

## Lanka ORIX Finance PLC

### BALANCE SHEET

As at 31 March 2012

	As at 31.03.2012 (Unaudited) Rs. '000	As at 31.03.2011 (Audited) Rs. '000
<b>ASSETS</b>		
Cash and Bank Balances	2,200,865	812,035
Investments in Term Deposits	746,457	-
Investment in Government Securities	1,454,952	2,136,000
Rentals Receivable on Leased Assets	11,011,585	4,324,701
Hire Purchases, Loans and Advances	22,040,617	16,439,452
Amount due from Related Companies	2,399	150,867
Other Receivables	741,441	322,055
Margin Trading Receivables	-	80
Real Estate Stock	16,449	16,262
Inventories	60,162	-
Investment Property	71,500	71,500
Investments in Shares	6,200	18,000
<b>Total Assets</b>	<b>38,352,626</b>	<b>24,290,950</b>
<b>LIABILITIES</b>		
Bank Overdraft	989,189	501,515
Borrowings	4,954,970	610,068
Deposits from Customers	25,094,723	17,393,187
Trade Payables	211,163	685,144
Accruals and Other Payables	1,019,564	667,636
Amount due to related Companies	809,472	734,560
Current Tax Payable	175,447	72,999
Deferred Tax Liability	333,196	108,574
Retirement Benefit Obligations	4,729	2,881
<b>Total Liabilities</b>	<b>33,592,452</b>	<b>20,776,564</b>
<b>EQUITY</b>		
Stated Capital	2,000,000	2,000,000
Statutory Reserve	542,182	293,024
Investment Fund Reserve	157,146	39,539
Retained Earnings	2,060,847	1,181,823
<b>Total Equity</b>	<b>4,760,174</b>	<b>3,514,386</b>
<b>Total Liabilities and Equity</b>	<b>38,352,626</b>	<b>24,290,950</b>
<b>Net Assets Per Share (Rs.)</b>	<b>1.70</b>	<b>1.26</b>

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.)  
W.D.K. Jayawardena - Chairman

(Sgd.)  
B.C.G. de Zylva - Managing Director

(Sgd.)  
(Mrs.) S.S.Kotakadeniya  
Chief Financial Officer - LOLC Group

23 May 2012  
Rajagiriya (Greater Colombo)

## Lanka ORIX Finance PLC

### INCOME STATEMENT

Year ended 31 March 2012

	Six Month ended			Year Ended		
	31.3.2012	31.3.2011	Variance	31.3.2012	31.3.2011	Variance
	(Unaudited)	(Unaudited)		(Unaudited)	(Audited)	
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Interest income	3,462,294	1,444,855	140	5,999,969	3,113,150	93
Interest expense	(1,704,095)	(989,452)	72	(2,981,878)	(1,760,124)	69
Net interest income	1,758,199	455,402	286	3,018,090	1,353,026	123
Other Operating income	181,102	1,247,489	(85)	346,787	1,504,257	(77)
Direct expenses excluding interest cost	(12,842)	(55,596)	(77)	(15,415)	(97,481)	(84)
Provision for Doubtful Debts & Write Offs	(41,016)	(168,823)	(76)	(35,603)	(155,634)	(77)
Personnel expenses	(305,222)	(188,116)	62	(469,306)	(309,594)	52
Depreciation	-	(1,076)	(100)	-	(2,048)	(100)
General & Administration Expenses	(542,747)	(490,893)	11	(885,196)	(666,374)	33
<b>Profit from Operations</b>	<b>1,037,474</b>	<b>798,387</b>	<b>30</b>	<b>1,959,357</b>	<b>1,626,151</b>	<b>20</b>
Value Added Tax on Financial Service	(106,765)	(54,841)	95	(179,921)	(137,285)	31
<b>Profit before Tax</b>	<b>930,709</b>	<b>743,546</b>	<b>25</b>	<b>1,779,436</b>	<b>1,488,866</b>	<b>20</b>
Income Tax expense	(302,404)	7,228	(4,284)	(533,648)	(242,773)	120
<b>Profit for the Year</b>	<b>628,305</b>	<b>750,774</b>	<b>(16)</b>	<b>1,245,788</b>	<b>1,246,093</b>	<b>(0)</b>
<b>Basic earnings per share (Rs.)</b>	<b>0.22</b>	<b>0.27</b>		<b>0.44</b>	<b>0.63</b>	

#### Notes

1. The Balance Sheet as at 31 March 2012, the Income Statement, Cash Flow Statement and Statement of Changes in Equity of the Company for the year ended 31 March 2012 are drawn up from unaudited accounts of the Company and provide information as required by the Colombo Stock Exchange and SLAS 35. Further, provisions of the Companies Act No.7 of 2007 has been considered in preparing the said financial statements of the Company.

2. Accounting policies and methods of computation as stated in the Annual Report 2010/11 are followed in the preparation of these Interim Financial Statements

3. All expenses related to management expenditure is fully provided for in the Financial Statements.

4. Income represents the income receivable for the period on all performing contracts including all income related to operations such as interest on overdue rentals, profit/loss on leases and loans terminated and collections on contracts written off.

5. There are no significant changes in the nature of the contingent liabilities disclosed in the Annual Report for the year ended 31 March 2011.

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

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

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

# Lanka ORIX Finance PLC

## STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2012

	Stated Capital	Statutory Reserve	Investment Fund Reserve	Retained Earnings	Total Equity
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
<b>Balance as at 31 March 2010</b>	<b>1,000,000</b>	<b>43,805</b>	<b>-</b>	<b>224,488</b>	<b>1,268,293</b>
Share issued during the Year	1,000,000	-	-	-	1,000,000
Profit for the Year	-	-	-	1,246,093	1,246,093
Transfer during the Year	-	249,219	-	(249,219)	-
Transfer during the Year	-	-	39,539	(39,539)	-
<b>Balance as at 31 March 2011</b>	<b>2,000,000</b>	<b>293,024</b>	<b>39,539</b>	<b>1,181,823</b>	<b>3,514,386</b>
Profit for the Year	-	-	-	1,245,788	1,245,788
Transfer during the Year	-	249,158	-	(249,158)	-
Transfer during the Year	-	-	117,607	(117,607)	-
<b>Balance as at 31 March 2012</b>	<b>2,000,000</b>	<b>542,182</b>	<b>157,146</b>	<b>2,060,847</b>	<b>4,760,174</b>

Market prices of shares recorded during	Six Months ended 31.3.2012	Year ended 31.3.2012
Highest Price (Rs)	10.90	22.50
Lowest Price (Rs)	4.30	4.30
Last Traded Price (Rs)	4.50	4.50

**Lanka ORIX Finance PLC****CASH FLOW STATEMENT**

Year ended 31 March 2012

	2012 Rs '000	2011 Rs '000
<b>Cash Flows From / (Used in) Operating Activities</b>		
Profit before Income Tax Expense	1,779,436	1,488,866
<b>Adjustments for:</b>		
Depreciation	-	2,048
(Profit)/Loss on Sales of Property, Plant & Equipment	-	137
Unrealized Exchange (Gain) / Loss	(211,713)	-
Provision for Fall / (Increase) in Value of Investments	11,800	-
Profit on Disposal of Investments	-	(52,357)
Profit on Sale of Pawning Portfolio	-	(610,000)
Allowance for Doubtful Debts	35,603	155,634
Change in Fair Value of Investment Property	-	20,490
Provision for Defined Benefit Plans	2,122	652
Investment Income	(178,304)	(740,894)
Finance Costs	2,981,878	1,760,124
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>4,420,822</b>	<b>2,024,701</b>
Change in Other Receivables	(221,809)	(228,135)
Change in Inventories	(60,162)	-
Change in Real estate Stocks	(188)	6,669
Change in Margin Trading Receivables	80	8,765
Change in Trade and Other Payables	(436,621)	600,809
Change in Amounts due to/ due from related Parties	223,380	299,887
Change in Lease Receivables	(6,752,746)	(3,069,202)
Change in Hire Purchase, Loans and Advances	(5,556,770)	(10,174,890)
Change in Fixed Deposits from Customers	8,013,205	5,444,306
Change in Savings Deposits from Customers	(311,668)	1,819,198
<b>Cash Generated from / (used in) Operations</b>	<b>(682,477)</b>	<b>(3,267,892)</b>
Finance Cost Paid	(2,180,673)	(1,368,242)
Gratuity Paid	(274)	(97)
Income Tax Paid	(206,578)	(112,240)
<b>Net Cash From/(Used in) Operating Activities</b>	<b>(3,070,003)</b>	<b>(4,748,471)</b>
<b>Cash Flows from / (Used in) Investing Activities</b>		
Proceeds from Sale of Property, Plant & Equipment	-	(137)
Acquisition of Property, Plant & Equipment	-	(3,264)
Net proceeds from Investments in Term Deposits	(700,000)	143,295
Net proceeds from Investments in Treasury Bonds	687,203	1,013,302
Net proceeds from Investments	-	34,357
Interest Received	125,693	840,405
Proceeds from Sale of Pawning Portfolio	-	1,784,156
<b>Net Cash Flows from/(Used in) Investing Activities</b>	<b>112,896</b>	<b>3,812,113</b>
<b>Cash Flows from (Used in) Financing Activities</b>		
Proceeds from issuance of new shares	-	1,000,000
Net Proceeds from Interest Bearing Loans & Borrowings	4,344,901	(491,744)
Finance Cost Paid - Bank Loans & Over draft	(486,638)	(200,524)
<b>Net Cash Flows from/(Used in) Financing Activities</b>	<b>3,858,263</b>	<b>307,732</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>901,156</b>	<b>(628,626)</b>
<b>Cash and Cash Equivalents at the beginning of the Year</b>	<b>310,521</b>	<b>939,146</b>
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>1,211,677</b>	<b>310,521</b>
<b>Analysis of Cash and Cash equivalents at the end of the Year</b>		
Cash and Bank Balances	2,200,865	812,035
Bank Overdraft	(989,189)	(501,515)
	<b>1,211,677</b>	<b>310,521</b>

**Lanka ORIX Finance PLC****STATEMENT OF DIRECTORS' HOLDING AND CHIEF  
EXECUTIVE OFFICER'S HOLDING IN SHARES OF THE ENTITY**

As at 31 March 2012

<b>Name of the Director</b>	<b>Number of Shares</b>	<b>%</b>
Mr. W. D. K. Jayawardena <i>Chairman (W.E.F. 31.12.11)</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
Mr. R. N. Asirwatham	Nil	Nil
Mr. L. J. S.H. Cabral	Nil	Nil

**Lanka ORIX Finance PLC****TOP 20 SHAREHOLDERS**

As at 31 March 2012

	Shareholder	Number of Shares	% of Issued Capital
1	Lanka Orix Leasing Company PLC	2,520,000,000	90.00
2	Saakya Capital (Pvt) Ltd	65,532,000	2.34
3	Infinity Capital (Pvt) Ltd	60,000,000	2.14
4	Satya Capital (Pvt) Ltd	52,000,000	1.86
5	India Focus Cardinal Fund	43,657,400	1.56
6	J.B. Cocoshell (Pvt) Ltd	4,668,100	0.17
7	National Savings Bank	4,550,000	0.16
8	Mr. S V Somasunderam	3,000,000	0.11
9	First Capital Markets Limited/Mr. R.R. De Silva	1,816,600	0.06
10	Mr. A R Wickramanayake	1,688,500	0.06
11	Arc Capital (Pvt) Ltd	1,324,718	0.05
12	HSBC Intl Nominees Ltd-Credit Suisse AG Zurich	1,218,000	0.04
13	Mirabaud & Cie	1,000,000	0.04
14	Mr.P M M Pieris	1,000,000	0.04
15	Mrs. D P Pieris	1,000,000	0.04
16	Mr. N M Prakash	984,600	0.04
17	Mr. A R Atapattu	974,500	0.03
18	Springcare Holdings (Private) Limited	600,000	0.02
19	Mr. K P Ariyaratne	600,000	0.02
20	Mr. B D T R Perera	575,000	0.02
	Total shares held by Top 20 Shareholders	<b>2,766,189,418</b>	<b>98.79</b>

The Public Shareholding as at 31st March 2012 was 10.00%

## Lanka ORIX Finance PLC

### SEGMENT INFORMATION

For the year ended 31 March 2012

	Business Segment						
	Leasing Rs '000	Hire Purchase Rs '000	Loans Rs '000	Pawning Rs '000	Treasury Rs '000	Others Rs '000	Total Rs '000
<b>For the year ended 31 March 2012</b>							
Total revenue	1,706,249	754,148	3,658,634	-	212,383	15,341	6,346,756
Inter segmental revenue	-	-	-	-	-	-	-
<b>External revenue</b>	<b>1,706,249</b>	<b>754,148</b>	<b>3,658,634</b>	<b>-</b>	<b>212,383</b>	<b>15,341</b>	<b>6,346,756</b>
Net interest cost	(945,577)	(239,036)	(1,653,615)	-	(143,651)	-	(2,981,878)
<b>Profit before operating expenses</b>	<b>760,673</b>	<b>515,111</b>	<b>2,005,020</b>	<b>-</b>	<b>68,732</b>	<b>15,341</b>	<b>3,364,877</b>
Operating expenses	(317,735)	(215,164)	(837,503)	-	(28,710)	(6,408)	(1,405,520)
Value Added Tax on financial services	-	(36,776)	(143,146)	-	-	-	(179,921)
<b>Results from operating activities</b>	<b>442,937</b>	<b>263,172</b>	<b>1,024,371</b>	<b>-</b>	<b>40,022</b>	<b>8,933</b>	<b>1,779,436</b>
<b>For the year ended 31 March 2011</b>							
Total revenue	470,203	724,659	1,537,445	137,642	793,250	954,207	4,617,407
Inter segmental revenue	-	-	-	-	-	-	-
<b>External revenue</b>	<b>470,203</b>	<b>724,659</b>	<b>1,537,445</b>	<b>137,642</b>	<b>793,250</b>	<b>954,207</b>	<b>4,617,407</b>
Net interest cost	(332,139)	(272,458)	(990,099)	-	(165,428)	-	(1,760,124)
Profit before operating expenses	138,064	452,201	547,346	137,642	627,822	954,207	2,857,283
Operating expenses	(59,488)	(194,842)	(235,838)	(59,306)	(270,513)	(411,144)	(1,231,131)
Value Added Tax on financial services	-	(62,109)	(75,177)	-	-	-	(137,285)
<b>Results from operating activities</b>	<b>78,576</b>	<b>195,250</b>	<b>236,332</b>	<b>78,335</b>	<b>357,309</b>	<b>543,063</b>	<b>1,488,866</b>
<b>For the year ended 31 March 2012</b>							
Capital expenditure	-	-	-	-	-	-	-
Depreciation of property plant and equipment	-	-	-	-	-	-	-
Provision for / (reversal of provision for) doubtful debts and bad debts written off	113,579	(44,298)	(47,813)	-	-	14,136	35,603
<b>As at 31-3-2012</b>							
Total assets	11,011,585	2,783,667	19,256,950	-	1,672,865	3,627,559	38,352,626
Total liabilities	10,011,221	2,530,781	17,212,758	-	1,495,285	2,342,408	33,592,452
<b>As at 31-3-2011</b>							
Total assets	4,324,701	3,547,614	12,891,838	-	2,154,000	1,372,798	24,290,950
Total liabilities	3,868,274	3,173,201	10,409,237	-	1,739,201	1,586,650	20,776,564