

**COMMERCIAL LEASING & FINANCE PLC**



**INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 30 JUNE 2016**

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

<u>Group</u>		<u>Company</u>		<u>Group</u>		<u>Company</u>	
<u>31-Mar-16</u>	<u>31-Mar-16</u>	<u>As at 30th June</u>		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>(Audited)</u>	<u>(Audited)</u>			<u>Rs. '000</u>	<u>Rs. '000</u>	<u>Rs. '000</u>	<u>Rs. '000</u>
<u>Rs. '000</u>	<u>Rs. '000</u>						
		<b>Assets</b>					
2,280,295	836,057	Cash & cash equivalents		<b>2,138,298</b>	1,030,029	<b>1,067,063</b>	766,326
4,232,811	4,232,811	Financial assets held for trading		<b>2,858,738</b>	276,132	<b>2,858,727</b>	328,354
29,745,643	29,742,822	Other investments		<b>29,899,205</b>	5,863,213	<b>28,796,423</b>	5,796,413
14,783,490	14,693,482	Rentals receivable on lease & hire purchase		<b>14,888,810</b>	13,617,598	<b>14,802,564</b>	13,571,047
33,951,969	27,140,128	Loans and advances		<b>36,877,420</b>	23,732,736	<b>28,790,985</b>	19,147,628
4,959,717	4,959,717	Factoring receivables		<b>5,290,490</b>	2,586,458	<b>5,290,490</b>	2,606,878
144	8	Amounts due from related company		-	110	<b>8</b>	3,322
299,176	253,887	Value Added Tax (VAT) recoverable		<b>235,686</b>	323,691	<b>235,686</b>	323,691
407,580	385,494	Other receivables		<b>1,004,840</b>	453,090	<b>915,552</b>	425,601
75,854	75,854	Investment in equity accounted investee		<b>78,920</b>	73,142	<b>78,920</b>	73,142
-	-	Investment properties		<b>42,000</b>	10,700	<b>42,000</b>	10,700
-	967,863	Investment in subsidiary companies		-	-	<b>967,863</b>	967,863
2,048	-	Deferred tax assets		<b>2,048</b>	978	-	-
253,211	-	Goodwill on acquisition		<b>253,211</b>	253,211	-	-
1,144,826	1,070,831	Property, plant & equipment		<b>1,276,377</b>	1,102,018	<b>1,189,132</b>	1,052,483
<b>92,136,764</b>	<b>84,358,954</b>	<b>Total Assets</b>		<b>94,846,043</b>	<b>49,323,106</b>	<b>85,035,413</b>	<b>45,073,448</b>
		<b>Liabilities and Equity</b>					
		<b>Liabilities</b>					
1,594,871	1,170,761	Bank overdraft		<b>2,296,602</b>	1,472,370	<b>1,417,724</b>	1,472,356
-	-	Derivative liabilities - fair value through profit or loss		<b>13,901</b>	21,825	<b>13,901</b>	21,825
12,764,288	12,347,647	Deposits liabilities		<b>11,367,615</b>	10,961,432	<b>10,310,136</b>	10,876,886
58,017,858	56,087,528	Interest bearing loans & borrowings		<b>59,006,402</b>	20,225,941	<b>58,058,261</b>	19,025,941
588,903	464,455	Current tax liabilities		<b>680,519</b>	491,269	<b>562,874</b>	440,586
4,117,851	283,968	Amounts due to related companies		<b>5,580,411</b>	3,138,356	<b>278,090</b>	738,393
2,637,428	1,798,895	Other payables		<b>2,992,013</b>	1,749,324	<b>1,886,785</b>	1,347,514
357,932	357,932	Deferred tax liabilities		<b>357,932</b>	469,356	<b>357,932</b>	469,356
71,097	50,342	Retirement benefit obligations		<b>73,485</b>	57,051	<b>51,138</b>	49,426
<b>80,150,228</b>	<b>72,561,528</b>	<b>Total Liabilities</b>		<b>82,368,880</b>	<b>38,586,924</b>	<b>72,936,841</b>	<b>34,442,283</b>
		<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
892,093	927,828	Reserves		<b>847,072</b>	868,125	<b>882,833</b>	911,208
9,617,451	9,443,651	Retained earnings		<b>10,142,398</b>	8,395,815	<b>9,789,792</b>	8,294,010
<b>11,935,491</b>	<b>11,797,426</b>	<b>Equity attributable to shareholders of the Company</b>		<b>12,415,417</b>	<b>10,689,887</b>	<b>12,098,572</b>	<b>10,631,165</b>
51,045	-	Non-controlling interests		<b>61,746</b>	46,295	-	-
11,986,536	-			<b>12,477,163</b>	<b>10,736,182</b>	-	-
<b>92,136,764</b>	<b>84,358,954</b>	<b>Total Liabilities and Equity</b>		<b>94,846,043</b>	<b>49,323,106</b>	<b>85,035,413</b>	<b>45,073,448</b>
<b>1.87</b>	<b>1.85</b>	Net asset value per share		<b>1.95</b>	<b>1.68</b>	<b>1.90</b>	<b>1.67</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

11th August 2016  
Colombo

COMMERCIAL LEASING & FINANCE PLC

Statement of Profit or Loss and Other Comprehensive Income

For the three months ended	Group			Company		
	30.06.2016	30.06.2015	Variance	30.06.2016	30.06.2015	Variance
	Unaudited	Unaudited	%	Unaudited	Unaudited	%
	Rs. ' 000	Rs. ' 000		Rs. ' 000	Rs. ' 000	
<b>Interest income</b>	<b>3,124,134</b>	2,219,358	41%	<b>2,467,456</b>	1,955,696	26%
Interest expense	<u>(1,643,414)</u>	<u>(702,279)</u>	134%	<u>(1,435,864)</u>	<u>(637,828)</u>	125%
<b>Net interest income</b>	<b>1,480,720</b>	1,517,079	(2%)	<b>1,031,592</b>	1,317,868	(22%)
Other operating income	<b>516,409</b>	152,204	239%	<b>491,875</b>	149,084	230%
<b>Expenses</b>						
Personnel costs	<b>(351,651)</b>	(292,228)	20%	<b>(246,257)</b>	(212,071)	16%
Premises, equipment & establishment expenses	<b>(93,104)</b>	(81,622)	14%	<b>(76,601)</b>	(73,608)	4%
Depreciation on property plant & equipment	<b>(28,599)</b>	(22,166)	29%	<b>(24,845)</b>	(19,840)	25%
Net impairment loss on financial assets	<b>(155,575)</b>	(245,845)	(37%)	<b>(111,560)</b>	(239,467)	(53%)
Other operating expenses	<b>(583,841)</b>	(407,858)	43%	<b>(508,951)</b>	(386,779)	32%
	<u>784,359</u>	<u>619,564</u>	27%	<u>555,253</u>	<u>535,187</u>	4%
Value added tax on financial services and NBT	<u>(115,119)</u>	<u>(59,648)</u>	93%	<u>(78,758)</u>	<u>(44,646)</u>	76%
<b>Results from operating activities</b>	<b>669,240</b>	559,916	20%	<b>476,495</b>	490,541	(3%)
<b>Share of profit of equity accounted investee (net of tax)</b>	<b>3,065</b>	1,685	82%	<b>3,065</b>	1,685	82%
<b>Profit before tax</b>	<b>672,305</b>	561,601	20%	<b>479,560</b>	492,226	(3%)
Income tax expense	<u>(136,655)</u>	<u>(152,851)</u>	(11%)	<u>(133,419)</u>	<u>(137,351)</u>	(3%)
<b>Profit for the period</b>	<b>535,650</b>	408,750	31%	<b>346,141</b>	354,875	(2%)
<b>Other comprehensive income</b>						
Net Change in fair value of available for sale finance assets	<b>(18,217)</b>	6,825	(366%)	<b>(18,189)</b>	6,825	(366%)
Effective portion of changes in fair value of cash flow	<b>(26,806)</b>	154,079	(117%)	<b>(26,806)</b>	154,079	(117%)
<b>Other comprehensive income/ (expense) for the period, net of tax</b>	<b>(45,023)</b>	160,904	(128%)	<b>(44,995)</b>	160,904	(128%)
<b>Total comprehensive income for the period</b>	<b>490,627</b>	<u>569,654</u>	(14%)	<b>301,146</b>	<u>515,779</u>	(42%)
<b>Profit attributable to;</b>						
Equity holders of the Company	<b>524,947</b>	405,707		<b>346,141</b>	354,875	
Non-controlling interests	<b>10,703</b>	3,043		-	-	
<b>Profit for the period</b>	<b>535,650</b>	<u>408,750</u>		<b>346,141</b>	<u>354,875</u>	
<b>Tota comprehensive income attributable to;</b>						
Equity holders of the Company	<b>479,927</b>	566,611		<b>301,146</b>	515,779	
Non-controlling interests	<b>10,700</b>	3,043		-	-	
<b>Total comprehensive income for the period</b>	<b>490,627</b>	<u>569,654</u>		<b>301,146</b>	<u>515,779</u>	
<b>Earnings per share Rs.</b>	<b>0.08</b>	<b>0.06</b>		<b>0.05</b>	<b>0.06</b>	

Figures in brackets indicate deductions

Commercial Leasing & Finance PLC  
Statement of Changes in Equity - Group

For the three months ended 30th June 2016

	Stated Capital Rs.000	Revaluation Reserve Rs.000	Hedging Reserve Rs.000	Fair Value Reserve on AFS Rs.000	General Reserve Rs.000	Statutory Reserve Fund Rs.000	Investment Fund Reserve Rs.000	Retained Earnings Rs.000	Total Rs.000	Non-controlling Interest Rs.000	Total Equity Rs.000
<b>Balance as at 01st April 2015</b>	1,425,947	135,980	(180,070)	40,270	231,780	479,261	-	7,990,108	10,123,276	43,252	10,166,528
<b>Total comprehensive income for the period</b>											
Additional acquisition of NCI	-	-	-	-	-	-	-	405,707	405,707	3,043	408,750
Other comprehensive income	-	-	154,079	6,825	-	-	-	-	160,904	-	160,904
<b>Total comprehensive income for the period</b>	-	-	154,079	6,825	-	-	-	405,707	566,611	3,043	569,654
<b>Transactions with Owners directly recorded in the Equity</b>											
Transferred to/(from) during the period	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 30th June 2015</b>	1,425,947	135,980	(25,991)	47,095	231,780	479,261	-	8,395,815	10,689,887	46,295	10,736,182
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	1,311,262	1,311,262	5,515	1,316,777
Other comprehensive income	-	-	72,262	(134,570)	-	-	-	(7,060)	(69,368)	(765)	(70,133)
<b>Total comprehensive income for the period</b>	-	-	72,262	(134,570)	-	-	-	1,304,202	1,241,894	4,750	1,246,644
<b>Transactions with Owners directly recorded in the Equity</b>											
Dividends Forfeited	-	-	-	-	-	-	-	3,710	3,710	-	3,710
Transferred to/(from) during the period	-	-	-	-	-	86,276	-	(86,276)	-	-	-
<b>Balance as at 31st March 2016</b>	1,425,947	135,980	46,271	(87,475)	231,780	565,537	-	9,617,451	11,935,491	51,045	11,986,536
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	524,947	524,947	10,703	535,650
Other comprehensive income	-	-	(26,806)	(18,215)	-	-	-	-	(45,021)	(2)	(45,023)
<b>Total comprehensive income for the period</b>	-	-	(26,806)	(18,215)	-	-	-	524,947	479,926	10,701	490,627
<b>Transactions with Owners directly recorded in the Equity</b>											
Dividends Forfeited	-	-	-	-	-	-	-	-	-	-	-
Transferred to/(from) during the period	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 30th June 2016</b>	1,425,947	135,980	19,465	(105,690)	231,780	565,537	-	10,142,398	12,415,417	61,746	12,477,163

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

For the three months ended 30 June 2016

	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	Invetsment Fund Reserve Rs. 000	Retained Earnings Rs. 000	Total Rs. 000
<b>Balance as at 01st April 2015</b>	<b>1,425,947</b>	<b>135,981</b>	<b>(180,070)</b>	<b>40,411</b>	<b>288,080</b>	<b>465,903</b>	<b>-</b>	<b>7,939,135</b>	<b>10,115,386</b>
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	-	-	354,875	354,875
Other comprehensive income	-	-	154,079	6,825	-	-	-	-	160,904
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>154,079</b>	<b>6,825</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>354,875</b>	<b>515,779</b>
Transferred to/(from) during the period									
<b>Balance as at 30th June 2015</b>	<b>1,425,947</b>	<b>135,981</b>	<b>(25,992)</b>	<b>47,236</b>	<b>288,080</b>	<b>465,903</b>	<b>-</b>	<b>8,294,010</b>	<b>10,631,165</b>
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	-	-	1,219,131	1,219,131
Other comprehensive income	-	-	72,262	(134,342)	-	-	-	5,500	(56,580)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>72,262</b>	<b>(134,342)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,224,631</b>	<b>1,162,551</b>
Deferred tax on revaluation									
Dividend Transferred to Retained Earnings	-	-	-	-	-	-	-	3,710	3,710
Transferred to/(from) during the period	-	-	-	-	-	78,700	-	(78,700)	-
<b>Balance as at 31st March 2016</b>	<b>1,425,947</b>	<b>135,981</b>	<b>46,270</b>	<b>(87,106)</b>	<b>288,080</b>	<b>544,603</b>	<b>-</b>	<b>9,443,651</b>	<b>11,797,426</b>
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	-	-	346,141	346,141
Other comprehensive income	-	-	(26,806)	(18,189)	-	-	-	-	(44,995)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(26,806)</b>	<b>(18,189)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>346,141</b>	<b>301,146</b>
Transferred to/(from) during the period									
<b>Balance as at 30th June 2016</b>	<b>1,425,947</b>	<b>135,981</b>	<b>19,464</b>	<b>(105,295)</b>	<b>288,080</b>	<b>544,603</b>	<b>-</b>	<b>9,789,792</b>	<b>12,098,572</b>

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

For the three months ended	Group		Company	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before income tax expense	672,305	561,601	479,560	492,226
<b>Adjustment for:</b>				
Depreciation and amortization	28,599	22,166	24,845	19,840
Provision for gratuity	2,925	2,555	1,200	1,200
Allowances for doubtful debts	155,575	245,845	111,560	239,467
Provision for fall/(increase) in value of investments	55,552	(33,031)	55,552	(33,031)
Investment income	(317,862)	(65,527)	(307,042)	(65,362)
Dividend Income	(41,719)	(284)	(41,719)	(225)
Interest cost	1,643,414	702,279	1,435,864	637,828
Share of profit of equity accounted investees	(3,065)	(1,685)	(3,065)	(1,685)
<b>Operating profit before working capital changes</b>	<b>2,195,724</b>	<b>1,433,919</b>	<b>1,756,755</b>	<b>1,290,258</b>
<b>Working capital changes</b>				
(Increase)/decrease in accounts receivables & others	(533,626)	389,258	(51,962)	(146,480)
Increase/(decrease) in accounts payables	1,846,870	1,468,300	145,265	325,646
(Increase)/decrease investment in leases	(158,566)	(941,691)	(111,240)	(972,645)
(Increase)/decrease in factoring account receivable	(365,651)	(190,966)	(365,651)	(190,966)
(Increase)/decrease investment in advances and other loans	(3,034,904)	(3,020,124)	(1,767,381)	(1,337,052)
Net proceed from customer deposits	(1,396,673)	1,166,404	(2,037,510)	1,175,316
<b>Cash generated from operations</b>	<b>(1,446,826)</b>	<b>305,100</b>	<b>(2,431,724)</b>	<b>144,078</b>
Interest paid	(1,686,045)	(751,658)	(1,479,507)	(687,207)
Income tax paid	(45,039)	(60,054)	(35,000)	(60,000)
Gratuity paid	(538)	-	(404)	-
<b>Net cash from /(used in) operating activities</b>	<b>(3,178,448)</b>	<b>(506,612)</b>	<b>(3,946,635)</b>	<b>(603,129)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchased of property, plant and equipment	(160,150)	(55,445)	(145,911)	(31,948)
Purchases of short term investments	1,313,093	88,782	2,346,737	84,721
Interest received	192,876	65,527	187,598	65,363
Dividend received	356	284	356	225
<b>Net cash flow from investing activities</b>	<b>1,346,175</b>	<b>99,148</b>	<b>2,388,780</b>	<b>118,361</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Net proceed from short term borrowings	1,382,060	(71,008)	1,935,413	(149,000)
Proceeds from long term loans	-	1,500,000	-	1,500,000
Repayments of long term loans	(393,515)	(777,097)	(393,515)	(777,097)
<b>Net cash generated from financing activities</b>	<b>988,545</b>	<b>651,895</b>	<b>1,541,898</b>	<b>573,903</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents during the period</b>	<b>(843,728)</b>	<b>244,431</b>	<b>(15,957)</b>	<b>89,135</b>
Cash & cash equivalents at the beginning of the period	685,422	(686,772)	(334,704)	(795,165)
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>(158,306)</b>	<b>(442,341)</b>	<b>(350,661)</b>	<b>(706,030)</b>
<b>Analysis of cash &amp; cash equivalents at the end of the period</b>				
Cash at bank and in hand	2,138,298	1,030,029	1,067,063	766,326
Bank overdraft	(2,296,602)	(1,472,370)	(1,417,724)	(1,472,356)
	<b>(158,306)</b>	<b>(442,341)</b>	<b>(350,661)</b>	<b>(706,030)</b>

**Commercial Leasing & Finance PLC**  
**Notes to the Interim Financial Statements**  
**For the three months ended 30th June 2016**

1. The Statement of Financial Position as at 30 June 2016, 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 three months ended 30 June 2016 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 Audited financial statements for the year 2015/16 are followed in preparing 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, profit/loss on contracts terminated 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, and dividends.

6. All expenses related to management expenditure are 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 the Balance Sheet date that require adjustment to or disclosure in these Interim Financial Statements.

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

**10 . Share Information**

Market prices of ordinary shares recorded during the quarter ended 30th June 2016 are as follows.

Market prices of ordinary shares recorded during the quarter ended	30-Jun-16	30-Jun-15
Highest price (Rs.)	4.20	4.80
Lowest price (Rs.)	3.50	3.90
Closing price (Rs.)	3.90	4.00

**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.

**1. Interest rates of the debentures**

Instrument Type	Interest frequency (Fixed Rate)	Coupon (% p.a)	Interest yield as at last trade	Yield to maturity of last trade done	Interest rate of comparable government security
9.75% p.a. (5 Years tenor)	Annually	9.75%	9.74%	7.26%	11.82%

**2. Market Prices & issue prices of debentures during the quarter ended 30th June 2016 are as follows.**

Instrument Type	Issue Price Rs.	Highest Price Rs.	Lowest Price Rs.	Last Tradeed Price Rs.	Last Tradeed Date
9.75% p.a. (5 Years tenor)	100.00	100.12	99.98	100.10	17-May-16

**3. Debt security related ratios**

	<u>Company</u> As at 30-06-2016
Debt to equity ratio	5.77 times
Quick asset ratio	1.134 times
Interest cover	1.33 times

**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

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 financial assets and financial liabilities of the company & its subsidiary.

Rs.000'

As at 30th June 2016	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	Amortised cost / Not measured at fair value					
<b>ASSETS</b>								
Cash and cash equivalents	-	-	-	2,138,298	2,138,298	2,138,298	Level 3	
- Corporate bonds	-	-	1,424,685	-	1,424,685	1,424,685	Level 1	
<b>Investment in government securities</b>								
- Measured at amortized cost	-	-	-	5,600,000	5,600,000	5,600,000	Level 1	
Investment in equity securities	-	204,382	66,990	-	271,372	271,383	Level 1	
Unit Trust	-	2,587,367	-	-	2,587,367	2,587,367	Level 1	
Derivative assets	21,026	-	-	-	21,026	21,026	Level 2	
Investment in term deposits	-	-	-	22,874,520	22,874,520	22,874,520	Level 3	
<b>Finance lease receivables, hire purchases and operating leases</b>								
- Finance lease receivables	-	-	-	15,014,093	15,014,093	14,295,567	Level 2	
- Hire purchase receivables	-	-	-	42,358	42,358	41,937	Level 2	
<b>Advances and other loans</b>								
- Advances and other loans	-	-	-	38,161,485	38,161,485	37,341,065	Level 2	
- Factoring receivables	-	-	-	5,450,916	5,450,916	5,450,916	Level 3	
Amount due from related companies	-	-	-	8	8	8	Level 3	
Other financial assets	-	-	-	90,568	90,568	90,568	Level 3	
<b>Total financial assets</b>	<b>21,026</b>	<b>2,791,749</b>	<b>1,491,675</b>	<b>89,372,246</b>	<b>93,676,696</b>	<b>92,137,340</b>		
<b>LIABILITIES</b>								
Bank overdraft	-	-	-	2,296,602	2,296,602	2,296,602	Level 3	
Derivative liabilities - fair value through profit or loss	13,901	-	-	-	13,901	13,901	Level 3	
Short Term Loan from Banks	-	-	-	26,295,801	26,295,801	26,295,801	Level 3	
Debentures	-	-	-	5,000,000	5,000,000	4,699,111	Level 2	
Bank Loans	-	-	-	28,246,550	28,246,550	28,268,519	Level 2	
Other long term borrowings	-	-	-	464,051	464,051	464,093	Level 2	
Deposits from customers	-	-	-	11,367,615	11,367,615	10,543,115	Level 2	
Trade and other payables	-	-	-	2,045,600	2,045,600	2,045,600	Level 3	
Amount due to related companies	-	-	-	5,580,418	5,580,418	5,580,418	Level 3	
<b>Total financial liabilities</b>	<b>13,901</b>	<b>-</b>	<b>-</b>	<b>81,296,637</b>	<b>81,310,538</b>	<b>80,207,160</b>		
<b>As at 31st March 2016</b>								
<b>ASSETS</b>								
Cash and cash equivalents	-	-	-	2,281,440	2,281,440	2,281,440	Level 3	
- Corporate bonds	-	-	1,465,010	-	1,465,010	1,465,010	Level 1	
<b>Investment in government securities</b>								
- Measured at amortized cost	-	-	-	4,593,221	4,593,221	4,593,221	Level 3	
Investment in equity securities	-	188,400	66,979	-	255,379	255,379	Level 3	
Unit Trust	-	4,044,622	-	-	4,044,622	4,044,622	Level 1	
Derivative assets	60,812	-	-	-	60,812	60,812	Level 2	
Investment in term deposits	-	-	-	23,559,610	23,559,610	23,559,610	Level 3	
<b>Finance lease receivables, hire purchases and operating leases</b>								
- 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	
<b>Advances and other loans</b>								
- 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	
Amount due from related companies	-	-	-	8	8	8	Level 3	
Other financial assets	-	-	-	1,825	1,825	1,825	Level 3	
<b>Total financial assets</b>	<b>60,812</b>	<b>4,233,022</b>	<b>1,531,989</b>	<b>85,144,304</b>	<b>90,970,127</b>	<b>90,207,416</b>		
<b>LIABILITIES</b>								
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	-	-	-	13,542,833	13,542,833	12,429,238	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	
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,632,954</b>	<b>77,632,954</b>	<b>76,306,763</b>		



Commercial Leasing & Finance PLC  
Notes to the Interim Financial Statements  
For the three months ended 30th June 2016

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 financial assets and financial liabilities of the company.

Rs.000'

As at 30th June 2016	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
	Fair value - derivatives	Fair value - held for trading						
<b>ASSETS</b>								
Cash and cash equivalents	-	-	-	-	1,067,063	1,067,063	1,067,063	Level 3
Corporate bonds	-	-	1,421,902	-	-	1,421,902	1,421,902	Level 1
<b>Investment in government securities</b>								
- Measured at amortized cost	-	-	-	-	4,500,000	4,500,000	4,500,000	Level 1
Investment in equity securities	-	204,382	66,979	-	-	271,361	271,361	Level 1
Unit Trust	-	2,587,367	-	-	-	2,587,367	2,587,367	Level 1
Derivative assets	21,026	-	-	-	-	21,026	21,026	Level 2
Investment in term deposits	-	-	-	-	22,874,520	22,874,520	22,874,520	Level 3
<b>Finance lease receivables, hire purchases and operating leases</b>								
- Finance lease receivables	-	-	-	-	14,920,674	14,920,674	14,202,148	Level 2
- Hire purchase receivables	-	-	-	-	8,253	8,253	7,832	Level 2
<b>Advances and other loans</b>								
- Advances and other loans	-	-	-	-	28,968,426	28,968,426	28,148,005	Level 2
- Factoring receivables	-	-	-	-	5,450,916	5,450,916	5,450,916	Level 1
Amount due from related companies	-	-	-	-	8	8	8	Level 3
Other financial assets	-	-	-	-	3,477	3,477	3,477	Level 3
<b>Total financial assets</b>	<b>21,026</b>	<b>2,791,749</b>	<b>1,488,881</b>	<b>-</b>	<b>77,793,337</b>	<b>82,094,993</b>	<b>80,555,624</b>	
<b>LIABILITIES</b>								
Bank overdraft	-	-	-	-	1,417,724	1,417,724	1,417,724	Level 3
Derivative liabilities - fair value through profit or loss	13,901	-	-	-	-	13,901	13,901	Level 3
<b>Short term borrowings</b>								
- Short Term Loan from Banks	-	-	-	-	25,795,640	25,795,640	25,795,640	Level 3
<b>Long term borrowings</b>								
- Debentures	-	-	-	-	5,000,000	5,000,000	4,699,111	Level 2
- Bank Loans	-	-	-	-	27,246,550	27,246,550	27,268,519	Level 2
- Other long term borrowings	-	-	-	-	16,071	16,071	16,114	Level 2
Deposits from customers	-	-	-	-	10,310,136	10,310,136	9,485,636	Level 2
Trade and other payables	-	-	-	-	940,370	940,370	940,370	Level 3
Amount due to related companies	-	-	-	-	278,090	278,090	278,090	Level 3
<b>Total financial liabilities</b>	<b>13,901</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,004,581</b>	<b>71,018,482</b>	<b>69,915,105</b>	

  

As at 31st March 2016	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
	Fair value - derivatives	Fair value - held for trading						
<b>ASSETS</b>								
Cash and cash equivalents	-	-	-	-	836,057	836,057	836,057	Level 3
Corporate bonds	-	-	1,462,200	-	-	1,462,200	1,462,200	Level 1
<b>Investment in government securities</b>								
- Measured at amortized cost	-	-	-	-	4,593,221	4,593,221	4,593,221	Level 3
Investment in equity securities	-	188,189	66,979	-	-	255,168	255,168	Level 3
Unit Trust	-	4,044,622	-	-	-	4,044,622	4,044,622	Level 1
Derivative assets	60,812	-	-	-	-	60,812	60,812	Level 2
Investment in term deposits	-	-	-	-	23,559,610	23,559,610	23,559,610	Level 3
<b>Finance lease receivables, hire purchases and operating leases</b>								
- 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
<b>Advances and other loans</b>								
- 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
Amount due from related companies	-	-	-	-	8	8	8	Level 3
Other financial assets	-	-	-	-	1,341	1,341	1,341	Level 3
<b>Total financial assets</b>	<b>60,812</b>	<b>4,232,811</b>	<b>1,529,179</b>	<b>-</b>	<b>75,783,564</b>	<b>81,606,366</b>	<b>80,843,655</b>	
<b>LIABILITIES</b>								
Bank overdraft	-	-	-	-	1,170,761	1,170,761	1,170,761	Level 3
<b>Short term borrowings</b>								
- 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
<b>Long term borrowings</b>								
- 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
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,172,598</b>	<b>71,172,598</b>	<b>69,846,407</b>	

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

	<b>Business Segment</b>					
	<b>Leasing</b>	<b>Hire Purchase</b>	<b>Loans</b>	<b>Factoring</b>	<b>Others</b>	<b>Total</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>For the three months ended 30 June 2016</b>						
Total revenue	814,955	10,044	2,045,129	254,006	516,409	3,640,543
Net interest cost	(428,966)	(386)	(1,063,443)	(150,619)	-	(1,643,414)
<b>Profit before operating expenses</b>	<b>385,989</b>	<b>9,658</b>	<b>981,686</b>	<b>103,387</b>	<b>516,409</b>	<b>1,997,129</b>
Operating expenses	(254,622)	(8,062)	(587,115)	(89,606)	(273,365)	(1,212,770)
Value Added Tax on financial services	(30,013)	(27)	(74,404)	(10,675)	-	(115,119)
<b>Profit from operations</b>	<b>101,354</b>	<b>1,569</b>	<b>320,167</b>	<b>3,106</b>	<b>243,044</b>	<b>669,240</b>
<b>For the three months ended 30 June 2015</b>						
Total revenue	792,990	19,249	1,266,216	140,903	152,204	2,371,562
Net interest cost	(246,511)	(1,497)	(409,629)	(44,642)	-	(702,279)
<b>Profit before operating expenses</b>	<b>546,479</b>	<b>17,752</b>	<b>856,587</b>	<b>96,261</b>	<b>152,204</b>	<b>1,669,283</b>
Operating expenses	(400,236)	(10,605)	(500,835)	(64,746)	(73,297)	(1,049,719)
Value Added Tax on financial services	-	(186)	(53,618)	(5,844)	-	(59,648)
<b>Profit from operations</b>	<b>146,243</b>	<b>6,961</b>	<b>302,134</b>	<b>25,671</b>	<b>78,907</b>	<b>559,916</b>
<b>For the three months ended 30 June 2016</b>						
Capital expenditure	-	-	-	-	160,150	160,150
Depreciation of property plant and equipment	-	-	-	-	28,599	28,599
Provision for/(reversal of provision for)doubtful debts and bad debts written off	50,296	2,949	67,452	34,878	-	155,575
<b>For the three months ended 30 June 2015</b>						
Capital expenditure	-	-	-	-	55,445	55,445
Depreciation of property plant and equipment	-	-	-	-	22,166	22,166
Provision for/(reversal of provision for)doubtful debts and bad debts written off	137,069	2,056	88,329	18,391	-	245,845
<b>As at 30- June -2016</b>						
Total assets	14,875,440	13,370	36,877,420	5,290,490	37,789,323	94,846,043
Total liabilities	21,206,190	19,060	52,571,861	7,445,934	1,125,836	82,368,880
<b>As at 30- June -2015</b>						
Total assets	13,535,407	82,191	23,732,736	2,586,458	9,386,313	49,323,106
Total liabilities	13,179,726	80,031	21,900,851	2,386,814	1,039,502	38,586,924

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

	<b>Business Segment</b>					
	<b>Leasing</b>	<b>Hire Purchase</b>	<b>Loans</b>	<b>Factoring</b>	<b>Others</b>	<b>Total</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>For the three months ended 30th June 2016</b>						
Total revenue	807,737	9,249	1,396,465	254,005	491,875	2,959,331
Net interest cost	(435,417)	(66)	(847,014)	(153,367)	-	(1,435,864)
<b>Profit before operating expenses</b>	<b>372,320</b>	<b>9,183</b>	<b>549,451</b>	<b>100,638</b>	<b>491,875</b>	<b>1,523,467</b>
Operating expenses	(263,415)	(5,582)	(331,165)	(91,468)	(276,584)	(968,214)
Value added tax on financial services and NBT	(23,845)	(4)	(46,386)	(8,523)	-	(78,758)
<b>Profit from operations</b>	<b>85,060</b>	<b>3,597</b>	<b>171,900</b>	<b>647</b>	<b>215,291</b>	<b>476,495</b>
<b>For the three months ended 30th June 2015</b>						
Total revenue	789,821	15,218	1,009,755	140,902	149,084	2,104,780
Net interest cost	(252,275)	(898)	(338,561)	(46,094)	-	(637,828)
<b>Profit before operating expenses</b>	<b>537,546</b>	<b>14,320</b>	<b>671,194</b>	<b>94,808</b>	<b>149,084</b>	<b>1,466,952</b>
Operating expenses	(390,753)	(8,814)	(398,708)	(63,133)	(70,357)	(931,765)
Value added tax on financial services and NBT	-	(99)	(39,209)	(5,338)	-	(44,646)
<b>Profit from operations</b>	<b>146,793</b>	<b>5,407</b>	<b>233,277</b>	<b>26,337</b>	<b>78,727</b>	<b>490,541</b>
<b>For the three months ended 30th June 2016</b>						
Capital expenditure	-	-	-	-	145,911	145,911
Depreciation of property plant and equipment	-	-	-	-	24,845	24,845
Provision for/(reversal of provision for)doubtful debts and bad debts written off	54,058	418	22,206	34,878	-	111,560
<b>For the three months ended 30th June 2015</b>						
Capital expenditure	-	-	-	-	31,948	31,948
Depreciation of property plant and equipment	-	-	-	-	19,840	19,840
Provision for/(reversal of provision for)doubtful debts and bad debts written off	137,069	2,056	81,952	18,390	-	239,467
<b>As at 30- June -2016</b>						
Total assets	14,800,334	2,231	28,790,985	5,290,490	36,151,373	85,035,413
Total liabilities	21,822,942	3,289	42,452,016	7,686,651	971,943	72,936,841
<b>As at 30- June -2015</b>						
Total assets	13,522,923	48,124	19,147,628	2,606,878	9,747,895	45,073,448
Total liabilities	13,234,616	47,098	17,761,247	2,418,128	981,193	34,442,283

**COMMERCIAL LEASING & FINANCE PLC**

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

**As at 30th June 2016**

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

**Top 20 Shareholders As At 30th June 2016**

	<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	5,445,851	0.085
4	CHEMICAL INDUSTRIES (COLOMBO)LTD/CIC CHARITABLE & EDUCATIONNAL 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	MISS 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.I.G. UDAYANANDA	460,573	0.007
15	DR. H.S.D.SOYSA	400,100	0.006
16	BANSEI SECURITIES FINANCE (PVT) LTD/C.P.A.GUNASEKERA	400,000	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 C.J. 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>6,370,012,627</b>	<b>99.878</b>

Public Holding Percentage as at 30th June 2016 being 1.076% comprising of 884 shareholders.