

COMMERCIAL LEASING & FINANCE PLC



**INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016**

COMMERCIAL LEASING & FINANCE PLC

Statement of Financial Position

Group		Company		Group		Company	
31-Mar-16	31-Mar-16	As at 30th September		2016	2015	2016	2015
(Audited)	(Audited)			Rs. '000	Rs. '000	Rs. '000	Rs. '000
Rs. '000	Rs. '000						
Assets							
2,280,295	836,057	Cash & cash equivalents		1,792,185	1,214,937	1,057,279	797,398
4,232,811	4,232,811	Financial assets held for trading		1,734,326	248,628	283,734	248,617
29,745,643	29,742,820	Other investments		28,402,334	8,391,349	28,304,751	8,376,679
14,783,489	14,693,482	Rental receivables on leases & hire purchase		14,899,846	14,549,857	14,817,243	14,478,590
33,951,969	27,140,128	Loans and advances		40,232,684	27,875,777	30,783,842	21,492,644
4,959,717	4,959,717	Factoring receivables		5,835,043	3,214,224	5,835,043	3,214,224
144	8	Amounts due from related company		1,725	734	811	3,216
299,176	253,887	Value Added Tax (VAT) recoverable		265,366	290,685	224,877	290,685
407,580	385,492	Other receivables		1,150,061	648,362	949,950	627,368
75,854	75,854	Investment in equity accounted investee		82,100	76,140	82,100	76,140
-	-	Investment property		42,000	10,700	42,000	10,700
-	967,863	Investment in subsidiary companies		-	-	967,863	967,863
2,047	-	Deferred tax asset		-	978	-	-
253,211	-	Goodwill on acquisition		253,211	253,211	-	-
1,144,826	1,070,831	Property, plant & equipment		1,293,599	1,118,357	1,200,530	1,066,369
92,136,764	84,358,954	Total Assets		95,984,480	57,893,940	84,550,023	51,650,492
Liabilities and Equity							
Liabilities							
1,594,871	1,170,761	Bank overdrafts		2,320,903	1,119,857	1,219,786	1,119,857
-	-	Derivative liabilities - fair value through profit or loss		43,984	-	43,984	-
12,764,288	12,347,646	Deposits liabilities		11,350,802	15,007,806	9,976,478	13,985,441
58,017,858	56,087,528	Interest bearing loans & borrowings		58,910,772	23,287,266	57,974,572	22,943,818
588,903	464,455	Current tax liabilities		860,720	462,417	682,681	384,921
4,117,851	283,967	Amounts due to related companies		7,532,615	4,413,835	221,428	300,181
2,637,430	1,798,895	Other payables		1,665,886	1,830,408	1,524,833	1,349,413
357,932	357,932	Deferred tax liabilities		369,905	469,356	357,932	469,356
71,097	50,342	Retirement benefit obligations		76,093	58,909	52,107	50,626
80,150,228	72,561,528	Total Liabilities		83,131,680	46,649,853	72,053,800	40,603,613
Equity							
1,425,947	1,425,947	Stated capital		1,425,947	1,425,947	1,425,947	1,425,947
892,093	927,826	Reserves		830,690	871,368	866,369	914,516
9,617,451	9,443,652	Retained earnings		10,535,660	8,895,270	10,203,907	8,706,416
11,935,491	11,797,426	Equity attributable to shareholders of the Company		12,792,297	11,192,585	12,496,223	11,046,879
51,045	-	Non-controlling interests		60,503	51,502	-	-
11,986,536	-			12,852,800	11,244,087	-	-
92,136,764	84,358,954	Total Liabilities and Equity		95,984,480	57,893,940	84,550,023	51,650,492
1.87	1.85	Net assets value per share		2.01	1.75	1.96	1.73
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I certify that these Financial Statements have been prepared and presented in compliance with the requirements of the Companies Act, No.07 of 2007.

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;

Mr. W. D. K. Jayawardena
Director

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

10th November 2016
Colombo

COMMERCIAL LEASING & FINANCE PLC

Statement of Profit or Loss and Other Comprehensive Income

	Group						Company					
	For the Six months ended			For the three months ended			For the Six months ended			For the three months ended		
	30.09.2016	30.09.2015	Variance	30.09.2016	30.09.2015	Variance	30.09.2016	30.09.2015	Variance	30.09.2016	30.09.2015	Variance
	Unaudited	Unaudited		Unaudited	Unaudited		Unaudited	Unaudited		Unaudited	Unaudited	
Rs. ' 000	Rs. ' 000	%	Rs. ' 000	Rs. ' 000	%	Rs. ' 000	Rs. ' 000	%	Rs. ' 000	Rs. ' 000	%	
Interest income	6,731,677	4,784,359	41%	3,607,544	2,565,001	41%	5,288,895	4,111,753	29%	2,821,439	2,156,058	31%
Interest expense	<u>(3,332,686)</u>	<u>(1,548,126)</u>	115%	<u>(1,689,273)</u>	<u>(845,847)</u>	100%	<u>(2,858,007)</u>	<u>(1,337,650)</u>	114%	<u>(1,422,144)</u>	<u>(699,822)</u>	103%
Net interest income	3,398,991	3,236,233	5%	1,918,271	1,719,154	12%	2,430,888	2,774,103	(12%)	1,399,295	1,456,236	(4%)
Other operating income	866,226	266,964	224%	349,817	114,760	205%	825,888	258,235	220%	334,013	109,151	206%
Expenses												
Personnel costs	(728,645)	(573,195)	27%	(376,994)	(280,967)	34%	(501,981)	(409,724)	23%	(255,724)	(197,652)	29%
Premises, equipment & establishment expenses	(202,676)	(173,126)	17%	(109,572)	(91,505)	20%	(166,804)	(150,833)	11%	(90,204)	(77,225)	17%
Depreciation on property plant & equipment	(56,943)	(46,262)	23%	(28,344)	(24,096)	18%	(50,653)	(41,523)	(12%)	(25,809)	(21,683)	(19%)
Net impairment loss on financial assets	(307,487)	(375,866)	(18%)	(151,912)	(130,021)	17%	(180,359)	(369,051)	(51%)	(68,799)	(129,584)	47%
Other operating expenses	<u>(1,439,701)</u>	<u>(907,171)</u>	59%	<u>(855,861)</u>	<u>(499,313)</u>	71%	<u>(1,143,387)</u>	<u>(886,657)</u>	29%	<u>(634,436)</u>	<u>(499,879)</u>	27%
Results from operating activities before value added tax and NBT	1,529,765	1,427,576	7%	745,405	808,012	(8%)	1,213,592	1,174,550	3%	658,336	639,365	3%
Value added tax on financial services and NBT	<u>(222,595)</u>	<u>(167,448)</u>	33%	<u>(107,477)</u>	<u>(107,800)</u>	-	<u>(166,357)</u>	<u>(120,539)</u>	38%	<u>(87,599)</u>	<u>(75,893)</u>	15%
Results from operating activities	1,307,169	1,260,128	4%	637,928	700,212	(9%)	1,047,235	1,054,011	(0.6%)	570,737	563,472	(18%)
Share of profit of equity accounted investee (net of tax)	<u>6,246</u>	4,683	33%	<u>3,181</u>	2,998	6%	<u>6,246</u>	4,683	33%	<u>3,181</u>	2,998	6%
Profit before income tax expenses	1,313,415	1,264,811	4%	641,109	703,210	(9%)	1,053,481	1,058,694	-	573,918	566,470	1%
Income tax expense	<u>(385,751)</u>	<u>(355,105)</u>	9%	<u>(249,097)</u>	<u>(202,254)</u>	23%	<u>(293,226)</u>	<u>(295,123)</u>	-	<u>(159,807)</u>	<u>(157,772)</u>	1%
Profit for the period	927,664	909,706	2%	392,011	500,956	(22%)	760,255	763,571	-	414,111	408,698	1%

Other comprehensive income

Net Change in fair value of available for sale finance assets	(23,765)	(17,708)	(34%)	(5,548)	(24,534)	77%	(23,822)	(17,642)	(35%)	(5,633)	(24,467)	77%
Effective portion of changes in fair value of cash flow	(37,636)	181,853		(10,830)	27,775		(37,636)	181,853		(10,830)	27,775	
Other comprehensive income/ (expense) for the period, net of tax	(61,401)	164,145	(137%)	(16,378)	3,241	605%	(61,458)	164,211	(137%)	(16,463)	3,308	597%
Total comprehensive income for the period	866,263	1,073,851	(19%)	375,633	504,197	(25%)	698,797	927,782	(25%)	397,648	412,006	(3.5%)
Profit attributable to;												
Equity holders of the Company	918,209	901,452		-	-		760,255	763,571		-	-	
Non-controlling interests	9,455	8,254		-	-		-	-		-	-	
Profit for the period	927,664	909,706		-	-		760,255	763,571		-	-	
Total comprehensive income attributable to;												
Equity holders of the Company	856,805	1,065,597		-	-		698,797	927,782		-	-	
Non-controlling interests	9,459	8,254		-	-		-	-		-	-	
Total comprehensive income for the period	866,263	1,073,851		-	-		698,797	927,782		-	-	
Earnings per share Rs.	0.14	0.14		0.06	0.08		0.12	0.12		0.06	0.06	

Figures in brackets indicate deductions

COMMERCIAL LEASING & FINANCE PLC

Statement of changes in equity - Group

For the six months ended 30 September 2016

	Stated Capital	Revaluation Reserves	Hedging reserve	Fair Value Reserve on AFS	General Reserve	Statutory Reserves	Invetsment 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 2015	1,425,947	135,980	(180,070)	40,271	231,780	479,261	-	7,990,108	10,123,276	43,252	10,166,528
Total comprehensive income for the period											-
Profit for the period	-	-	-	-	-	-	-	901,452	901,452	8,254	909,705
Other comprehensive income	-	-	181,853	(17,708)	-	-	-	-	164,146	(4)	164,143
Total comprehensive income for the period	-	-	181,853	(17,708)	-	-	-	901,452	1,065,599	8,250	1,073,848
Devidends Forfeited								3,710	3,710		3,710
Balance as at 30th September 2015	1,425,947	135,980	1,783	22,563	231,780	479,261	-	8,895,270	11,192,585	51,502	11,244,087
Total comprehensive income for the period											-
Profit for the period	-	-	44,487	(110,038)	-	-	-	815,519	749,967	304	750,271
Other comprehensive income	-	-	-	-	-	-	-	(7,060)	(7,059)	762	(7,821)
Total comprehensive income for the period	-	-	44,487	(110,038)	-	-	-	808,459	742,909	(458)	742,450
Transferred to/(from) during the year	-	-	-	-	-	86,276	-	86,276	-	-	-
Balance as at 31st March 2016	1,425,947	135,980	46,270	(87,475)	231,780	565,538	-	9,617,451	11,935,493	51,045	11,986,536
Total comprehensive income for the period											-
Profit for the period	-	-	-	-	-	-	-	918,209	918,209	9,455	927,664
Other comprehensive income	-	-	(37,636)	(23,765)	-	-	-	-	(61,402)	3	(61,398)
Total comprehensive income for the period	-	-	(37,636)	(23,765)	-	-	-	918,209	(61,402)	9,459	866,266
Balance as at 30th September 2016	1,425,947	135,980	8,634	(111,241)	231,780	565,538	-	10,535,660	11,874,091	60,503	12,852,800

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

For the six months ended 30 September 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	Retained Earnings Rs. 000	Total Rs. 000
Balance as at 1st April 2015	1,425,947	135,980	(180,070)	40,409	288,080	465,904	7,939,136	10,115,386
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	763,571	763,571
Other comprehensive income	-	-	181,853	-17,642	-	-	-	164,211
Total comprehensive income for the period	-	-	181,853	(17,642)	-	-	763,571	927,782
Dividends Forfeited	-	-	-	-	-	-	3,710	3,710
Transferred to/(from) during the year	-	-	-	-	-	-	-	-
Balance as at 30th September 2015	1,425,947	135,980	1,784	22,768	288,080	465,904	8,706,416	11,046,878
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	810,437	810,437
Other comprehensive income	-	-	44,487	109,875	-	-	5,500	(59,889)
Total comprehensive income for the period	-	-	44,487	(109,875)	-	-	815,936	750,548
Deferred tax on revaluation	-	-	-	-	-	-	-	-
Transferred to/(from) during the year	-	-	-	-	-	78,700	-78,700	-
Balance as at 31st March 2016	1,425,947	135,980	46,270	(87,107)	288,080	544,604	9,443,651	11,797,426
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	760,255	760,255
Other comprehensive income	-	-	(37,636)	(23,822)	-	-	-	(61,458)
Total comprehensive income for the period	-	-	(37,636)	(23,822)	-	-	760,255	698,797
Dividends Forfeited	-	-	-	-	-	-	-	-
Transferred to/(from) during the year	-	-	-	-	-	-	-	-
Balance as at 30th September 2016	1,425,947	135,980	8,634	(110,929)	288,080	544,604	10,203,907	12,496,223

COMMERCIAL LEASING & FINANCE PLC
Statement of Cash Flow

For the six months ended	Grc		Company	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before income tax expense	1,313,415	1,264,811	1,053,481	1,058,694
Adjustment for:				
Depreciation and amortization	56,943	46,262	50,653	41,523
Provision for gratuity	5,834	6,513	2,469	3,807
Allowances for doubtful debts	307,487	375,866	180,359	369,051
Provision for fall/(increase) in value of investments	(98,195)	(20,093)	(98,195)	(20,093)
Dividend Income	(46,507)	(4,660)	(46,507)	(4,660)
Interest cost	3,332,686	1,514,138	2,858,007	1,337,650
Share of profit of equity accounted investees	(6,246)	(4,683)	(6,246)	(4,683)
Interest on treasury bonds, bills and repos	(653,600)	(149,847)	(613,892)	(149,847)
Gain / (loss) on sale of treasury bonds	-	(10,123)	-	(10,123)
(Profit)/Loss on sale of property, plant and equipment		(1,148)	-	(1,148)
Operating profit before working capital changes	4,211,818	3,017,035	3,380,128	2,620,170
Working capital changes				
(Increase)/decrease in accounts receivables & others	(710,251)	293,170	(89,541)	239,627
Increase/(decrease) in accounts payables	2,109,837	2,806,966	(144,743)	303,895
(Increase)/decrease investment in leases	(182,983)	(1,960,845)	(195,555)	1,980,339
(Increase)/decrease in factoring account receivable	(937,790)	(826,831)	(937,790)	826,831
(Increase)/decrease investment in advances and other loans	(6,459,110)	(7,198,192)	(3,689,813)	3,764,932
Cash generated from operations	(1,968,480)	(3,868,697)	(1,677,314)	(3,887,664)
Interest paid	(2,990,906)	(1,814,794)	(2,492,195)	(1,340,309)
Income tax paid	(101,961)	(291,160)	(75,000)	(273,437)
Gratuity paid	(838)	(2,100)	(704)	(1,407)
Net cash from /(used in) operating activities	(5,062,185)	(5,976,751)	(4,245,212)	(5,502,818)
CASH FLOW FROM INVESTING ACTIVITIES				
Purchased of property, plant and equipment	(205,716)	(94,732)	(180,352)	(66,370)
Purchase/Disposal of short term investments	588,099	(2,516,124)	3,802,017	(2,520,011)
Investment in investment properties	(42,000)	-	(42,000)	-
Interest received	4,023,088	159,970	2,212,583	159,970
Dividend received	5,144	4,660	46,507	4,660
Net cash flow from investing activities	4,368,616	(2,446,226)	5,838,757	(2,421,751)
CASH FLOW FROM FINANCING ACTIVITIES				
Net proceed from short term borrowings	1,286,429	(979,000)	1,512,581	(979,000)
Net proceed from customer deposits	(1,413,485)	5,212,777	(2,371,168)	4,283,871
Proceeds from long term loans	-	1,500,000	-	1,500,000
Repayments of long term loans	(393,515)	(1,528,949)	(562,758)	(1,407,596)
Proceeds from debentures	-	5,000,000	-	5,000,000
Net cash generated from financing activities	(520,572)	9,204,828	(1,421,345)	8,397,275
Net increase/(decrease) in cash & cash equivalents during the period	(1,214,142)	781,851	172,197	472,705
Cash & cash equivalents at the beginning of the period	685,424	(686,771)	(334,704)	(795,165)
Cash & cash equivalents at the end of the period	(528,718)	95,080	(162,507)	(322,459)
Analysis of cash & cash equivalents at the end of the period				
Cash at bank and in hand	1,792,185	1,214,937	1,057,279	797,398
Bank overdraft	(2,320,903)	(1,119,857)	(1,219,786)	(1,119,857)
	(528,718)	95,080	(162,507)	(322,459)

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

1. The Statement of Financial Position as at 30 September 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 six months ended 30 September 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 September 2016 are as follows.

Market prices of ordinary shares recorded during the quarter ended	<u>30-Sep-16</u>	<u>30-Sep-15</u>
Highest price (Rs.)	4.00	4.50
Lowest price (Rs.)	3.60	4.00
Closing price (Rs.)	3.70	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%	11.19%

2. Market Prices & issue prices of debentures during the six months ended 30th September 2016 are as follows.

Instrument Type	Issue Price Rs.	Highest Price Rs.	Lowest Price Rs.	Last Traded Price Rs.	Last Traded 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 30-09-2016
Debt to equity ratio	5.54
Quick asset ratio	1.08
Interest cover	1.37

12. Financial assets and liabilities- Valuation technique

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

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

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

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

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 September 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	Fair value - held for trading	Fair value - held for trading				
ASSETS								
Cash and cash equivalents					1,792,185	1,792,185	1,792,185	Level 3
Investment in equity securities		216,756		66,979		283,734	283,734	Level 1
Investment in government securities								
Corporate bonds				1,447,725			1,447,725	Level 1
- Measured at fair value				2,856		2,856	2,856	Level 1
- Measured at amortized cost					6,619,400	6,619,400	6,619,400	Level 1
Investment in equity securities				11		11	11	Level 1
Derivative assets	2,851					2,851	2,851	Level 2
Investment in term deposits					21,347,027	21,347,027	21,347,027	Level 3
Finance lease receivables, hire purchases and operating leases								
- Finance lease receivables					14,999,027	14,999,027	13,857,465	Level 2
- Hire purchase receivables					37,814	37,814	36,091	Level 2
Advances and other loans								
- Advances and other loans					41,607,819	41,607,819	39,431,889	Level 2
- Factoring receivables					6,023,055	6,023,055	6,023,055	Level 3
Amount due from related companies					1,732	1,732	1,732	Level 3
Other financial assets					244,070	244,070	244,077	Level 3
Total financial assets	2,851	216,756	1,517,571	92,672,130	92,961,583	91,090,098		
LIABILITIES								
Bank overdraft					2,320,903	2,320,903	2,320,903	Level 3
Derivative liabilities - fair value through profit or loss	43,984					43,984	43,984	Level 3
Short Term Loan from Banks					26,000,640	26,000,640	26,000,640	Level 3
Debentures					5,000,000	5,000,000	4,674,099	Level 2
Bank Loans					28,473,932	28,473,932	27,608,908	Level 2
Other long term borrowings					436,200	436,200	436,200	Level 2
Deposits from customers					11,350,802	11,350,802	10,457,210	Level 2
Trade and other payables					1,032,687	1,032,687	1,032,687	Level 3
Amount due to related companies					7,532,623	7,532,623	7,532,623	Level 3
Total financial liabilities	43,984	-	-	-	82,147,786	82,191,770	80,107,254	
As at 31st March 2016								
ASSETS								
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
Investment in government securities								
- 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
Finance lease receivables, hire purchases and operating leases								
- Finance lease receivables	-	-	-	-	14,741,920	14,741,920	14,860,064	Level 2
- Hire purchase receivables	-	-	-	-	39,329	39,329	31,772	Level 2
Advances and other loans								
- 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
Total financial assets	60,812	4,233,022	1,531,989	85,144,304	90,970,127	90,207,416		
LIABILITIES								
Bank overdraft	-	-	-	-	1,594,871	1,594,871	1,594,871	Level 3
Short Term Loan from Banks	-	-	-	-	23,988,059	23,988,059	23,988,059	Level 3
Other short term borrowings	-	-	-	-	3,000	3,000	2,923	Level 2
Debentures	-	-	-	-	5,000,000	5,000,000	4,667,356	Level 2
Bank Loans	-	-	-	-	27,053,297	27,053,297	27,173,737	Level 2
Other long term borrowings	-	-	-	-	43,172	43,172	42,857	Level 2
Deposits from customers	-	-	-	-	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
Total financial liabilities	-	-	-	-	77,632,954	77,632,954	76,306,763	

Commercial Leasing & Finance PLC
Notes to the Interim Financial Statements
For the six months ended 30th September 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 company's financial assets and financial liabilities.

Rs.000'

As at 30th September 2016	Fair value - derivatives	Fair value - held for trading	Fair value through other comprehensive income - available for	Amortised cost / Not measured at fair value	Total carrying amount	Fair value	Fair value measurement level
ASSETS							
Cash and cash equivalents	-	-	-	1,057,279	1,057,279	1,057,279	Level 3
Investment in equity securities	-	216,756	66,979	-	283,734	283,734	Level 1
Investment in government securities							
Corporate bonds	-	-	1,447,725	-	1,447,725	1,447,725	Level 1
Measured at amortized cost	-	-	-	5,510,000	5,510,000	5,510,000	Level 3
Investment in term deposits	-	-	-	21,347,027	21,347,027	21,347,027	Level 3
Finance lease receivables, hire purchases and operating leases							
Finance lease receivables	-	-	-	14,907,383	14,907,383	13,765,820	Level 2
Hire purchase receivables	-	-	-	9,513	9,513	7,790	Level 2
Advances and other loans							
Advances and other loans	-	-	-	30,970,452	30,970,452	28,794,521	Level 2
Factoring receivables	-	-	-	6,023,055	6,023,055	6,023,055	Level 3
Derivative assets	2,851	-	-	-	2,851	2,851	Level 2
Amount due from related companies	-	-	-	812	812	812	Level 3
Other Financial Assets	-	-	-	3,471	3,471	3,477	Level 3
Total financial assets	2,851	216,756	1,514,703	79,828,990	81,563,301	78,244,092	
LIABILITIES							
Bank overdraft	-	-	-	1,219,786	1,219,786	1,219,786	Level 3
Derivative liabilities - fair value through profit or loss	43,984	-	-	-	43,984	43,984	Level 3
Short term borrowings							
Short Term Loan from Banks	-	-	-	25,500,640	25,500,640	25,500,640	Level 3
Long term borrowings							
Debentures	-	-	-	5,000,000	5,000,000	4,674,099	Level 2
Bank Loans	-	-	-	27,473,932	27,473,932	26,608,908	Level 2
Finance lease liabilities	-	-	-	-	-	-	
Other long term borrowings	-	-	-	-	-	-	
Deposits from customers	-	-	-	9,976,478	9,976,478	9,082,886	Level 2
Trade and other payables	-	-	-	891,634	891,634	891,634	Level 3
Amount due to related companies	-	-	-	221,429	221,429	221,429	Level 3
Total financial liabilities	43,984	-	-	70,283,899	70,327,883	68,243,365	
As at 31st March 2016							
	derivatives	for trading	other comprehensive	Not measured at	amount	Fair value	measurement
ASSETS							
Cash and cash equivalents	-	-	-	836,057	836,057	836,057	Level 3
Investment in equity securities	-	188,189	66,979	-	255,168	255,168	Level 1
Investment in government securities							
Corporate bonds	-	-	1,462,200	-	1,462,200	1,462,200	Level 1
Investment in government securities							
Measured at amortized cost	-	-	-	4,593,221	4,593,221	4,593,221	Level 3
Unit Trust	-	4,044,622	-	-	4,044,622	4,044,622	Level 3
Investment in term deposits	-	-	-	23,559,610	23,559,610	23,559,610	Level 3
Finance lease receivables, hire purchases and operating leases							
Finance lease receivables	-	-	-	14,671,377	14,671,377	14,789,520	Level 2
Hire purchase receivables	-	-	-	22,105	22,105	14,548	Level 2
Advances and other loans							
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
Trade and other current assets							
Derivative assets	60,812	-	-	-	60,812	60,812	Level 2
Amount due from related companies	-	-	-	8	8	8	Level 3
Other financial assets	-	-	-	1,341	1,341	1,341	Level 3
Total financial assets	60,812	4,232,811	1,529,179	75,783,563	81,606,366	80,843,654	
LIABILITIES							
Bank overdraft	-	-	-	1,170,761	1,170,761	1,170,761	Level 3
Short term borrowings							
Short Term Loan from Banks	-	-	-	23,988,059	23,988,059	23,988,059	Level 2
Other short term borrowings	-	-	-	3,000	3,000	2,923	Level 3
Long term borrowings							
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
Finance lease liabilities	-	-	-	-	-	-	
Other long term borrowings	-	-	-	43,172	43,172	42,857	Level 2
Deposits from customers	-	-	-	12,347,646	12,347,646	11,234,051	Level 2
Trade and other payables	-	-	-	1,282,696	1,282,696	1,282,696	Level 3
Amount due to related companies	-	-	-	283,967	283,967	283,967	Level 3
Total financial liabilities	-	-	-	71,172,600	71,172,600	69,846,407	

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

	Business Segment					
	Leasing	Hire Purchase	Loans	Factoring	Others	Total
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
For the six months ended 30 September 2016						
Total revenue	1,671,748	18,636	4,459,093	563,633	884,793	7,597,903
Net interest cost	(841,184)	(745)	(2,175,272)	(315,485)	-	(3,332,686)
Profit before operating expenses	830,564	17,891	2,283,821	248,148	884,793	4,265,218
Operating expenses	(527,653)	(13,681)	(1,458,079)	(115,347)	(620,694)	(2,735,454)
Value Added Tax on financial services	-	(73)	(222,523)	-	-	(222,595)
Profit from operations	302,911	4,137	603,220	132,801	264,099	1,307,169
For the six months ended 30 September 2015						
Total revenue	1,627,202	34,223	2,816,998	305,935	266,963	5,051,322
Net interest cost	(508,317)	(3,591)	(929,089)	(107,129)	-	(1,548,126)
Profit before operating expenses	1,118,885	30,633	1,887,908	198,806	266,963	3,503,196
Operating expenses	(763,345)	(20,422)	(1,039,372)	(122,951)	(129,531)	(2,075,621)
Value Added Tax on financial services	-	(611)	(166,837)	-	-	(167,448)
Profit from operations	355,540	9,600	681,699	75,855	137,433	1,260,128
For the six months ended 30 September 2016						
Capital expenditure	-	-	-	-	205,716	205,716
Depreciation of property plant and equipment	-	-	-	-	56,943	56,943
Provision for/(reversal of provision for)doubtful debts and bad debts written off	-67,489	861	-178,396	-62,464	-	307,487
For the six months ended 30 September 2015						
Capital expenditure	-	-	-	-	94,732	94,732
Depreciation of property plant and equipment	-	-	-	-	46,262	46,262
Provision for/(reversal of provision for)doubtful debts and bad debts written off	220,461	5,559	123,356	26,490	-	375,866
As at 30- September -2016						
Total assets	14,886,660	13,186	40,232,684	5,835,043	35,016,907	95,984,480
Total liabilities	20,641,871	18,283	53,379,121	7,741,703	1,350,701	83,131,680
As at 30- September -2015						
Total assets	14,447,785	102,072	27,875,777	3,214,224	12,254,083	57,893,940
Total liabilities	14,991,892	105,916	27,401,791	990,682	3,159,573	46,649,853

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

	Business Segment					
	Leasing Rs.' 000	Hire Purchase Rs.' 000	Loans Rs.' 000	Factoring Rs.' 000	Others Rs.' 000	Total Rs.' 000
For the six months ended 30 September 2016						
Total revenue	1,658,455	17,383	3,051,601	561,456	825,888	6,114,783
Net interest cost	(848,322)	(251)	(1,689,241)	(320,194)	-	(2,858,007)
Profit before operating expenses	810,133	17,132	1,362,360	241,262	825,888	3,256,775
Operating expenses	(535,101)	(9,877)	(824,868)	(200,462)	(472,876)	(2,043,184)
Value Added Tax on financial services	-	(24)	(166,333)	-	-	(166,357)
Profit from operations	275,032	7,231	371,159	40,800	353,012	1,047,235
For the six months ended 30 September 2015						
Total revenue	1,620,371	29,230	2,156,217	305,935	258,235	4,369,988
Net interest cost	(508,342)	(2,802)	(718,982)	(107,524)	-	(1,337,650)
Profit before operating expenses	1,112,029	26,428	1,437,234	198,411	258,235	3,032,338
Operating expenses	(761,196)	(18,204)	(827,707)	(123,900)	(126,781)	(1,857,788)
Value Added Tax on financial services	-	(444)	(120,095)	-	-	(120,539)
Profit from operations	350,832	7,781	489,433	74,511	131,455	1,054,011
For the six months ended 30 September 2016						
Capital expenditure	-	-	-	-	180,352	180,352
Depreciation of property plant and equipment	-	-	-	-	50,653	50,653
Provision for/(reversal of provision for)doubtful debts and bad debts written off	71,717	77	45,619	62,464	480.87	180,359
For the six months ended 30 September 2015						
Capital expenditure	-	-	-	-	66,370	66,370
Depreciation of property plant and equipment	-	-	-	-	41,523	41,523
Provision for/(reversal of provision for)doubtful debts and bad debts written off	277,387	7,529	180,005	38,343	-	369,051
As at 30- September -2016						
Total assets	14,812,861	4,381	30,783,842	5,835,043	33,113,896	84,550,023
Total liabilities	21,314,469	6,304	42,442,944	8,045,013	245,069	72,053,800
As at 30- September -2015						
Total assets	14,399,215	79,375	21,492,644	3,214,224	12,465,035	51,650,492
Total liabilities	15,086,544	83,164	21,337,919	3,191,085	904,901	40,603,613

COMMERCIAL LEASING & FINANCE PLC

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

As at 30th September 2016

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

As At 30th September 2016

	Shareholder	No. of Shares	% of Issued Capital
1	LANKA ORIX LEASING COMPANY PLC	6,308,876,426	98.921
2	BROWNS INVESTMENTS PLC	40,000,000	0.627
3	SINHARAJA HILLS PLANTATION PVT LIMITED	5,445,851	0.085
4	CHEMICAL INDUSTRIES (COLOMBO) LTD/CIC CHARITABLE & EDUCATIONAL TRUST FUND	4,000,000	0.063
5	CEYLON BISCUITS LIMITED	2,000,000	0.031
6	SEYLAN DEVELOPMENTS PLC	2,000,000	0.031
7	MRS N.R. MATHER	1,000,000	0.016
8	MRS. R.L. MATHER	1,000,000	0.016
9	MR. S.R. MATHER	1,000,000	0.016
10	MR.D.N.N.LOKUGE	890,660	0.014
11	MR. A.N. WILLIAM	650,000	0.010
12	R W GUNARATHNE	529,017	0.008
13	MR. W.V.A.N. FERNANDO & MRS.K.M.M.V.R.JAYASURIYA	500,000	0.008
14	SEYLAN BANK PLC/K L G UDAYANANDA	460,573	0.007
15	DR. H.S.D.SOYSA	400,100	0.006
16	BANSEI SECURITIES FINANCE (PVT) LTD/C.P.A.GUNASEKERA	399,564	0.006
17	MR. P.B.JAYASUNDARA	260,000	0.004
18	MR. S.M.M.ABDUL GHAFFOOR	200,000	0.003
19	H E P BABAPULLE \$ MRS I J BABAPULLE	200,000	0.003
20	MR. J.B.W. KELEGAMA	200,000	0.003
	Total shares held by Top 20 Shareholders	6,370,012,191	99.878

Public Holding Percentage as at 30th September 2016 being 1.076% comprising of 897 shareholders.