

**COMMERCIAL LEASING & FINANCE PLC**



**COMMERCIAL  
LEASING & FINANCE**

**INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

**COMMERCIAL LEASING & FINANCE PLC**
**Statement of Financial Position**

<b>Group</b>		<b>Company</b>		<b>Group</b>		<b>Company</b>	
<b>31-Mar-15</b>	<b>31-Mar-15</b>	<b>As at 30th September</b>		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>(Audited)</b>	<b>(Audited)</b>			<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>Rs. '000</b>	<b>Rs. '000</b>			<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>	<b>Rs. '000</b>
		<b>Assets</b>					
639,717	515,680	Cash & cash equivalents		<b>1,214,937</b>	582,971	<b>797,398</b>	528,568
228,345	228,345	Financial assets held for trading		<b>248,628</b>	292,689	<b>248,617</b>	272,265
5,893,126	5,874,610	Other investments		<b>8,391,349</b>	3,321,626	<b>8,376,679</b>	3,321,626
12,815,032	12,718,721	Rental receivables on leases & hire purchase		<b>14,549,857</b>	12,823,236	<b>14,478,590</b>	12,659,337
20,800,941	17,849,803	Loans and advances		<b>27,875,777</b>	16,452,869	<b>21,492,644</b>	16,226,839
2,413,883	2,413,883	Factoring receivables		<b>3,214,224</b>	1,858,814	<b>3,214,224</b>	1,858,814
1,406	3,302	Amounts due from related company		<b>734</b>	2	<b>3,216</b>	2
368,175	367,620	Value Added Tax (VAT) recoverable		<b>290,685</b>	420,407	<b>290,685</b>	419,061
863,368	322,983	Other receivables		<b>648,362</b>	416,398	<b>627,368</b>	405,377
71,457	71,457	Investment in equity accounted investee		<b>76,140</b>	73,967	<b>76,140</b>	73,967
10,700	10,700	Investment property		<b>10,700</b>	250,330	<b>10,700</b>	14,038
-	967,863	Investment in subsidiary companies		-	-	<b>967,863</b>	608,635
978	-	Deferred tax asset		<b>978</b>	-	-	-
253,211	-	Goodwill on acquisition		<b>253,211</b>	253,271	-	-
-	-	Other intangible asset		-	20,878	-	-
1,068,739	1,040,374	Property, plant & equipment		<b>1,118,357</b>	1,165,438	<b>1,066,369</b>	1,056,290
<b>45,429,078</b>	<b>42,385,342</b>	<b>Total Assets</b>		<b>57,893,939</b>	<b>37,932,896</b>	<b>51,650,493</b>	<b>37,444,819</b>
		<b>Liabilities and Equity</b>					
		<b>Liabilities</b>					
1,326,488	1,310,845	Bank overdrafts		<b>1,119,857</b>	363,437	<b>1,119,857</b>	363,437
289,492	289,492	Derivative liabilities - fair value through profit or loss		-	319,114	-	319,114
9,795,029	9,701,570	Deposits liabilities		<b>15,007,806</b>	9,830,065	<b>13,985,441</b>	9,715,176
19,595,870	18,398,143	Interest bearing loans & borrowings		<b>23,287,266</b>	15,501,725	<b>22,943,818</b>	15,501,042
398,472	363,235	Current tax liabilities		<b>462,417</b>	329,813	<b>384,921</b>	327,971
1,753,722	386,278	Amounts due to related companies		<b>4,413,835</b>	103,612	<b>300,181</b>	103,612
1,579,625	1,302,811	Other payables		<b>1,830,408</b>	932,936	<b>1,349,415</b>	819,319
469,356	469,356	Deferred tax liabilities		<b>469,356</b>	628,154	<b>469,356</b>	609,924
54,496	48,226	Retirement benefit obligations		<b>58,909</b>	49,262	<b>50,626</b>	41,949
35,262,550	32,269,956	<b>Total Liabilities</b>		<b>46,649,854</b>	28,058,118	<b>40,603,615</b>	27,801,544
		<b>Equity</b>					
1,425,947	1,425,947	Stated capital		<b>1,425,947</b>	1,425,947	<b>1,425,947</b>	1,425,947
707,221	750,303	Reserves		<b>871,368</b>	1,195,987	<b>914,514</b>	1,195,987
7,990,108	7,939,136	Retained earnings		<b>8,895,268</b>	7,014,182	<b>8,706,417</b>	7,021,341
10,123,276	10,115,386	<b>Equity attributable to shareholders of the Company</b>		<b>11,192,583</b>	9,636,116	<b>11,046,878</b>	9,643,275
43,252	-	Non-controlling interests		<b>51,502</b>	238,662	-	-
10,166,528	-			<b>11,244,085</b>	9,874,778	-	-
<b>45,429,078</b>	<b>42,385,342</b>	<b>Total Liabilities and Equity</b>		<b>57,893,939</b>	<b>37,932,896</b>	<b>51,650,493</b>	<b>37,444,819</b>
<b>1.59</b>	<b>1.59</b>	<b>Net assets value per share</b>		<b>1.75</b>	<b>1.51</b>	<b>1.73</b>	<b>1.51</b>

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

13th November 2015  
Colombo

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

	Group						Company					
	For the Six months ended			For the three months ended			For the Six months ended			For the three months ended		
	30.09.2015	30.09.2014	Variance	30.09.2015	30.09.2014	Variance	30.09.2015	30.09.2014	Variance	30.09.2015	30.09.2014	Variance
	Unaudited	Unaudited		Unaudited	Unaudited		Unaudited	Unaudited		Unaudited	Unaudited	
Rs. ' 000	Rs. ' 000	%	Rs. ' 000	Rs. ' 000	%	Rs. ' 000	Rs. ' 000	%	Rs. ' 000	Rs. ' 000	%	
<b>Interest income</b>	<b>4,784,359</b>	3,795,452	26%	<b>2,565,001</b>	1,969,555	30%	<b>4,111,753</b>	3,766,527	9%	<b>2,156,058</b>	1,940,630	11%
Interest expense	<u>(1,548,126)</u>	<u>(1,253,562)</u>	23%	<u>(845,847)</u>	<u>(617,494)</u>	37%	<u>(1,337,650)</u>	<u>(1,244,324)</u>	8%	<u>(699,822)</u>	<u>(608,255)</u>	15%
<b>Net interest income</b>	<b>3,236,233</b>	2,541,890	27%	<b>1,719,154</b>	1,352,061	27%	<b>2,774,103</b>	2,522,203	10%	<b>1,456,236</b>	1,332,375	9%
Other operating income	266,964	242,729	10%	114,760	107,483	7%	258,235	244,553	6%	109,151	109,307	-
<b>Expenses</b>												
Personnel costs	(573,195)	(348,519)	64%	(280,967)	(188,599)	49%	(409,724)	(328,255)	25%	(197,652)	(168,336)	17%
Premises, equipment & establishment expenses	(173,126)	(131,999)	31%	(91,505)	(68,883)	33%	(150,833)	(131,411)	15%	(77,225)	(68,294)	13%
Depreciation on property plant & equipment	(46,262)	(45,287)	2%	(24,096)	(24,827)	(3%)	(41,523)	(44,579)	(7%)	(21,683)	(24,120)	(10%)
Net impairment loss on financial assets	(375,866)	(509,984)	(26%)	(130,021)	(149,623)	(13%)	(369,051)	(508,673)	(27%)	(129,584)	(148,311)	(13%)
Other operating expenses	(907,171)	(603,366)	50%	(499,313)	(295,365)	69%	(886,657)	(596,304)	49%	(499,878)	(288,304)	73%
Results from operating activities before value added tax and NBT	<b>1,427,576</b>	1,145,465	25%	<b>808,012</b>	732,247	10%	<b>1,174,550</b>	1,157,534	1%	<b>639,365</b>	744,317	(13%)
Value added tax on financial services and NBT	<u>(167,448)</u>	<u>(89,793)</u>	86%	<u>(107,800)</u>	<u>(56,122)</u>	92%	<u>(120,539)</u>	<u>(89,793)</u>	34%	<u>(75,893)</u>	<u>(56,122)</u>	35%
<b>Results from operating activities</b>	<b>1,260,128</b>	1,055,672	19%	<b>700,212</b>	676,125	4%	<b>1,054,011</b>	1,067,741	(1%)	<b>563,472</b>	688,195	(18%)
Share of profit of equity accounted investee (net of tax)	<u>4,683</u>	<u>2,436</u>	92%	<u>2,998</u>	<u>692</u>	333%	<u>4,683</u>	<u>2,436</u>	92%	<u>2,998</u>	<u>692</u>	333%
<b>Profit before income tax expenses</b>	<b>1,264,811</b>	1,058,108	20%	<b>703,210</b>	676,817	4%	<b>1,058,694</b>	1,070,177	(1%)	<b>566,470</b>	688,887	(18%)
Income tax expense	<u>(355,105)</u>	<u>(298,967)</u>	19%	<u>(202,254)</u>	<u>(192,695)</u>	5%	<u>(295,123)</u>	<u>(298,968)</u>	(1%)	<u>(157,772)</u>	<u>(192,696)</u>	(18%)
<b>Profit for the period</b>	<b>909,706</b>	759,141	20%	<b>500,956</b>	484,122	3%	<b>763,571</b>	771,209	(1%)	<b>408,698</b>	496,191	(18%)
<b>Other comprehensive income</b>												
Net Change in fair value of available for sale finance assets	(17,708)	38,979	(145%)	(24,534)	31,320	(178%)	(17,642)	38,979	(145%)	(24,467)	31,321	(178%)
Effective portion of changes in fair value of cash flow	181,853	(23,121)	-	27,775	6,442	331%	181,853	(23,121)	-	27,775	6,442	331%
<b>Other comprehensive income/ (expense) for the period, net of tax</b>	<b>164,145</b>	15,858	935%	<b>3,241</b>	37,762	(91%)	<b>164,211</b>	15,858	935%	<b>3,308</b>	37,763	(91%)
<b>Total comprehensive income for the period</b>	<b>1,073,851</b>	<b>774,999</b>	39%	<b>504,197</b>	521,884	(3%)	<b>927,782</b>	787,067	18%	<b>412,006</b>	533,954	(23%)
<b>Profit attributable to;</b>												
Equity holders of the Company	901,452	764,049	-	-	-	-	763,571	771,209	-	-	-	-
Non-controlling interests	8,254	(4,908)	-	-	-	-	-	-	-	-	-	-
<b>Profit for the period</b>	<b>909,706</b>	<b>759,141</b>	-	<b>-</b>	<b>-</b>	<b>-</b>	<b>763,571</b>	<b>771,209</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to;</b>												
Equity holders of the Company	1,065,597	779,907	-	-	-	-	927,782	787,067	-	-	-	-
Non-controlling interests	8,254	(4,908)	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,073,851</b>	<b>774,999</b>	-	<b>-</b>	<b>-</b>	<b>-</b>	<b>927,782</b>	<b>787,067</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Earnings per share Rs.</b>	<b>0.14</b>	<b>0.12</b>		<b>0.08</b>	<b>0.08</b>		<b>0.12</b>	<b>0.12</b>		<b>0.06</b>	<b>0.08</b>	

Figures in brackets indicate deductions

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

For the six months ended 30 September 2015

	Stated Capital	Revaluation Reserves	Hedging reserve	Fair Value Reserve on AFS	General Reserve	Statutory Reserves	Investment Fund Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. '000
Adjustment due to consolidation	1,425,947	135,980	-2,734	29,335	288,080	394,603	289,075	6,295,923	8,856,208	-	8,856,208
Acquisition of NCI (Note-10.2)	-	-	-	-	-	-	-	-	-	243,570	243,570
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	764,049	764,049	(4,908)	759,141
Other comprehensive income	-	-	23,121	38,979	-	-	-	-	15,859	-	15,859
<b>Total comprehensive income for the period</b>	-	-	(23,121)	38,979	-	-	-	764,049	779,908	(4,908)	775,000
Transferred to/(from) during the year	-	-	-	-	-	-	45,790	(45,790)	-	-	-
<b>Balance as at 30th September 2014</b>	<b>1,425,947</b>	<b>135,980</b>	<b>(25,855)</b>	<b>68,314</b>	<b>288,080</b>	<b>394,603</b>	<b>334,865</b>	<b>7,014,182</b>	<b>9,636,116</b>	<b>238,662</b>	<b>9,874,778</b>
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	825,061	825,061	8,807	833,867
Other comprehensive income	-	-	(154,215)	(28,043)	-	-	-	(660)	(182,917)	(13)	(182,930)
<b>Total comprehensive income for the period</b>	-	-	(154,215)	(28,043)	-	-	-	824,401	642,144	8,794	650,937
<b>Transactions with Owners directly recorded in the Equity</b>											
Acquisition of NCI	-	-	-	-	-	-	-	(154,984)	(154,984)	(204,203)	(359,187)
Transferred to/(from) during the year	-	-	-	-	(56,300)	84,658	(334,865)	306,507	-	-	-
<b>Balance as at 31st March 2015</b>	<b>1,425,947</b>	<b>135,980</b>	<b>(180,070)</b>	<b>40,271</b>	<b>231,780</b>	<b>479,261</b>	<b>-</b>	<b>7,990,107</b>	<b>10,123,276</b>	<b>43,252</b>	<b>10,166,528</b>
<b>Total comprehensive income for the period</b>											
Additional acquisition of NCI	-	-	-	-	-	-	-	901,452	901,452	8,254	909,706
Other comprehensive income	-	-	181,853	(17,708)	-	-	-	-	164,145	(4)	164,141
<b>Total comprehensive income for the period</b>	-	-	181,853	(17,708)	-	-	-	901,452	1,065,597	8,250	1,073,847
<b>Transactions with Owners directly recorded in the Equity</b>											
Dividends Forfeited	-	-	-	-	-	-	-	3,710	3,710	-	3,710
Transferred to/(from) during the year	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 30th September 2015</b>	<b>1,425,947</b>	<b>135,980</b>	<b>1,783</b>	<b>22,564</b>	<b>231,780</b>	<b>479,261</b>	<b>-</b>	<b>8,895,268</b>	<b>11,192,583</b>	<b>51,502</b>	<b>11,244,085</b>

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

For the six months ended 30 September 2015

	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
<b>Balance as at 1st April 2014</b>	<b>1,425,947</b>	<b>135,980</b>	<b>(2,734)</b>	<b>29,335</b>	<b>288,080</b>	<b>394,603</b>	<b>289,075</b>	<b>6,295,922</b>	<b>8,856,208</b>
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	-	-	771,209	771,209
Other comprehensive income	-	-	23,121	38,979	-	-	-	-	15,858
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(23,121)</b>	<b>38,979</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>771,209</b>	<b>787,067</b>
Transferred to/(from) during the year	-	-	-	-	-	-	45,790	(45,790)	-
<b>Balance as at 30th September 2014</b>	<b>1,425,947</b>	<b>135,980</b>	<b>(25,855)</b>	<b>68,314</b>	<b>288,080</b>	<b>394,603</b>	<b>334,865</b>	<b>7,021,341</b>	<b>9,643,275</b>
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	-	-	654,814	654,814
Other comprehensive income	-	-	154,215	(27,905)	-	-	-	(583)	(182,703)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(154,215)</b>	<b>(27,905)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>654,231</b>	<b>472,111</b>
Deferred tax on revaluation	-	-	-	-	-	-	-	-	-
Transferred to/(from) during the year	-	-	-	-	-	71,301	(334,865)	263,564	-
<b>Balance as at 31st March 2015</b>	<b>1,425,947</b>	<b>135,980</b>	<b>(180,070)</b>	<b>40,409</b>	<b>288,080</b>	<b>465,904</b>	<b>-</b>	<b>7,939,136</b>	<b>10,115,386</b>
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	-	-	763,571	763,571
Other comprehensive income	-	-	181,853	(17,642)	-	-	-	-	164,211
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>181,853</b>	<b>(17,642)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>763,571</b>	<b>927,782</b>
Devidends Forfeited	-	-	-	-	-	-	-	3,710	3,710
Transferred to/(from) during the year	-	-	-	-	-	-	-	-	-
<b>Balance as at 30th September 2015</b>	<b>1,425,947</b>	<b>135,980</b>	<b>1,783</b>	<b>22,767</b>	<b>288,080</b>	<b>465,904</b>	<b>-</b>	<b>8,706,417</b>	<b>11,046,878</b>

Market prices of ordinary shares recorded during the six month ended	30-Sep-15	30-Sep-14
Highest price (Rs.)	4.50	5.50
Lowest price (Rs.)	4.00	4.00
Last traded price (Rs.)	4.00	4.50

**COMMERCIAL LEASING & FINANCE PLC**  
**Statement of Cash Flow**

For the six months ended	Group		Company	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before income tax expense	1,264,811	1,058,108	1,058,694	1,070,177
<b>Adjustment for:</b>				
Depreciation and amortization	46,262	45,287	41,523	44,579
Provision for gratuity	6,513	4,943	3,807	2,321
Allowances for doubtful debts	375,866	509,984	369,051	508,673
Provision for fall/(increase) in value of investments	(20,093)	(57,014)	(20,093)	(57,014)
Dividend Income	(4,660)	(5,643)	(4,660)	(5,643)
Interest cost	1,514,138	1,225,712	1,337,650	1,216,474
Share of profit of equity accounted investees	(4,683)	(2,436)	(4,683)	(2,436)
Interest on treasury bonds, bills and repos	(149,847)	(145,951)	(149,847)	(145,950)
Gain / (loss) on sale of treasury bonds	(10,123)	-	(10,123)	-
(Profit)/Loss on sale of property, plant and equipment	(1,148)	-	(1,148)	-
<b>Operating profit before working capital changes</b>	<b>3,017,036</b>	<b>2,632,990</b>	<b>2,620,171</b>	<b>2,631,181</b>
<b>Working capital changes</b>				
(Increase)/decrease in accounts receivables & others	293,170	(121,853)	(239,627)	(24,639)
Increase/(decrease) in accounts payables	2,806,966	(491,688)	303,895	293,229
(Increase)/decrease investment in leases	(1,960,845)	(286,249)	(1,980,339)	(297,605)
(Increase)/decrease in factoring account receivable	(826,831)	(69,545)	(826,831)	(69,545)
(Increase)/decrease investment in advances and other loans	(7,198,192)	(2,078,890)	(3,764,932)	(3,316,317)
<b>Cash generated from operations</b>	<b>(3,868,696)</b>	<b>(415,235)</b>	<b>(3,887,663)</b>	<b>(783,696)</b>
Interest paid	(1,814,794)	(956,700)	(1,340,309)	(1,169,024)
Income tax paid	(291,160)	(299,765)	(273,437)	(296,844)
Gratuity paid	(2,100)	(3,230)	(1,407)	(710)
<b>Net cash from /(used in) operating activities</b>	<b>(5,976,750)</b>	<b>(1,674,930)</b>	<b>(5,502,816)</b>	<b>(2,250,274)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Net cash and cash equivalents on acquisition of subsidiary	-	(697,814)	-	(608,635)
Purchased of property, plant and equipment	(94,732)	(42,008)	(66,370)	(31,055)
Purchase/Disposal of short term investments	(2,516,124)	173,748	(2,520,011)	(738,026)
Interest received	159,970	145,950	159,970	145,950
Dividend received	4,660	5,643	4,660	5,643
<b>Net cash flow from investing activities</b>	<b>(2,446,226)</b>	<b>(414,481)</b>	<b>(2,421,751)</b>	<b>(1,226,123)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Net proceed from short term borrowings	(979,000)	3,821,476	(979,000)	3,550,000
Net proceed from customer deposits	5,212,777	2,035,014	4,283,871	2,036,898
Proceeds from long term loans	1,500,000	-	1,500,000	-
Repayments of long term loans	(1,528,949)	(3,628,102)	(1,407,598)	(2,025,899)
Proceeds from debentures	5,000,000	-	5,000,000	-
<b>Net cash generated from financing activities</b>	<b>9,204,828</b>	<b>2,228,388</b>	<b>8,397,273</b>	<b>3,560,999</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents during the period</b>	<b>781,852</b>	<b>138,977</b>	<b>472,706</b>	<b>84,602</b>
Cash & cash equivalents at the beginning of the period	(686,772)	80,557	(795,164)	80,529
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>95,080</b>	<b>219,534</b>	<b>(322,458)</b>	<b>165,131</b>
<b>Analysis of cash &amp; cash equivalents at the end of the period</b>				
Cash at bank and in hand	1,214,937	582,971	797,398	528,568
Bank overdraft	(1,119,857)	(363,437)	(1,119,857)	(363,437)
	<b>95,080</b>	<b>219,534</b>	<b>(322,458)</b>	<b>165,131</b>

**Commercial Leasing & Finance PLC**  
**Notes to the Interim Financial Statements**  
**For the six months ended 30th September 2015**

1. The Statement of Financial Position as at 30 September 2015, 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 six months ended 30 September 2015 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 methods of computation as stated in the Annual report for the year 2014/15 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 the 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,profit/loss on contracts terminated and collection on contracts written-off.
5. Other operating income includes interest on government securities, interest on fixed deposits, commision income, capital gains and losses arising from marked to market valuation of quoted shares held for trading purposes,and dividends.
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. There are no material events occurring after Balance Sheet date that require adjustment to or disclosure in these Interim Financial Statements.
9. There are no significant changes in the nature of the contingent liabilities disclosed in the Annual Report for the year ended 31 March 2015.

**10. Debenture information**

	<b>As at / quarter ended 30-09- 2015 Group</b>	<b>As at / quarter ended 30-09-2015 Company</b>
Debt to equity ratio	3.51 times	3.44 times
Quick asset ratio	0.83 times	0.71 times
Interest cover	1.84 times	1.79 times

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

**Interest Yield  
30-09.2015**

**Debenture issued - July 2015**

5 year fixed rate (9.75 % p.a. Payable Annually )	Not traded
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**11. 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 six months ended 30th September 2015

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 30th September 2015	Fair value through other comprehensive income - available for sale					Total carrying amount	Fair value	Fair value measurement level
	Fair value - derivatives	Fair value - held for trading	Fair value through other comprehensive income - available for sale	Amortised cost / Not measured at fair value				
<b>ASSETS</b>								
Cash and cash equivalents	-	-	-	1,214,937	1,214,937	1,214,937	Level 3	
Investment in equity securities	-	248,438	179	11	248,628	248,628	Level 1	
Investment in government securities								
- Corporate bonds	-	-	366,109	-	366,109	366,109	Level 1	
- Measured at amortized cost	-	-	-	3,666,684	3,666,684	3,666,684	Level 3	
Investment in term deposits	-	-	-	4,358,556	4,358,556	4,358,556	Level 3	
Finance lease receivables	-	-	-	14,661,908	14,661,908	14,481,457	Level 2	
Hire purchase receivables	-	-	-	97,510	97,510	71,202	Level 2	
Advances and other loans	-	-	-	28,130,719	28,130,719	24,373,760	Level 2	
Factoring receivables	-	-	-	3,259,445	3,259,445	3,259,445	Level 3	
Derivative assets	95,175	-	-	-	95,175	95,175	Level 2	
Amount due from related companies	-	-	-	734	734	734	Level 3	
Other Financial Assets	-	-	-	186,340	186,340	186,340	Level 3	
<b>Total financial assets</b>	<b>95,175</b>	<b>248,438</b>	<b>366,288</b>	<b>55,576,844</b>	<b>56,286,745</b>	<b>52,323,027</b>		
<b>LIABILITIES</b>								
Bank overdraft	-	-	-	1,119,857	1,119,857	1,119,857	Level 3	
Short Term Loan from Banks	-	-	-	7,770,761	7,770,761	7,755,000	Level 3	
Other short term borrowings	-	-	-	13,435	13,435	14,441	Level 2	
Debentures	-	-	-	5,000,000	5,000,000	4,905,388	Level 2	
Bank Loans	-	-	-	10,396,146	10,396,146	10,567,128	Level 2	
Other long term borrowings	-	-	-	106,924	106,924	108,776	Level 2	
Deposits from customers	-	-	-	15,007,806	15,007,806	14,425,330	Level 2	
Trade and other payables	-	-	-	1,801,492	1,801,492	1,444,940	Level 3	
Amount due to related companies	-	-	-	4,413,835	4,413,835	4,413,835	Level 3	
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,630,256</b>	<b>45,630,256</b>	<b>44,754,695</b>		
<b>As at 31st March 2015</b>								
	Fair value through other comprehensive income - available for sale					Total carrying amount	Fair value	Fair value measurement level
Fair value - derivatives	Fair value - held for trading	Fair value through other comprehensive income - available for sale	Amortised cost / Not measured at fair value					
<b>ASSETS</b>								
Cash and cash equivalents	-	-	-	639,717	639,717	639,717	Level 3	
Investment in equity securities	-	228,345	190	-	228,534	228,534	Level 1	
Investment in government securities								
- Corporate bonds	-	-	-	355,210	355,210	355,020	Level 1	
- Measured at amortized cost	-	-	-	1,765,451	1,765,451	1,765,588	Level 3	
Investment in term deposits	-	-	-	3,764,465	3,764,465	3,764,465	Level 3	
Finance lease receivables	-	-	-	12,339,047	12,339,047	12,615,405	Level 2	
Hire purchase receivables	-	-	-	288,091	288,091	199,627	Level 2	
Advances and other loans	-	-	-	17,949,817	17,949,817	20,855,998	Level 2	
Factoring receivables	-	-	-	2,413,883	2,413,883	2,413,883	Level 3	
Derivative assets	8,000	-	-	-	8,000	8,000	Level 2	
Amount due from related companies	-	-	-	300,181	300,181	300,181	Level 3	
Trade receivables	-	-	-	82,672	82,672	82,672	Level 3	
Other financial assets	-	-	-	529,328	529,328	529,328	Level 3	
<b>Total financial assets</b>	<b>8,000</b>	<b>228,345</b>	<b>190</b>	<b>40,427,863</b>	<b>40,664,396</b>	<b>43,758,418</b>		
<b>LIABILITIES</b>								
Bank overdraft	-	-	-	1,326,488	1,326,488	1,326,489	Level 3	
Commercial papers	-	-	-	13,435	13,435	13,435	Level 2	
Short Term Loan from Banks	-	-	-	8,734,000	8,734,000	8,734,000	Level 2	
Bank Loans	-	-	-	10,926,685	10,926,685	10,991,331	Level 2	
Deposits from customers	-	-	-	9,795,029	9,795,029	14,078,900	Level 2	
Trade and other payables	-	-	-	1,575,915	1,575,915	1,575,915	Level 3	
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,371,552</b>	<b>32,371,552</b>	<b>36,720,070</b>		



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 30th September 2015	Fair value through other comprehensive income - available				Amortised cost / Not measured at fair value	Total carrying amount	Fair value	Fair value measurement level
	Fair value - derivatives	Fair value - held for trading	for sale	income - available				
<b>ASSETS</b>								
Cash and cash equivalents	-	-	-	-	797,398	797,398	797,398	Level 3
Investment in equity securities	-	248,438	-	179	-	248,617	248,617	Level 1
Investment in government securities	-	-	-	-	-	-	-	-
- Corporate bonds	-	-	-	363,123	-	363,123	363,123	Level 1
- Measured at amortized cost	-	-	-	-	3,655,000	3,655,000	3,655,000	Level 3
Investment in term deposits	-	-	-	-	4,358,556	4,358,556	4,358,556	Level 3
Finance lease receivables	-	-	-	-	14,613,338	14,613,338	14,415,232	Level 2
Hire purchase receivables	-	-	-	-	97,510	97,510	71,202	Level 2
Advances and other loans	-	-	-	-	21,724,890	21,724,890	17,956,670	Level 2
Factoring receivables	-	-	-	-	3,259,445	3,259,445	3,259,445	Level 3
Derivative assets	95,175	-	-	-	-	95,175	95,175	Level 2
Amount due from related companies	-	-	-	-	3,216	3,216	3,216	Level 3
Other Financial Assets	-	-	-	-	167,283	167,283	167,283	Level 3
<b>Total financial assets</b>	<b>95,175</b>	<b>248,438</b>	<b>363,302</b>	<b>48,676,636</b>	<b>49,383,551</b>	<b>49,383,551</b>	<b>45,390,916</b>	
<b>LIABILITIES</b>								
Bank overdraft	-	-	-	-	1,119,857	1,119,857	1,119,857	Level 3
Short Term Loan from Banks	-	-	-	-	7,770,761	7,770,761	7,755,000	Level 3
Other short term borrowings	-	-	-	-	13,435	13,435	14,441	Level 2
Debentures	-	-	-	-	5,000,000	5,000,000	4,905,388	Level 2
Bank Loans	-	-	-	-	10,052,698	10,052,698	9,867,128	Level 2
Other long term borrowings	-	-	-	-	106,924	106,924	108,776	Level 2
Deposits from customers	-	-	-	-	13,985,441	13,985,441	13,401,264	Level 2
Trade and other payables	-	-	-	-	1,320,498	1,320,498	1,320,498	Level 3
Amount due to related companies	-	-	-	-	300,181	300,181	300,181	Level 3
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,669,795</b>	<b>39,669,795</b>	<b>38,792,533</b>	
<b>As at 31st March 2015</b>								
<b>ASSETS</b>								
Cash and cash equivalents	-	-	-	-	515,680	515,680	515,680	Level 3
Investment in equity securities	-	228,345	-	179	-	228,523	228,523	Level 1
Investment in government securities	-	-	-	-	-	-	-	-
- Corporate bonds	-	-	-	351,967	-	351,967	351,967	Level 1
- Measured at amortized cost	-	-	-	-	1,750,000	1,750,000	1,750,000	Level 3
Investment in term deposits	-	-	-	-	3,764,465	3,764,465	3,764,465	Level 3
Finance lease receivables	-	-	-	-	12,339,047	12,339,047	12,574,151	Level 2
Hire purchase receivables	-	-	-	-	288,091	288,091	144,570	Level 2
Advances and other loans	-	-	-	-	17,949,817	17,949,817	17,849,803	Level 2
Factoring receivables	-	-	-	-	2,413,883	2,413,883	2,413,883	Level 3
Derivative assets	8,000	-	-	-	-	8,000	8,000	Level 2
Amount due from related companies	-	-	-	-	3,302	3,302	3,302	Level 3
Other financial assets	-	-	-	-	82,672	-	82,672	Level 3
<b>Total financial assets</b>	<b>8,000</b>	<b>228,345</b>	<b>352,146</b>	<b>39,106,957</b>	<b>39,612,775</b>	<b>39,612,775</b>	<b>39,687,016</b>	
<b>LIABILITIES</b>								
Bank overdraft	-	-	-	-	1,310,845	1,310,845	1,310,845	Level 3
Commercial papers	-	-	-	-	13,435	13,435	13,435	Level 2
Short Term Loan from Banks	-	-	-	-	8,734,000	8,734,000	8,734,000	Level 2
Bank Loans	-	-	-	-	9,650,708	9,650,708	9,788,543	Level 2
Deposits from customers	-	-	-	-	9,701,570	9,701,570	13,985,441	Level 2
Trade and other payables	-	-	-	-	1,299,102	1,299,102	1,299,102	Level 3
Amount due to related companies	-	-	-	-	386,278	386,278	386,278	Level 3
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,095,938</b>	<b>31,095,938</b>	<b>35,517,644</b>	

**COMMERCIAL LEASING & FINANCE PLC**  
**Segment Information - Group**  
**For the six months ended 30th September**

	<b>Business Segment</b>					
	<b>Leasing Rs.' 000</b>	<b>Hire Purchase Rs.' 000</b>	<b>Loans Rs.' 000</b>	<b>Factoring Rs.' 000</b>	<b>Others Rs.' 000</b>	<b>Total Rs.' 000</b>
<b>For the six months ended 30 September 2015</b>						
Total revenue	1,627,202	34,223	2,816,998	305,935	266,964	5,051,322
Net interest cost	(508,317)	(3,591)	(929,089)	(107,129)	-	(1,548,126)
<b>Profit before operating expenses</b>	<b>1,118,885</b>	<b>30,633</b>	<b>1,887,908</b>	<b>198,806</b>	<b>266,964</b>	<b>3,503,196</b>
Operating expenses	(763,345)	(20,422)	(1,039,372)	(122,951)	(129,530)	(2,075,621)
Value Added Tax on financial services	-	(611)	(166,837)	-	-	(167,448)
<b>Profit from operations</b>	<b>355,541</b>	<b>9,599</b>	<b>681,699</b>	<b>75,855</b>	<b>137,434</b>	<b>1,260,128</b>
<b>For the six months ended 30 September 2014</b>						
Total revenue	1,626,347	116,789	1,786,004	266,313	242,728	4,038,181
Net interest cost	(503,747)	(26,343)	(650,033)	(73,440)	-	(1,253,562)
<b>Profit before operating expenses</b>	<b>1,122,600</b>	<b>90,447</b>	<b>1,135,970</b>	<b>192,873</b>	<b>242,728</b>	<b>2,784,619</b>
Operating expenses	(760,278)	(77,877)	(610,392)	(92,066)	(98,541)	(1,639,155)
Value Added Tax on financial services	-	(3,348)	(86,444)	-	-	(89,793)
<b>Profit from operations</b>	<b>362,322</b>	<b>9,222</b>	<b>439,134</b>	<b>100,807</b>	<b>144,187</b>	<b>1,055,672</b>
<b>For the six months ended 30 September 2015</b>						
Capital expenditure	-	-	-	-	94,732	94,732
Depreciation of property plant and equipment	-	-	-	-	46,262	46,262
Provision for/(reversal of provision for)doubtful debts and bad debts written off	220,461	5,559	123,356	26,490	-	375,866
<b>For the six months ended 30 September 2014</b>						
Capital expenditure	-	-	-	-	42,008	42,008
Depreciation of property plant and equipment	-	-	-	-	45,287	45,287
Provision for/(reversal of provision for)doubtful debts and bad debts written off	305,061	41,201	149,867	13,856	-	509,984
<b>As at 30- September -2015</b>						
Total assets	14,447,785	102,072	27,875,777	3,214,224	12,254,081	57,893,939
Total liabilities	14,991,892	105,916	27,401,791	3,159,571	990,684	46,649,854
<b>As at 30- September -2014</b>						
Total assets	12,185,987	637,249	16,452,869	1,858,814	6,797,977	37,932,896
Total liabilities	10,742,220	561,749	13,861,735	1,566,073	1,326,341	28,058,118

**COMMERCIAL LEASING & FINANCE PLC**  
**Segment Information - Company**  
**For the 6 months ended 30th September**

	<b>Business Segment</b>					
	<b>Leasing</b> Rs.' 000	<b>Hire Purchase</b> Rs.' 000	<b>Loans</b> Rs.' 000	<b>Factoring</b> Rs.' 000	<b>Others</b> Rs.' 000	<b>Total</b> Rs.' 000
<b>For the six months ended 30 September 2015</b>						
Total revenue	1,620,371	29,230	2,156,217	305,935	258,235	4,369,988
Net interest cost	(508,342)	(2,802)	(718,982)	(107,524)	-	(1,337,650)
<b>Profit before operating expenses</b>	<b>1,112,029</b>	<b>26,428</b>	<b>1,437,235</b>	<b>198,411</b>	<b>258,235</b>	<b>3,032,338</b>
Operating expenses	(761,196)	(18,204)	(827,707)	(123,900)	(126,781)	(1,857,788)
Value Added Tax on financial services	-	(444)	(120,095)	-	-	(120,539)
<b>Profit from operations</b>	<b>350,833</b>	<b>7,780</b>	<b>489,433</b>	<b>74,511</b>	<b>131,454</b>	<b>1,054,011</b>
<b>For the six months ended 30 September 2014</b>						
Total revenue	1,625,967	114,735	1,759,512	266,313	244,553	4,011,080
Net interest cost	(524,445)	(24,679)	(621,247)	(73,952)	-	(1,244,324)
<b>Profit before operating expenses</b>	<b>1,101,522</b>	<b>90,056</b>	<b>1,138,264</b>	<b>192,361</b>	<b>244,553</b>	<b>2,766,756</b>
Operating expenses	(742,691)	(76,980)	(601,993)	(90,281)	(97,276)	(1,609,222)
Value Added Tax on financial services	-	(3,289)	(86,504)	-	-	(89,793)
<b>Profit from operations</b>	<b>358,830</b>	<b>9,786</b>	<b>449,768</b>	<b>102,080</b>	<b>147,277</b>	<b>1,067,741</b>
<b>For the six months ended 30 September 2015</b>						
Capital expenditure	-	-	-	-	66,370	66,370
Depreciation of property plant and equipment	-	-	-	-	41,523	41,523
Provision for/(reversal of provision for)doubtful debts and bad debts written off	215,241	5,229	122,091	26,490	-	369,051
<b>For the six months ended 30 September 2014</b>						
Capital expenditure	-	-	-	-	31,055	31,055
Depreciation of property plant and equipment	-	-	-	-	44,579	44,579
Provision for/(reversal of provision for)doubtful debts and bad debts written off	304,532	41,158	149,218	13,765	-	508,673
<b>As at 30- September -2015</b>						
Total assets	14,399,215	79,375	21,492,644	3,214,224	12,465,035	51,650,493
Total liabilities	15,086,544	83,164	21,337,919	3,191,085	904,904	40,603,615
<b>As at 30- September -2014</b>						
Total assets	12,642,486	594,928	15,645,207	1,862,369	6,699,829	37,444,819
Total liabilities	11,170,048	525,638	13,231,816	1,575,085	1,298,957	27,801,544

**COMMERCIAL LEASING & FINANCE PLC**

**Statement of Director's holding and Chief Executive Officer's holding in shares of the Entity**

**As at 30th September 2015**

	<b>Directors Name</b>	<b>No. of shares</b>	<b>%</b>
1	Mr. I. C. Nanayakkara Chairman	-	-
2	Mr. W. D. K. Jayawardena	-	-
3	Ms. K. U. Amarasinghe	-	-
4	Dr. L. J. S. H. Cabral	-	-
5	Mr. P.D.J.Fernando	-	-
6	Mr. D.M.D.K.Thilakaratne Director / CEO	-	-

**Top 20 Shareholders As At 30th September 2015**

	<b>Shareholder</b>	<b>No. of Shares</b>	<b>% of Issued Capital</b>
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	5,302,027	0.083
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	2,000,000	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.V.A.N. FERNANDO & MRS.K.M.M.V.R.JAYASURIYA	500,000	0.008
13	SEYLAN BANK PLC/K.L.G.UDAYANANDA	460,573	0.007
14	DR. H.S.D.SOYSA	400,100	0.006
15	BANSEI SECURITIES FINANCE (PVT) LTD/C.P.A.GUNASEKERA	400,000	0.006
16	MR. P.B.JAYASUNDARA	260,000	0.004
17	MR. S.M.M.ABDUL GHAFFOOR	200,000	0.003
18	ASSETLINE LEASING COMPANY LTD/M.J.T.WAAS	200,000	0.003
19	MR. H.E.P. BABAPULLE	200,000	0.003
20	MR. J.B.W. KELEGAMA	200,000	0.003
	<b>Total shares held by Top 20 Shareholders</b>	<b>6,369,539,786</b>	<b>99.871</b>

Public Holding Percentage as at 30th September 2015 being 1.076% comprising of 889 shareholders.