

COMMERCIAL LEASING & FINANCE PLC



**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

COMMERCIAL LEASING & FINANCE PLC
Statement of Financial Position

As at 31st March	Group	Company	
	2017	2018	2017
	Audited	Unaudited	Audited
	Rs. '000	Rs. '000	Rs. '000
Assets			
Cash & cash equivalents	2,150,420	2,377,558	1,487,849
Financial assets held for trading	2,715,175	153,997	2,715,175
Other investments	16,650,125	6,505,214	15,753,954
Rentals receivable on lease & hire purchase	14,081,275	14,983,512	13,972,748
Loans and advances	43,778,397	41,208,800	33,763,173
Factoring receivables	6,167,657	3,584,916	6,167,657
Amounts due from related company	4,189	-	-
Value Added Tax (VAT) recoverable	264,969	94,646	264,969
Other receivables	570,240	229,464	501,483
Investment in equity accounted investee	83,059	1,506,984	83,059
Investment properties	46,000	1,632,000	46,000
Investment in subsidiary companies	-	-	1,023,302
Goodwill on acquisition	253,211	-	-
Other intangible asset	5,943	3,910	5,943
Property, plant & equipment	2,120,039	1,227,576	1,975,784
Total Assets	88,890,699	73,508,576	77,761,096
Liabilities and Equity			
Liabilities			
Bank overdrafts	1,805,044	1,353,451	1,390,807
Deposits liabilities	18,749,265	23,481,205	15,935,942
Interest bearing loans & borrowings	46,317,070	28,932,662	44,266,931
Current tax liabilities	520,758	519,857	413,645
Amounts due to related companies	5,360,026	158,748	84,598
Other payables	1,165,471	1,989,836	1,084,297
Deferred tax liabilities	347,867	477,339	337,045
Retirement benefit obligations	95,895	89,326	72,300
Total Liabilities	74,361,396	57,002,423	63,585,565
Equity			
Stated capital	1,425,947	1,425,947	1,425,947
Reserves	1,682,753	1,993,722	1,709,933
Retained earnings	11,417,909	13,086,484	11,039,651
Equity attributable to shareholders of the Company	14,526,609	16,506,153	14,175,531
Non-controlling interests	2,694	-	-
	14,529,303	-	-
Total Liabilities and Equity	88,890,699	73,508,576	77,761,096
Net asset value per share	2.28	2.59	2.22

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

25th May 2018
Colombo

Sgd.

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

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

	Group						Company					
	For the twelve months ended			For the three months ended			For the twelve months ended			For the three months ended		
	31.03.2018 Unaudited Rs. ' 000	31.03.2017 Audited Rs. ' 000	Variance %	31.03.2018 Unaudited Rs. ' 000	31.03.2017 Audited Rs. ' 000	Variance %	31.03.2018 Unaudited Rs. ' 000	31.03.2017 Audited Rs. ' 000	Variance %	31.03.2018 Unaudited Rs. ' 000	31.03.2017 Audited Rs. ' 000	Variance %
Interest income	13,155,719	10,752,921	22%	3,351,686	3,063,274	9%	13,182,711	10,898,203	21%	3,338,190	3,100,937	8%
Interest expense	(6,994,795)	(6,125,876)	(14%)	(1,615,484)	(1,662,138)	3%	(6,994,795)	(6,125,876)	(14%)	(1,615,484)	(1,662,138)	3%
Net interest income	6,160,924	4,627,045	33%	1,736,202	1,401,136	24%	6,187,916	4,772,327	30%	1,722,706	1,438,799	20%
Other operating income	2,399,491	2,331,372	3%	490,836	627,863	(22%)	2,399,491	2,331,372	3%	733,485	627,863	17%
Gain on deemed disposal of BRAC Lanka Finance PLC-Note 8	-	-	-	-	-	-	242,648	-	-	-	-	-
Expenses												
Direct expenses excluding finance costs	(585,305)	(469,701)	(25%)	(173,096)	(159,203)	(9%)	(585,305)	(469,701)	(25%)	(173,096)	(159,203)	(9%)
Personnel costs	(1,387,268)	(1,103,658)	(26%)	(403,935)	(336,226)	(20%)	(1,387,268)	(1,103,658)	(26%)	(403,935)	(336,226)	(20%)
Premises, equipment & establishment expenses	(398,438)	(346,377)	(15%)	(98,081)	(95,530)	(3%)	(398,438)	(346,377)	(15%)	(98,081)	(95,530)	(3%)
Depreciation on property plant & equipment	(113,661)	(109,606)	(4%)	(31,254)	(32,473)	4%	(113,661)	(109,606)	(4%)	(31,254)	(32,473)	4%
Net impairment loss on financial assets	(1,055,992)	(712,077)	(48%)	(383,549)	(428,312)	10%	(1,055,992)	(712,077)	(48%)	(383,549)	(428,312)	10%
Other operating expenses	(1,926,669)	(1,709,841)	(13%)	(486,733)	(327,369)	(49%)	(1,926,669)	(1,709,841)	(13%)	(486,733)	(327,369)	(49%)
	3,093,082	2,507,157	23%	650,390	649,886	-	3,362,722	2,652,439	27%	879,543	687,549	28%
Value added tax on financial services and NBT	(610,955)	(457,911)	(33%)	(242,660)	(176,292)	(38%)	(610,955)	(457,911)	(33%)	(242,660)	(176,292)	(38%)
Results from operating activities	2,482,127	2,049,246	21%	407,730	473,594	(14%)	2,751,767	2,194,528	25%	636,883	511,257	25%
Share of profit of equity accounted investee (net of tax)	153,113	10,245	1394%	41,300	1,644	2411%	153,113	10,245	1394%	41,300	1,644	2411%
Profit before tax	2,635,240	2,059,491	28%	449,031	475,238	(6%)	2,904,880	2,204,773	32%	678,184	512,901	32%
Income tax expense	(760,712)	(518,471)	(47%)	(223,227)	(47,155)	(373%)	(760,712)	(518,471)	(47%)	(223,227)	(47,155)	(373%)
Profit for the period from Continuing operations	1,874,528	1,541,020	22%	225,804	428,083	(47%)	2,144,168	1,686,302	27%	454,957	465,746	(2%)
Discontinued Operations												
Profit/ (loss) for the period from discontinued operations (Note 9)	(90,303)	365,209	(125%)	-	61,896	-	-	-	-	-	-	-
Profit for the Period	1,784,225	1,906,229	(6%)	225,804	489,979	(1%)	2,144,168	1,686,302	27%	454,957	465,746	(2%)
Other comprehensive income												
Discontinued Operations												
Revaluation surplus	77,008	747,892	-	77,008	747,892	-	77,008	747,892	(90%)	77,008	747,892	(90%)
Actuarial (Losses) / Gain on defined benefit plan	(6,094)	(8,591)	29%	(6,094)	(8,591)	29%	(6,094)	(8,591)	29%	(6,094)	(8,591)	29%
Net Change in fair value of available for sale finance assets	149,781	(40,107)	-	4,989	(13,880)	-	149,781	(40,107)	-	4,989	(13,880)	-
Effective portion of changes in fair value of cash flow	(114,213)	18,493	(718%)	(101,370)	63,767	(259%)	(114,213)	18,493	(718%)	(101,370)	63,767	(259%)
Share of Other Comprehensive Income from Equity accounted investee	12,222	199	-	12,222	199	-	12,222	199	-	12,222	199	-
Income tax recognised in other comprehensive income	69,258	(26,082)	-	69,258	(26,082)	-	69,258	(26,082)	-	69,258	(26,082)	-
Differed tax on revaluation	(1,507)	-	-	-	-	-	(1,507)	-	-	-	-	-
Discontinued Operations												
Net Change in fair value of available for sale finance assets of discontinued Operations	651	173	-	-	-	-	-	-	-	-	-	-
Other comprehensive income/ (expense) for the period, net of tax	187,105	691,977	(75%)	56,013	763,305	(94%)	186,455	691,804	(73%)	56,013	763,305	(93%)
Total comprehensive income for the period	1,971,330	2,598,206	(15%)	281,816	1,253,284	(58%)	2,330,623	2,378,106	(2%)	510,970	1,229,051	(58%)
Profit attributable to:												
Equity holders of the Company	1,784,125	1,896,644		225,804	480,863		2,144,168	1,686,302		454,957	465,746	
Non-controlling interests	100	9,585		-	9,116		-	-		-	-	
Profit for the period	1,784,225	1,906,229		225,804	489,979		2,144,168	1,686,302		454,957	465,746	
Tota comprehensive income attributable to:												
Equity holders of the Company	1,971,229	2,588,623		280,308	1,243,998		2,330,623	2,378,106		509,462	1,229,051	
Non-controlling interests	102	9,583		-	9,286		-	-		-	-	
Total comprehensive income for the period	1,971,330	2,598,206		280,308	1,253,284		2,330,623	2,378,106		509,462	1,229,051	
Earnings per share Rs.	0.28	0.30		0.04	0.08		0.34	0.26		0.07	0.07	

Figures in brackets indicate deductions

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

For the year ended 31 March 2017

	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
Balance as at 01st April 2016	1,425,947	135,980	46,271	(87,475)	231,780	565,538	-	9,617,451	11,935,491	51,044	11,986,535
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	1,896,644	1,896,644	9,586	1,906,230
Share of Other Comprehensive Income from Equity accounted investee	-	-	-	-	-	-	-	199	199	-	199
Tax Impact on Other Comprehensive Income	-	-	-	-	-	-	-	1,575	1,575	-	1,575
Differed tax on revaluation	-	(11,492)	(16,996)	-	-	-	-	-	(28,488)	-	(28,488)
Other comprehensive income	-	747,891	18,493	(42,067)	-	-	-	(5,626)	718,691	(2)	718,689
Total comprehensive income for the period	-	736,399	1,497	(42,067)	-	-	-	1,892,793	2,588,621	9,585	2,598,206
Transactions with Owners directly recorded in the Equity											
Dividends Forfeited	-	-	-	-	-	-	-	-	-	-	-
Acquisition of NCI	-	-	-	-	-	-	-	2,496	2,496	(57,934)	(55,438)
Transferred to/(from) during the year	-	-	-	-	-	94,832	-	(94,832)	-	-	-
Balance as at 31st March 2017	1,425,947	872,380	47,768	(129,542)	231,780	660,370	-	11,417,909	14,526,609	2,694	14,529,303

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

For the year ended 31 March 2018

	Stated Capital Rs. 000	Revaluation Reserves Rs. 000	Hedging reserve Rs. 000	Fair Value Reserve on AFS Rs. 000	General Reserve Rs. 000	Statutory Reserve Rs. 000	Invetsment Fund Reserve Rs. 000	Retained Earnings Rs. 000	Total Rs. 000
Balance as at 01st April 2016	1,425,947	135,981	46,271	(87,106)	288,080	544,603	0.00	9,443,650	11,797,426
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	1,686,302	1,686,302
Share of Other Comprehensive Income from Equity accounted investee	-	-	-	-	-	-	-	199	199
Tax on Other Comprehensive Income	-	(11,492)	(16,996)	-	-	-	-	2,405.52	(26,082)
Other comprehensive income	-	747,891	18,493	(40,107)	-	-	-	(8,591)	717,686
Total comprehensive income for the period	-	736,399	1,497	(40,107)	-	-	-	1,680,316	2,378,106
Transferred to/(from) during the year	-	-	-	-	-	84,315	-	(84,315)	-
Balance as at 31st March 2017	1,425,947	872,381	47,768	(127,212)	288,080	628,918	0.00	11,039,651	14,175,531
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	-	2,144,168	2,144,168
Share of Other Comprehensive Income from Equity accounted investee	-	-	-	-	-	-	-	12,222	12,222
Defined benefit plan actuarial gains (losses) for the year	-	-	-	-	-	-	-	(6,094)	(6,094)
Revaluation surplus	-	77,008	-	-	-	-	-	-	77,008
Differed tax on revaluation	-	(1,507)	-	-	-	-	-	-	(1,507)
Tax on Other Comprehensive Income on Cash flow Hedge	-	-	67,552	-	-	-	-	1,706	69,258
Other comprehensive income	-	-	(114,213)	149,781	-	-	-	-	35,568
Total comprehensive income for the period	-	75,501	(46,661)	149,781	-	-	-	2,152,001	2,330,623
Transferred to/(from) during the year	-	-	-	-	-	105,168	-	(105,168)	-
Balance as at 31st March 2018	1,425,947	947,882	1,106	22,568	288,080	734,087	0.00	13,086,484	16,506,153

COMMERCIAL LEASING & FINANCE PLC
Statement of Cash Flow

For the year ended	Group		Company	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before income tax expense	2,635,240	2,059,491	2,904,880	2,204,773
Adjustment for:				
(Gain) / loss on sale of property, plant and equipment	(10,646)	(5,434)	(10,646)	(5,434)
Depreciation and amortization	113,661	109,606	113,661	109,606
Provision for gratuity	17,866	15,378	17,866	15,378
Allowances for doubtful debts	1,055,992	712,077	1,055,992	712,077
Interest cost	6,994,795	6,125,876	6,994,795	6,125,876
Share of profit of equity accounted investees	(153,113)	(10,245)	(153,113)	(10,245)
Investment Income	(776,880)	-	(776,880)	-
Change in fair value of investments	(47,242)	(13,049)	(47,242)	(13,049)
Dividend Income	(6,199)	(46,651)	(6,199)	(46,651)
Change in fair value of investment properties	(59,882)	(4,000)	(59,882)	(4,000)
Adjustment for Unamortized finance cost - Long term Borrowings	91,509	99,496	91,509	99,496
Profit on Deemend disposal of BRAC	(242,648)	-	(242,648)	-
Operating profit before working capital changes	9,612,454	9,042,544	9,882,093	9,187,827
Working capital changes				
(Increase)/decrease in leases, hire purchase receivables	257,614	482,357	257,614	482,357
(Increase)/decrease in advances and other loans receivable	(5,706,113)	(8,345,387)	(5,706,113)	(8,345,387)
(Increase)/decrease in other receivables and related party receivables	(1,202,844)	(94,865)	(1,202,844)	(94,865)
Increase/(decrease) in trade and other payables	1,057,975	(405,591)	1,057,975	(405,591)
(Increase)/decrease in customer deposits	7,549,166	3,588,296	7,549,166	3,588,296
Cash generated from operations	11,568,251	4,267,355	11,837,891	4,412,637
Interest paid	(6,602,892)	(6,018,679)	(6,602,892)	(6,018,679)
Income tax paid	(282,414)	(616,248)	(282,414)	(616,248)
Gratuity paid	(6,933)	(2,011)	(6,933)	(2,011)
Net cash from / (used in) operating activities of continuing operations	4,676,012	(2,369,583)	4,945,652	(2,224,301)
Net cash from / (used in) operating activities from discontinuing operations	430,063	749,957	-	-
	5,106,075	(1,619,626)	4,945,652	(2,224,301)
CASH FLOW FROM INVESTING ACTIVITIES				
Investment in subsidiary companies	-	(55,439)	-	(55,439)
Net cash and cash equivalents on acquisition of subsidiary	-	-	-	-
Purchased of property, plant and equipment	(318,764)	(276,330)	(318,764)	(276,330)
Acquisition of intangible assets	-	(6,341)	-	(6,341)
Acquisition / (Disposal) of investment properties	(483,118)	-	(483,118)	-
Proceeds from the sale of property, plant and equipment	-	6,973	-	6,973
Interest received	951,125	-	951,125	-
Net additions to investment securities	11,636,255	15,479,446	11,636,255	15,479,446
Dividend received from investments	13,597	43,411	13,597	43,411
Net cash flow from investing activities from continuing Opearions	11,799,095	15,191,720	11,799,095	15,191,720
Net cash flow from investing activities from discontinuing Opearions	(251,934)	(925,119)	-	-
	11,547,161	14,266,601	11,799,095	15,191,720
CASH FLOW FROM FINANCING ACTIVITIES				
Net Movement in Interest bearing loans and borrowings	(15,817,681)	(10,964,932)	(15,817,681)	(10,964,932)
Net Movement in Derivatives	-	-	-	-
Proceeds from long-term interest bearing loans and borrowings	-	-	-	-
Repayments of long-term interest bearing loans and borrowings	-	(1,570,741)	-	(1,570,741)
Proceeds from issuance of debentures	-	-	-	-
Net cash generated from financing activities	(15,817,681)	(12,535,673)	(15,817,681)	(12,535,673)
Net cash generated from financing activities from continuing Opearions				
Net cash generated from financing activities from discontinuing Opearions	91,509	(451,351)	-	-
	(15,726,172)	(12,987,024)	(15,817,681)	(12,535,673)
Net increase/(decrease) in cash & cash equivalents during the period	927,065	(340,048)	927,064	431,747
Cash & cash equivalents at the beginning of the period	97,042	685,424	97,042	(334,705)
Cash & cash equivalents at the end of the period	1,024,107	345,376	1,024,106	97,042
Analysis of cash & cash equivalents at the end of the period				
Cash at bank and in hand	2,377,558	2,150,420	2,377,558	1,487,849
Bank overdraft	(1,353,451)	(1,805,044)	(1,353,451)	(1,390,807)
	1,024,107	345,376	1,024,106	97,042

Commercial Leasing & Finance PLC
Notes to the Interim Financial Statements
For the year ended 31st March 2018

1. The Statement of Financial Position as at 31 March 2018, the Statement of Profit or Loss & Other Comprehensive Income, Cash Flow Statements and Statements of Changes in Equity of the Company for the year ended 31 March 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 Annual Report for the year 2016/17 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 current financial period, the effective holding of the investee has been diluted from 99.76% to 44.33%. Consequently the previous held 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	<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

	31.03.2018	31.03.2017
	Unaudited	Unaudited
	Rs. '000	Rs. '000
	(Apr 17 - May 17)	(Apr16-Mar 17)
Income	616,161	3,268,616
Interest expense	(171,915)	(1,151,622)
Net interest income	<u>444,246</u>	<u>2,116,994</u>
Other Income	28,181	126,398
Allowance for impairment & write offs	(142,336)	(341,546)
Expenses	(231,684)	(1,403,771)
Profit Before Tax	<u>98,405</u>	<u>498,075</u>
Income tax expense	(16,217)	(132,865)
Profit After Tax	<u>82,188</u>	<u>365,209</u>
Results on divestment of group investments (Note 8)	<u>(172,491)</u>	<u>-</u>
Profit/Loss for the period from discontinued operations	<u>(90,303)</u>	<u>365,209</u>

10. No circumstances have arisen subsequent to the reporting date which would require adjustments to or disclosure in the financial statements.

11. There are no significant changes in the nature of the contingent liabilities disclosed in the Audited financials for the year ended 31 March 2017.

Commercial Leasing & Finance PLC
Notes to the Interim Financial Statements (Continued)
For the year ended 31st March 2018

12 . Share Information

Market prices of ordinary shares recorded during the quarter ended 31st March 2018 are as follows.

Market prices of ordinary shares recorded during the quarter ended	<u>31-Mar-18</u>	<u>31-Mar-17</u>
Highest price (Rs.)	3.10	3.40
Lowest price (Rs.)	2.70	2.40
Closing price (Rs.)	2.70	2.60

13. 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.

13.1 Interest rate of comparable government security

Buying and Selling prices of Treasury Bonds of the Bind Market as at 31st March 2018

<u>5 Year Bond</u>	<u>Price (Rs.)</u>	<u>Yield (%)</u>
Buying	103.822	10.26
Selling	104.585	10.07

Market prices and yield during the period

<u>5 Year Bond</u>	<u>Price (Rs.)</u>	<u>Yield (%)</u>
	104.204	10.17

13.2 Yield to maturity of last trade done for the quarter ended 31st March 2018 - Not Traded

13.3 Market prices for the quarter ended 31st March 2018 - Not Traded

13.4 Debt security related ratios

	<u>Company</u>	
	<u>As at 31-03-2018</u>	<u>As at 31-03-2017</u>
Debt to equity ratio	3.25	4.34
Quick asset ratio	1.00	1.12
Interest cover	1.42	1.35

13.5 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	Clarification if not fully utilized including where the funds are
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

13. Financial assets and liabilities- Valuation technique

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

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

Level 3 – Valuation techniques use significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation

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

11. Financial assets and liabilities - Valuation technique

11.2. Accounting classifications and fair values - Group

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

Rs.000'

As at 31st March 2017	Fair value - derivatives	Fair value - held for trading	Fair value through other comprehensive income - available for sale	Amortised cost / Not measured at fair value	Total carrying amount	Fair value	Fair value measurement Level
ASSETS							
Cash and cash equivalents	-	-	-	2,150,420	2,150,420	2,150,420	Level 3
Investment in equity securities	-	201,450	66,979	-	268,429	268,429	Level 3
Investment in government securities							
- Corporate bonds	-	-	1,424,507	-	1,424,507	1,424,507	Level 2
- Measured at amortized cost	-	-	-	4,287,347	4,287,347	4,287,347	Level 2
Investment in term deposits	-	-	-	9,089,237	9,089,237	9,089,237	Level 2
Commercial Papers	-	-	-	1,706,651	1,706,651	1,706,651	Level 2
Finance lease receivables, hire purchases and operating lease:							
- Finance lease receivables	-	-	-	14,070,619	14,070,619	12,865,911	Level 3
- Hire purchase receivables	-	-	-	10,656	10,656	10,656	Level 3
- Advances and other loans	-	-	-	44,773,928	44,773,928	32,411,725	Level 3
- Factoring receivables	-	-	-	6,167,657	6,167,657	4,959,717	Level 3
Derivative assets	60,701	-	-	-	60,701	60,701	Level 3
Other financial assets	-	-	-	36,361	36,361	40,484	Level 3
Total financial assets	60,701	201,450	1,491,486	82,292,876	84,046,513	69,275,785	
LIABILITIES							
Bank overdraft	-	-	-	1,805,044	1,805,044	1,805,044	Level 3
Short Term Loan from Banks	-	-	-	13,134,045	13,134,045	13,134,045	Level 3
Debentures	-	-	-	5,121,541	5,121,541	4,321,648	Level 3
Bank Loans	-	-	-	26,050,553	26,050,553	26,050,553	Level 3
Deposits from customers	-	-	-	15,935,942	15,935,942	13,746,015	Level 3
Trade and other payables	-	-	-	301,083	301,083	301,083	Level 3
Amount due to related companies	-	-	-	84,598	84,598	84,598	Level 3
Total financial liabilities	-	-	-	62,432,806	62,432,806	59,442,986	

Commercial Leasing & Finance PLC
Notes to the Interim Financial Statements
For the year ended 31st March 2018

11. Financial assets and liabilities - Valuation technique

11.2. Accounting classifications and fair values - Company

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

Rs.000'

As at 31st March 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	49,250,120	

Rs.000'

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

COMMERCIAL LEASING & FINANCE PLC
Segment Information - Group

	Conventional Financial Services Rs.' 000	Islamic Financial Services Rs.' 000	Factoring Business Rs.' 000	Others/ Adjustments Rs.' 000	Total Rs.' 000
Continuing Operations					
For the year ended 31st March 2018					
Total revenue	13,592,640	663,015	1,299,555	-	15,555,210
Net interest cost	(6,485,668)	(91,690)	(417,437)	-	(6,994,795)
Profit before operating expenses	7,106,972	571,325	882,118	-	8,560,415
Operating expenses	(4,386,010)	(97,281)	(984,042)	-	(5,467,333)
Value Added Tax on financial services	(552,499)	(21,815)	(36,640)	-	(610,955)
Profit from operations	2,168,463	452,229	(138,565)	-	2,482,127
Discontinued Operations					
Profit from operations of discontinued operations (Note - 9)	98,405	-	-	-	98,405
Continuing Operations					
For the year ended 31st March 2017					
Total revenue	11,419,532	355,845	1,308,915	-	13,084,293
Net interest cost	(5,417,276)	(10,729)	(697,871)	-	(6,125,876)
Profit before operating expenses	6,002,257	345,116	611,045	-	6,958,418
Operating expenses	(3,790,795)	(54,545)	(605,920)	-	(4,451,261)
Value Added Tax on financial services	(392,976)	(12,540)	(52,394)	-	(457,911)
Profit from operations	1,818,485	278,031	(47,269)	-	2,049,246
Discontinued Operations					
Profit from operations of discontinued operations (Note - 9)	498,075	-	-	-	498,074
For the year ended 31st March 2018					
Capital expenditure	-	-	-	318,764	318,764
Depreciation of property plant and equipment	-	-	-	113,661	113,661
Provision for/(reversal of provision for)doubtful debts and bad debts written off	487,875	24,766	543,351	-	1,055,992
For the year ended 31st March 2017					
Capital expenditure	-	-	-	276,330	276,330
Depreciation of property plant and equipment	-	-	-	109,606	109,606
Provision for/(reversal of provision for)doubtful debts and bad debts written off	381,946	5,444	324,687	-	712,077
As at 31st March 2017					
Total assets	55,580,645	2,274,558	6,167,656	24,867,840	88,890,699
Total liabilities	64,296,599	2,055,906	7,044,371	964,519	74,361,396

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 31st March 2018					
Total revenue	13,862,280	663,015	1,299,555	-	15,824,850
Net interest cost	(6,485,669)	(91,690)	(417,436)	-	(6,994,795)
Profit before operating expenses	7,376,611	571,325	882,119	-	8,830,055
Operating expenses	(4,386,010)	(97,281)	(984,042)	-	(5,467,333)
Value Added Tax on financial services & NBT	(552,500)	(21,815)	(36,640)	-	(610,955)
Profit from operations	2,438,101	452,229	(138,563)	-	2,751,767
For the year ended 31st March 2017					
Total revenue	11,564,815	355,845	1,308,915	-	13,229,575
Net interest cost	(5,417,276)	(10,729)	(697,871)	-	(6,125,876)
Profit before operating expenses	6,147,539	345,116	611,044	-	7,103,699
Operating expenses	(3,790,796)	(54,545)	(605,920)	-	(4,451,260)
Value Added Tax on financial services & NBT	(392,976)	(12,540)	(52,394)	-	(457,911)
Profit from operations	1,963,767	278,031	(47,270)	-	2,194,528
For the year ended 31st March 2018					
Capital expenditure	-	-	-	318,764	318,764
Depreciation of property plant and equipment	-	-	-	113,661	113,661
Provision for/(reversal of provision for)doubtful debts and bad debts written off	487,875	24,766	543,351	-	1,055,992
For the year ended 31st March 2017					
Capital expenditure	-	-	-	276,330	276,330
Depreciation of property plant and equipment	-	-	-	109,606	109,606
Provision for/(reversal of provision for)doubtful debts and bad debts written off	381,946	5,444	324,687	-	712,077
As at 31st March 2018					
Total assets	52,383,805	3,808,507	3,584,916	13,731,348	73,508,576
Total liabilities	49,384,921	3,194,025	3,336,954	1,086,523	57,002,423
As at 31st March 2017					
Total assets	45,461,362	2,274,558	6,167,656	23,857,520	77,761,096
Total liabilities	53,556,640	2,055,906	7,150,027	822,992	63,585,565

COMMERCIAL LEASING & FINANCE PLC
Statement of Director's holding and Chief Executive Officer's holding in shares of the Entity
As at 31st March 2018

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

Top 20 Shareholders As At 31st March 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 & Educational Trust Fund	4,000,000	0.063
6	Ceylon Biscuits Limited	2,000,000	0.031
7	Seylan Developments Plc	1,989,239	0.031
8	Mrs. 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.Gunaratne	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. Soysa	400,100	0.006
16	Seylan Bank Plc/K.L.G.Udayananda	366,963	0.006
17	Mr. P.B. Jayasundara	260,000	0.004
18	Mrs. A.S.Weerasuriya & Mr.G.S.Padumadasa	210,100	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	6,369,518,356	99.86

Public shareholding

Information pertaining to public shareholding is as follows:

	31 Mar 2018
Public holding percentage	0.449%
Number of public shareholders	971
Float Adjusted Market Capitalization	77,316,993

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.