

COMMERCIAL LEASING & FINANCE PLC



**INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30 JUNE 2018**

COMMERCIAL LEASING & FINANCE PLC
Statement of Financial Position

| <u>Company</u> | | <u>Company</u> | |
|--------------------------------------|--|-------------------|-------------------|
| 31-Mar-18 | As at 30th June | 2018 | 2017 |
| (Audited) | | Unaudited | Unaudited |
| Rs. '000 | | Rs. '000 | Rs. '000 |
| <u>Assets</u> | | | |
| 2,377,558 | Cash & cash equivalents | 2,022,023 | 1,531,318 |
| 153,997 | Financial assets held for trading | 162,926 | 739,513 |
| 6,505,214 | Other investments | 5,029,425 | 18,968,590 |
| 14,983,512 | Rentals receivable on lease & hire purchase | 15,240,783 | 13,511,383 |
| 41,208,800 | Loans and advances | 42,219,998 | 35,279,597 |
| 3,584,916 | Factoring receivables | 3,121,240 | 5,248,846 |
| 94,646 | Value Added Tax (VAT) recoverable | 62,475 | 219,184 |
| 229,467 | Other receivables | 155,951 | 344,025 |
| 1,506,850 | Investment in equity accounted investee | 1,382,797 | 1,354,653 |
| 1,632,000 | Investment properties | 1,632,000 | 46,000 |
| 3,910 | Intangible assets | 3,570 | 5,436 |
| 1,227,576 | Property, plant & equipment | 1,221,999 | 1,979,693 |
| 73,508,445 | Total Assets | 72,255,188 | 79,228,238 |
| <u>Liabilities and Equity</u> | | | |
| <u>Liabilities</u> | | | |
| 1,353,451 | Bank overdraft | 983,692 | 1,106,812 |
| 271,625 | Derivative liabilities - fair value through profit or loss | 161,216 | 95,522 |
| 23,485,109 | Deposits liabilities | 23,565,214 | 19,640,301 |
| 28,932,662 | Interest bearing loans & borrowings | 27,873,992 | 40,667,166 |
| 519,857 | Current tax liabilities | 453,118 | 533,858 |
| 158,748 | Amounts due to related companies | 168,786 | 209,633 |
| 1,714,304 | Other payables | 1,604,570 | 1,674,448 |
| 477,339 | Deferred tax liabilities | 477,339 | 337,045 |
| 89,326 | Retirement benefit obligations | 93,417 | 71,770 |
| 57,002,421 | Total Liabilities | 55,381,344 | 64,336,555 |
| <u>Equity</u> | | | |
| 1,425,947 | Stated capital | 1,425,947 | 1,425,947 |
| 1,995,771 | Reserves | 1,048,135 | 1,740,140 |
| 13,084,306 | Retained earnings | 14,552,874 | 11,725,596 |
| 16,506,024 | Equity attributable to shareholders of the Company | 17,026,956 | 14,891,683 |
| - | Non-controlling interests | - | - |
| - | | - | - |
| 73,508,445 | Total Liabilities and Equity | 72,408,300 | 79,228,238 |
| 2.59 | Net asset value per share (Rs.) | 2.67 | 2.33 |

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. N.P.Kariyawasam
Head of Finance

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.T.Sanakan
Director

Sgd.

Mr. D.M.D.K.Thilakarathne
Director / CEO

26th July 2018
Colombo

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

| For the three months ended | <u>Group</u> | <u>Company</u> | | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|-----------------------------|
| | <u>30.06.2017</u> <u>Unaudited</u> | <u>30.06.2018</u> <u>Unaudited</u> | <u>30.06.2017</u> <u>Unaudited</u> | <u>Variance</u> <u>%</u> |
| | Rs. ' 000 | Rs. ' 000 | Rs. ' 000 | |
| Interest income | 3,036,891 | 3,466,318 | 3,077,378 | 13% |
| Interest expense | <u>(1,803,615)</u> | <u>(1,630,405)</u> | <u>(1,803,615)</u> | 10% |
| Net interest income | 1,233,276 | 1,835,913 | 1,273,763 | 44% |
| Other Income | 605,931 | 454,075 | 605,931 | (25%) |
| Gain on deemed disposal of BRAC Lanka PLC | - | - | 242,648 | - |
| Expenses | | | | |
| Direct expenses | (105,401) | (165,522) | (105,401) | (57%) |
| Personnel Expenses | (306,848) | (393,126) | (306,848) | (28%) |
| Premises, equipment & establishment expenses | (102,789) | (94,989) | (102,789) | 8% |
| Depreciation and amortization | (25,886) | (33,115) | (25,886) | (28%) |
| Allowance for impairment & write offs | (192,500) | (330,320) | (192,500) | (72%) |
| Other operating expenses | <u>(448,310)</u> | <u>(492,218)</u> | <u>(448,310)</u> | (10%) |
| | 657,473 | 780,698 | 940,608 | (17%) |
| Value added tax on financial services and NBT | <u>(90,057)</u> | <u>(124,342)</u> | <u>(90,057)</u> | (38%) |
| Results from operating activities | 567,416 | 656,356 | 850,551 | (23%) |
| Share of profit of equity accounted investee (net of tax) | 5,605 | 28,926 | 5,605 | 416% |
| Profit before tax | 573,021 | 685,282 | 856,156 | (20%) |
| Income tax expense | <u>(170,213)</u> | <u>(181,511)</u> | <u>(170,213)</u> | (7%) |
| Profit for the period from Continuing operations | 402,808 | 503,771 | 685,943 | (27%) |
| Discontinued Operations | | | | |
| Profit/ (loss) for the period from discontinued operations (Note 9) | <u>(90,303)</u> | - | - | - |
| Profit for the Period | 312,505 | 503,771 | 685,943 | (27%) |
| Other comprehensive income | | | | |
| Continuing Operations | | | | |
| Net Change in fair value of available for sale finance assets | 96,582 | (345) | 96,582 | (100%) |
| Effective portion of changes in fair value of cash flow | (66,376) | 17,507 | (66,376) | - |
| Discontinued Operations | | | | |
| Net Change in fair value of available for sale finance assets of discontinued Operations | 651 | - | - | - |
| Other comprehensive income/ (expense) for the period, net of tax | <u>30,857</u> | <u>17,161</u> | <u>30,206</u> | (58%) |
| Total comprehensive income for the period | <u>343,362</u> | <u>520,932</u> | <u>716,149</u> | (28%) |
| Profit attributable to; | | | | |
| Equity holders of the Company | 312,405 | 503,771 | 685,943 | |
| Non-controlling interests | 100 | - | - | |
| Profit for the period | <u>312,505</u> | <u>503,771</u> | <u>685,943</u> | |
| Tota comprehensive income attributable to; | | | | |
| Equity holders of the Company | 343,260 | 520,932 | 716,149 | |
| Non-controlling interests | 102 | - | - | |
| Total comprehensive income for the period | <u>343,362</u> | <u>520,932</u> | <u>716,149</u> | |
| Earnings per share Rs. | 0.05 | 0.08 | 0.11 | |

Figures in brackets indicate deductions

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

For the three months ended

| | 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 |
|---|---------------------------|------------------------------------|-------------------------------|---|----------------------------|----------------------------------|---------------------------------------|------------------------------|-------------------|
| Balance as at 01st April 2017 | 1,425,947 | 872,382 | 47,767 | (127,213) | 288,080 | 628,918 | - | 11,039,653 | 14,175,534 |
| Total comprehensive income for the period | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | 685,943 | 685,943 |
| Other comprehensive income | - | - | (66,376) | 96,582 | - | - | - | - | 30,206 |
| Total comprehensive income for the period | - | - | (66,376) | 96,582 | - | - | - | 685,943 | 716,149 |
| Transferred to/(from) during the period | | | | | | | | | |
| Balance as at 30th June 2017 | 1,425,947 | 872,382 | (18,609) | (30,631) | 288,080 | 628,918 | - | 11,725,596 | 14,891,683 |
| Total comprehensive income for the period | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | 1,458,380 | 1,458,380 |
| Revaluation of property, plant and equipment | - | 77,008 | - | - | - | - | - | - | 77,008 |
| Share of Other Comprehensive Income from Equity accounted investee | - | - | - | - | - | - | - | 11,933 | 11,933 |
| Tax on Other Comprehensive Income | - | (1,507) | 67,552 | - | - | - | - | 1,706 | 67,752 |
| Other comprehensive income | - | - | (47,837) | 53,200 | - | - | - | (6,094) | (732) |
| Total comprehensive income for the period | - | 75,501 | 19,715 | 53,200 | - | - | - | 1,465,925 | 1,614,341 |
| Transferred to/(from) during the period | - | - | - | - | - | 107,216 | - | (107,216) | - |
| Balance as at 31st March 2018 | 1,425,947 | 947,883 | 1,106 | 22,569 | 288,080 | 736,134 | - | 13,084,305 | 16,506,024 |
| Total comprehensive income for the period | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | 503,771 | 503,771 |
| Other comprehensive income | - | - | 17,507 | (345) | - | - | - | - | 17,161 |
| Total comprehensive income for the period | - | - | 17,507 | (345) | - | - | - | 503,771 | 520,932 |
| Transferred to/(from) during the period | - | - | - | - | - | (964,800) | - | 964,800 | - |
| Balance as at 30th June 2018 | 1,425,947 | 947,883 | 18,613 | 22,224 | 288,080 | (228,666) | - | 14,552,875 | 17,026,956 |

COMMERCIAL LEASING & FINANCE PLC
Statement of Cash Flows

| For the three months ended | Group | Company | |
|---|-------------|-------------|-------------|
| | 30.06.2017 | 30.06.2018 | 30.06.2017 |
| | Rs. '000 | Rs. '000 | Rs. '000 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit before income tax expense | 573,021 | 685,282 | 856,156 |
| Adjustment for: | | | |
| Depreciation and amortization | 25,886 | 33,115 | 25,886 |
| Provision for gratuity | 1,200 | 4,500 | 1,200 |
| Allowances for doubtful debts | 192,500 | 330,320 | 192,500 |
| Provision for fall/(increase) in value of investments | (74,420) | 8,930 | (74,420) |
| Investment income | (295,010) | (114,316) | (295,010) |
| Dividend Income | (5,798) | (5,506) | (5,798) |
| Interest cost | 1,803,615 | 1,630,405 | 1,803,615 |
| Share of profit of equity accounted investees | (5,605) | (28,926) | (5,605) |
| Gain on deemed disposal of BRAC | (242,648) | - | (242,648) |
| Operating profit before working capital changes | 1,972,741 | 2,543,804 | 2,255,876 |
| Working capital changes | | | |
| (Increase)/decrease in accounts receivables & others | 208,600 | 78,246 | 208,600 |
| Increase/(decrease) in accounts payables | 799,640 | (169,196) | 799,640 |
| (Increase)/decrease investment in leases | 416,323 | (309,740) | 416,323 |
| (Increase)/decrease in factoring account receivable | 857,610 | 377,688 | 857,610 |
| (Increase)/decrease investment in advances and other loans | (1,602,681) | (1,203,059) | (1,602,681) |
| Net proceed from customer deposits | 3,704,358 | 84,009 | 3,704,358 |
| Cash generated from operations | 6,356,591 | 1,401,752 | 6,639,726 |
| Interest paid | (2,014,171) | (1,814,636) | (2,014,171) |
| Income tax paid | (50,000) | (248,251) | (50,000) |
| Gratuity paid | (1,730) | (409) | (1,730) |
| Net cash from /(used in) operating activities | 4,290,690 | (661,544) | 4,573,825 |
| Net cash from /(used in) operating activities from discontinued operations | 816,576 | - | - |
| Net cash from /(used in) operating activities | 5,107,266 | (661,544) | 4,573,825 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchased of property, plant and equipment | (29,288) | (27,198) | (29,288) |
| Purchases of short term investments | (830,496) | 550,017 | (830,496) |
| Net investment in term deposits | 2,630 | 950,000 | 2,630 |
| Interest received | - | 77,389 | - |
| Net cash flow from investing activities from continuing Operations | (857,154) | 1,550,208 | (857,154) |
| Net cash flow from investing activities from discontinued Operations | 1,158,570 | - | - |
| | 301,416 | 1,550,208 | (857,154) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Net proceed from short term borrowings | (3,352,000) | 367,554 | (3,352,000) |
| Proceeds from long term loans | - | 2,300,000 | - |
| Repayments of long term loans | (37,209) | (3,541,994) | (37,209) |
| Net cash generated from financing activities from continuing Operations | (3,389,209) | (874,440) | (3,389,209) |
| Net cash generated from financing activities from discontinued Operations | (1,940,344) | - | - |
| Net cash generated from financing activities | (5,329,553) | (874,440) | (3,389,209) |
| Net increase/(decrease) in cash & cash equivalents during the period | 79,128 | 14,225 | 327,462 |
| Cash & cash equivalents at the beginning of the period | 345,377 | 1,024,106 | 97,044 |
| Cash & cash equivalents at the end of the period | 424,506 | 1,038,331 | 424,506 |
| Analysis of cash & cash equivalents at the end of the period | | | |
| Cash at bank and in hand | 1,531,318 | 2,022,023 | 1,531,318 |
| Bank overdraft | (1,106,812) | (983,692) | (1,106,812) |
| | 424,506 | 1,038,331 | 424,506 |

Commercial Leasing & Finance PLC
Notes to the Interim Financial Statements
For the year ended 30th June 2018

- 1 The Statement of Financial Position as at 30 June 2018, the Statement of Profit or Loss & other Comprehensive Income, Cash Flow Statements and Statements of Changes in Equity of the Company for the three months ended 30 June 2018 are drawn up from unaudited Financial Statements of the Company, 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.
- 2 Accounting policies and method of computation as stated in the Audited financial statements for the year 2017/18 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 With reference to the right issue made by BRAC Lanka PLC during the Financial Year 2017/18, the effective holding of the investee has been diluted from 99.76% to 44.33%. Consequently the previous held investment investment of subsidiary has been reclassified to equity account investee / associate in compliance to the LKAS 27 & SLFRS 10.

| In individual financial statements | Rs.' 000 |
|---|-----------------|
| Fair value of the associate company | 1,265,989 |
| Carrying amount of the previously held interest of BRAC | 1,023,341 |
| Gain on deemed disposal of BRAC Lanka Finance PLC | <u>242,648</u> |

| In consolidated financial statements | |
|---|------------------|
| Fair Value of BRAC Lanka Finance PLC | 1,265,989 |
| Less - Net Assets disposed | (1,188,120) |
| Less - Goodwill on Acquisition | (253,211) |
| Add - Non Controlling Interest | 2,851 |
| Loss on Deemed Disposal | <u>(172,491)</u> |

9 Loss on discontinued of operation

| | 30.06.2017 |
|---|------------------------|
| | Unaudited |
| | Rs. '000 |
| Income | 616,161 |
| Interest expense | (171,915) |
| Net interest income | <u>444,246</u> |
| Other Income | 28,181 |
| Allowance for impairment & write offs | (142,336) |
| Expenses | (231,684) |
| Profit Before Tax | 98,405 |
| Income tax expense | (16,217) |
| Profit After Tax | 82,188 |
| Results on divestment of group investments (Note 8) | (172,491) |
| Profit for the period from discontinued operations | <u>(90,303)</u> |

- 10 No circumstances have arisen subsequent to the reporting date which would require adjustments to or disclosure in the financial statements.
- 11 The Sri Lanka Accounting Standard – SLFRS 9 on “Financial Instruments”, which replaces the existing guidance on LKAS 39 on “Financial Instruments: Recognition and Measurement” has become effective for annual reporting periods beginning on or after January 01, 2018. SLFRS 9 replaces the “Incurred Loss Model” in LKAS 39 with forward looking “Expected credit Loss Model (“ECL”) which requires considerable judgement over how changes in economic factors affect ECL, 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 reflect the business model in which assets are managed based on their cash flow characteristics.

Based on the “Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements” issued by The Institute of Chartered Accountants of Sri Lanka, entities are granted with the option to prepare Interim Financial Statements continuing the application of LKAS 39 with disclosures on impact to the Income Statement and Statement of Profit or Loss and Other Comprehensive Income for the period if SLFRS 9 has been applied.

Accordingly, as permitted by the above SoAT, the company has prepared the Interim Financial Statements for the quarter ended June 30, 2018 based on LKAS 39, and the Company is in the process of evaluating the impact on adoption of SLFRS 9.
- 12 There are no significant changes in the nature of the contingent liabilities disclosed in the Audited financials for the year ended 31 March 2018.

Commercial Leasing & Finance PLC
Notes to the Interim Financial Statements (Continued)
For the year ended 30th June 2018

13 . Share Information

Market prices of ordinary shares recorded during the quarter ended 30th June 2018 are as follows.

| Market prices of ordinary shares recorded during the quarter ended | <u>30-Jun-18</u> | <u>30-Jun-17</u> |
|--|------------------|------------------|
| Highest price (Rs.) | 3.00 | 3.20 |
| Lowest price (Rs.) | 2.30 | 2.70 |
| Closing price (Rs.) | 2.30 | 3.00 |

14. 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.

14.1 Interest rate of comparable government security

Buying and Selling prices of Treasury Bonds of the Bond Market as at 30th June 2018

| <u>5 Year Bond</u> | <u>Price (Rs.)</u> | <u>Yield (%)</u> |
|--------------------|--------------------|------------------|
| Buying | 103.38 | 10.33 |
| Selling | 102.96 | 10.44 |

Market prices and yield during the period

| <u>5 Year Bond</u> | <u>Price (Rs.)</u> | <u>Yield (%)</u> |
|--------------------|--------------------|------------------|
| | 103.17 | 10.38 |

14.2 Yield to maturity of last trade done for the quarter ended 30th June 2018 - Not Traded

14.3 Market prices for the quarter ended 30th June 2018 - Not Traded

14.4 Debt security related ratios

| | <u>Company</u> | |
|----------------------|-------------------------|-------------------------|
| | <u>As at 30-06-2018</u> | <u>As at 30-06-2017</u> |
| Debt to equity ratio | 3.08 times | 4.19 times |
| Quick asset ratio | 0.991 times | 1.061 times |
| Interest cover | 1.35 times | 1.34 times |

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

Rs. '000

| 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 | Immediately upon receipt of the issue | 5,000,000 | 100% | 5,000,000 | 100% | N/A |

15. 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

15. Financial assets and liabilities - Valuation technique

15.2. 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 June 2018 | 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 | - | - | - | 2,022,023 | 2,022,023 | 2,022,023 | Level 3 |
| Investment in equity securities | - | 162,926 | - | - | 162,926 | 162,926 | Level 1 |
| Unquoted equity securities | - | - | 66,979 | - | 66,979 | 66,979 | Level 3 |
| Investment in government securities | | | | | | | |
| - Corporate bonds | - | - | 65,075 | - | 65,075 | 65,075 | Level 2 |
| - Measured at amortized cost | - | - | - | 4,897,372 | 4,897,372 | 4,897,372 | Level 3 |
| Finance lease receivables, hire purchases and operating leases | | | | | | | |
| - Finance lease receivables | - | - | - | 15,246,787 | 15,246,787 | 15,275,351 | Level 3 |
| - Hire purchase receivables | - | - | - | (6,003) | (6,003) | (6,003) | Level 3 |
| - Advances and other loans | - | - | - | 42,219,998 | 42,219,998 | 41,995,809 | Level 3 |
| - Factoring receivables | - | - | - | 3,121,240 | 3,121,240 | 5,665,411 | Level 3 |
| Other Financial Assets | - | - | - | 155,951 | 155,951 | 155,951 | Level 3 |
| Total financial assets | - | 162,926 | 132,054 | 67,657,368 | 67,952,348 | 70,300,894 | |
| LIABILITIES | | | | | | | |
| Bank overdraft | - | - | - | 983,692 | 983,692 | 983,692 | Level 3 |
| Derivative liabilities - fair value through profit or loss | 161,216 | - | - | - | 161,216 | 161,216 | Level 2 |
| Short Term Loan from Banks | - | - | - | 2,004,473 | 2,004,473 | 2,000,000 | Level 3 |
| Debentures | - | - | - | 5,234,526 | 5,234,526 | 4,663,784 | Level 2 |
| Bank Loans | - | - | - | 20,634,992.48 | 20,634,992 | 20,930,175 | Level 3 |
| Deposits from customers | - | - | - | 23,565,214 | 23,565,214 | 18,758,035 | Level 2 |
| Trade and other payables | - | - | - | 1,604,570 | 1,604,570 | 1,604,570 | Level 3 |
| Amount due to related companies | - | - | - | 168,786 | 168,786 | 168,786 | Level 3 |
| Total financial liabilities | 161,216 | - | - | 54,196,255 | 54,357,469 | 49,270,258 | |

Rs.000'

| As at 31st March 2018 | 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 | - | - | - | 2,377,558 | 2,377,558 | 2,377,558 | Level 3 |
| Investment in equity securities | - | 153,997 | 66,979 | - | 220,975 | 220,975 | Level 3 |
| Investment in government securities | | | | | | | |
| - Corporate bonds | - | - | 1,833,095 | - | 1,833,095 | 1,833,095 | Level 2 |
| - Measured at amortized cost | - | - | - | 3,654,437 | 3,654,437 | 3,654,437 | Level 2 |
| Investment in term deposits | - | - | - | 950,703 | 950,703 | 950,703 | Level 2 |
| Finance lease receivables, hire purchases and operating leases | | | | | | | |
| - Finance lease receivables | - | - | - | 14,975,808 | 14,975,808 | 15,275,351 | Level 3 |
| - Hire purchase receivables | - | - | - | 378 | 378 | 378 | Level 3 |
| - Advances and other loans | - | - | - | 41,208,800 | 41,208,800 | 40,968,312 | Level 3 |
| - Factoring receivables | - | - | - | 3,584,916 | 3,584,916 | 3,584,916 | Level 3 |
| Other Financial Assets | - | - | - | 1,489,968 | 1,489,968 | 1,501,301 | Level 3 |
| Total financial assets | - | 153,997 | 1,900,074 | 68,242,568 | 70,296,638 | 70,367,026 | |
| LIABILITIES | | | | | | | |
| Bank overdraft | - | - | - | 1,353,451 | 1,353,451 | 1,353,451 | Level 3 |
| Short Term Loan from Banks | - | - | - | 2,004,132 | 2,004,132 | 2,004,132 | Level 3 |
| Debentures | - | - | - | 5,112,985 | 5,112,985 | 4,561,098 | Level 3 |
| Bank Loans | - | - | - | 21,815,546 | 21,815,546 | 21,815,546 | Level 3 |
| Deposits from customers | - | - | - | 23,481,205 | 23,481,205 | 18,498,534 | Level 3 |
| Trade and other payables | - | - | - | 858,610 | 858,610 | 858,610 | Level 3 |
| Amount due to related companies | - | - | - | 158,748 | 158,748 | 158,748 | Level 3 |
| Total financial liabilities | - | - | - | 54,784,677 | 54,784,677 | 49,250,119 | |

COMMERCIAL LEASING & FINANCE PLC

Segment Information - Company

| | Conventional Financial Services Rs.' 000 | Islamic Financial Services Rs.' 000 | Factoring Business Rs.' 000 | Others/ Adjustments Rs.' 000 | Total Rs.' 000 |
|---|--|---|--------------------------------|------------------------------------|-------------------|
| For the year ended 30th June 2018 | | | | | |
| Total revenue | 3,436,392 | 222,859 | 261,142 | - | 3,920,393 |
| Net interest cost | (1,487,314) | (34,482) | (108,609) | - | (1,630,405) |
| Profit before operating expenses | 1,949,078 | 188,377 | 152,533 | - | 2,289,988 |
| Operating expenses | (1,334,047) | (37,456) | (137,787) | - | (1,509,290) |
| Value Added Tax on financial services & NBT | (102,268) | (11,306) | (10,768) | - | (124,342) |
| Profit from operations | 512,763 | 139,615 | 3,978 | - | 656,356 |
| For the year ended 30th June 2017 | | | | | |
| Total revenue | 3,359,100 | 125,976 | 440,881 | - | 3,925,957 |
| Net interest cost | (1,586,575) | (10,326) | (206,714) | - | (1,803,615) |
| Profit before operating expenses | 1,772,525 | 115,650 | 234,167 | - | 2,122,342 |
| Operating expenses | (1,015,231) | (14,331) | (152,172) | - | (1,181,734) |
| Value Added Tax on financial services & NBT | (85,350) | (4,707) | - | - | (90,057) |
| Profit from operations | 671,944 | 96,612 | 81,995 | - | 850,551 |
| For the year ended 30th June 2018 | | | | | |
| Capital expenditure | - | - | - | 27,198 | 27,198 |
| Depreciation of property plant and equipment | - | - | - | 33,115 | 33,115 |
| Provision for/(reversal of provision for)doubtful debts and bad debts written off | 232,384 | 11,947 | 85,989 | - | 330,320 |
| For the year ended 30th June 2017 | | | | | |
| Capital expenditure | - | - | - | 29,288 | 29,288 |
| Depreciation of property plant and equipment | - | - | - | 25,886 | 25,886 |
| Provision for/(reversal of provision for)doubtful debts and bad debts written off | 127,866 | 2,791 | 61,843 | - | 192,500 |
| As at 30th June 2018 | | | | | |
| Total assets | 57,460,780 | 3,944,907 | 3,121,240 | 7,881,373 | 72,255,188 |
| Total liabilities | 47,136,079 | 2,895,198 | 2,560,407 | 2,789,660 | 55,381,344 |
| As at 30th June 2017 | | | | | |
| Total assets | 48,790,980 | 2,424,772 | 5,248,846 | 22,763,640 | 79,228,238 |
| Total liabilities | 53,677,357 | 2,172,040 | 5,774,514 | 2,712,644 | 64,336,555 |

COMMERCIAL LEASING & FINANCE PLC
Statement of Directors' holding and Chief Executive Officer's holding in shares of the Entity
As at 30th June 2018

| | Directors Name | No. of shares | % |
|---|-------------------------|---------------|---|
| 1 | Mr P.D.J.Fernando | - | - |
| 2 | Mr.D.M.D.K.Thilakeratne | - | - |
| 3 | Mr L. Jayaratne | - | - |
| 4 | Mr U H Ebert Silva | - | - |

Top 20 Shareholders As At 30th June 2018

| | Shareholder | No. of Shares | % of Issued Capital |
|---|---|----------------------|---------------------|
| 1 | Lanka Orix Leasing Company Plc | 4,058,876,426 | 63.642 |
| 2 | Hatton National Bank Plc/Lanka Orix Leasing Company Plc | 2,250,000,000 | 35.279 |
| 3 | Browns Investments Plc | 40,000,000 | 0.627 |
| 4 | Sinharaja Hills Plantation Pvt Limited | 5,445,851 | 0.085 |
| 5 | Chemical Industries (Colombo)Ltd/Cic Charitable & Educationnal Trust Fund | 4,000,000 | 0.063 |
| 6 | Ceylon Biscuits Limited | 1,997,500 | 0.031 |
| 7 | Seylan Developments Plc | 1,981,038 | 0.031 |
| 8 | Miss N.R. Mather | 1,000,000 | 0.016 |
| 9 | Mrs. R.L. Mather | 1,000,000 | 0.016 |
| 10 | Mr. S.R. Mather | 1,000,000 | 0.016 |
| 11 | Mr. D.N.N. Lokuge | 890,660 | 0.014 |
| 12 | Mr. A.N. William | 650,000 | 0.010 |
| 13 | Mr. W.Gunarathne | 529,017 | 0.008 |
| 14 | Mr. W.V.A.N. Fernando & Mrs. K.M.M.V.R. Jayasuriya | 500,000 | 0.008 |
| 15 | Dr. H.S.D.Soyasa | 400,100 | 0.006 |
| 16 | Seylan Bank Plc/K.L.G.Udayananda | 354,072 | 0.006 |
| 17 | Mr. P.B. Jayasundara | 260,000 | 0.004 |
| 18 | Mrs A S Weerasuriya & Mr G S Padumadasa | 216,600 | 0.003 |
| 19 | Mr. S.M.M.Abdul Ghaffoor | 200,000 | 0.003 |
| 20 | Mr H.E.P.Babapulle & Mrs I J. Babapulle | 200,000 | 0.003 |
| Total shares held by Top 20 Shareholders | | 6,369,501,264 | 99.871 |

Public shareholding

Information pertaining to public shareholding is as follows:

| | 30 Jun 2018 |
|--------------------------------------|--------------------|
| Public holding percentage | 0.452% |
| Number of public shareholders | 990 |
| Float Adjusted Market Capitalization | 66,302,685 |

The Company is not compliant with the Minimum Public Holding requirement stipulated in the Listing Rule 17.13.1 (b) of the Colombo Stock Exchange. The Board of Directors of the Company is in the process of evaluating matters concerning the captioned requirement.