



LANKA ORIX FINANCE PLC
INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
30TH JUNE 2013

LANKA ORIX FINANCE PLC
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FOR THE QUARTER ENDED 30TH JUNE 2013

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Lanka ORIX Finance PLC

Statement of Financial Position

As at 30th June 2013

	As at 30.06.2013 (Unaudited) Rs. '000	As at 31.03.2013 (Audited) Rs. '000
ASSETS		
Cash and Bank Balances	4,617,339	3,061,190
Deposits with Banks and other Financial Institutions	414,634	414,634
Investment in Government Securities	4,827,423	3,378,980
Derivative Assets	11,158	1,936
Investments in Shares	7,243	7,143
Rentals Receivable on Leased Assets	11,736,291	11,452,172
Hire Purchases, Loans and Advances	26,922,596	25,547,021
Factoring receivable	3,486,484	3,198,685
Amount Due From Related Companies	64,779	75,649
Other Receivables	301,812	357,943
Margin Trading Receivables	-	-
Real Estate Stock	2,598	2,598
Inventories	-	-
Investment Property	71,500	71,500
Total Assets	52,463,859	47,569,453
LIABILITIES		
Bank Overdraft	2,060,252	2,201,599
Interest Bearing Borrowings	6,012,602	5,981,573
Deposits from Customers	34,259,793	32,069,049
Trade Payables	250,347	434,517
Accruals and Other Payables	2,270,437	685,456
Derivative Liabilities	52,768	40,097
Amount Due to Related Companies	1,535,948	135,056
Current Tax Payable	122,999	178,418
Deferred Tax Liability	415,508	415,508
Retirement Benefit Obligations	4,550	4,550
Total Liabilities	46,985,204	42,145,823
EQUITY		
Stated Capital	2,000,000	2,000,000
Statutory Reserve	679,438	679,438
Investment Fund Reserve	307,739	287,762
AFS Reserve	(23,596)	(2,117)
Retained Earnings	2,515,074	2,458,547
Total Equity	5,478,655	5,423,630
Total Liabilities and Equity	52,463,859	47,569,453
Net Assets Per Share (Rs.)	1.96	1.94

The Board of Directors is responsible for the preparation and presentation of these financial statements.
The Chief Financial Officer- LOLC Group certifies that the financial statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

Sgd.

.....
B.C.G. de Zylva - Managing Director

Sgd.

.....
W.D.K. Jayawardena - Chairman

Sgd.

.....
(Mrs.) S.S.Kotakadeniya
CFO - LOLC Group

14th Aug 2013
Rajagiriya (Greater Colombo)

Lanka ORIX Finance PLC

Statement of Comprehensive Income

For the three months ended 30th June 2013

	30.06.2013 (Unaudited) Rs '000	30.06.2012 (Unaudited) Rs '000	Variance %
Interest Income	2,498,934	1,819,366	37
Interest Expenses	(1,501,818)	(983,289)	53
Net Interest Income	997,116	836,077	19
Other Operating Income	156,935	109,204	44
Total Income	1,154,051	945,281	22
Operating Expenses			
Direct expenses excluding interest cost	(19,250)	(20,037)	(4)
(Provision)/Reversal for Doubtful Debts & Write Offs	(595,408)	(72,914)	717
Personnel Expenses	(139,708)	(120,578)	16
General & Administration Expenses	(280,990)	(282,261)	(0)
Profit from Operations	118,695	449,491	(74)
Value Added Tax on Financial Services	(17,610)	(46,117)	(62)
Profit Before Income Tax Expense	101,085	403,374	(75)
Income Tax Expense	(24,581)	(124,789)	(80)
Profit for the Period	76,504	278,585	(73)
Other Comprehensive Income			
Change in fair value of Available for Sale Investments	(21,480)	(18,939)	
Actuarial losses on defined benefit plan	-	-	
Total Comprehensive Income	55,025	259,646	
Basic earnings per share (Rs.)	0.03	0.10	

Figures in brackets indicate deductions.

Lanka ORIX Finance PLC

Statement of Changes in Equity

For the three months ended 30th June 2013

	Stated Capital	Statutory Reserve	Investment Fund Reserve	AFS Reserve	Retained Earnings	Total Equity
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at 1st April 2012	2,000,000	542,182	157,146	(12,126)	2,040,144	4,727,346
Profit for the Period	-	-	-	-	278,585	278,585
Total other comprehensive income	-	-	-	(18,939)	-	(18,939)
Transfer during the Period	-	-	35,095	-	(35,095)	-
Balance as at 30th June 2012	2,000,000	542,182	192,241	(31,064)	2,283,635	4,986,992
Profit for the Period	-	-	-	-	407,695	407,695
Total other comprehensive income	-	-	-	28,948	(5)	28,943
Transfer during the Period	-	137,256	95,521	-	(232,777)	-
Balance as at 31st March 2013	2,000,000	679,438	287,762	(2,117)	2,458,547	5,423,630
Profit for the Period	-	-	-	-	76,504	76,504
Total other comprehensive income	-	-	-	(21,480)	-	(21,480)
Transfer during the Period	-	-	19,977	-	(19,977)	-
Balance as at 30th June 2013	2,000,000	679,438	307,739	(23,596)	2,515,074	5,478,655

Lanka ORIX Finance PLC**STATEMENT OF CASH FLOWS**

For the three months ended 30th June 2013

	2013 Rs.	2012 Rs.
Cash Flows From / (Used in) Operating Activities		
Net Profit before Income Tax Expense	101,085	403,374
Adjustments for:		
Change in fair value of Derivatives - Forward Contracts	3,449	(17,319)
Provision for Fall / (Increase) in Value of Investments	(100)	200
Allowance for Doubtful Debts	595,408	72,914
Investment Income	(124,856)	(57,806)
Finance Costs	1,501,818	983,289
Operating Profit/(Loss) before Working Capital Changes	<u>2,076,805</u>	<u>1,384,652</u>
Change in Other Receivables	56,131	(108,606)
Change in Inventories	-	5,496
Change in Trade and Other Payables	1,400,810	853,472
Change in Amounts due to/ due from related Parties	1,411,762	178,666
Change in Lease Receivables	(413,725)	(65,201)
Change in Hire Purchase, Loans and Advances	(1,781,418)	155,868
Change in Factoring receivables	(347,758)	-
Change in Fixed Deposits from Customers	2,070,937	523,488
Change in Savings Deposits from Customers	29,311	(1,090,544)
Cash Generated from Operations	<u>4,502,855</u>	<u>1,837,291</u>
Finance Cost Paid on Deposits	(1,121,499)	(694,017)
Gratuity Paid	-	-
Income Tax Paid	(80,000)	(28,606)
Net Cash From/(Used in) Operating Activities	<u>3,301,356</u>	<u>1,114,667</u>
Cash Flows from / (Used in) Investing Activities		
Net proceeds from Investments in Term Deposits	-	650,000
Net proceeds from Investments in Treasury Bonds	(1,469,922)	(979,287)
Interest Received	124,856	104,263
Net Cash Flows from/(Used in) Investing Activities	<u>(1,345,066)</u>	<u>(225,025)</u>
Cash Flows from (Used in) Financing Activities		
Net Proceeds from Interest Bearing Loans & Borrowings	(7,050)	(435,575)
Lease rentals paid - principal	(3,202)	-
Finance Cost Paid on Bank Loans and Over draft	(248,541)	(259,225)
Net Cash Flows from/(Used in) Financing Activities	<u>(258,794)</u>	<u>(694,800)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>1,697,495</u>	<u>194,843</u>
Cash and Cash Equivalents at the beginning of the Year	<u>859,591</u>	<u>1,111,676</u>
Cash and Cash Equivalents at the end of the Year	<u><u>2,557,087</u></u>	<u><u>1,306,520</u></u>
Analysis of Cash and Cash equivalents at the end of the Year		
Cash and Bank Balances	4,617,339	2,401,098
Bank Overdraft	(2,060,252)	(1,094,579)
	<u><u>2,557,087</u></u>	<u><u>1,306,520</u></u>

Notes to the Interim Financial Statements For the three months ended 30th June 2013

1. General

- These interim financial statements have been prepared in accordance with LKAS 34 Interim Financial Reporting and do not include all of the information required for a full set of financial statements.
- The requirements of the Colombo Stock Exchange and the Companies Act No.7 of 2007 has also been considered in preparing these financial statements
- The information for the preparation of these interim financial statements has been drawn up from the unaudited financial records of the Company.
- Accounting policies and methods of computation as stated in the Audited financial statements for the year 2012/13 are followed in the preparation of these Interim Financial Statements

2. Stated Capital

The Stated Capital of the Company is represented by 2,800,000,000 ordinary shares

3. Provision for management expenditure

All expenses related to management expenditure is fully provided for in these Interim Financial Statements.

4. Share information

Market prices of ordinary shares recorded during the quarter ended 30th June 2013 is as follows

	Rs
Market price as at 30th June 2013	3.10
Highest Price	3.90
Lowest Price	3.10

5. Contingent Liabilities

There are no significant changes in the nature of the contingent liabilities disclosed in the Audited financial statements for the year ended 31 March 2013.

6. Comparative information

Comparative information has been reclassified and restated to conform to the current period presentation.

7. Events after reporting date

There have been no material events occurring after the reporting date that require adjustment to or disclosure in these Financial Statements.

Lanka ORIX Finance PLC

Segment Information

For the three months ended 30th June 2013

	Operating Segment					
	Leasing Rs '000	Hire Purchase Rs '000	Loans Rs '000	Treasury Rs '000	Others Rs '000	Total Rs '000
For the period ended 30th June 2013						
Total revenue	699,963	70,718	1,758,215	120,519	6,453	2,655,869
Inter segmental revenue	-	-	-	-	-	-
External revenue	699,963	70,718	1,758,215	120,519	6,453	2,655,869
Net interest cost	(395,809)	(39,989)	(994,221)	(68,150)	(3,649)	(1,501,818)
Profit before operating expenses	304,154	30,729	763,995	52,369	2,804	1,154,051
Operating expenses	(245,556)	(31,528)	(737,239)	(19,964)	(1,069)	(1,035,356)
Value Added Tax on financial services	-	-	(17,610)	-	-	(17,610)
Results from operating activities	58,598	(799)	9,146	32,405	1,735	101,085
For the period ended 30th June 2012						
Total revenue	604,873	143,150	1,116,055	58,808	5,684	1,928,570
Inter segmental revenue	-	-	-	-	-	-
External revenue	604,873	143,150	1,116,055	58,808	5,684	1,928,570
Net interest cost	(308,397)	(72,985)	(569,025)	(29,984)	(2,898)	(983,289)
Profit before operating expenses	296,476	70,164	547,030	28,825	2,786	945,281
Operating expenses	(155,499)	(36,800)	(286,912)	(15,118)	(1,461)	(495,790)
Value Added Tax on financial services	-	(5,243)	(40,874)	-	-	(46,117)
Results from operating activities	140,978	28,121	219,244	13,706	1,325	403,374
For the period ended 30th June 2013						
Provision for / (reversal of provision for) doubtful debts and bad debts written off	129,606	19,813	445,989	-	-	595,408
As at 30-06-2013						
Total assets	11,736,291	1,110,017	29,299,063	5,260,458	5,058,029	52,463,859
Total liabilities	11,985,191	1,133,558	25,856,973	5,349,490	2,659,993	46,985,204
As at 31-03-2013						
Total assets	11,452,172	1,347,975	27,407,413	3,802,693	3,559,199	47,569,453
Total liabilities	10,898,269	1,282,778	25,151,429	3,641,634	1,171,712	42,145,823

Lanka ORIX Finance PLC

Interim Financial Statements

Statement of Directors' Holding and Chief Executive Officer's holding in Shares of the Entity

As at 30th June 2013

Directors Name	No. of shares	%
Mr. W. D. K. Jayawardena <i>Chairman</i>	Nil	Nil
Mr. I. C. Nanayakkara <i>Deputy Chairman</i>	Nil	Nil
Mr. B. C. G De Zylva <i>Managing Director / CEO</i>	Nil	Nil
Mrs. K. U. Amarasinghe	Nil	Nil
Mrs. D.P Pieris	1,000,000	0.04
Mr. R.K.S.S Chandra	Nil	Nil
Dr. L. J. S.H. Cabral	Nil	Nil

Lanka ORIX Finance PLC

Interim Financial Statements

Top 20 Shareholders

As at 30th June 2013

	Shareholder	No. of Shares	% of Issued Capital
1	Lanka Orix Leasing Company PLC	2,520,000,000	90.00
2	Saakya Capital (Pvt) Ltd	84,387,834	3.01
3	Satya Capital (Pvt) Ltd	52,000,000	1.86
4	India Focus Cardinal Fund	43,657,400	1.56
5	Infinity Capital (Pvt) Ltd	38,286,086	1.37
6	National Savings Bank	4,550,000	0.16
7	S.V.Somasunderam	3,000,000	0.11
8	A.R.Wickramanayake	1,688,500	0.06
9	M.J.T.Wass	1,062,672	0.04
10	A.Nissanka	1,055,000	0.04
11	Mirabaud & CIE	1,000,000	0.04
12	P.M.M.Pieris	1,000,000	0.04
13	D.P.Pieris	1,000,000	0.04
14	K L Udayananda	1,000,000	0.04
15	DPMC Assetline Holdings (Pvt) LTD	908,308	0.03
16	HSBC Intl Nominees Ltd-Credit Suisse AG Zurich	718,000	0.03
17	E.S.P.Selvarajah	600,000	0.02
18	Springcare Holdings (Private) Limited	600,000	0.02
19	K.P.Ariyaratne	600,000	0.02
20	B.D.T.R.Perera	575,000	0.02
	Total shares held by Top 20 Shareholders	2,757,688,800	98.5

The Public Shareholding as at 30th June 2013 was 10.00%