



LANKA ORIX FINANCE PLC
INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
30TH JUNE 2014

LANKA ORIX FINANCE PLC
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Lanka ORIX Finance PLC

Statement of Financial Position

As at 30th June 2014

	As at 30.06.2014 (Unaudited) Rs. '000	As at 31.03.2014 (Audited) Rs. '000
ASSETS		
Cash and bank balances	2,790,223	3,236,380
Deposits with banks and other financial institutions	975,939	466,476
Investment in government securities	6,350,344	4,936,822
Derivative assets	11,625	13,572
Rentals receivable on leased assets	10,775,798	10,836,503
Hire purchases, loans and advances	29,706,210	28,828,435
Factoring receivable	3,215,678	3,279,931
Margin trading receivables	184,237	123,408
Investments in shares	10,343	9,043
Amount due from related companies	13,659	5,930
Other receivables	1,298,047	1,418,033
Real estate stock	-	-
Inventories	12,080	12,080
Investment properties	215,173	215,173
Property plant and equipment	48,461	50,143
Total assets	55,607,817	53,431,929
LIABILITIES		
Bank overdraft	1,437,271	1,136,163
Interest bearing borrowings	707,897	823,838
Deposits from customers	44,660,697	42,617,800
Trade payables	250,561	328,986
Accruals and other payables	721,659	494,314
Derivative liabilities	30,695	8,104
Amount due to related companies	314,341	649,310
Current tax payable	152,711	282,718
Deferred tax liability	548,718	548,718
Employee benefits	7,793	8,008
Total liabilities	48,832,345	46,897,960
EQUITY		
Stated capital	2,000,000	2,000,000
Statutory reserve	879,497	879,497
Investment fund reserve	400,779	391,850
Available for sale investment reserve	120,240	109,793
Retained earnings	3,374,955	3,152,829
Total equity	6,775,472	6,533,970
Total liabilities and equity	55,607,817	53,431,929
Net assets per share (Rs.)	2.42	2.33

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 August 2014
Rajagiriya (Greater Colombo)

Lanka ORIX Finance PLC

Statement of Comprehensive Income

For the three months ended 30th June 2014

	30.06.2014 (Unaudited) Rs '000	30.06.2013 (Unaudited) Rs '000	Variance %
Interest income	2,450,953	2,498,934	(2)
Interest expenses	(1,331,830)	(1,501,818)	(11)
Net interest income	1,119,123	997,116	12
Other operating income	201,223	156,935	28
Total income	1,320,346	1,154,051	14
Operating expenses			
Direct expenses excluding interest cost	(11,395)	(19,250)	(41)
(Provision)/reversal for doubtful debts & write offs	(374,294)	(595,408)	(37)
Personnel expenses	(193,173)	(139,708)	38
Depreciation	(1,682)	-	-
General & administration expenses	(360,551)	(280,990)	28
Profit from operations	379,251	118,695	220
Value added tax on financial services	(54,095)	(17,610)	207
Profit before income tax expense	325,156	101,085	222
Income tax expense	(94,102)	(28,304)	232
Profit for the period	231,055	72,781	217
Other comprehensive income			
Change in fair value of available for sale investments	10,448	(21,480)	(149)
Total Other comprehensive income	10,448	(21,480)	
Total comprehensive income	241,502	51,302	
Basic earnings per share (Rs.)	0.08	0.03	

Figures in brackets indicate deductions.

Lanka ORIX Finance PLC

Statement of Changes in Equity

For the three months ended 30th June 2014

	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 2013	2,000,000	679,438	287,762	(2,117)	2,458,547	5,423,630
Total comprehensive income for the period						
Profit for the period	-	-	-	-	72,781	72,781
Other comprehensive income						
Change in fair value of available for sale investments	-	-	-	(21,480)	-	(21,480)
Total comprehensive income for the period	-	-	-	(21,480)	72,781	51,302
Transactions recorded directly in equity						
Transfer to investment fund account	-	-	19,977	-	(19,977)	-
Total transactions recorded directly in equity	-	-	19,977	-	(19,977)	-
Balance as at 30th June 2013	2,000,000	679,438	307,739	(23,596)	2,511,351	5,474,932
Total comprehensive income for the period						
Profit for the period	-	-	-	-	927,518	927,518
Other comprehensive income						
Change in fair value of available for sale investments	-	-	-	133,389	-	133,389
Actuarial losses on defined benefit plan	-	-	-	-	(1,869)	(1,869)
Total comprehensive income for the period	-	-	-	133,389	925,649	1,059,038
Transactions recorded directly in equity						
Transfer to investment fund account	-	-	84,111	-	(84,111)	-
Transfer to statutory reserve fund	-	200,060	-	-	(200,060)	-
Total transactions recorded directly in equity	-	200,060	84,111	-	(284,171)	-
Balance as at 31st March 2014	2,000,000	879,497	391,850	109,793	3,152,829	6,533,970
Total comprehensive income for the period						
Profit for the period	-	-	-	-	231,055	231,055
Other comprehensive income						
Change in fair value of available for sale investments	-	-	-	10,448	-	10,448
Total comprehensive income for the period	-	-	-	10,448	231,055	241,502
Transactions recorded directly in equity						
Transfer to investment fund account	-	-	8,929	-	(8,929)	-
Total transactions recorded directly in equity	-	-	8,929	-	(8,929)	-
Balance as at 30th June 2014	2,000,000	879,497	400,779	120,240	3,374,955	6,775,472

Lanka ORIX Finance PLC

STATEMENT OF CASH FLOWS

For the three months ended 30th June 2014

	2014 Rs.	2013 Rs.
Cash flows from / (used in) operating activities		
Profit before income tax expense	325,156	101,085
Adjustments for:		
Depreciation	1,682	-
Change in fair value of derivatives - forward contracts	(6,158)	3,449
Provision for fall / (increase) in value of investments	(1,300)	(100)
Allowance for / (reversal of) doubtful debts	157,424	595,408
Investment income	(137,994)	(124,856)
Finance costs	1,328,691	1,501,818
Operating profit / (loss) before working capital changes	1,667,501	2,076,805
Change in other receivables	119,664	56,131
Change in trade and other payables	148,920	1,400,810
Change in amounts due to/ due from related parties	(342,376)	1,411,762
Change in lease receivables	(77,834)	(413,725)
Change in hire purchase, loans and advances	(896,660)	(1,781,418)
Change in factoring receivables	64,253	(347,758)
Change in margin trading advances	(60,828)	
Change in fixed deposits from customers	1,972,519	2,070,937
Change in savings deposits from customers	(78,661)	29,311
Cash generated from operations	2,516,498	4,502,855
Finance cost paid on deposits	(1,140,639)	(1,121,499)
Gratuity paid	(215)	-
Income tax paid	(224,108)	(80,000)
Net cash from / (used in) operating activities	1,151,535	3,301,356
Cash flows from / (used in) investing activities		
Net proceeds from investments in term deposits	(509,463)	-
Net proceeds from investments in treasury bonds	(1,403,075)	(1,469,922)
Interest received	137,994	124,856
Net cash flows from / (used in) investing activities	(1,774,543)	(1,345,066)
Cash flows from / (used in) financing activities		
Net proceeds from interest bearing loans & borrowings	(99,939)	(7,050)
Lease rentals paid - principal	(5,763)	(3,202)
Finance cost paid on bank loans and over draft	(18,555)	(248,541)
Net cash flows from / (used in) financing activities	(124,257)	(258,794)
Net increase / (decrease) in cash and cash equivalents	(747,264)	1,697,495
Cash and cash equivalents at the beginning of the year	2,100,217	859,591
Cash and cash equivalents at the end of the year	1,352,953	2,557,087
Analysis of cash and cash equivalents at the end of the year		
Cash and bank balances	2,790,223	4,617,339
Bank overdraft	(1,437,271)	(2,060,252)
	1,352,953	2,557,087

Notes to the Interim Financial Statements For the three months ended 30th June 2014

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 2013/14 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 2014 is as follows

	Rs
Market price as at 30th June 2014	3.70
Highest Price	4.10
Lowest Price	3.30

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 2014.

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.

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Segment Information

For the three months ended 30th June 2014

	Operating Segment					Total
	Leasing Rs '000	Hire Purchase Rs '000	Loans Rs '000	Treasury Rs '000	Others Rs '000	Rs '000
For the period ended 30 June 2014						
Total revenue	660,618	25,486	1,830,733	133,927	1,411	2,652,176
Inter segmental revenue	-	-	-	-	-	-
External revenue	660,618	25,486	1,830,733	133,927	1,411	2,652,176
Net interest cost	(331,739)	(12,798)	(919,330)	(67,253)	(709)	(1,331,830)
Profit before operating expenses	328,879	12,688	911,403	66,674	703	1,320,346
Operating expenses	(271,942)	(12,429.99)	(627,800)	(28,622)	(302)	(941,095)
Value added tax on financial services	-	(49)	(54,046)	-	-	(54,095)
Results from operating activities	56,937	209	229,558	38,052	401	325,156
For the period ended 30 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	(272,872)	(27,569)	(685,418)	(46,983)	(2,516)	(1,035,356)
Value added tax on financial services	-	-	(17,610)	-	-	(17,610)
Results from operating activities	31,282	3,160	60,968	5,386	288	101,085
For the period ended 30 June 2014						
Provision for / (reversal of provision for) doubtful debts and bad debts written off	130,760	6,983	236,551	-	-	374,294
As at 30-06-2014						
Total assets	10,775,798	342,351	32,763,773	7,348,252	4,377,643	55,607,817
Total liabilities	9,826,591	312,195	29,139,340	6,686,067	2,868,153	48,832,345
As at 31-03-2014						
Total assets	10,836,503	443,502	31,788,272	5,425,913	4,937,739	53,431,929
Total liabilities	10,421,776	426,529	29,644,574	5,071,323	1,333,758	46,897,960

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

As at 30th June 2014

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

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Interim Financial Statements

Top 20 Shareholders

As at 30th June 2014

	Shareholder	No. of Shares	% of Issued Capital
1	Lanka Orix Leasing Company PLC	2,520,000,000	90.00
2	Saakya Capital (Pvt) Ltd	128,045,234	4.57
3	Satya Capital (Pvt) Ltd	52,000,000	1.86
4	Infinity Capital (Pvt) Ltd	37,457,150	1.34
5	R R De Silva	10,990,594	0.39
6	National Savings Bank	4,550,000	0.16
7	DPMC Assetline Holdings (Pvt) LTD-Account No 2	2,162,610	0.08
8	A.R.Wickramanayake	1,688,500	0.06
9	S.V.Somasunderam	1,500,000	0.05
10	M.J.T.Wass	1,252,802	0.04
11	A.Nissanka	1,125,000	0.04
12	Mirabaud & CIE	1,000,000	0.04
13	P.M.M.Pieris	1,000,000	0.04
14	D.P.Pieris	1,000,000	0.04
15	HSBC Intl Nominees Ltd-Credit Suisse AG Zurich	718,000	0.03
16	E.S.P.Selvarajah	712,746	0.03
17	Springcare Holdings (Private) Limited	600,000	0.02
18	K.P.Ariyaratne	600,000	0.02
19	M J Perera	590,740	0.02
20	B D T R Perera	575,000	0.02
	Total shares held by Top 20 Shareholders	2,767,568,376	98.8

The Public Shareholding as at 30th June 2014 was 10.00%