



First Capital  
A Janashakthi Group Company

---

# PROVISIONAL FINANCIAL STATEMENTS

---

Quarter ended  
31 March 2023

FIRST CAPITAL HOLDINGS PLC

## REVIEW OF OPERATIONS

---

First Capital Holdings PLC (the Group) recorded a Total Comprehensive Income of Rs. 2.71Bn for the year ended 31 March 2023 compared to Total Comprehensive Loss of Rs. 640Mn in the previous year.

The Primary Dealer division reported a Profit after Tax of Rs. 2.88Bn for the year ended 31 March 2023 (2021/22 – Loss after Tax of Rs. 652Mn). The Results include net interest income of Rs. 3.6Bn and a gain on trading government securities portfolio amounting to Rs. 2.41Bn (2021/22 – Net interest income of Rs. 484Mn and a loss on trading government securities portfolio of Rs. 979Mn were recorded). The Division sold its entire Held to Maturity portfolio of government securities and reported a loss of Rs. 1.26Bn.

The Corporate Dealing Securities division reported a Profit after Tax of Rs. 34Mn for the year ended 31 March 2023 (2021/22 – Loss after Tax of Rs. 248Mn).

The Wealth Management division's financial results for the year 2022/23 were at break-even level. (2021/22 – Profit after Tax of Rs. 87Mn). The assets under management of the division stood at Rs. 40.5Bn as of 31 March 2023 (31 March 2022 – Rs. 41.2Bn).

The Stock Brokering division recorded a Profit after Tax of Rs. 110Mn for the year ended 31 March 2023 (2021/22 – Rs. 230Mn).

First Capital Holdings PLC was recognised as one of the Top 100 Corporates in Sri Lanka and Top Investment Banks in the Brand Finance Ranking.

The Board of Directors of the Company declared an interim dividend of Rs. 2.25 per share amounting to Rs. 911Mn for the year 2022/23 in April 2023.

(Sgd.)

**Dilshan Wirasekara**

Managing Director/ CEO

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

For the period	Notes	Group			
		January ~ March		April ~ March	
		2023	2022	2023	2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Income</b>		<b>4,331,518</b>	<b>838,308</b>	<b>14,292,069</b>	<b>2,273,088</b>
Direct income		4,292,358	800,870	14,122,492	2,123,867
Direct expenses		(2,852,721)	(596,202)	(9,587,212)	(1,899,557)
<b>Net trading income</b>		<b>1,439,637</b>	<b>204,668</b>	<b>4,535,280</b>	<b>224,310</b>
Other income	1	39,160	37,438	169,577	149,221
Gain/ (Loss) on fair valuation of financial assets recognised through profit or loss measured at fair value		754,648	(334,721)	916,957	(190,477)
		<b>2,233,445</b>	<b>(92,615)</b>	<b>5,621,814</b>	<b>183,054</b>
<b>Operating expenses</b>					
Administrative expenses		(526,778)	(164,571)	(1,021,383)	(568,852)
Sales and distribution expenses		(29,253)	(12,240)	(41,237)	(27,503)
Other operating expenses		(167,537)	(235,581)	(619,653)	(293,790)
Provision for impairment of financial assets at amortised cost		(96,266)	(67,857)	(120,443)	(63,453)
		<b>(819,834)</b>	<b>(480,249)</b>	<b>(1,802,716)</b>	<b>(953,598)</b>
<b>Profit/ (Loss) before tax</b>		<b>1,413,611</b>	<b>(572,864)</b>	<b>3,819,098</b>	<b>(770,544)</b>
Income tax (expense)/ reversal	2	(433,887)	(10,886)	(1,177,945)	118,272
<b>Profit/ (Loss) for the period</b>		<b>979,724</b>	<b>(583,750)</b>	<b>2,641,153</b>	<b>(652,272)</b>
<b>Other comprehensive income</b>					
<i>Items that will never be reclassified to profit or loss</i>		-	-	-	-
Actuarial (gain)/ loss on defined benefit plans		(15,348)	22,939	(15,348)	22,939
Gain/ (loss) on financial assets fair value through other comprehensive income		82,138	(5,638)	82,138	(5,638)
Tax effect on other comprehensive income		4,605	(4,601)	4,605	(4,601)
<i>Items that are or may be reclassified to profit or loss</i>		-	-	-	-
<b>Other comprehensive income for the period</b>		<b>71,395</b>	<b>12,700</b>	<b>71,395</b>	<b>12,700</b>
<b>Total comprehensive income/ (loss) for the period</b>		<b>1,051,119</b>	<b>(571,050)</b>	<b>2,712,548</b>	<b>(639,572)</b>
<b>Profit/ (Loss) attributable to:</b>					
Equity holders of the parent		876,042	(557,342)	2,335,704	(608,405)
Non - controlling interest		103,681	(26,408)	305,449	(43,867)
		<b>979,723</b>	<b>(583,750)</b>	<b>2,641,153</b>	<b>(652,272)</b>
<b>Total comprehensive income/ (loss) attributable to:</b>					
Equity holders of the parent		947,700	(545,474)	2,407,361	(596,537)
Non - controlling interest		103,419	(25,576)	305,187	(43,035)
		<b>1,051,119</b>	<b>(571,050)</b>	<b>2,712,548</b>	<b>(639,572)</b>
<b>Basic earnings/ (loss) per share (Rs.)</b>	3	<b>2.16</b>	<b>(1.38)</b>	<b>5.77</b>	<b>(1.50)</b>

Figures in bracket indicate deductions.

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

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

For the period	Notes	Company			
		January ~ March		April ~ March	
		2023	2022	2023	2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Income</b>		<b>1,037,132</b>	<b>252,674</b>	<b>3,741,216</b>	<b>961,516</b>
Direct income		1,037,132	252,543	3,741,216	961,369
Direct expenses		(791,559)	(217,205)	(2,928,094)	(783,153)
<b>Net trading income</b>		<b>245,573</b>	<b>35,338</b>	<b>813,122</b>	<b>178,216</b>
Other income	1	-	131	-	147
Gain/ (loss) on fair valuation of financial assets recognised through profit or loss measured at fair value		18,147	(24,562)	(185,750)	(40,849)
		<b>263,720</b>	<b>10,907</b>	<b>627,372</b>	<b>137,514</b>
<b>Operating expenses</b>					
Administrative expenses		(47,461)	(21,499)	(101,031)	(66,770)
Sales and distribution expenses		(4,166)	(664)	(5,917)	(1,263)
Other operating expenses		(32,271)	(3,383)	(116,056)	(24,890)
Provision for impairment of financial assets at amortised cost		(52,812)	(1,185)	(51,850)	(2,834)
		<b>(136,710)</b>	<b>(26,731)</b>	<b>(274,854)</b>	<b>(95,757)</b>
<b>Operating profit</b>		<b>127,010</b>	<b>(15,824)</b>	<b>352,518</b>	<b>41,757</b>
Share of profit/ (loss) from equity accounted investee (net of tax)		792,183	(543,942)	2,120,999	(556,389)
<b>Profit/ (Loss) before tax</b>		<b>919,193</b>	<b>(559,766)</b>	<b>2,473,517</b>	<b>(514,632)</b>
Income tax (expense)/ reversal	2	(39,090)	2,424	(127,597)	(16,628)
<b>Profit/ (Loss) for the period</b>		<b>880,103</b>	<b>(557,342)</b>	<b>2,345,920</b>	<b>(531,260)</b>
<b>Other comprehensive income</b>					
<i>Items that will never be reclassified to profit or loss</i>		-	-	-	-
Share of other comprehensive income from equity accounted investee (net of tax)		71,657	11,868	71,657	11,868
<i>Items that are or may be reclassified to profit or loss</i>		-	-	-	-
<b>Other comprehensive income for the period</b>		<b>71,657</b>	<b>11,868</b>	<b>71,657</b>	<b>11,868</b>
<b>Total comprehensive income/ (loss) for the period</b>		<b>951,760</b>	<b>(545,474)</b>	<b>2,417,577</b>	<b>(519,392)</b>
<b>Basic earnings/ (loss) per share (Rs.)</b>	3	<b>2.17</b>	<b>(1.38)</b>	<b>5.79</b>	<b>(1.31)</b>

Figures in bracket indicate deductions.

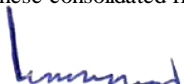
Note: All values are in Rupees '000 unless otherwise stated.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**


As at	Group		Company	
	31 March 2023 (Unaudited)	31 March 2022 (Audited)	31 March 2023 (Unaudited)	31 March 2022 (Audited)
<b>ASSETS</b>				
Cash at banks and in hand	110,372	526,987	18,321	39,417
Derivative financial instruments	51,194	5,190	-	-
Financial assets recognised through profit or loss -measured at fair value	53,721,955	30,066,729	1,730,972	3,220,443
Financial assets - fair value through other comprehensive income	116,773	34,635	-	-
Financial assets at amortised cost	11,225,039	9,059,275	9,397,238	8,784,857
Amounts due from related companies	33,417	750	21,352	8,473
Trade and other receivables	1,022,595	1,423,170	923,598	10,161
Non - current assets held for sale	42,416	42,416	-	-
Taxes receivable	53,452	72,126	-	56,811
Investment in subsidiary	-	-	4,413,907	3,482,855
Deferred tax asset	123,463	122,497	15,763	986
Property, plant and equipment and right of use assets	43,860	38,322	19,769	17,437
Intangible assets	122,545	122,532	2,960	5,281
<b>TOTAL ASSETS</b>	<b>66,667,081</b>	<b>41,514,629</b>	<b>16,543,880</b>	<b>15,626,721</b>
<b>LIABILITIES</b>				
Bank overdrafts	448,194	1,245,741	192,627	1,245,696
Derivative financial instruments	153,586	2,622	-	-
Securities sold under re-purchase agreements	46,330,589	23,799,838	-	-
Short term borrowings	7,080,975	8,139,888	7,215,752	8,250,158
Amounts due to related companies	38,003	5,571	945	2,096
Trade and other payables	1,449,271	959,271	81,455	47,543
Taxes payable	760,768	78,132	34,093	-
Long term borrowings	902,217	-	902,217	-
Retirement benefit obligations	53,063	37,404	-	-
Borrowings on debentures	2,775,692	2,780,890	2,027,452	2,030,553
<b>TOTAL LIABILITIES</b>	<b>59,992,358</b>	<b>37,049,357</b>	<b>10,454,541</b>	<b>11,576,046</b>
<b>EQUITY</b>				
Stated capital	227,500	227,500	227,500	227,500
Risk reserve	1,495,971	1,239,478	1,495,971	1,239,478
Retained earnings	4,663,824	2,881,654	4,663,824	2,881,654
Fair valuation reserve	(297,956)	(297,957)	(297,956)	(297,957)
Equity attributable to the equity holders of the parent	<b>6,089,339</b>	<b>4,050,675</b>	<b>6,089,339</b>	<b>4,050,675</b>
Non- controlling interest	585,384	414,597	-	-
<b>TOTAL EQUITY</b>	<b>6,674,723</b>	<b>4,465,272</b>	<b>6,089,339</b>	<b>4,050,675</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>66,667,081</b>	<b>41,514,629</b>	<b>16,543,880</b>	<b>15,626,721</b>
Net asset per share (Rs.)	<b>15.04</b>	<b>10.00</b>	<b>15.04</b>	<b>10.00</b>

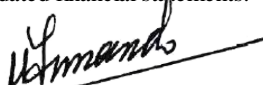
Note: All values are in Rupees '000 unless otherwise stated.

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

  
**Mangala Jayashantha**  
 Chief Financial Officer

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

  
**Dilshan Wirasekara**  
 Managing Director/CEO

  
**Nishan Fernando**  
 Chairman

29 May 2023  
 Colombo.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

	Attributable to equity holders of the parent				Total	Non-controlling Interest	Total Equity
	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve			
<b>Group</b>							
<b>Balance as at 1 April 2021 (Audited)</b>	227,500	1,308,818	3,326,168	(292,419)	4,570,067	252,412	4,822,479
<b><u>Total comprehensive income for the year</u></b>							
Loss for the year	-	-	(608,405)	-	(608,405)	(43,867)	(652,272)
Other comprehensive income/ (loss) for the year	-	-	17,506	(5,638)	11,868	832	12,700
<b>Total comprehensive loss</b>	-	-	<b>(590,899)</b>	<b>(5,638)</b>	<b>(596,537)</b>	<b>(43,035)</b>	<b>(639,572)</b>
<b>Transactions with equity holders</b>							
Distribution to equity holders	-	-	-	-	-	-	-
Adjustment due to change in share ownership	-	(69,340)	146,385	100	77,145	205,220	282,365
<b>Total transactions with equity holders</b>	-	<b>(69,340)</b>	<b>146,385</b>	<b>100</b>	<b>77,145</b>	<b>205,220</b>	<b>282,365</b>
Transfers to risk reserve	-	-	-	-	-	-	-
<b>Balance as at 31 March 2022 (Audited)</b>	<b>227,500</b>	<b>1,239,478</b>	<b>2,881,654</b>	<b>(297,957)</b>	<b>4,050,675</b>	<b>414,597</b>	<b>4,465,272</b>
<b>Balance as at 1 April 2022 (Audited)</b>	<b>227,500</b>	<b>1,239,478</b>	<b>2,881,654</b>	<b>(297,957)</b>	<b>4,050,675</b>	<b>414,597</b>	<b>4,465,272</b>
Impact on surcharge tax	-	-	(378,913)	-	(378,913)	(39,149)	(418,062)
<b>Adjusted balance as at 1 April 2022</b>	<b>227,500</b>	<b>1,239,478</b>	<b>2,502,741</b>	<b>(297,957)</b>	<b>3,671,762</b>	<b>375,448</b>	<b>4,047,210</b>
<b><u>Total comprehensive income for the year</u></b>							
Profit for the period	-	-	2,335,704	-	2,335,704	305,449	2,641,153
Other comprehensive income	-	-	71,657	-	71,657	(262)	71,395
<b>Total comprehensive income</b>	-	-	<b>2,407,361</b>	-	<b>2,407,361</b>	<b>305,187</b>	<b>2,712,548</b>
<b>Transactions with equity holders</b>							
Dividend paid to shareholders with NCI*	-	-	-	-	-	(99,659)	(99,659)
Adjustment due to change in share ownership	-	(1,326)	11,541	1	10,216	4,408	14,624
<b>Total transactions with equity holders</b>	-	<b>(1,326)</b>	<b>11,541</b>	<b>1</b>	<b>10,216</b>	<b>(95,251)</b>	<b>(85,035)</b>
Transfers to risk reserve	-	257,819	(257,819)	-	-	-	-
<b>Balance as at 31 March 2023 (Unaudited)</b>	<b>227,500</b>	<b>1,495,971</b>	<b>4,663,824</b>	<b>(297,956)</b>	<b>6,089,339</b>	<b>585,384</b>	<b>6,674,723</b>

\* Non controlling interest

Figures in bracket indicate deductions.

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

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Total Equity
<b>Company</b>					
<b>Balance as at 1 April 2021 (Audited)</b>	227,500	1,308,818	3,326,168	(292,419)	4,570,067
<b><u>Total comprehensive income for the year</u></b>					
Loss for the year	-	-	(531,260)	-	(531,260)
Other comprehensive income/ (loss) for the year	-	-	17,506	(5,638)	11,868
<b>Total comprehensive loss</b>	-	-	<b>(513,754)</b>	<b>(5,638)</b>	<b>(519,392)</b>
<b>Transactions with equity holders</b>					
Distribution to equity holders	-	-	-	-	-
Adjustment due to change in share ownership	-	(69,340)	69,240	100	-
Transfer to risk reserve	-	(69,340)	69,240	100	-
<b>Balance as at 31 March 2022 (Audited)</b>	<b>227,500</b>	<b>1,239,478</b>	<b>2,881,654</b>	<b>(297,957)</b>	<b>4,050,675</b>
<b>Balance as at 1 April 2022 (Audited)</b>	<b>227,500</b>	<b>1,239,478</b>	<b>2,881,654</b>	<b>(297,957)</b>	<b>4,050,675</b>
Impact on surcharge tax	-	-	(378,913)	-	(378,913)
<b>Adjusted balance as at 1 April 2022</b>	<b>227,500</b>	<b>1,239,478</b>	<b>2,502,741</b>	<b>(297,957)</b>	<b>3,671,762</b>
<b><u>Total comprehensive income for the period</u></b>					
Profit for the period	-	-	2,345,920	-	2,345,920
Other comprehensive income	-	-	71,657	-	71,657
<b>Total comprehensive income</b>	-	-	<b>2,417,577</b>	-	<b>2,417,577</b>
<b>Transactions with equity holders</b>					
Adjustment due to change in share ownership	-	(1,326)	1,325	1	-
<b>Total distribution to equity holders</b>	-	<b>(1,326)</b>	<b>1,325</b>	<b>1</b>	-
Transfer to risk reserve	-	257,819	(257,819)	-	-
<b>Balance as at 31 March 2023 (Unaudited)</b>	<b>227,500</b>	<b>1,495,971</b>	<b>4,663,824</b>	<b>(297,956)</b>	<b>6,089,339</b>

Figures in bracket indicate deductions.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the period	Group		Company	
	April ~ March		April ~ March	
	2023	2022	2023	2022
	Unaudited	Audited	Unaudited	Audited
<b>Cash flows from operating activities</b>				
Interest receipts and gains realised	13,833,728	2,120,115	3,733,111	957,997
Interest payments and other direct cost	(9,299,148)	(1,784,505)	(2,917,672)	(760,133)
Other receipts	169,577	98,353	-	114
Cash payments to employees and suppliers	(995,511)	(626,258)	(164,114)	(81,808)
<b>Operating profit/ (loss) before changes in operating assets and liabilities</b>	<b>3,708,646</b>	<b>(192,295)</b>	<b>651,325</b>	<b>116,170</b>
(Increase)/ Decrease in financial assets recognised through profit or loss - measured at fair value	(22,633,310)	(2,210,922)	1,303,721	(2,649,491)
(Increase)/ Decrease in financial assets at amortised cost	(2,044,819)	(2,083,335)	(656,126)	248,567
(Increase)/ Decrease in trade and other receivables	400,575	(508,434)	(2,007)	(8,881)
(Increase)/ Decrease in group balances receivable	(32,667)	154	(12,879)	21,274
Increase/ (Decrease) in trade and other payables	(516,923)	57,066	(39,029)	1,080
Increase/ (Decrease) in group balances payable	32,432	(1,329)	(1,151)	2,039
Increase/ (Decrease) in other short term borrowings	(1,070,219)	1,476,460	(1,045,712)	1,586,730
Increase in borrowings against re-purchase agreements	22,251,012	3,482,249	-	-
<b>Cash generated from/ (used in) operations</b>	<b>94,727</b>	<b>19,614</b>	<b>198,142</b>	<b>(682,512)</b>
Tax paid	(532,380)	(735,490)	(54,005)	-
Gratuity paid	(11,948)	(1,564)	-	-
<b>Net cash flow generated from/ (used in) operating activities</b>	<b>(449,601)</b>	<b>(717,440)</b>	<b>144,137</b>	<b>(682,512)</b>
<b>Cash flow from investing activities</b>				
Purchase of property, plant, equipment and intangible assets	(31,953)	(17,694)	(12,164)	(8,745)
Proceeds on sale of property plant and equipment	145	942	-	357
Dividend receipts	47,376	50,721	-	-
Net disposal proceeds from equity stake in subsidiary	14,624	282,365	-	-
<b>Net cash flow generated from/ (used in) investing activities</b>	<b>30,192</b>	<b>316,334</b>	<b>(12,164)</b>	<b>(8,388)</b>
<b>Cash flow from financing activities</b>				
Dividend paid	-	(506,250)	-	(506,250)
Dividend paid to shareholders with non-controlling interest	(99,659)	-	-	-
Repayment of long term borrowings	(100,000)	(50,000)	(100,000)	(50,000)
Proceeds from long term borrowings	1,000,000	-	1,000,000	-
<b>Net cash flow generated from/(used in) financing activities</b>	<b>800,341</b>	<b>(556,250)</b>	<b>900,000</b>	<b>(556,250)</b>
<b>Net cash inflow/ (outflow) for the period</b>	<b>380,932</b>	<b>(957,356)</b>	<b>1,031,973</b>	<b>(1,247,150)</b>
Cash and cash equivalents at the beginning of the period	(718,754)	238,602	(1,206,279)	40,871
Cash and cash equivalents at the end of the period (Note A)	<b>(337,822)</b>	<b>(718,754)</b>	<b>(174,306)</b>	<b>(1,206,279)</b>
<b>Note A</b>				
Cash at bank and hand	110,372	526,987	18,321	39,417
Bank overdraft	(448,194)	(1,245,741)	(192,627)	(1,245,696)
	<b>(337,822)</b>	<b>(718,754)</b>	<b>(174,306)</b>	<b>(1,206,279)</b>

Figures in bracket indicate deductions.

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

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Other income

#### For the period - Group

	January ~ March		April ~ March	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Exchange gain/ (loss)	(15)	378	38	54,921
Profit on sale of property, plant and equipment	142	114	142	147
Miscellaneous income	39,033	36,946	169,397	94,153
	<b>39,160</b>	<b>37,438</b>	<b>169,577</b>	<b>149,221</b>

#### For the period - Company

	January ~ March		April ~ March	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit on sale of property, plant and equipment	-	33	-	33
Miscellaneous income	-	98	-	114
	-	<b>131</b>	-	<b>147</b>

### 2 Income tax expenses

#### For the period - Group

	January ~ March		April ~ March	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current tax expenses	(319,972)	(22,304)	(991,944)	(128,741)
Over/ (under) provision for taxes	(19,990)	(10,041)	(19,990)	139,143
Deferred tax recognized/ (expenses)	68,449	21,459	(3,637)	107,870
WHT on Dividend	(162,374)	-	(162,374)	-
	<b>(433,887)</b>	<b>(10,886)</b>	<b>(1,177,945)</b>	<b>118,272</b>

#### For the period - Company

	January ~ March		April ~ March	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current tax expenses	(53,600)	1,996	(142,374)	(18,612)
Over/ (under) provision for taxes	-	-	-	1,035
Deferred tax recognized/ (expenses)	14,510	428	14,777	949
	<b>(39,090)</b>	<b>2,424</b>	<b>(127,597)</b>	<b>(16,628)</b>

### 3 Basic earnings per share (EPS)

Earnings per share has been calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. The effect on sub-division of shares which was executed on 27 April 2022 has been adjusted retrospectively (Note 10.1).

### 4 These Provisional Financial Statements for the quarter ended 31 March 2023 have been prepared in accordance with Sri Lanka Accounting Standard (LKAS 34) "Interim Financial Reporting".

## NOTES TO THE FINANCIAL STATEMENTS

### 5 Financial instruments- Fair Value Measurement

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

#### Level - 1

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

#### Level - 2

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

#### Level - 3

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

### 5.1 Fair values versus the Carrying amounts

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

#### Group

	As at 31.03.2023		As at 31.03.2022	
	Carrying Amount Rs. '000	Fair Value Rs. '000	Carrying Amount Rs. '000	Fair Value Rs. '000
<b>Financial assets measured at fair value</b>				
Derivative financial instruments	51,194	51,194	5,190	5,190
Financial assets recognised through profit or loss - measured at fair value	53,721,955	53,721,955	30,066,729	30,066,729
Financial assets - fair value through other comprehensive income	116,773	116,773	34,635	34,635
	<b>53,889,922</b>	<b>53,889,922</b>	30,106,554	30,106,554
<b>Financial assets not measured at fair value</b>				
Cash at banks and in hand	110,372	110,372	526,987	526,987
Financial assets at amortised cost	11,225,039	11,225,039	9,059,275	9,061,083
Amounts due from related companies	33,417	33,417	750	750
Trade receivables	560,150	560,150	925,049	925,049
	<b>11,928,978</b>	<b>11,928,978</b>	10,512,061	10,513,869
<b>Total financial assets</b>	<b>65,818,900</b>	<b>65,818,900</b>	40,618,615	40,620,423
<b>Financial liabilities measured at fair value</b>				
Derivative financial instruments	153,586	153,586	2,622	2,622
	<b>153,586</b>	<b>153,586</b>	2,622	2,622
<b>Financial liabilities not measured at fair value</b>				
Bank overdrafts	448,194	448,194	1,245,741	1,245,741
Amounts due to related companies	38,003	38,003	5,571	5,571
Trade and other payables	1,269,825	1,269,825	623,788	623,788
Securities sold under re-purchase agreements	46,330,589	46,314,954	23,799,838	23,773,602
Short term borrowings	7,080,975	7,080,975	8,139,888	8,139,888
Long term borrowings	902,217	902,217	-	-
Borrowings on debentures	2,775,692	1,915,259	2,780,890	2,311,508
	<b>58,845,495</b>	<b>57,969,427</b>	36,595,716	36,100,098
<b>Total financial liabilities</b>	<b>58,999,081</b>	<b>58,123,013</b>	36,598,338	36,102,720

## NOTES TO THE FINANCIAL STATEMENTS

### 5.1 Fair values versus the Carrying amounts (Contd.)

#### Company

	As at 31.03.2023		As at 31.03.2022	
	Carrying Amount Rs. '000	Fair Value Rs. '000	Carrying Amount Rs. '000	Fair Value Rs. '000
<b>Financial assets measured at fair value</b>				
Financial assets recognised through profit or loss - measured at fair value	<b>1,730,972</b>	<b>1,730,972</b>	3,220,443	3,220,443
	<b>1,730,972</b>	<b>1,730,972</b>	<b>3,220,443</b>	<b>3,220,443</b>
<b>Financial assets not measured at fair value</b>				
Cash at banks and in hand	<b>18,321</b>	<b>18,321</b>	39,417	39,417
Amounts due from related companies	<b>21,352</b>	<b>21,352</b>	8,473	8,473
Financial assets at amortised cost	<b>9,397,238</b>	<b>9,397,238</b>	8,784,857	8,784,857
	<b>9,436,911</b>	<b>9,436,911</b>	8,832,747	8,832,747
<b>Total financial assets</b>	<b>11,167,883</b>	<b>11,167,883</b>	12,053,190	12,053,190
<b>Financial liabilities measured at fair value</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>				
Bank overdrafts	<b>192,627</b>	<b>192,627</b>	1,245,696	1,245,696
Amounts due to related companies	<b>945</b>	<b>945</b>	2,096	2,096
Trade and other payables	<b>79,858</b>	<b>79,858</b>	46,460	46,460
Short term borrowings	<b>7,215,752</b>	<b>7,215,752</b>	8,250,158	8,250,158
Long term borrowings	<b>902,217</b>	<b>902,217</b>	-	-
Borrowings on debentures	<b>2,027,452</b>	<b>1,365,457</b>	2,030,553	1,653,396
	<b>10,418,851</b>	<b>9,756,856</b>	11,574,963	11,197,806
<b>Total financial liabilities</b>	<b>10,418,851</b>	<b>9,756,856</b>	11,574,963	11,197,806

## NOTES TO THE FINANCIAL STATEMENTS

### 5.2 Financial instruments- Fair Value

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

#### Group - As at 31 March 2023

#### Financial assets measured at fair value

##### Derivative financial instruments

Forward purchase contracts

Forward sale contracts

##### Financial assets recognised through profit or loss - measured at fair value

Investment in government securities

Investment in debentures

Investment in unit trust

Investment in listed shares

Financial assets - fair value through other comprehensive income

##### Financial assets not measured at fair value

Cash at banks and in hand

Financial assets at amortised cost

Amounts due from related companies

Trade receivables

#### Total financial assets

##### Financial liabilities measured at fair value

##### Derivative financial instruments

Forward purchase contracts

Forward sale contracts

##### Financial liabilities not measured at fair value

Bank overdrafts

Amounts due to related companies

Trade and other payables

Securities sold under re-purchase agreements

Short term borrowings

Long term borrowings

Borrowings on debentures

#### Total financial liabilities

	Carrying Value Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Fair Value Rs.'000
<b>Financial assets measured at fair value</b>					
<b>Derivative financial instruments</b>					
Forward purchase contracts	38,918	38,918	-	-	38,918
Forward sale contracts	12,276	12,276	-	-	12,276
	<b>51,194</b>	<b>51,194</b>	-	-	<b>51,194</b>
<b>Financial assets recognised through profit or loss - measured at fair value</b>					
Investment in government securities	51,395,192	51,395,192	-	-	51,395,192
Investment in debentures	1,092,105	-	1,092,105	-	1,092,105
Investment in unit trust	602,765	-	602,765	-	602,765
Investment in listed shares	631,893	631,893	-	-	631,893
	<b>53,721,955</b>	<b>52,027,085</b>	<b>1,694,870</b>	-	<b>53,721,955</b>
Financial assets - fair value through other comprehensive income	116,773	-	116,773	-	116,773
	<b>53,889,922</b>	<b>52,078,279</b>	<b>1,811,643</b>	-	<b>53,889,922</b>
<b>Financial assets not measured at fair value</b>					
Cash at banks and in hand	110,372	-	-	110,372	110,372
Financial assets at amortised cost	11,225,039	-	-	11,225,039	11,225,039
Amounts due from related companies	33,417	-	-	33,417	33,417
Trade receivables	560,150	-	-	560,150	560,150
	<b>11,928,978</b>	-	-	<b>11,928,978</b>	<b>11,928,978</b>
<b>Total financial assets</b>	<b>65,818,900</b>	<b>52,078,279</b>	<b>1,811,643</b>	<b>11,928,978</b>	<b>65,818,900</b>
<b>Financial liabilities measured at fair value</b>					
<b>Derivative financial instruments</b>					
Forward purchase contracts	4,506	4,506	-	-	4,506
Forward sale contracts	149,080	149,080	-	-	149,080
	<b>153,586</b>	<b>153,586</b>	-	-	<b>153,586</b>
<b>Financial liabilities not measured at fair value</b>					
Bank overdrafts	448,194	-	-	448,194	448,194
Amounts due to related companies	38,003	-	-	38,003	38,003
Trade and other payables	1,269,825	-	-	1,269,825	1,269,825
Securities sold under re-purchase agreements	46,330,589	-	-	46,314,954	46,314,954
Short term borrowings	7,080,975	-	-	7,080,975	7,080,975
Long term borrowings	902,217	-	-	902,217	902,217
Borrowings on debentures	2,775,692	-	1,915,259	-	1,915,259
	<b>58,845,495</b>	-	<b>1,915,259</b>	<b>56,054,168</b>	<b>57,969,427</b>
<b>Total financial liabilities</b>	<b>58,999,081</b>	<b>153,586</b>	<b>1,915,259</b>	<b>56,054,168</b>	<b>58,123,013</b>

## NOTES TO THE FINANCIAL STATEMENTS

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

Group - As at 31 March 2022

	Total Carrying Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Fair Value Rs.'000
<b>Financial assets measured at fair value</b>					
<b>Derivative financial instruments</b>					
Forward purchase contracts	3,290	3,290	-	-	3,290
Forward sale contracts	1,900	1,900	-	-	1,900
	<b>5,190</b>	<b>5,190</b>	-	-	<b>5,190</b>
<b>Financial assets recognised through profit or loss - measured at fair value</b>					
Investment in government securities	27,473,623	27,473,623	-	-	27,473,623
Investment in debentures	1,425,996	778,941	647,055	-	1,425,996
Investment in unit trust	431,831	-	431,831	-	431,831
Investment in listed shares	735,279	735,279	-	-	735,279
	<b>30,066,729</b>	<b>28,987,843</b>	<b>1,078,886</b>	-	<b>30,066,729</b>
<b>Financial assets - fair value through other comprehensive income</b>					
	34,635	-	34,635	-	34,635
	<b>30,106,554</b>	<b>28,993,033</b>	<b>1,113,521</b>	-	<b>30,106,554</b>
<b>Financial assets not measured at fair value</b>					
Cash at banks and in hand	526,987	-	-	526,987	526,987
Financial assets at amortised cost	9,059,275	2,370,790	-	6,690,293	9,061,083
Amounts due from related companies	750	-	-	750	750
Trade receivables	925,049	-	-	925,049	925,049
	<b>10,512,061</b>	<b>2,370,790</b>	-	<b>8,143,079</b>	<b>10,513,869</b>
<b>Total financial assets</b>	<b>40,618,615</b>	<b>31,363,823</b>	<b>1,113,521</b>	<b>8,143,079</b>	<b>40,620,423</b>
<b>Financial liabilities measured at fair value</b>					
<b>Derivative financial instruments</b>					
Forward sale contracts	2,622	2,622	-	-	2,622
	<b>2,622</b>	<b>2,622</b>	-	-	<b>2,622</b>
<b>Financial liabilities not measured at fair value</b>					
Bank overdrafts	1,245,741	-	-	1,245,741	1,245,741
Amounts due to related companies	5,571	-	-	5,571	5,571
Trade and other payables	623,788	-	-	623,788	623,788
Securities sold under re-purchase agreements	23,799,838	-	-	23,773,602	23,773,602
Short term borrowings	8,139,888	-	-	8,139,888	8,139,888
Borrowings on debentures	2,780,890	-	2,311,508	-	2,311,508
	<b>36,595,716</b>	-	<b>2,311,508</b>	<b>33,788,590</b>	<b>36,100,098</b>
<b>Total financial liabilities</b>	<b>36,598,338</b>	<b>2,622</b>	<b>2,311,508</b>	<b>33,788,590</b>	<b>36,102,720</b>

## NOTES TO THE FINANCIAL STATEMENTS

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

#### Company - As at 31 March 2023

	Total Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Financial assets measured at fair value</b>					
<b>Financial assets recognised through profit or loss - measured at fair value</b>					
Investment in government securities	642,021	642,021	-	-	642,021
Investment in debentures	588,260	-	588,260	-	588,260
Investment in unit trust	500,691	-	500,691	-	500,691
	<b>1,730,972</b>	<b>642,021</b>	<b>1,088,951</b>	<b>-</b>	<b>1,730,972</b>
<b>Financial assets not measured at fair value</b>					
Cash at banks and in hand	18,321	-	-	18,321	18,321
Amounts due from related companies	21,352	-	-	21,352	21,352
Financial assets at amortised cost	9,397,238	-	-	9,397,238	9,397,238
	<b>9,436,911</b>	<b>-</b>	<b>-</b>	<b>9,436,911</b>	<b>9,436,911</b>
<b>Total financial assets</b>	<b>11,167,883</b>	<b>642,021</b>	<b>1,088,951</b>	<b>9,436,911</b>	<b>11,167,883</b>
<b>Financial liabilities measured at fair value</b>					
	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>					
Bank overdrafts	192,627	-	-	192,627	192,627
Amounts due to related companies	945	-	-	945	945
Trade and other payables	79,858	-	-	79,858	79,858
Short term borrowings	7,215,752	-	-	7,215,752	7,215,752
Long term borrowings	902,217	-	-	902,217	902,217
Borrowings on debentures	2,027,452	-	1,365,457	-	1,365,457
	<b>10,418,851</b>	<b>-</b>	<b>1,365,457</b>	<b>8,391,399</b>	<b>9,756,856</b>
<b>Total financial liabilities</b>	<b>10,418,851</b>	<b>-</b>	<b>1,365,457</b>	<b>8,391,399</b>	<b>9,756,856</b>

#### Company - As at 31 March 2022

	Total Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Financial assets measured at fair value</b>					
<b>Financial assets recognised through profit or loss - measured at fair value</b>					
Investment in government securities	2,472,961	2,472,961	-	-	2,472,961
Investment in debentures	747,482	747,482	-	-	747,482
	<b>3,220,443</b>	<b>3,220,443</b>	<b>-</b>	<b>-</b>	<b>3,220,443</b>
<b>Financial assets not measured at fair value</b>					
Cash at banks and in hand	39,417	-	-	39,417	39,417
Amounts due from related companies	8,473	-	-	8,473	8,473
Financial assets at amortised cost	8,784,857	-	-	8,784,857	8,784,857
	<b>8,832,747</b>	<b>-</b>	<b>-</b>	<b>8,832,747</b>	<b>8,832,747</b>
<b>Total financial assets</b>	<b>12,053,190</b>	<b>3,220,443</b>	<b>-</b>	<b>8,832,747</b>	<b>12,053,190</b>
<b>Financial liabilities measured at fair value</b>					
	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>					
Bank overdrafts	1,245,696	-	-	1,245,696	1,245,696
Amounts due to related companies	2,096	-	-	2,096	2,096
Trade and other payables	46,460	-	-	46,460	46,460
Short term borrowings	8,250,158	-	-	8,250,158	8,250,158
Borrowings on debentures	2,030,553	-	1,653,396	-	1,653,396
	<b>11,574,963</b>	<b>-</b>	<b>1,653,396</b>	<b>9,544,410</b>	<b>11,197,806</b>
<b>Total financial liabilities</b>	<b>11,574,963</b>	<b>-</b>	<b>1,653,396</b>	<b>9,544,410</b>	<b>11,197,806</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 5.3 Measurement of fair values

#### 5.3 (a) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant

#### Financial instruments measured at fair value

Type	Valuation Technique	Significant Unobservable Inputs	Inter-relationship between Significant Unobservable Inputs and Fair Value Measurement
Debentures	The valuation model is based on Yield Curve of the Government Securities. Yields relating to Government Securities based on the remaining maturities of the respective debentures is interpolated in the valuation considering the investee companies' risk premiums.	Risk premium of the investee companies (lies between 3.27% and 9.53%)	The estimated fair value would increase/decrease if risk premium of the investee company is lower or higher
Unit Trusts	The fair values are based on the Net Asset Values published by the respective unit trusts.	Not applicable	Not applicable
Equity Securities (Financial assets - fair value through other comprehensive income)	The fair values are based on price to book value approach (PBV 1.0 times).	Discounting factor used to arrive the unlisted price	The estimated fair value would increase/decrease if the discounting factor used by investor company is lower or higher

#### 5.3 (a) Fair Values - Level 2 and Level 3

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

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

	Equity Securities (Financial assets - FVTOCI)			Total
	Debentures	Unit Trust		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April 2022	647,055	431,831	34,635	1,113,521
Purchase	24,854	2,929,896	-	2,954,750
Sales/ Matured	(141,276)	(2,786,881)	-	(2,928,157)
Interest accrued	41,859	-	-	41,859
Gain/ (loss) on fair valuation of financial investments	(259,328)	27,919	82,138	(149,271)
Transferred from level 1	778,941	-	-	778,941
<b>Balance as at 31 March 2023</b>	<b>1,092,105</b>	<b>602,765</b>	<b>116,773</b>	<b>1,811,643</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 5.3 (b) Reconciliation of level 2 and level 3 fair values (Company)

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

	Unit Trust	Debentures	Total
	Rs.'000	Rs.'000	Rs.'000
Balance as at 1 April 2022	-	-	-
Purchase	500,000	-	500,000
Sales/ Matured	-	(1,517)	(1,517)
Interest accrued	691	38,440	39,131
Gain/ (loss) on fair valuation of financial investments	-	(196,145)	(196,145)
Transferred from level 1	-	747,482	747,482
<b>Balance as at 31 March 2023</b>	<b>500,691</b>	<b>588,260</b>	<b>1,088,951</b>

### 5.4 (a) Sensitivity analysis on Listed/ Unlisted Debentures (Group)

Sensitivity of the Market Yield (Effect on Statement of profit or loss and other comprehensive income) is as follows.

	(-) 100bps Decrease	(-) 200bps Decrease	(+) 100bps Increase	(+) 200bps Increase
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Keysey Homes (Pvt) Ltd (Unlisted)	1,895	3,817	(1,868)	(3,708)
Asia Asset Finance PLC (Maturity 2023)	770	1,548	(761)	(1,513)
Asia Asset Finance PLC (Maturity 2026)	1,036	2,078	(1,028)	(2,049)
LOLC Holdings PLC	8,742	17,992	(8,269)	(16,095)
Softlogic Capital PLC	633	1,278	(622)	(1,232)
Janashakthi Limited (Unlisted) (Maturity 2023)	395	794	(391)	(777)
	<b>13,471</b>	<b>27,507</b>	<b>(12,939)</b>	<b>(25,374)</b>

### 5.4 (b) Sensitivity analysis on Listed Debentures (Company)

Sensitivity of the Market Yield (Effect on Statement of profit or loss and other comprehensive income) is as follows.

	(-) 100bps Decrease	(-) 200bps Decrease	(+) 100bps Increase	(+) 200bps Increase
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Asia Asset Finance PLC (Maturity 2026)	1,036	2,078	(1,028)	(2,049)
LOLC Holdings PLC	8,742	17,992	(8,269)	(16,095)
	<b>9,778</b>	<b>20,070</b>	<b>(9,297)</b>	<b>(18,144)</b>

### 5.4 (c) Sensitivity analysis on Unit Trust (Group)

Sensitivity of the Unit Price (Effect on Statement of profit or loss and other comprehensive income) is as follows.

	(-) 100bps Decrease	(-) 200bps Decrease	(+) 100bps Increase	(+) 200bps Increase
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
First Capital Money Market Fund	(5,354)	(10,707)	5,354	10,707
First Capital Equity Fund	(674)	(1,348)	674	1,348
	<b>(6,028)</b>	<b>(12,055)</b>	<b>6,028</b>	<b>12,055</b>

### 5.4 (d) Sensitivity analysis on Unit Trust (Company)

Sensitivity of the Unit Price (Effect on Statement of profit or loss and other comprehensive income) is as follows.

	(-) 100bps Decrease	(-) 200bps Decrease	(+) 100bps Increase	(+) 200bps Increase
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
First Capital Money Market Fund	(5,007)	(10,014)	5,007	10,014
	<b>(5,007)</b>	<b>(10,014)</b>	<b>5,007</b>	<b>10,014</b>

6 Financial instruments - Accounting classifications

Group - As at 31 March 2023

	<b>Financial assets/ liabilities at amortised cost</b>	<b>Financial assets - FVTOCI</b>	<b>Total carrying amount</b>	<b>Fair value</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>Financial assets measured at fair value</b>				
Financial assets - FVTPL	53,721,955	-	53,721,955	53,721,955
Derivative Financial Instruments	51,194	-	51,194	51,194
Financial assets - FVTOCI	-	116,773	116,773	116,773
	<b>53,773,149</b>	<b>-</b>	<b>53,889,922</b>	<b>53,889,922</b>
<b>Financial assets not measured at fair value</b>				
Cash at banks and in hand	-	110,372	110,372	110,372
Amounts due from related companies	-	33,417	33,417	33,417
Financial assets at amortised cost	-	11,225,039	11,225,039	11,225,039
Trade receivables	-	560,150	560,150	560,150
	<b>-</b>	<b>11,928,978</b>	<b>11,928,978</b>	<b>11,928,978</b>
<b>Total financial assets</b>	<b>53,773,149</b>	<b>11,928,978</b>	<b>65,818,900</b>	<b>65,818,900</b>
<b>Financial liabilities measured at fair value</b>				
Derivative Financial Instruments	153,586	-	153,586	153,586
	<b>153,586</b>	<b>-</b>	<b>153,586</b>	<b>153,586</b>
<b>Financial liabilities not measured at fair value</b>				
Bank overdrafts	-	448,194	448,194	448,194
Group balances payable	-	38,003	38,003	38,003
Trade and other payables	-	1,269,825	1,269,825	1,269,825
Securities sold under re-purchase agreements	-	46,330,589	46,330,589	46,314,954
Short term borrowings	-	7,080,975	7,080,975	7,080,975
Long term borrowings	-	902,217	902,217	902,217
Borrowings on debentures	-	2,775,692	2,775,692	1,915,259
	<b>-</b>	<b>58,845,495</b>	<b>58,845,495</b>	<b>57,969,427</b>
<b>Total Financial Liabilities</b>	<b>153,586</b>	<b>58,845,495</b>	<b>58,999,081</b>	<b>58,123,013</b>

## NOTES TO THE FINANCIAL STATEMENTS

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

Group - As at 31 March 2022

	Financial assets - FVTPL	Financial assets/ liabilities at amortised cost	Financial assets - FVTOCI	Total carrying amount	Fair value
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Financial assets measured at fair value</b>					
Financial assets - FVTPL	30,066,729	-	-	30,066,729	30,066,729
Derivative Financial Instruments	5,190	-	-	5,190	5,190
Financial assets - FVTOCI	-	-	34,635	34,635	34,635
	<b>30,071,919</b>	<b>-</b>	<b>34,635</b>	<b>30,106,554</b>	<b>30,106,554</b>
<b>Financial assets not measured at fair value</b>					
Cash at banks and in hand	-	526,987	-	526,987	526,987
Amounts due from related companies	-	750	-	750	750
Financial assets at amortised cost	-	9,059,275	-	9,059,275	9,061,083
Trade receivables	-	925,049	-	925,049	925,049
	-	10,512,061	-	10,512,061	10,513,869
<b>Total financial assets</b>	<b>30,071,919</b>	<b>10,512,061</b>	<b>34,635</b>	<b>40,618,615</b>	<b>40,620,423</b>
<b>Financial liabilities measured at fair value</b>					
Derivative financial instruments	2,622	-	-	2,622	2,622
	<b>2,622</b>	<b>-</b>	<b>-</b>	<b>2,622</b>	<b>2,622</b>
<b>Financial liabilities not measured at fair value</b>					
Bank overdrafts	-	1,245,741	-	1,245,741	1,245,741
Amounts due to related companies	-	5,571	-	5,571	5,571
Trade and other payables	-	623,788	-	623,788	623,788
Securities sold under re-purchase agreements	-	23,799,838	-	23,799,838	23,773,602
Short term borrowings	-	8,139,888	-	8,139,888	8,139,888
Borrowings on debentures	-	2,780,890	-	2,780,890	2,311,508
	-	<b>36,595,716</b>	-	<b>36,595,716</b>	<b>36,100,098</b>
<b>Total Financial Liabilities</b>	<b>2,622</b>	<b>36,595,716</b>	<b>-</b>	<b>36,598,338</b>	<b>36,102,720</b>

## NOTES TO THE FINANCIAL STATEMENTS

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

#### Company - As at 31 March 2023

	Financial assets - FVTPL Rs. '000	Financial assets/ liabilities at amortised cost Rs. '000	Financial assets - FVTOCI Rs. '000	Total carrying amount Rs. '000	Fair value Rs. '000
<b>Financial assets measured at fair value</b>					
Financial assets recognised through profit or loss - measured at fair value	1,730,972	-	-	1,730,972	1,730,972
	<b>1,730,972</b>	-	-	<b>1,730,972</b>	<b>1,730,972</b>
<b>Financial assets not measured at fair value</b>					
Cash at banks and in hand	-	18,321	-	18,321	18,321
Amounts due from related companies	-	21,352	-	21,352	21,352
Financial assets at amortised cost	-	9,397,238	-	9,397,238	9,397,238
	-	<b>9,436,911</b>	-	<b>9,436,911</b>	<b>9,436,911</b>
<b>Total financial assets</b>	<b>1,730,972</b>	<b>9,436,911</b>	-	<b>11,167,883</b>	<b>11,167,883</b>
<b>Financial liabilities not measured at fair value</b>					
Bank overdrafts	-	192,627	-	192,627	192,627
Amounts due to related companies	-	945	-	945	945
Trade and other payables	-	79,858	-	79,858	79,858
Short term borrowings	-	7,215,752	-	7,215,752	7,215,752
Long term borrowings	-	902,217	-	902,217	902,217
Borrowings on debentures	-	2,027,452	-	2,027,452	1,365,457
	-	<b>10,418,851</b>	-	<b>10,418,851</b>	<b>9,756,856</b>
<b>Total financial liabilities</b>	-	<b>10,418,851</b>	-	<b>10,418,851</b>	<b>9,756,856</b>

#### Company - As at 31 March 2022

	Financial assets - FVTPL Rs. '000	Financial assets/ liabilities at amortised cost Rs. '000	Financial assets - FVTOCI Rs. '000	Total carrying amount Rs. '000	Fair value Rs. '000
<b>Financial assets measured at fair value</b>					
Financial assets recognised through profit or loss - measured at fair value	3,220,443	-	-	3,220,443	3,220,443
	<b>3,220,443</b>	-	-	<b>3,220,443</b>	<b>3,220,443</b>
<b>Financial assets not measured at fair value</b>					
Cash at banks and in hand	-	39,417	-	39,417	39,417
Amounts due from related companies	-	8,473	-	8,473	8,473
Financial assets at amortised cost	-	8,784,857	-	8,784,857	8,784,857
	-	<b>8,832,747</b>	-	<b>8,832,747</b>	<b>8,832,747</b>
<b>Total financial assets</b>	<b>3,220,443</b>	<b>8,832,747</b>	-	<b>12,053,190</b>	<b>12,053,190</b>
<b>Financial liabilities not measured at fair value</b>					
Bank overdrafts	-	1,245,696	-	1,245,696	1,245,696
Amounts due to related companies	-	2,096	-	2,096	2,096
Trade and other payables	-	46,460	-	46,460	46,460
Short term borrowings	-	8,250,158	-	8,250,158	8,250,158
Borrowings on debentures	-	2,030,553	-	2,030,553	1,653,396
	-	<b>11,574,963</b>	-	<b>11,574,963</b>	<b>11,197,806</b>
<b>Total financial liabilities</b>	-	<b>11,574,963</b>	-	<b>11,574,963</b>	<b>11,197,806</b>

**7 Segment Reporting**
**Information about reportable segments**

Group's activities have been segregated into four different segments (Primary Dealer, Corporate Finance, Asset Management, Stock Brokering) based on the business activities that each unit is engaged for the purpose of reviewing the operating results of the Group as well as to make decisions about resource allocation.

Segment information is presented in respect of the Group's business segments as per SLFRS 8. The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure.

	Primary Dealer		Corporate Dealing Securities		Asset Management		Stock Brokering		Eliminations/ Unallocated		Consolidated	
	April ~ March		April ~ March		April ~ March		April ~ March		April ~ March		April ~ March	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Net trading income/ (expense)	3,664,718	(432,115)	791,275	116,232	102,205	151,672	187,290	386,509	(210,208)	2,012	4,535,280	224,310
Other income/ (expense)	328	55,002	21,380	94,161	355	-	161,984	89,274	(14,470)	(89,216)	169,577	149,221
Gain/(Loss) on financial assets FVTPL	1,077,830	(73,849)	(187,613)	(135,274)	23,395	14,179	-	-	3,345	4,467	916,957	(190,477)
Operating expenses	(993,780)	(438,737)	(368,528)	(235,601)	(127,524)	(52,067)	(192,550)	(165,408)	109	1,668	(1,682,273)	(890,145)
(Provision)/ reversal for impairment	-	-	(120,443)	(64,918)	-	-	-	-	-	1,465	(120,443)	(63,453)
<b>Operating profit/(loss)</b>	<b>3,749,096</b>	<b>(889,699)</b>	<b>136,071</b>	<b>(225,400)</b>	<b>(1,569)</b>	<b>113,784</b>	<b>156,724</b>	<b>310,375</b>	<b>(221,224)</b>	<b>(79,604)</b>	<b>3,819,098</b>	<b>(770,544)</b>
Tax (expenses)/ reversal	(865,455)	237,254	(102,202)	(22,942)	1,685	(26,889)	(46,264)	(80,868)	(165,709)	11,717	(1,177,945)	118,272
<b>Profit/(Loss) for the year</b>	<b>2,883,641</b>	<b>(652,445)</b>	<b>33,869</b>	<b>(248,342)</b>	<b>116</b>	<b>86,895</b>	<b>110,460</b>	<b>229,507</b>	<b>(386,933)</b>	<b>(67,887)</b>	<b>2,641,153</b>	<b>(652,272)</b>
Other comprehensive income/ (expense)	(2,429)	7,782	75,461	1,902	(308)	844	(1,329)	2,172	-	-	71,395	12,700
<b>Total Comprehensive Income/ (loss)</b>	<b>2,881,212</b>	<b>(644,663)</b>	<b>109,330</b>	<b>(246,440)</b>	<b>(192)</b>	<b>87,739</b>	<b>109,131</b>	<b>231,679</b>	<b>(386,933)</b>	<b>(67,887)</b>	<b>2,712,548</b>	<b>(639,572)</b>

	Primary Dealer		Corporate Dealing Securities		Asset Management		Stock Brokering		Eliminations/ Unallocated		Consolidated	
	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Total assets	52,321,109	28,416,583	20,452,889	16,847,421	150,978	214,916	778,468	1,294,771	(7,036,362)	(5,259,062)	66,667,081	41,514,629
Total liabilities	46,859,851	24,543,023	14,294,538	12,638,805	64,523	13,189	396,155	859,554	(1,622,709)	(1,005,214)	59,992,358	37,049,357
<b>Net Assets</b>	<b>5,461,258</b>	<b>3,873,560</b>	<b>6,158,351</b>	<b>4,208,616</b>	<b>86,455</b>	<b>201,727</b>	<b>382,313</b>	<b>435,217</b>	<b>(5,413,653)</b>	<b>(4,253,848)</b>	<b>6,674,723</b>	<b>4,465,272</b>

	Primary Dealer		Corporate Dealing Securities		Asset Management		Stock Brokering		Eliminations/ Unallocated		Consolidated	
	April ~ March		April ~ March		April ~ March		April ~ March		April ~ March		April ~ March	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash flows from operating activities	(311,626)	202,667	(711,142)	(932,343)	40,716	(6,343)	(58,196)	153,877	590,647	(135,298)	(449,601)	(717,440)
Cash flows from investing activities	(12,936)	(696)	494,592	327,228	60,470	(3,073)	37,602	3,929	(549,536)	(11,054)	30,192	316,334
Cash flows from financing activities	-	-	900,000	(556,250)	(91,273)	-	(127,500)	-	119,114	-	800,341	(556,250)
<b>Net cash flow generated during the year</b>	<b>(324,562)</b>	<b>201,971</b>	<b>683,450</b>	<b>(1,161,365)</b>	<b>9,913</b>	<b>(9,416)</b>	<b>(148,094)</b>	<b>157,806</b>	<b>160,225</b>	<b>(146,352)</b>	<b>380,932</b>	<b>(957,356)</b>

## NOTES TO THE FINANCIAL STATEMENTS

- 8 The above figures are provisional. The same accounting policies as in the Annual Report for the year ended 31 March 2022 have been followed in the preparation of the above provisional financial statements.
- 9 The presentation and classification of figures for the corresponding period of the previous year have been reclassified/ restated to be comparable with those of the current year where necessary.
- 10 The number of shares represented by stated capital as at 31 March 2023 is 405,000,000 shares (As at 31 March 2022 - 101,250,000 shares).
- 10.1 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. 227,500,000/- by splitting every one (01) existing voting ordinary share into four (04) voting ordinary shares. The shares so divided rank equal and pari pasu in all respects with the existing shares from which the division arose. The sub-division was completed on 27 April 2022.
- 11 There have been no significant changes in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2022 other than the followings.
- 1 Commissioner General of Inland Revenue determined the company's appeal on VAT on financial services (2017/18) amounting to Rs. 233Mn in favour of the Department of Inland Revenue (IRD). The matter has been referred to the Tax Appeals Commission. Further, the IRD raised an assessment on VAT on Financial Services for 2019/20 amounting to Rs. 181Mn in February 2023. The Company submitted an appeal against the said assessment.
  2. Department of Inland Revenue issued an assessment on VAT on financial services amounting to Rs. 15Mn (2019/20) to First Capital Limited (subsidiary). The subsidiary submitted an appeal against the said assessment.
  3. Department of Inland Revenue issued an assessment on income tax amounting to Rs. 99Mn (2019/20) to First Capital Asset Management Limited (subsidiary). The subsidiary submitted an appeal against the said assessment.

Based on the tax consultant's opinion, the Board of Directors of the company is of the view that no liability would arise on the assessments as those are outside the scope of chargeability of taxes.

- 12 There have been no material events subsequent to the reporting date which require disclosures/ adjustments in these provisional financial statements other than the followings:.
- The Board of Directors of the Company declared an interim dividend of Rs. 2.25 per share amounting to Rs. 911.25Mn for the year 2022/23.

### 13 Net Assets per Share

	As at 31 March 2023 Rs.	As at 31 March 2022 Rs.
Group	15.04	10.00
Company	15.04	10.00

The effect on sub-division of shares executed during the 1<sup>st</sup> quarter of 2022/23 (as described in Note 11.1) has been adjusted retrospectively.

## INVESTOR INFORMATION

### Information of Listed Debentures - Company

Allotment Date	Debenture Type	Frequency on Interest Payment	No. of Debentures issued and allotted*	Face Value Rs. '000	Rate of Interest	Tenure	Date of Maturity
8 February 2021	Type A (Fixed Rate)	Annually	13,247,500	1,324,750	10% (AER - 10%)	5 Years	7 February 2026
8 February 2021	Type B (Floating Rate)**	Annually	6,752,500	675,250	Weekly AWPLR + 2%	5 Years	7 February 2026
<b>Total</b>			<b>20,000,000</b>	<b>2,000,000</b>			

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

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

### Objectives of the Issue

Status of achievement of the objectives related to the Company's Listed Debenture Issue to raise Rs. 2Bn is presented below.

Objective as per prospectus	Amount allocated as per Prospectus in Rs. '000	Proposed date of utilisation as per prospectus	Amount allocated from proceeds in Rs. '000 (A)	% of Total proceeds	Amount Utilised in Rs. '000 (B)	% of Utilisation against allocation (B / A)	Clarification if not fully utilised including where the funds are invested
1. Investment in Listed Debt	700,000	12-month from the of allotment	700,000	35%	700,000	100%	-
2. Investment in Unlisted Debt	1,000,000	12-month from the of allotment	1,000,000	50%	1,000,000	100%	-
3. Investment in Listed Equities	300,000	12-month from the of allotment	300,000	15%	Nil	0%	Note A

#### Note A

The Company has not achieved its objective related to investment in Listed Equities yet (Rs. 300Mn). However, as permitted by the Prospectus on Listed Debenture Issue, the proceeds (Rs. 300Mn) have been invested in Government Securities.

### Market value of Listed Debentures as at 31 March 2023

Debentures have not been traded during the period ended 31 March 2023. Hence, the par value has been recognised as respective market value.

### Debt Ratios

	Group		Company	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Debt/ equity ratio (times)	8.62	8.06	1.70	2.85
Quick asset ratio (times)	1.17	1.16	1.49	1.26
Interest cover (times)	1.40	0.59	1.85	0.34

### Debenture Interest Yield (Last Traded)

	As at 31 March 2023	As at 31 March 2022
Type A - 5 year fixed rate (10 % p.a. payable annually)	N/A	N/A
Type B - 5 year floating rate (Weekly AWPLR + 2% p.a. payable annually)	N/A	N/A

### Yield of comparable Government Securities (%)

	As at 31 March 2023	As at 31 March 2022
5 Year treasury bond (maturity - 1 February 2026)	26.40%	14.66%

## INVESTOR INFORMATION

Market Price per Share	As at	As at
	31 March 2023	31 March 2022
	Rs.	Rs.
Highest market price recorded	41.00**	49.50*
Lowest market price recorded	29.00**	30.70*
Closing market price recorded	31.80**	31.00*

\* Market price per share – Before the subdivision of shares

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

### List of twenty major shareholders as at 31 March 2023

Names of shareholders	No. of shares as at 31 March 2023	Holding (%)
<b>1</b> 1.1 Commercial Bank of Ceylon PLC/ Janashakthi Limited	128,705,440	31.78%
1.2 Seylan Bank PLC/ Janashakthi Limited	101,600,000	25.09%
1.3 Seylan Bank PLC/ Janashakthi Limited (Collateral)	35,988,960	8.89%
1.4 Hatton National Bank PLC/ Janashakthi Limited	33,880,000	8.37%
1.5 Pan Asia Banking Corporation PLC/ Janashakthi Limited	20,000,000	4.94%
1.6 Janashakthi Limited	16,020,000	3.96%
<b>2</b> Peoples Leasing & Finance PLC/ Mrs. M. E. Amarasinghe	4,252,670	1.05%
<b>3</b> Mr. A. J. Tissera	2,340,550	0.58%
<b>4</b> Seylan Bank PLC/ Agampodi Chamara Senanka	1,875,654	0.46%
<b>5</b> Hatton National Bank PLC/ Astrue Alpha Fund	1,500,000	0.37%
<b>6</b> Dr. S. N. Samarasinghe	1,253,588	0.31%
<b>7</b> Mr. A. D. Edussuriya	1,110,200	0.27%
<b>8</b> Mr. M. M. Sunil	1,000,000	0.25%
<b>8</b> Mr. D. Weerasinghe	1,000,000	0.25%
<b>10</b> Merchant Bank of Sri Lanka & Finance PLC/ S. A. A. Hasitha	923,282	0.23%
<b>11</b> Seylan Bank PLC/ Karagoda Loku Gamage Udayananda	868,936	0.21%
<b>12</b> Little Smile Oraganic (Pvt) Ltd	863,066	0.21%
<b>13</b> Merchant Bank of Sri Lanka & Finance PLC/ P. P. H. Matarage	839,202	0.21%
<b>14</b> Mr. N. D. Kurukulasuriya	835,344	0.21%
<b>15</b> Mr. W. A. P. D. M Wickramatunga	788,340	0.19%
<b>16</b> Buildmart Lanka (Pvt) Ltd	659,766	0.16%
<b>17</b> Mr. M. S. F. Haqqe (Joint: Mrs. S. I. Haqqe)	600,000	0.15%
<b>18</b> Mr. M. M. M. Mowjood	594,960	0.15%
<b>19</b> Citizens Development Business Finance PLC	573,486	0.14%
<b>20</b> DFCC Bank PLC/ J N Lanka Holdings Company (Pvt) Ltd	500,000	0.12%
	<b>358,573,444</b>	<b>88.55%</b>

### Directors' holding in shares as at 31 March 2023

Name of the Director/ Chief Executive Officer	Designation	No. of Shares as at 31 March 2023
Mr. Nishan Fernando	Chairman	Nil
Ms. Manjula Mathews	Deputy Chairperson	Nil
Mr. Dilshan Wirasekara	Managing Director/ Chief Executive Officer	Nil
Mr. Ramesh Schaffter	Director	Nil
Ms. Minette Perera	Director	Nil
Mr. Chandana de Silva (Joint with Mr. C. P. de Silva)	Director	473,332
Dr. Nishan de Mel	Director	Nil
Mr. Prakash Schaffter	Alternate Director to Mr. Ramesh Schaffter	Nil

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

Float adjusted market capitalisation as at 31 March 2023 (Rs.)	2,171,399,400
Public holding percentage	16.86%
Number of public shareholders	6,339

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