealer:

A dealer in government securities licensed by the Central Bank of Sri Lanka.

58. Prime Lending Rate (PLR):

The interest rate a commercial bank will offer to its best customers.

R

59. Related Parties:

Parties are considered to be related if one party has the ability to control

the other party or exercise significant influence over the other party in making financial and operating decisions.

60. Related Party Transactions:

A transfer of resources, services or obligations between related parties, regardless of whether a price is charged or not.

61. Repurchase Agreement:

An agreement (Repo for short) is the simultaneous sale and repurchase of a security on different settlement dates.

62. Return on Equity (ROE):

Profit after tax less preference share dividends if any, expressed as a percentage of ordinary shareholders' equity.

63. Return on Assets:

Post-tax profit divided by average total assets.

64. Reverse Repurchase Agreement:

An agreement (Reverse Repo for short) is the simultaneous purchase and resale of a security on different settlement dates.

65. Rights Issue:

The issue of new shares with the right given to existing shareholders to purchase them in proportion to their shareholdings. This raises new capital for the company, often including a premium.

S

66. Shareholders' Funds:

Shareholders funds consist of issued and fully paid ordinary share capital plus capital and revenue reserves.

67. Standing Deposit Facility Rate (SDLR):

The floor rate of interest for the absorption of overnight excess liquidity from the banking system by the Central Bank of Sri Lanka.

68. Standing Lending Facility Rate (SDFR):

The interest rate applicable on reverse repurchase transactions of the Central Bank of Sri Lanka with commercial

banks on an overnight basis providing the ceiling rate for the injection of overnight liquidity to the banking system by the Central Bank of Sri Lanka.

69. Statutory Reserve Requirement (SRR):

The proportion of rupee deposit liabilities that commercial banks are required to maintain as a deposit with the Central Bank of Sri Lanka.

70. Substance Over Form:

The consideration that the accounting treatment and the presentation in financial statements of transactions and the events are governed by their financial reality and not merely by its legal form.

T

71. Term Repo:

A Repo with more than one day's duration. In this report we use it in relation to the Platinum Bond issued by the company which is a Repo investment with medium to long term horizon. Also see Repurchase Agreement.

72. Transaction Costs:

Incremental costs which are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

U

73. Unlisted:

A financial instrument that is not traded on a stock exchange. This also refers to a company that has not been admitted to the stock exchange or acquired 'listed' status.

Y

74. Yield Curve:

The graphical depiction of the relationship between the yield on Treasury securities and the corresponding period.

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of First Capital Treasuries PLC will be held as a virtual meeting on Friday, 28 June 2024 at 10.30 a.m. to transact the following businesses.

1. To receive the Annual Report and the Audited Financial Statements of the Company for the year ended 31 March 2024 together with the Report of the Auditors thereon.
2. To re-elect Mr. Dilshan Wirasekera who retires by rotation in terms of Article 90 of the Articles of Association of the Company and offers himself for re-election.
3. To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company for the ensuing year and authorise the Directors to determine their remuneration.
4. To authorise the Directors to determine and make donations.

By Order of the Board,

(Sgd.)

Janashakthi Corporate Services Limited

Secretaries

4 June 2024

Notice of Meeting

Notes:

1. The Shareholders are requested to register with their first names and last names via the below link before 4.00 pm, on Wednesday, 26 June 2024, to receive the link to join the AGM. The same names should be used to log in to participate in the AGM on Friday, 28 June 2024 at 10.30 a.m.

<https://bit.ly/FCAGM2024-Registration>

2. A member entitled to attend and vote at the above Meeting is entitled to appoint a Proxy to attend and vote on behalf of him/her.
3. A Proxy need not be a member of the Company.
4. A Form of Proxy is enclosed for this purpose.
5. The completed Form of Proxy must be forwarded by email to secretaries@jcs.lk, fax to +94 112372498, WhatsApp to +94 773647178 or directly deposited at the Office of the Company Secretaries. No registration of proxies will be accommodated after this deadline.
6. Shareholders who are unable to participate at the Meeting through the online meeting platform are encouraged to appoint a director as his/her/its proxy by forwarding the duly completed Proxy Form clearly indicating their vote under each matter set out in the Proxy Form to the Company Secretaries as specified above in order that their vote may be identified and recorded as if he/she/it were present at the Meeting.

FORM OF PROXY

I/We, of being a Member/s of the First Capital Treasuries PLC, hereby appoint Mr/Mrs/Miss (holder of NIC No.) of failing him/her,

- 1. Ms. Manjula Mathews failing her
- 2. Mr. Ramesh Schaffter failing him
- 3. Ms. Minette Perera failing her
- 4. Mr. Chandana de Silva failing him
- 5. Dr. Nishan de Mel failing him
- 6. Mr. Dilshan Wirasekara

as my/our Proxy to represent me/us and vote on my/our behalf at the Annual General Meeting of the Company to be held, as a virtual meeting on Friday, 28 June 2024 at 10.30 a.m. and at any adjournment thereof and at every poll which may be taken in consequence thereof.

Please indicate your preference by placing a 'X' in the box of your choice against each Resolution.

	For	Against
1. Receiving of the Annual Report and the Audited Financial Statements of the Company for the year ended 31 March 2024 together with the Report of the Auditor's thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr. Dilshan Wirasekera who retires by rotation in terms of Article 90 of the Articles of Association of the Company and offers himself for re-election.	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-appointment of Messrs. KPMG, Chartered Accountants as Auditors of the Company for the ensuing year.	<input type="checkbox"/>	<input type="checkbox"/>
4. Authorising Directors to determine and make donations.	<input type="checkbox"/>	<input type="checkbox"/>

Signed on this day of 2024

Signature/s.....

Shareholder's N.I.C./P.P./Co. Reg. No.

Form of Proxy

INSTRUCTIONS FOR THE COMPLETION OF THE FORM OF PROXY

1. Please perfect the form of Proxy overleaf, after filling in legibly your full name and address, by signing in the space provided and filling the date of signature and your National Identity Card Number.
2. The completed form of Proxy must be forwarded to the Company Secretaries by email secretaries@jcs.lk, fax +94 112372498, WhatsApp to +94773647178 or directly deposited at the office of Company Secretaries, Janashakthi Corporate Services Limited, Mireka Tower, Havelock City, Havelock Road, Colombo 06 not less than 48 hours before the time fixed for the Meeting. No registration of proxies will be accommodated after this deadline.
3. If an Attorney has signed the form of Proxy, the relative Power of Attorney should also accompany the completed form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.
4. If the Shareholder is a company or a corporate body, the Proxy should be executed in accordance with its Articles of Association or Constitution. The Company may but shall not be bound to require evidence of the authority of any such attorney or officer.
5. If there is any doubt as to how the vote is to be exercised, by reason of the manner in which the form of Proxy has been completed, no vote will be recorded by the form of Proxy.

INVESTOR/STAKEHOLDER FEEDBACK FORM

To request information to submit a comment / query to the company, please provide the following details and return this page to –

Mangala Jayashantha
Chief Financial Officer
First Capital Treasuries PLC
No. 02, Deal Place
Colombo 00300

mangala@firstcapital.lk

Tel : 0112639898

Name	:	
Permanent Mailing Address	:	
Contact Number/s	:	
Tel	:	
Fax	:	
E-Mail	:	
Name of the Company (If Applicable)	:	
Designation (If Applicable)	:	
Company Address (If Applicable)	:	
Queries / Comments	:	

Your opinion matters. Please share your views with us.

Which stakeholder groups do you belong to?

(You may tick more than one)

<input type="checkbox"/> Employee	<input type="checkbox"/> Customer	<input type="checkbox"/> Shareholder	<input type="checkbox"/> Community	<input type="checkbox"/> Investor
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Does the report address issues of greatest interest to you?

<input type="checkbox"/> Comprehensively	<input type="checkbox"/> Partially	<input type="checkbox"/> Not at all
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Please identify any additional issues that you think should be reported on :

Do you have any additional comments on the report - or on the company's performance?

Would you like to be consulted when we prepare our next Integrated report?

<input type="checkbox"/> Yes	<input type="checkbox"/> No
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Your name, email address and / or other contact details:

NOTES

[illegible]

Notes

[illegible]

CORPORATE INFORMATION

Name of the Company:

First Capital Treasuries PLC

Legal Form:

Public Limited Liability Company listed on the Colombo Stock Exchange (Incorporated in Sri Lanka on 19 August 1982)

Stock Exchange Listing:

The ordinary shares of the company were listed on the Colombo Stock Exchange on 23 December 2021

Principal Activities:

Operating as a Primary Dealer in Government Securities

Company Registration Number:

PB 127/PQ

Financial Year-end:

31 March

Website:

www.firstcapital.lk

Registered Office:

No. 02, Deal Place
Colombo 03
Sri Lanka

Secretaries:

Janashakthi Corporate Services Limited
No. 324, 39 Floor, Mireka Tower,
Havelock Road
Colombo 05

Registrars:

SSP Corporate Services (Private) Limited
No. 101, Inner Flower Road
Colombo 3
Tel: 0112 573894

External Auditors:

Messrs KPMG
Chartered Accountants
32 A, Sir Mohamad Macan Marker
Mawatha
P.O. Box 186, Colombo 3

Internal Auditors:

Ernst & Young
Chartered Accountants
No. 109, Rotunda Towers
Galle Road
Colombo 03

Principal Bankers:

Seylan Bank PLC
Hatton National Bank PLC
Nations Trust Bank PLC
Bank of Ceylon
People's Bank
NDB Bank PLC
Commercial Bank of Ceylon PLC

Board of Directors:

Ms. Manjula Mathews
Mr. Dilshan Wirasekara
Mr. Ramesh Schaffter
Ms. Minette Perera
Mr. Chandana de Silva
Dr. Nishan de Mel

Audit Committee:

Ms. Minette Perera - Chairperson
Mr. Chandana de Silva - Member
Mr. Ramesh Schaffter - Member

Nomination Committee:

Dr. Nishan de Mel - Chairman
Ms. Minette Perera - Member
Ms. Manjula Mathews - Member

Remuneration Committee:

Mr. Chandana de Silva - Chairman
Ms. Manjula Mathews - Member
Dr. Nishan de Mel - Member

Investment, Asset and Liability Committee:

Dr. Nishan de Mel - Chairman
Ms. Manjula Mathews - Member
Mr. Dilshan Wirasekara - Member

Related Party Transaction Review Committee:

Ms. Minette Perera - Chairperson
Mr. Chandana de Silva - Member
Mr. Ramesh Schaffter - Member

Enterprise Risk Management Committee:

Dr. Nishan de Mel - Chairman
Mr. Dilshan Wirasekara

Taxpayer Identity Number (TIN):

11 4000132

Credit Rating:

The Company has been assigned A (pronounced "single A") with Positive Outlook by Lanka Rating Agency Limited

Credit Agency Status:

An approved Credit Agency under the Securities and Exchange Commission Act No. 19 of 2021 and the Gazette Extraordinary bearing number 2271/09 dated 15 March 2022



First Capital

A Janashakthi Group Company