



First Capital

PROVISIONAL

FINANCIAL

STATEMENTS

QUARTER ENDED 31ST MARCH 2019

FIRST CAPITAL HOLDINGS PLC



First Capital

REVIEW OF OPERATIONS

First Capital Holdings PLC (the Group) recorded a Profit after Tax of Rs. 12Mn for the year ended 31st March 2019 compared to Rs. 1.97Bn in the previous year which included recognition of a deferred tax asset amounting to Rs. 902Mn. The overall group performance was impacted by the market conditions that changed due to the political uncertainties towards end of year 2018.

First Capital Treasuries PLC, the Primary Dealer arm of the Group, reported a Profit after Tax of Rs. 104Mn (2017/18 – Rs. 1.67Bn inclusive of a deferred tax asset of Rs. 847Mn).

The Corporate Finance division mobilised Rs. 28.5Bn for its clients through structuring and placing corporate debt securities and generated a fee income of Rs. 69Mn (2017/18 – Rs. 80Mn).

The Asset Management division reported a fee income of Rs. 33Mn (2017/18- Rs. 38 Mn). The division recorded a growth in its assets under management to end with Rs. 5.9Bn as at 31st March 2019 (31st March 2018 - Rs. 5.1Bn).

Stock Broking division recorded revenue of Rs. 53Mn for the year 2018/19 (2017/18- Rs. 78Mn).

The market conditions have been extremely conducive and we also continue to focus on growing the fee-based activities of the group.

(Sgd.)

Dilshan Wirasekara

Director/Chief Executive Officer



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period	Note	Group			
		January ~ March 2019 (Unaudited)	March 2018 (Unaudited)	April ~ March 2019 (Unaudited)	March 2018 (Audited)
Income		1,024,136	1,076,999	4,171,881	4,186,064
Direct income		1,027,510	1,068,530	4,094,129	4,112,483
Direct expenses		(960,929)	(744,135)	(3,570,204)	(2,833,345)
Net trading income		66,581	324,395	523,925	1,279,138
Other income/(expense)	1	(3,374)	8,469	77,752	73,581
Gain/(loss) on financial assets recognised through profit or loss measured at fair value		419,127	(43,137)	(139,330)	288,677
		482,334	289,727	462,347	1,641,396
Operating expenses					
Administrative expenses		(75,802)	(103,212)	(343,925)	(381,647)
Sales and distribution expenses		1,401	(8,852)	(17,046)	(26,699)
Other operating expenses		(10,709)	(3,816)	(35,718)	(80,942)
Reversal of Impairment of financial assets at amortised cost		26,874	-	26,874	-
		(58,236)	(115,880)	(369,815)	(489,288)
Profit before tax		424,098	173,847	92,532	1,152,108
Income tax (expense)/reversal	2	(56,844)	871,030	(80,709)	813,615
Profit for the period		367,254	1,044,877	11,823	1,965,723
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Actuarial gain/(loss) on defined benefit plans		(3,534)	376	(3,534)	(325)
Loss on financial assets fair value through other comprehensive income		(24,830)	-	(24,830)	(90,053)
Tax effect on other comprehensive income	2	989	-	989	91
Items that are or may be reclassified to profit or loss		-	-	-	-
Other comprehensive income/(expense) for the period		(27,375)	376	(27,375)	(90,287)
Total comprehensive income/(expense) for the period		339,879	1,045,253	(15,552)	1,875,436
Profit attributable to:					
Equity holders of the parent		346,289	990,369	6,043	1,871,823
Non - controlling interest		20,965	54,508	5,780	93,900
		367,254	1,044,877	11,823	1,965,723
Total comprehensive income attributable to:					
Equity holders of the parent		319,040	990,745	(21,206)	1,781,547
Non - controlling interest		20,839	54,508	5,654	93,889
		339,879	1,045,253	(15,552)	1,875,436
Basic earnings per share (Rs.)		3.42	9.78	0.06	18.49

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	Company				
	Notes	January ~ March 2019 (Unaudited)	March 2018 (Unaudited)	April ~ March 2019 (Unaudited)	March 2018 (Audited)
Income		306,923	229,407	1,216,385	1,057,384
Direct income		306,923	229,407	1,213,344	1,057,360
Direct expenses		(278,818)	(204,245)	(1,096,281)	(964,686)
Net trading income		28,105	25,162	117,063	92,674
Other income	1	-	-	3,041	24
Operating expenses		28,105	25,162	120,104	92,698
Administrative expenses		(8,208)	(19,527)	(45,184)	(47,357)
Sales and distribution expenses		(410)	(1,442)	(6,400)	(3,553)
Other operating expenses		(2,182)	(827)	(13,607)	(8,900)
Provision for Impairment of financial assets at amortised cost		(3,815)	-	(3,815)	-
		(14,615)	(21,796)	(69,006)	(59,810)
Operating profit		13,490	3,366	51,098	32,888
Share of profit/(loss) from equity accounted investee (net of tax)		336,104	952,569	(26,406)	1,811,724
Profit before tax		349,594	955,935	24,692	1,844,612
Income tax (expense)/reversal	2	(3,305)	34,434	(18,649)	27,211
Profit for the period		346,289	990,369	6,043	1,871,823
Other comprehensive income					
<i>Items that will never be reclassified to profit or loss</i>					
Gain/(loss) on financial assets fair value through other comprehensive income		208	-	208	(90,053)
Share of other comprehensive income from equity accounted investee (net of tax)		(27,457)	376	(27,457)	(223)
<i>Items that are or may be reclassified to profit or loss</i>		-	-	-	-
Other comprehensive income/(expense) for the period		(27,249)	376	(27,249)	(90,276)
Total comprehensive income/(expense) for the period		319,040	990,745	(21,206)	1,781,547
Basic earnings per share (Rs.)		3.42	9.78	0.06	18.49

Figures in bracket indicate deductions.

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



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	Group		Company	
	31 st Mar 2019 (Unaudited)	31 st Mar 2018 (Audited)	31 st Mar 2019 (Unaudited)	31 st Mar 2018 (Audited)
ASSETS				
Cash at banks and in hand	55,316	319,663	21,344	8,490
Derivative financial instruments	3,454	47,868	-	-
Financial assets recognised through profit or loss - measured at fair value	31,985,127	26,519,838	-	-
Financial assets - fair value through other comprehensive income	217,920	242,750	1,208	1,000
Financial assets at amortised cost	7,557,831	6,069,028	7,974,257	7,418,696
Trade and other receivables	252,305	811,035	6,879	2,967
Group balances receivable	637	442	110	-
Non - current assets held for sale	42,416	42,416	-	-
Taxes receivable	189,447	70,118	58,585	-
Investment in subsidiary	-	-	3,215,382	3,294,772
Deferred tax asset	862,076	929,892	17,258	34,539
Property, plant and equipment	37,047	19,990	20,862	3,005
Intangible assets	117,075	118,973	4,996	6,221
TOTAL ASSETS	41,320,651	35,192,013	11,320,881	10,769,690
LIABILITIES				
Bank overdrafts	971,036	294,402	830,539	290,941
Derivative financial instruments	2,878	21,659	-	-
Securities sold under re-purchase agreements	29,204,828	23,412,237	-	-
Short term borrowings	6,566,174	6,013,598	6,566,174	5,999,239
Group balances payable	1,199	728	-	10,962
Trade and other payables	248,853	786,984	27,524	226,802
Taxes payable	345	4,291	-	2,782
Long term borrowings	251,833	352,368	251,833	352,368
Borrowings on debentures	215,858	407,178	-	191,607
Retirement benefit obligations	31,602	27,992	-	-
Total Liabilities	37,494,606	31,321,437	7,676,070	7,074,701
EQUITY				
Stated capital	227,500	227,500	227,500	227,500
Risk reserve	1,021,977	1,012,200	1,021,977	1,012,200
Retained earnings	2,510,162	2,545,342	2,510,162	2,545,342
Fair valuation reserve	(114,828)	(90,053)	(114,828)	(90,053)
Equity attributable to the equity holders of the parent	3,644,811	3,694,989	3,644,811	3,694,989
Non- controlling interest	181,234	175,587	-	-
Total Equity	3,826,045	3,870,576	3,644,811	3,694,989
TOTAL EQUITY AND LIABILITIES	41,320,651	35,192,013	11,320,881	10,769,690

Note: All values are in Rupees '000 unless otherwise stated.
The above figures are subject to audit.

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

(Sgd.)
Mangala Jayashantha
Chief Financial Officer

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

(Sgd.)
Dilshan Wirasekara
Director/ Chief Executive Officer

(Sgd.)
Dinesh Schaffter
Managing Director

31st May 2019
Colombo



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP For the year ended 31st March 2019

	Attributable to equity holders of parent					Non-Controlling Interest	Total Equity
	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Total		
Balance as at 1st April 2017 (Audited)	227,500	854,456	1,036,415	-	2,118,371	95,242	2,213,613
Total comprehensive income for the period							
Profit for the period	-	-	1,871,823	-	1,871,823	93,900	1,965,723
Other comprehensive income	-	-	(223)	(90,053)	(90,276)	(11)	(90,287)
Total comprehensive income	-	-	1,871,600	(90,053)	1,781,547	93,889	1,875,436
Transactions with equity holders							
Distribution to equity holders							
Dividend paid - Interim 2017/18	-	-	(202,500)	-	(202,500)	(11,115)	(213,615)
Total distribution to equity holders	-	-	(202,500)	-	(202,500)	(11,115)	(213,615)
Transfers to risk reserve	-	157,744	(157,744)	-	-	-	-
Total transactions with equity holders	-	157,744	(360,244)	-	(202,500)	(11,115)	(213,615)
Change in ownership interest							
Adjustment due to acquisition	-	-	(2,429)	-	(2,429)	(2,429)	(4,858)
Total change in ownership interest	-	-	(2,429)	-	(2,429)	(2,429)	(4,858)
Balance as at 31st March 2018 (Audited)	227,500	1,012,200	2,545,342	(90,053)	3,694,989	175,587	3,870,576
Balance as at 1st April 2018 (Audited)	227,500	1,012,200	2,545,342	(90,053)	3,694,989	175,587	3,870,576
Impact of adoption of SLFRS 9 (net of tax)	-	-	(28,972)	-	(28,972)	(7)	(28,979)
Adjusted balance as at 1 st April 2018	227,500	1,012,200	2,516,370	(90,053)	3,666,017	175,580	3,841,597
Total comprehensive income for the period							
Profit for the period	-	-	6,043	-	6,043	5,780	11,823
Other comprehensive income	-	-	(2,474)	(24,775)	(27,249)	(126)	(27,375)
Total comprehensive income	-	-	3,569	(24,775)	(21,206)	5,654	(15,552)
Transactions with equity holders							
Transfers to risk reserve	-	9,777	(9,777)	-	-	-	-
Total transactions with equity holders	-	9,777	(9,777)	-	-	-	-
Balance as at 31st March 2019 (Unaudited)	227,500	1,021,977	2,510,162	(114,828)	3,644,811	181,234	3,826,045

COMPANY For the year ended 31st March 2019

	Stated Capital	Risk Reserve	Retained Earnings	Fair Valuation Reserve	Total Equity
Balance as at 1st April 2017 (Audited)	227,500	854,456	1,036,415	-	2,118,371
Total comprehensive income for the period					
Profit for the period	-	-	1,871,823	-	1,871,823
Other comprehensive income	-	-	(223)	(90,053)	(90,276)
Total comprehensive income	-	-	1,871,600	(90,053)	1,781,547
Transactions with equity holders					
Distribution to equity holders					
Dividend paid - Interim 2017/18	-	-	(202,500)	-	(202,500)
Total distribution to equity holders	-	-	(202,500)	-	(202,500)
Transfer to risk reserve	-	157,744	(157,744)	-	-
Total transactions with equity holders	-	157,744	(360,244)	-	(202,500)
Change in ownership interest					
Adjustment due to acquisition	-	-	(2,429)	-	(2,429)
Total change in ownership interest	-	-	(2,429)	-	(2,429)
Balance as at 31st March 2018 (Audited)	227,500	1,012,200	2,545,342	(90,053)	3,694,989
Balance as at 1st April 2018 (Audited)	227,500	1,012,200	2,545,342	(90,053)	3,694,989
Impact of adoption of SLFRS 9 (net of tax)	-	-	(28,972)	-	(28,972)
Adjusted balance as at 1 st April 2018	227,500	1,012,200	2,516,370	(90,053)	3,666,017
Total comprehensive income for the period					
Profit for the period	-	-	6,043	-	6,043
Other comprehensive income	-	-	(2,474)	(24,775)	(27,249)
Total comprehensive income	-	-	3,569	(24,775)	(21,206)
Transactions with equity holders					
Transfer to risk reserve	-	9,777	(9,777)	-	-
Total transactions with equity holders	-	9,777	(9,777)	-	-
Balance as at 31st March 2019 (Unaudited)	227,500	1,021,977	2,510,162	(114,828)	3,644,811

Figures in bracket indicate deductions.
Note: All values are in Rupees '000 unless otherwise stated.



CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st March 2019

	Group		Company	
	2019 (Unaudited)	2018 (Audited)	2019 (Unaudited)	2018 (Audited)
	April ~ March		April ~ March	
Cash flows from operating activities				
Interest receipts and gains realised	4,063,459	4,076,631	1,162,394	831,312
Interest payments and other direct cost	(3,346,248)	(2,361,855)	(1,097,408)	(957,884)
Other receipts	11,616	9,841	-	-
Cash payments to employees and suppliers	(377,595)	(469,638)	(58,656)	(58,651)
Operating profit/(loss) before changes in operating assets and liabilities	351,232	1,254,979	6,330	(185,223)
(Increase)/ Decrease in financial assets recognised through profit or loss -measured at fair value	(5,578,986)	(2,435,641)	-	-
(Increase)/ Decrease in financial assets at amortised cost	(1,471,507)	591,940	(513,212)	1,185,690
(Increase)/ Decrease in trade and other receivables	558,731	(270,513)	(3,913)	(664)
(Increase)/ Decrease in group balances receivable	(195)	(442)	(110)	-
Increase/ (Decrease) in trade and other payables	(335,632)	225,692	3,222	(5,197)
Increase/ (Decrease) in group balances payable	471	728	(10,962)	(413)
Increase/ (Decrease) in other short term borrowings	322,166	(766,364)	561,321	(1,215,151)
Increase/ (Decrease) in borrowings against re-purchase agreements	5,792,591	1,845,434	-	-
Cash generated from/(used in) operations	(361,129)	445,813	42,676	(220,958)
Tax paid (Inclusive of WHT)	(123,910)	(26,338)	(61,394)	(7,797)
Gratuity paid	(6,615)	(1,034)	-	-
Net cash flow generated/(used in) operating activities	(491,654)	418,441	(18,718)	(228,755)
Cash flow from investing activities				
Purchase of property, plant, equipment and intangible assets	(27,737)	(23,746)	(23,167)	(8,830)
Investment in subsidiaries	-	(4,858)	-	(4,858)
Sale of property plant and equipment	11,321	-	3,029	-
Dividend receipts	54,989	63,740	12	210,624
Net cash flow generated from/(used in) investing activities	38,573	35,136	(20,126)	196,936
Cash flow from financing activities				
Repayment of long term borrowings	(100,000)	(100,000)	(100,000)	(100,000)
Redemption of listed debentures	(185,400)	(129,200)	(185,400)	(129,200)
Dividend paid	(202,500)	-	(202,500)	-
Dividend paid to shareholders with non-controlling interest	-	(11,115)	-	-
Dividend tax paid	-	(18,896)	-	-
Net cash flow used in financing activities	(487,900)	(259,211)	(487,900)	(229,200)
Net cash inflow/(outflow) for the period	(940,981)	194,336	(526,744)	(261,019)
Cash and cash equivalents at the beginning of the period (Note A)	25,261	(169,105)	(282,451)	(21,432)
Cash and cash equivalents at the end of the period (Note B)	(915,720)	25,261	(809,195)	(282,451)
Note A				
Cash at bank and hand	319,663	55,340	8,490	8,477
Bank overdraft	(294,402)	(224,445)	(290,941)	(29,909)
	25,261	(169,105)	(282,451)	(21,432)
Note B				
Cash at bank and hand	55,316	319,663	21,344	8,490
Bank overdraft	(971,036)	(294,402)	(830,539)	(290,941)
	(915,720)	25,261	(809,195)	(282,451)

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

Dividend income	4,348	5,572	54,989	63,740
Exchange gain/(loss)	(12,274)	-	427	9
Profit on sale of property, plant and equipment	-	-	11,147	-
Miscellaneous income	4,552	2,897	11,189	9,832
	(3,374)	8,469	77,752	73,581

January ~ March		April ~ March	
2019	2018	2019	2018
Rs.'000	Rs.'000	Rs.'000	Rs.'000
4,348	5,572	54,989	63,740
(12,274)	-	427	9
-	-	11,147	-
4,552	2,897	11,189	9,832
(3,374)	8,469	77,752	73,581

For the period - Company

Dividend income	-	-	12	24
Profit on sale of property, plant and equipment	-	-	3,029	-
	-	-	3,041	24

January ~ March		April ~ March	
2019	2018	2019	2018
Rs.'000	Rs.'000	Rs.'000	Rs.'000
-	-	12	24
-	-	3,029	-
-	-	3,041	24

2 Income tax expense

For the period - Group

<u>Recognised in profit or loss</u>				
Current tax expenses	(272)	(5,438)	(635)	(60,587)
Deferred tax (expenses)/asset recognised	(56,572)	895,364	(80,074)	893,098
Taxes on Dividend	-	(18,896)	-	(18,896)
	(56,844)	871,030	(80,709)	813,615
<u>Recognised in other comprehensive income</u>				
Deferred tax asset recognised	989	-	989	91

January ~ March		April ~ March	
2019	2018	2019	2018
Rs.'000	Rs.'000	Rs.'000	Rs.'000
(272)	(5,438)	(635)	(60,587)
(56,572)	895,364	(80,074)	893,098
-	(18,896)	-	(18,896)
(56,844)	871,030	(80,709)	813,615
989	-	989	91

For the period - Company

<u>Recognised in profit or loss</u>				
Current tax expenses	(27)	(521)	(27)	(7,328)
Deferred tax (expenses)/asset recognised	(3,278)	34,955	(18,622)	34,539
	(3,305)	34,434	(18,649)	27,211

January ~ March		April ~ March	
2019	2018	2019	2018
Rs.'000	Rs.'000	Rs.'000	Rs.'000
(27)	(521)	(27)	(7,328)
(3,278)	34,955	(18,622)	34,539
(3,305)	34,434	(18,649)	27,211

3 These Provisional Financial Statements for the year ended 31st March 2019 have been prepared in accordance with Sri Lanka Accounting Standard (LKAS 34) "Interim Financial Reporting".

4 Sri Lanka Accounting Standard - SLFRS 9 on "Financial Instruments"

The Sri Lanka Accounting Standard – SLFRS 9 on "Financial Instruments", which replaced the previous guidance on LKAS 39 on "Financial Instruments: Recognition and Measurement" became effective for annual reporting periods beginning on or after 1st January 2018. SLFRS 9 replaced the "Incurred Loss Model" in LKAS 39 with forward looking "Expected Loss Model ("ECL") which requires considerable judgement over how changes in economic factors affect ECL, which in turn is to be determined on a probability weighted basis. SLFRS 9 also contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed based on their cash flow characteristics.

Based on the "Statement of Alternative Treatment (SoAT)" issued by The Institute of Chartered Accountants of Sri Lanka on the Figures in the Interim Financial Statements", the Company continued to prepare the provisional financial statements for the first three quarters of year 2018/19 with the application of LKAS 39 (Financial Instruments: Recognition and Measurement). However, SLFRS 9 has been applied for provisional financial statements for the fourth quarter ended 31st March 2019.



NOTES TO THE FINANCIAL STATEMENTS

The company assessed the impact on transition based on gap analysis and quantifications performed on its financial statements. The summary of the impact to the company is presented in the table below.

Scope	LKAS 39 Requirement	SLFRS 9 Requirement	Impact to the Company
Financial asset classification and measurement	Four categories (HTM, L&R, FVTPL and AFS) . Classification is based on ability and intention to hold and the marketability of the instrument	Three categories (Amortised cost, FVTPL and FVTOCI). Classification is based on characteristics of financial instruments and the business model of the portfolio	No impact to the company.
Financial liabilities	Two categories – FVTPL and amortised cost	Two categories – FVTPL and amortised cost	No change.
Impairment	Incurred loss approach	Expected loss approach	Provision for Financial investments at amortised cost as at 31 st March 2018 is Rs. 40.24Mn (Company - Rs. 4.78Mn) incorporating forward looking information/ macroeconomic factors
Hedge accounting	<p>*Hedging relationship consists only of eligible hedging instruments and eligible hedged items.</p> <p>*Hedge effectiveness requirements:</p> <ul style="list-style-type: none"> - Effectiveness can be reliably measured - Hedge is expected to be highly effective - Hedge is assessed on an on-going basis <p>*Voluntary discontinuation of hedge accounting is allowed.</p>	<p>* The general requirement remains unchanged. However, certain items that were not eligible as hedged items or hedging instruments under LKAS 39 are now eligible under SLFRS 9.</p> <p>*Hedge effectiveness requirements:</p> <ul style="list-style-type: none"> - Economic relationship exists - Credit risk does not dominate value changes - Designated hedge ratio is consistent with risk management strategy <p>*Discontinuation of hedge accounting only under specified circumstances</p>	No impact to the Company.

HTM - Held to maturity

L&R - Loans and receivables

FVTPL - Fair value through profit or loss

FVTOCI - Fair value through other comprehensive income

AFS - Available for sale

The total impairment provision arising from SLFRS 9 as at 1st April 2018 has been adjusted to the retained earnings as at 1st April 2018 and the total impact on applying SLFRS 9 for year 2018/19 has been adjusted entirety in the 4th quarter of 2018/19.



NOTES TO THE FINANCIAL STATEMENTS

Impact to the Statement of Financial Position on adoption of SLFRS 9 as at 1st April 2018 is shown below. However, the reported balances as at 31st March 2018 have not been restated.

Group	Assets		Equity		Rs.'000
	Financial assets at amortised cost	Deferred tax asset	Retained earnings	Non-controlling interest	
Balances as previously reported (Audited)	6,069,028	929,892	2,545,342	175,587	
Impact of adoption of SLFRS 9	(40,248)	11,269	(28,972)	(7)	
Adjusted balances as at 1st April 2018	6,028,780	941,161	2,516,370	175,580	

Company	Assets			Equity	Rs.'000
	Financial assets at amortised cost	Deferred tax asset	Investment in subsidiary	Retained earnings	
Balances as previously reported (Audited)	7,418,696	34,539	3,294,772	2,545,342	
Impact of adoption of SLFRS 9	(4,785)	1,340	(25,527)	(28,972)	
Adjusted balances as at 1st April 2018	7,413,911	35,879	3,269,245	2,516,370	

5 The above figures are provisional and subject to audit. The same accounting policies as in the Annual Report for the year ended 31st March 2018 have been followed in the preparation of the above provisional financial statements, other than the adoption of SLFRS 9 as described above.

- During the reporting period, there have been a change in Accounting estimates with respect to economic useful lives of assets from 3 years to 5 years in all asset categories with remaining written down value as at 31st March 2018. This was applied prospectively and the total reversal of accumulated depreciation for the Group is Rs. 8.23Mn (Company - Rs. 4.14Mn). The total impact on revised estimated economic useful lives of fixed assets has been adjusted entirety in the 4th quarter of 2018/19.

6 The presentation and classification of figures for the corresponding period of the previous year have been reclassified to be comparable with those of the current year where necessary.

7 The number of shares represented by stated capital as at 31st March 2019 is 101,250,000 shares (As at 31st March 2018 - 101,250,000 shares).



NOTES TO THE FINANCIAL STATEMENTS

- 8 There have been no significant changes in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31st March 2018 other than the following :

- In August 2018, First Capital Treasuries PLC filed a written submission against letter of intimation on income tax return of 2015/16 issued by the Department of Inland Revenue. However, the related assessment has not been issued yet.

- In September 2018, the Commissioner General of Inland Revenue determined First Capital Treasuries PLC's appeal on Financial VAT - 2013/14 amounting to Rs. 60.8Mn in favour of the Inland Revenue. Whereas appeal on Financial VAT - 2013/14 of First Capital Limited was determined with a reduced liability of Rs. 45.6Mn (previously - Rs. 46.2Mn) in October 2018. Appeals against the said determinations were filed with the Tax Appeals Commission.

- The Inland Revenue issued an assessment on financial VAT amounting to Rs. 47.1Mn for First Capital Treasuries PLC (2016/17) and an assessment on income tax amounting to LKR 101.4Mn for First Capital Limited (2016/17). Appeals against the said assessments were submitted to the Commissioner General of Inland Revenue.

Based on tax consultant's opinion, the Board of Directors of the Company is of the view that no liability would arise since the said intimation/assessments are outside the scope of chargeability of taxes.

- 9 There have been no material events subsequent to the reporting date which require disclosures/ adjustments in the above provisional financial statements.

10 Net Assets per Share

	As at 31 st March 2019 Rs.	As at 31 st March 2018 Rs.
Group	36.00	36.49
Company	36.00	36.49

11 Market Price per Share

	As at 31 st March 2019 Rs.	As at 31 st March 2018 Rs.
Highest market price recorded	30.50	37.40
Lowest market price recorded	20.40	31.50
Closing market price recorded	23.10	31.80



INVESTOR INFORMATION

Information on Listed debentures

Market value as at 31st March 2019

Debentures with 5 year maturity were matured during the quarter ended 31st March 2019. Hence, there are no debentures outstanding as at 31st March 2019.

Debt Ratios (Group)

	As at 31 st March 2019	As at 31 st March 2018
Debt/ equity ratio (times)	9.73	7.87
Quick asset ratio (times)	1.07	1.07
Interest cover (times)	1.03	1.42

Debt Ratios (Company)

	As at 31 st March 2019	As at 31 st March 2018
Debt/ equity ratio (times)	2.10	1.85
Quick asset ratio (times)	1.08	1.09
Interest cover (times)	1.02	2.92

Debenture Interest Yield

	As at 31 st March 2019	As at 31 st March 2018
5 year fixed rate (14.00 % p.a. payable annually)	N/A	14.00%

There were no trading on above debentures during the quarter ended 31st March 2019.

	As at 31 st March 2019	As at 31 st March 2018
Yield of comparable Government Securities		
5 Year treasury bond	N/A	9.51%

N/A - Not Applicable



INVESTOR INFORMATION

List of twenty major shareholders as at 31st March 2019

Name of the shareholder	No of shares As at 31 st March 2019	Holding (%)
1 1.1 Commercial Bank of Ceylon PLC/Dunamis Capital PLC	31,600,000	31.21%
1.2 Seylan Bank PLC/Dunamis Capital PLC	25,400,000	25.09%
1.3 Dunamis Capital PLC	22,119,816	21.85%
2 Seylan Bank PLC/ Janashakthi PLC	4,628,081	4.57%
3 Capital Trust Holdings Limited	874,203	0.86%
4 DFCC Bank PLC/Mr. K.S.D. Senaweera	426,000	0.42%
5 Mrs. Vasudevan Saraswathi	343,895	0.34%
6 Commercial Bank of Ceylon PLC/Janashakthi Limited	300,703	0.30%
7 Mr. Rajapaksa Vithanage Don Piyathilake	282,210	0.28%
8 People's Leasing & Finance PLC/Mr. D.M.P. Disanayake	271,087	0.27%
9 Mr. Arunasalam Sithampalam	264,000	0.26%
10 Mr. Amal Joseph Tissera	249,010	0.25%
11 Hatton National Bank PLC/Arunasalam Sithampalam	214,844	0.21%
12 Mr. Nagen Dayaranjan Kurukulasuriya	208,836	0.21%
13 Mr. Wickramatunga Arachchi Pathiranage Don Mahipala Wickramatunga	205,000	0.20%
13 Commercial Bank of Ceylon PLC/U.C. Bandaranayake	205,000	0.20%
15 Dr. Subashi Nemindi Samarasinghe	200,616	0.20%
16 Mr. Dhanusha Senajith Duke De Lanerolle	200,000	0.20%
17 Mr. Parami Tillakaratne	179,158	0.18%
18 Mrs. Eileen Monica Perera	151,033	0.15%
19 Mr. Henasi Geeth Balasuriya	151,000	0.15%
20 Citizens Development Business Finance PLC/K.D.C. Somalatha and K. Nandasiri	139,400	0.14%
	88,613,892	87.52%

Shareholding of the Directors/ Chief Executive Officer

Name of the Director/ Chief Executive Officer	Designation	No. of Shares As at 31 st March 2019
Mr. Nishan Fernando	Director	Nil
Mr. Dinesh Schaffter	Director	Nil
Mr. Eardley Perera	Director	Nil
Ms. Minette Perera	Director	Nil
Mr. Chandana de Silva (Joint with Mr.C.P.de Silva)	Director	118,333
Mr. Nishan de Mel	Director	Nil
Mr. Prakash Schaffter	Director	Nil
Mr. Ramesh Schaffter	Director	Nil
Mr. Dilshan Wirasekara	Director/ Chief Executive Officer	Nil

Disclosure in accordance with the Section 7.4 (b) (ii) - Appendix 7B (a) (Item 4) of CSE Listing Rules is as follows.

Float adjusted market capitalisation as at 31 st March 2019 (Rs.)	394,334,325
Public holding percentage	16.86%
Number of public shareholders	5,667

The Company is not compliant with the Minimum Public Holding requirement under option 5 of the section 7.13.1 (a) of the CSE Listing Rules.