

COMMERCIAL LEASING & FINANCE PLC



**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

COMMERCIAL LEASING & FINANCE PLC
Statement of Financial Position

As at 31st March	Group		Company	
	2017	2016	2017	2016
	Unaudited Rs. '000	Audited Rs. '000	Unaudited Rs. '000	Audited Rs. '000
Assets				
Cash & cash equivalents	2,150,420	2,280,295	1,487,849	836,057
Financial assets held for trading	4,745,019	4,232,811	4,212,617	4,232,811
Other investments	14,544,888	29,745,643	14,195,810	29,742,822
Rentals receivable on lease & hire purchase	14,081,275	14,783,489	13,972,748	14,693,482
Loans and advances	43,778,397	33,951,969	33,763,173	27,140,128
Factoring receivables	6,167,657	4,959,717	6,167,657	4,959,717
Amounts due from related company	-	144	-	8
Value Added Tax (VAT) recoverable	264,969	299,176	264,969	253,887
Other receivables	649,824	407,582	562,185	385,492
Investment in equity accounted investee	83,059	75,854	83,059	75,854
Investment properties	46,000	-	46,000	-
Investment in subsidiary companies	-	-	1,023,302	967,863
Deferred tax assets	-	2,048	-	-
Goodwill on acquisition	253,211	253,211	-	-
Other intangible asset	5,943	-	5,943	-
Property, plant & equipment	2,120,039	1,144,826	1,975,784	1,070,831
Total Assets	88,890,701	92,136,765	77,761,096	84,358,952
Liabilities and Equity				
Liabilities				
Bank overdrafts	1,805,044	1,594,871	1,390,807	1,170,761
Deposits liabilities	18,749,265	12,764,288	15,935,942	12,347,646
Interest bearing loans & borrowings	45,317,070	58,017,858	44,266,931	56,087,528
Current tax liabilities	524,233	588,903	579,354	464,455
Amounts due to related companies	6,360,026	4,117,851	84,598	283,967
Other payables	1,161,971	2,637,430	918,586	1,798,895
Deferred tax liabilities	347,867	357,932	337,045	357,932
Retirement benefit obligations	95,895	71,097	72,300	50,342
Total Liabilities	74,361,371	80,150,230	63,585,563	72,561,526
Equity				
Stated capital	1,425,947	1,425,947	1,425,947	1,425,947
Reserves	1,677,928	892,093	1,709,944	927,829
Retained earnings	11,422,734	9,617,451	11,039,642	9,443,650
Equity attributable to shareholders of the Company	14,526,609	11,935,491	14,175,533	11,797,426
Non-controlling interests	2,721	51,044	-	-
	14,529,330	11,986,535	-	-
Total Liabilities and Equity	88,890,701	92,136,765	77,761,096	84,358,952
Net asset value per share	2.28	1.87	2.22	1.85

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

(sgd.) Mrs. S.S. Kotakadeniya
Chief Financial Officer - LOLC Group

The Board of Directors is responsible for the preparation and the presentation of these Financial Statements.
Approved and signed for and on behalf of the Board;

(sgd.) Mr. W.D.K.Jayawardena
Director

(sgd.) Mr. D.M.D.K.Thilakarathne
Director / CEO

24th May 2017
Colombo

COMMERCIAL LEASING & FINANCE PLC
Statement of Profit or Loss and Other Comprehensive Income

	Group						Company					
	For the twelve months ended			For the three months ended			For the twelve months ended			For the three months ended		
	31.03.2017 Unaudited Rs. ' 000	31.03.2016 Audited Rs. ' 000	Variance %	31.03.2017 Unaudited Rs. ' 000	31.03.2016 Audited Rs. ' 000	Variance %	31.03.2017 Unaudited Rs. ' 000	31.03.2016 Audited Rs. ' 000	Variance %	31.03.2017 Unaudited Rs. ' 000	31.03.2016 Audited Rs. ' 000	Variance %
Interest income	14,021,537	10,388,687	35%	3,397,980	2,770,180	23%	10,898,203	8,628,276	26%	2,568,728	2,243,402	15%
Interest expense	(7,434,775)	(4,032,127)	84%	(2,158,934)	(1,441,832)	50%	(6,283,154)	(3,466,867)	81%	(1,714,195)	(1,245,215)	38%
Net interest income	6,586,762	6,356,560	4%	1,239,046	1,328,348	(7%)	4,615,049	5,161,409	(11%)	854,533	998,187	(14%)
Other operating income	2,457,770	864,592	184%	1,212,840	507,454	139%	2,355,672	762,454	209%	1,159,803	417,534	178%
Expenses												
Direct expenses excluding finance costs	(653,454)	(401,370)	63%	(157,149)	(85,679)	83%	(358,167)	(398,140)	(10%)	(101,951)	(85,487)	19%
Personnel costs	(1,613,748)	(1,217,922)	33%	(497,880)	(357,086)	39%	(1,103,658)	(870,769)	27%	(336,226)	(260,840)	29%
Premises, equipment & establishment expenses	(444,500)	(333,673)	33%	(136,496)	(81,152)	68%	(346,377)	(293,762)	18%	(95,530)	(69,972)	37%
Depreciation on property plant & equipment	(124,581)	(97,400)	28%	(36,182)	(25,453)	42%	(109,606)	(87,034)	26%	(32,473)	(22,285)	46%
Net impairment loss on financial assets	(1,053,624)	(636,412)	66%	(471,916)	(114,172)	313%	(712,077)	(571,655)	25%	(428,312)	(68,391)	526%
Other operating expenses	(2,023,806)	(1,913,648)	6%	(373,850)	(735,152)	(49%)	(1,688,397)	(1,431,593)	18%	(332,294)	(450,161)	(26%)
	3,130,819	2,620,727	19%	778,413	437,108	78%	2,652,440	2,270,910	17%	687,550	458,585	50%
Value added tax on financial services and NBT	(583,497)	(360,089)	62%	(220,406)	(157,417)	40%	(457,911)	(270,657)	69%	(176,292)	(68,065)	159%
Results from operating activities	2,547,321	2,260,638	13%	558,007	279,691	100%	2,194,529	2,000,253	10%	511,258	390,520	31%
Share of profit of equity accounted investee (net of tax)	10,445	7,637	37%	1,844	400	361%	10,445	7,637	37%	1,844	400	361%
Profit before tax	2,557,766	2,268,275	13%	559,851	280,091	100%	2,204,974	2,007,890	10%	513,102	390,920	31%
Income tax expense	(651,336)	(542,747)	20%	(69,670)	14,744	(573%)	(518,471)	(433,883)	19%	(47,155)	16,844	(380%)
Profit for the period	1,906,430	1,725,528	10%	490,181	294,835	66%	1,686,503	1,574,007	7%	465,948	407,764	14%
Other comprehensive income												
Revaluation surplus	747,892	-	-	747,892	-	-	747,892	-	-	747,892	-	-
Deferred tax on revaluation	(11,664)	-	-	(11,664)	-	-	(11,492)	-	-	(11,492)	-	-
Defined benefit plan actuarial gains (losses) for the year	(3,220)	(7,813)	(59%)	(3,220)	(7,813)	(59%)	(6,186)	5,500	(212%)	(6,186)	5,500	(212%)
Net Change in fair value of available for sale finance assets	(42,069)	(127,760)	(67%)	(16,188)	(100,284)	(84%)	(40,107)	(127,517)	(69%)	(13,880)	(100,063)	(86%)
Effective portion of changes in fair value of cash flow	18,493	226,341	(92%)	63,767	35,309	81%	18,493	226,341	(92%)	63,767	35,309	81%
Income tax recognised in other comprehensive income	(17,655)	-	-	-	-	-	(16,996)	-	-	-	-	-
Other comprehensive income/ (expense) for the period, net of tax	691,777	90,768	662%	780,587	(72,788)	-	691,604	104,324	563%	780,102	(59,256)	-
Total comprehensive income for the period	2,598,207	1,816,296	43%	1,270,768	222,047	472%	2,378,107	1,678,331	42%	1,246,049	348,508	258%
Profit attributable to;												
Equity holders of the Company	1,896,841	1,716,970		490,113	301,213		1,686,503	1,574,007		-	-	
Non-controlling interests	9,590	8,559		68	(6,377)		-	-		-	-	
Profit for the period	1,906,431	1,725,529		490,181	294,836		1,686,503	1,574,007		-	-	
Tota comprehensive income attributable to;												
Equity holders of the Company	2,597,680	1,808,505		1,253,055	229,192		2,378,107	1,678,331		-	-	
Non-controlling interests	527	7,792		57	(7,144)		-	-		-	-	
Total comprehensive income for the period	2,598,207	1,816,297		1,253,113	222,048		2,378,107	1,678,331		-	-	
Earnings per share Rs.	0.30	0.27		0.08	0.05		0.26	0.25		0.07	0.06	

Figures in brackets indicate deductions

COMMERCIAL LEASING & FINANCE PLC
Statement of changes in equity - Group

For the year ended 31 March 2017

	Stated Capital Rs. 000	Revaluation Reserves Rs. 000	Hedging reserve Rs. 000	Fair Value Reserve on AFS Rs. 000	General Reserve Rs. 000	Statutory Reserves Rs. 000	Investment Fund Reserve Rs. 000	Retained Earnings Rs. 000	Total Rs. 000	Non-controlling Interest Rs. 000	Total Equity Rs. '000
Balance as at 01st April 2015	1,425,947	135,980	(180,070)	40,271	231,780	479,261	-	7,990,108	10,123,276	43,252	10,166,528
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	1,716,970	1,716,970	8,558	1,725,529
Other comprehensive income	-	-	226,341	(127,746)	-	-	-	(7,060)	91,535	(767)	90,768
Total comprehensive income for the period	-	-	226,341	(127,746)	-	-	-	1,709,910	1,808,505	7,791	1,816,297
Transactions with Owners directly recorded in the Equity											
Dividends Forfeited	-	-	-	-	-	-	-	3,710	3,710	-	3,710
Adjustment BRAC	-	-	-	-	-	-	-	-	-	-	-
Transferred to/(from) during the year	-	-	-	-	-	71,301	-	(71,301)	-	-	-
Balance as at 31st March 2016	1,425,947	135,980	46,271	(87,475)	231,780	550,562	-	9,632,427	11,935,491	51,044	11,986,535
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	1,896,842	1,896,842	9,588	1,906,430
Differed tax on revaluation	-	(11,664)	-	-	-	-	-	-	(11,664)	-	(11,664)
Other comprehensive income	-	747,892	18,493	(42,094)	-	-	-	(3,220)	721,071	25	721,096
Tax on other comprehensive income (excluding tax on revaluation)	-	(17,655)	-	-	-	-	-	-	(17,655)	-	(17,655)
Total comprehensive income for the period	-	718,574	18,493	(42,094)	-	-	-	1,893,622	2,588,595	9,611	2,598,207
Transactions with Owners directly recorded in the Equity											
Dividends Forfeited	-	-	-	-	-	-	-	-	-	-	-
Acquisition of NCI	-	-	-	-	-	-	-	2,523	2,523	(57,934)	(55,412)
Transferred to/(from) during the year	-	-	-	-	-	105,838	-	(105,838)	-	-	-
Balance as at 31st March 2017	1,425,947	854,554	64,764	(129,568)	231,780	656,400	-	11,422,734	14,526,609	2,721	14,529,330

COMMERCIAL LEASING & FINANCE PLC
Statement of changes in equity - Company

For the year ended 31 March 2017

	Stated Capital Rs. 000	Revaluation Reserves Rs. 000	Hedging reserve Rs. 000	Fair Value Reserve on AFS Rs. 000	General Reserve Rs. 000	Statutory Reserve Rs. 000	Investment Fund Reserve Rs. 000	Retained Earnings Rs. 000	Total Rs. 000
Balance as at 01st April 2015	1,425,947	135,981	(180,070)	40,411	288,080	465,903	0.00	7,939,133	10,115,385
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	1,574,007	1,574,007
Other comprehensive income	-	-	226,341	(127,517)	-	-	-	5,500	104,324
Total comprehensive income for the period	-	-	226,341	(127,517)	-	-	-	1,579,507	1,678,331
Dividends Forfeited	-	-	-	-	-	-	-	3,710	3,710
Transferred to/(from) during the year	-	-	-	-	-	78,700	-	(78,700)	-
Balance as at 31st March 2016	1,425,947	135,981	46,271	(87,106)	288,080	544,603	0.00	9,443,650	11,797,426
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	1,686,503	1,686,503
Differed tax on revaluation	-	(11,492)	-	-	-	-	-	-	(11,492)
Other comprehensive income	-	747,892	18,493	(40,107)	-	-	-	(6,186)	720,092
Tax on other comprehensive income (excluding tax on revaluation)	-	-	(16,996)	-	-	-	-	-	(16,996)
Total comprehensive income for the period	-	736,400	1,497	(40,107)	-	-	-	1,680,317	2,378,107
Transferred to/(from) during the year	-	-	-	-	-	84,325	-	(84,325)	-
Balance as at 31st March 2017	1,425,947	872,381	47,768	(127,213)	288,080	628,928	0.00	11,039,642	14,175,533

COMMERCIAL LEASING & FINANCE PLC
Statement of Cash Flow

For the year ended	Group		Company	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before income tax expense	2,557,766	2,268,275	2,204,974	2,007,890
Adjustment for:				
(Gain) / loss on sale of property, plant and equipment	(5,434)	(2,037)	(5,434)	(1,886)
Depreciation and amortization	124,581	97,400	109,606	87,034
Provision for gratuity	21,433	15,421	15,378	11,109
Allowances for doubtful debts	1,053,624	636,412	712,077	571,655
Change in fair value of investments	-	40,155	-	40,155
Interest cost	7,434,775	4,032,127	6,283,154	3,466,867
Share of profit of equity accounted investees	(10,445)	(7,637)	(10,445)	(7,637)
Investment income	(1,375,466)	(4,719)	(1,258,177)	(4,660)
Dividend Income	(49,891)	-	(49,891)	-
Change in fair value of investment properties	(4,000)	10,700	(4,000)	10,700
Adjustment for Unamortized finance cost - Long term Borrowings	-	(354,311)	-	(353,116)
Operating profit before working capital changes	9,746,943	6,731,786	7,997,241	5,828,111
Working capital changes				
(Increase)/decrease in leases, hire purchase receivables	472,229	(2,410,079)	482,357	(2,414,582)
(Increase)/decrease in advances and other loans receivable	(11,896,767)	(15,891,653)	(8,342,147)	(11,967,993)
(Increase)/decrease in other receivables and related party receivables	(260,471)	867,284	284,319	(224,636)
Increase/(decrease) in trade and other payables	720,260	3,341,291	(367,520)	450,391
(Increase)/decrease in customer deposits	5,984,977	2,969,259	3,588,296	2,646,076
Cash generated from operations	4,767,171	(4,392,112)	3,642,545	(5,682,633)
Interest paid	(7,388,451)	(3,882,956)	(6,236,829)	(3,317,696)
Income tax paid	(727,670)	(463,741)	(616,248)	(444,087)
Gratuity paid	(2,726)	(6,632)	(2,011)	(3,494)
Net cash from /(used in) operating activities	(3,351,675)	(8,745,441)	(3,212,545)	(9,447,910)
CASH FLOW FROM INVESTING ACTIVITIES				
Investment in subsidiary companies	-	-	(55,439)	-
Purchased of property, plant and equipment	(351,902)	(173,487)	(266,269)	(117,491)
Acquisition of intangible assets	(5,943)	-	(6,341)	-
Purchase of financial investments	-	(28,024,898)	-	(27,910,464)
Proceeds from the sale of property, plant and equipment	5,987	2,037	5,434	1,886
Interest received	1,364,600	-	1,247,312	-
Net additions to investment securities	(116,280)	-	653,191	-
Net investment in term deposits	14,815,693	-	14,823,961	-
Dividend received from investments	46,585	7,959	46,582	7,900
Net cash flow from investing activities	15,758,740	(28,188,389)	16,448,431	(28,018,169)
CASH FLOW FROM FINANCING ACTIVITIES				
Net Movement in Interest bearing loans and borrowings	(10,904,059)	15,243,624	(10,904,059)	15,243,624
Net Movement in Derivatives	-	(115,963)	-	(115,963)
Proceeds from long-term interest bearing loans and borrowings	-	25,859,254	-	23,625,135
Repayments of long-term interest bearing loans and borrowings	(1,843,053)	(7,680,891)	(1,900,080)	(5,826,257)
Proceeds from issuance of debentures	-	5,000,000	-	5,000,000
Net cash generated from financing activities	(12,747,112)	38,306,024	(12,804,139)	37,926,539
Net increase/(decrease) in cash & cash equivalents during the period	(340,050)	1,372,194	431,746	460,460
Cash & cash equivalents at the beginning of the period	685,424	(686,770)	(334,704)	(795,164)
Cash & cash equivalents at the end of the period	345,376	685,424	97,042	(334,704)
Analysis of cash & cash equivalents at the end of the period				
Cash at bank and in hand	2,150,420	2,280,295	1,487,849	836,057
Bank overdraft	(1,805,044)	(1,594,871)	(1,390,807)	(1,170,761)
	345,376	685,424	97,042	(334,704)

Commercial Leasing & Finance PLC
Notes to the Interim Financial Statements
For the year ended 31st March 2017

1. The Statement of Financial Position as at 31 March 2017, the Statement of Profit or Loss & other Comprehensive Income, Cash Flow Statements and Statements of Changes in Equity of the Company & the Group for the year ended 31 March 2017 are drawn up from unaudited Financial Statements of the Company & its subsidiary, and provide information as required by the Colombo Stock Exchange and in accordance with LKAS 34 Interim Financial Reporting and do not include all of the information required for a full set of financial statements. Further, provisions of the Companies Act No.7 of 2007 and Finance Business Act No.42 of 2011, has been considered in preparing the said financial statements of the Company & of the Group.

2. Accounting policies and method of computation as stated in the Annual report for the year 2015/16 are followed in preparing of these Interim Financial Statements .

3. The Stated Capital of the Company is represented by 6,377,711,170 ordinary shares.

4. Income represents gross income receivable for the year on all performing contracts, rentals on operating leases and income on factoring client debtors. It includes all income related to operations such as interest on overdue rentals and collection on contracts written-off.

5. Other operating income includes interest on government securities, interest on fixed deposits, commission income, capital gains and losses arising from marked to market valuation of quoted shares held for trading purposes, dividends, fee income & profit/loss on contracts terminated.

6. All expenses related to management expenditure is fully provided for in the financial statements.

7. Previous period figures and notes have been restated and reclassified wherever necessary to conform to the current year's presentation.

8.No circumstances have arisen subsequent to the reporting date which would require adjustments to or disclosure in the financial statements other than the following;

The company held 99.76% of the issued share capital of BRAC Lanka Finance (BRAC) as at 31st March 2017. Its holding diluted to 44.33% in April 2017 with the non subscription of rights issued by BRAC.The parent company, Lanka Orix Leasing Company PLC purchased all unsubscribed shares in order to maintain group control and to ensure that BRAC meets the requirement for increased capital.

9. There are no significant changes in the nature of the contingent liabilities disclosed in the Annual Report for the year ended 31 March 2016.

10 . Share Information

Market prices of ordinary shares recorded during the quarter ended 31st March 2017 are as follows.

Market prices of ordinary shares recorded during the	31-Mar-17	31-Mar-16
Highest price (Rs.)	3.40	4.20
Lowest price (Rs.)	2.40	3.50
Closing price (Rs.)	2.60	3.80

11. Debenture information

The company issued fifty million (50,000,000) rated, Senior, Unsecured, Redeemable debentures in July 2015 to the value of Rupees five billion (LKR.5,000,000,000) with a five year maturity.

11.1 Interest rate of comparable government security

Buying and Selling prices of Treasury Bonds of the Bind Market as at 31st March 2017

5 Year Bond	Price (Rs.)	Yield (%)
Buying	89.24	12.66
Selling	89.69	12.54

Market prices and yield during the period

5 Year Bond	Price (Rs.)	Yield (%)
	95.87	11.84

11.2 Yield to maturity of last trade done for the quarter ended 31st March 20: - Not Traded

11.3 Market prices for the quarter ended 31st March 2017 - Not Traded

11.4 Debt security related ratios

	Company	
	As at 31-03-2017	As at 31-03-2016
Debt to equity ratio	4.34 times	5.96 times
Quick asset ratio	1.118 times	1.128 times
Interest cover	1.35 times	1.66 times

11.5 Disclosures regarding the utilization of funds as per the objectives stated in the debenture prospectus

Objective Number	Objective as per prospectus	Amount allocated as per prospectus in LKR	Proposed date of utilization as per prospectus	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amounts utilized in LKR (B)	% of utilization against allocation (b/a)	Clarification if not fully utilized including where the funds are invested
1	To restructure the balance sheet of the company by retiring short term debt	5,000,000,000	Immediately upon receipt of the issue	5,000,000,000	100%	5,000,000,000	100%	N/A

12. Financial assets and liabilities- Valuation technique

Level 1 – Quoted market price (unadjusted) in an active market of an identical instrument.

Level 2 – Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices), this category included instruments valued using: quoted market prices in active markets similar instruments; quoted prices for identical or similar instruments in markets are considered less than active; or other valuation techniques where all significant inputs are directly observable from market data.

Level 3 – Valuation techniques use 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

Commercial Leasing & Finance PLC
Notes to the Interim Financial Statements
For the year ended 31st March 2017

11. Financial assets and liabilities - Valuation technique

11.2. Accounting classifications and fair values - Group

The table below sets out the carrying amounts of the company's financial assets and financial liabilities.

Rs.000'

As at 31st March 2017	Fair value - derivatives	Fair value - held for trading	Fair value through other comprehensive income - available for sale	Amortised cost / Not measured at fair value	Total carrying amount	Fair value	Fair value measurement level
ASSETS							
Cash and cash equivalents	-	-	-	2,150,420	2,150,420	2,150,420	Level 3
Investment in equity securities	-	201,450	66,979	-	268,429	268,429	Level 3
Investment in government securities	-	-	-	-	-	-	-
- Corporate bonds	-	-	1,424,507	-	1,424,507	1,424,507	Level 1
- Measured at amortized cost	-	-	-	4,287,347	4,287,347	4,287,347	Level 3
Investment in term deposits	-	-	-	8,740,159	8,740,159	8,740,159	Level 3
Commercial Papers	-	-	-	1,706,651	1,706,651	1,706,651	Level 3
Finance lease receivables, hire purchases and operating leases	-	-	-	-	-	-	-
- Finance lease receivables	-	-	-	14,070,619	14,070,619	12,865,911	Level 2
- Hire purchase receivables	-	-	-	10,656	10,656	10,656	Level 2
- Advances and other loans	-	-	-	44,778,397	44,778,397	32,411,725	Level 2
- Factoring receivables	-	-	-	6,167,657	6,167,657	4,959,717	Level 3
Derivative assets	60,701	-	-	-	60,701	60,701	Level 2
Other financial assets	-	-	-	1,276	1,276	40,484	Level 3
Total financial assets	60,701	201,450	1,491,486	81,913,182	83,666,819	68,926,706	
LIABILITIES							
Bank overdraft	-	-	-	1,805,044	1,805,044	1,805,044	Level 3
Short Term Loan from Banks	-	-	-	13,134,045	13,134,045	13,134,045	Level 3
Debentures	-	-	-	5,121,541	5,121,541	4,321,648	Level 2
Bank Loans	-	-	-	26,011,345	26,011,345	26,011,345	Level 2
Deposits from customers	-	-	-	15,935,942	15,935,942	13,746,015	Level 2
Trade and other payables	-	-	-	273,358	273,358	273,358	Level 3
Amount due to related companies	-	-	-	84,598	84,598	84,598	Level 3
Total financial liabilities	-	-	-	62,365,874	62,365,874	59,376,054	

Rs.000'

As at 31st March 2016	Fair value - derivatives	Fair value - held for trading	Fair value through other comprehensive income - available for sale	Amortised cost / Not measured at fair value	Total carrying amount	Fair value	Fair value measurement level
ASSETS							
Cash and cash equivalents	-	-	-	2,281,440	2,281,440	2,281,440	Level 3
Investment in equity securities	-	188,400	66,979	-	255,379	255,379	Level 3
Investment in government securities	-	-	-	-	-	-	-
- Corporate bonds	-	-	1,465,010	-	1,465,010	1,465,010	Level 1
Designated available-for-sale investment securities	-	4,044,622	-	-	4,044,622	4,044,622	Level 1
- Measured at fair value	-	-	-	-	-	-	-
- Measured at amortized cost	-	-	-	4,593,221	4,593,221	4,593,221	Level 3
Investment in term deposits	-	-	-	23,559,610	23,559,610	23,559,610	Level 3
Finance lease receivables, hire purchases and operating leases	-	-	-	-	-	-	-
Finance lease receivables	-	-	-	14,741,920	14,741,920	14,860,064	Level 2
Hire purchase receivables	-	-	-	39,329	39,329	31,772	Level 2
Advances and other loans	-	-	-	34,967,234	34,967,234	34,093,936	Level 2
Factoring receivables	-	-	-	4,959,717	4,959,717	4,959,717	Level 3
Derivative assets	60,812	-	-	-	60,812	60,812	Level 2
Amount due from related companies	-	-	-	8	8	8	Level 3
Other Financial Assets	-	-	-	1,825	1,825	1,825	Level 3
Total financial assets	60,812	4,233,022	1,531,989	85,144,304	90,970,127	90,207,416	
LIABILITIES							
Bank overdraft	-	-	-	1,594,871	1,594,871	1,594,871	Level 3
Short Term Loan from Banks	-	-	-	23,988,059	23,988,059	23,988,059	Level 3
Other short term borrowings	-	-	-	3,000	3,000	2,923	Level 2
Debentures	-	-	-	5,000,000	5,000,000	4,667,356	Level 2
Bank Loans	-	-	-	27,053,297	27,053,297	27,173,737	Level 2
Other long term borrowings	-	-	-	43,172	43,172	42,857	Level 2
Deposits from customers	-	-	-	12,764,288	12,764,288	12,419,213	Level 2
Trade and other payables	-	-	-	6,123,755	6,123,755	6,123,755	Level 3
Amount due to related companies	-	-	-	283,967	283,967	283,967	Level 3
Total financial liabilities	-	-	-	76,854,409	76,854,409	76,296,738	

Commercial Leasing & Finance PLC
Notes to the Interim Financial Statements
For the year ended 31st March 2017

11. Financial assets and liabilities - Valuation technique

11.2. Accounting classifications and fair values - Company

The table below sets out the carrying amounts of the company's financial assets and financial liabilities.

Rs.000'

As at 31st March 2017	Fair value - derivatives	Fair value - held for trading	Fair value through other comprehensive income - available for sale	Amortised cost / Not measured at fair value	Total carrying amount	Fair value	Fair value measurement level
ASSETS							
Cash and cash equivalents	-	-	-	1,487,849	1,487,849	1,487,849	Level 3
Investment in equity securities	-	201,239	66,979	-	268,218	268,218	Level 3
Investment in government securities	-	-	-	-	-	-	-
- Corporate bonds	-	-	1,424,507	-	1,424,507	1,424,507	Level 1
- Measured at amortized cost	-	-	-	3,754,956	3,754,956	3,754,956	Level 3
Investment in term deposits	-	-	-	8,740,159	8,740,159	8,740,159	Level 3
Commercial Papers	-	-	-	1,706,651	1,706,651	1,706,651	Level 3
Finance lease receivables, hire purchases and operating leases	-	-	-	-	-	-	-
- Finance lease receivables	-	-	-	13,971,615	13,971,615	12,865,911	Level 2
- Hire purchase receivables	-	-	-	1,133	1,133	1,133	Level 2
- Advances and other loans	-	-	-	33,763,173	33,763,173	32,411,725	Level 2
- Factoring receivables	-	-	-	6,167,657	6,167,657	4,959,717	Level 3
Derivative assets	60,701	-	-	-	60,701	60,701	Level 2
Other Financial Assets	-	-	-	1,276	1,276	1,276	Level 3
Total financial assets	60,701	201,239	1,491,486	69,594,470	71,347,897	67,682,804	
LIABILITIES							
Bank overdraft	-	-	-	1,390,807	1,390,807	1,390,807	Level 3
Short Term Loan from Banks	-	-	-	13,134,045	13,134,045	13,134,045	Level 3
Debentures	-	-	-	5,121,541	5,121,541	4,321,648	Level 2
Bank Loans	-	-	-	26,011,345	26,011,345	26,011,345	Level 2
Deposits from customers	-	-	-	15,935,942	15,935,942	13,746,015	Level 2
Trade and other payables	-	-	-	273,358	273,358	273,358	Level 3
Amount due to related companies	-	-	-	84,598	84,598	84,598	Level 3
Total financial liabilities	-	-	-	61,951,636	61,951,636	58,961,817	

Rs.000'

As at 31st March 2016	Fair value - derivatives	Fair value - held for trading	Fair value through other comprehensive income - available for sale	Amortised cost / Not measured at fair value	Total carrying amount	Fair value	Fair value measurement level
ASSETS							
Cash and cash equivalents	-	-	-	836,057	836,057	836,057	Level 3
Investment in equity securities	-	188,189	66,979	-	255,168	255,168	Level 3
- Corporate bonds	-	-	1,462,200	-	1,462,200	1,462,200	Level 1
Designated available-for-sale investment securities	-	4,044,622	-	-	4,044,622	4,044,622	Level 1
- Measured at amortized cost	-	-	-	4,593,221	4,593,221	4,593,221	Level 3
Investment in term deposits	-	-	-	23,559,610	23,559,610	23,559,610	Level 3
Finance lease receivables	-	-	-	14,671,377	14,671,377	14,789,520	Level 2
Hire purchase receivables	-	-	-	22,105	22,105	14,548	Level 2
Advances and other loans	-	-	-	27,140,128	27,140,128	26,266,831	Level 2
Factoring receivables	-	-	-	4,959,717	4,959,717	4,959,717	Level 3
Derivative assets	60,812	-	-	-	60,812	60,812	Level 2
Amount due from related companies	-	-	-	8	8	8	Level 3
Other Financial Assets	-	-	-	1,339.51	1,340	1,340	Level 3
Total financial assets	60,812	4,232,811	1,529,179	75,783,563	81,606,365	80,843,654	
LIABILITIES							
Bank overdraft	-	-	-	1,170,761	1,170,761	1,170,761	Level 3
Short Term Loan from Banks	-	-	-	23,988,059	23,988,059	23,988,059	Level 3
Other short term borrowings	-	-	-	3,000	3,000	2,923	Level 2
Debentures	-	-	-	5,000,000	5,000,000	4,667,356	Level 2
Bank Loans	-	-	-	27,053,297	27,053,297	27,173,737	Level 2
Other long term borrowings	-	-	-	43,172	43,172	42,857	Level 2
Deposits from customers	-	-	-	12,347,646	12,347,646	11,234,051	Level 2
Trade and other payables	-	-	-	1,282,696	1,282,696	1,282,696	Level 3
Amount due to related companies	-	-	-	283,967	283,967	283,967	Level 3
Total financial liabilities	-	-	-	71,172,600	71,172,600	69,846,409	

COMMERCIAL LEASING & FINANCE PLC
Segment Information - Group

	Business Segment					
	Leasing Rs.' 000	Hire Purchase Rs.' 000	Loans Rs.' 000	Factoring Rs.' 000	Others Rs.' 000	Total Rs.' 000
For the year ended 31st March 2017						
Total revenue	3,258,619	38,084	9,415,916	1,308,918	2,457,770	16,479,307
Net interest cost	(1,634,512)	(1,238)	(5,085,512)	(713,513)	-	(7,434,775)
Profit before operating expenses	1,624,107	36,846	4,330,404	595,405	2,457,770	9,044,532
Operating expenses	(935,269)	(67,229)	(2,513,034)	(601,611)	(1,796,570)	(5,913,714)
Value Added Tax on financial services	(128,229)	(97)	(398,964)	(56,207)	-	(583,497)
Profit from operations	560,609	(30,481)	1,418,406	(62,413)	661,200	2,547,321
For the year ended 31st March 2016						
Total revenue	3,257,663	54,154	6,371,522	705,348	864,592	11,253,279
Net interest cost	(1,107,847)	(2,956)	(2,552,619)	(368,705)	-	(4,032,127)
Profit before operating expenses	2,149,816	51,198	3,818,903	336,643	864,592	7,221,152
Operating expenses	(1,478,271)	(49,249)	(1,971,933)	(273,046)	(827,927)	(4,600,425)
Value Added Tax on financial services	(98,838)	(264)	(227,734)	(33,253)	-	(360,089)
Profit from operations	572,709	1,685	1,619,235	30,344	36,665	2,260,638
For the year ended 31st March 2017						
Capital expenditure	-	-	-	-	351,902	351,902
Depreciation of property plant and equipment	-	-	-	-	124,581	124,581
Provision for/(reversal of provision for)doubtful debts and bad debts written off	179,893	50,092	498,952	324,687	-	1,053,624
For the year ended 31st March 2016						
Capital expenditure	-	-	-	-	173,487	173,487
Depreciation of property plant and equipment	-	-	-	-	97,400	97,400
Provision for/(reversal of provision for)doubtful debts and bad debts written off	417,632	23,989	87,831	106,960	-	636,412
As at 31st March 2017						
Total assets	14,070,619	10,656	43,778,397	6,167,657	24,863,372	88,890,701
Total liabilities	16,135,301	12,219	50,202,311	7,043,542	967,998	74,361,371
As at 31st March 2016						
Total assets	14,741,920	39,329	33,967,234	4,959,717	38,428,565	92,136,765
Total liabilities	21,741,994	58,004	50,096,282	7,236,018	1,017,932	80,150,230

COMMERCIAL LEASING & FINANCE PLC
Segment Information - Company

	Business Segment					
	Leasing Rs.' 000	Hire Purchase Rs.' 000	Loans Rs.' 000	Factoring Rs.' 000	Others Rs.' 000	Total Rs.' 000
For the year ended 31st March 2017						
Total revenue	3,225,999	36,859	6,326,430	1,308,915	2,355,672	13,253,875
Net interest cost	(1,629,490)	(132)	(3,937,752)	(715,780)	-	(6,283,154)
Profit before operating expenses	1,596,509	36,727	2,388,679	593,135	2,355,672	6,970,721
Operating expenses	(924,724)	(74,667)	(1,260,731)	(601,061)	(1,457,100)	(4,318,282)
Value Added Tax on financial services & NBT	(118,689)	(10)	(286,818)	(52,394)	-	(457,911)
Profit from operations	553,096	(37,949)	841,130	(60,320)	898,571	2,194,529
For the year ended 31st March 2016						
Total revenue	3,316,439	50,886	4,702,795	706,466	614,144	9,390,730
Net interest cost	(1,112,327)	(1,676)	(1,989,326)	(363,538)	-	(3,466,867)
Profit before operating expenses	2,204,112	49,210	2,713,469	342,928	614,144	5,923,863
Operating expenses	(1,548,534)	(47,235)	(1,447,086)	(283,175)	(326,923)	(3,652,953)
Value Added Tax on financial services & NBT	(84,861)	(128)	(156,982)	(28,686)	-	(270,657)
Profit from operations	570,717	1,847	1,109,401	31,067	287,221	2,000,253
For the year ended 31st March 2017						
Capital expenditure	-	-	-	-	266,269	266,269
Depreciation of property plant and equipment	-	-	-	-	109,606	109,606
Provision for/(reversal of provision for)doubtful debts and bad debts written off	180,823	57,554	147,715	324,687	1,298	712,077
For the year ended 31st March 2016						
Capital expenditure	-	-	-	-	117,491	117,491
Depreciation of property plant and equipment	-	-	-	-	87,034	87,034
Provision for/(reversal of provision for)doubtful debts and bad debts written off	400,198	21,300	41,347	106,960	1,850	571,655
As at 31st March 2017						
Total assets	13,971,615	1,133	33,763,173	6,167,657	23,857,519	77,761,096
Total liabilities	16,234,039	1,316	39,230,443	7,131,067	988,698	63,585,563
As at 31st March 2016						
Total assets	14,671,377	22,105	27,140,128	4,959,717	37,565,625	84,358,952
Total liabilities	22,636,748	34,107	41,875,023	7,560,641	455,007	72,561,526

COMMERCIAL LEASING & FINANCE PLC

**Statement of Director's holding and Chief Executive Officer's holding in shares of the Entity
As at 31st March 2017**

	Directors Name	No. of shares	%
1	Mr. I. C. Nanayakkara Chairman	-	-
2	Mr. W. D. K. Jayawardena	-	-
3	Ms. K. U. Amarasinghe	-	-
4	Mr.P.D.J.Fernando	-	-
5	Mr. D.M.D.K.Thilakarathne Director / CEO	-	-
6	Mr.L.Jayarathne	-	-

Top 20 Shareholders As At 31st March 2017

	Shareholder	No. of Shares	% of Issued Capital
1	Lanka Orix Leasing Company Plc	6,308,876,426	98.921
2	Browns Investments Plc	40,000,000	0.627
3	Sinharaja Hills Plantation Pvt Limited	5,445,851	0.085
4	Chemical Industries (Colombo) Ltd/Cic Charitable & Educational Trust Fund	4,000,000	0.063
5	Ceylon Biscuits Limited	2,000,000	0.031
6	Seylan Developments Plc	1,989,239	0.031
7	Mrs. N.R. Mather	1,000,000	0.016
8	Mrs. R.L. Mather	1,000,000	0.016
9	Mr. S.R. Mather	1,000,000	0.016
10	Mr. D.N.N. Lokuge	890,660	0.014
11	Mr. A.N. William	650,000	0.010
12	Mr. W.Gunarathne	529,017	0.008
13	Mr. W.V.A.N. Fernando & Mrs.K.M.M.V.R.Jayasuriya	500,000	0.008
14	Seylan Bank Plc/K.L.G.Udayananda	415,664	0.007
15	Dr. H.S.D. Soysa	400,100	0.006
16	Bansei Securities Capital (Pvt) Ltd/C.P.A.Gunasekera	399,564	0.006
17	Mr. P.B. Jayasundara	260,000	0.004
18	Mr. S.M.M. Abdul Ghaffoor	200,000	0.003
19	Mr H.E.P.Babapulle / Mrs. I.J. Babapulle	200,000	0.003
20	Mr.J.W.Kelegama	200,000	0.003
Total shares held by Top 20 Shareholders		6,369,956,521	99.87

Public Holding Percentage as at 31st March 2017 being 1.076% comprising of 928 shareholders.