



LANKA ORIX FINANCE PLC
INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30TH SEPTEMBER 2012

Lanka ORIX Finance PLC

BALANCE SHEET

As at 30th September 2012

	As at 30.09.2012 (Unaudited) Rs. '000	As at 31.03.2012 (Audited) Rs. '000
ASSETS		
Cash and Bank Balances	2,271,441	2,100,865
Investments in Term Deposits	100,000	846,457
Investment in Government Securities	4,371,199	1,454,952
Rentals Receivable on Leased Assets	10,839,432	11,011,585
Hire Purchases, Loans and Advances	22,857,770	21,962,919
Amount Due From Related Companies	902,844	77,067
Other Receivables	579,567	787,974
Real Estate Stock	16,449	16,449
Inventories	6,596	13,629
Investment Property	71,500	71,500
Investments in Shares	7,700	6,200
Total Assets	42,024,498	38,349,596
LIABILITIES		
Bank Overdraft	1,725,367	989,189
Borrowings	5,798,506	4,954,970
Deposits from Customers	26,942,331	25,094,723
Trade Payables	66,724	211,163
Accruals and Other Payables	1,119,500	1,019,564
Amount Due to Related Companies	428,304	806,442
Income Tax Liability	302,827	175,447
Deferred Tax Liability	333,196	333,196
Retirement Benefit Obligations	4,511	4,729
Total Liabilities	36,721,266	33,589,422
Equity		
Stated Capital	2,000,000	2,000,000
Statutory Reserve	542,182	542,182
Investment Fund Reserve	215,668	157,146
Retained Earnings	2,545,383	2,060,847
Total Equity	5,303,232	4,760,174
Total Liabilities and Equity	42,024,498	38,349,596
Net Assets Per Share (Rs.)	1.89	1.70

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

28th November 2012
Rajagiriya (Greater Colombo)

Lanka ORIX Finance PLC

INCOME STATEMENT

For the six months ended 30 September 2012

	30 Sep 2012 (Unaudited) Rs '000	30 Sep 2011 (Unaudited) Rs '000	Variance %
Interest Income	3,691,837	2,537,675	45
Interest Expenses	<u>(2,120,984)</u>	<u>(1,277,784)</u>	66
Net Interest Income	1,570,853	1,259,891	25
Other Operating Income	163,236	165,685	(1)
Total Income	<u>1,734,089</u>	<u>1,425,577</u>	22
Operating Expenses			
Direct expenses excluding interest cost	(38,430)	(30,622)	26
(Provision)/Reversal for Doubtful Debts & Write Offs	(83,637)	5,413	(1,645)
Personnel Expenses	(297,467)	(164,084)	81
General & Administration Expenses	(488,479)	(314,400)	55
Profit from Operations	<u>826,076</u>	<u>921,883</u>	(10)
Value Added Tax on Financial Services	<u>(71,828)</u>	<u>(73,156)</u>	(2)
Profit Before Income Tax Expense	<u>754,247</u>	<u>848,727</u>	(11)
Income Tax Expense	(211,189)	(231,244)	(9)
Profit for the Period	<u><u>543,058</u></u>	<u><u>617,483</u></u>	(12)
Basic earnings per share (Rs.)	0.19	0.22	

Figures in brackets indicate deductions.

Notes

1. The Balance Sheet as at 30 September 2012, the Income Statement, Cash Flow Statement and Statement of Changes in Equity of the Company for the Six months ended 30 September 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 2011/12 are followed in the preparation of these Interim Financial Statements

3. The Company has elected to present the interim financials including the comparative information based on Accounting Standards that prevailed prior to 1st April 2012 (SLAS) as allowed by the ICASL.

The Company is in the process of adopting the new accounting standards (SLFRS/LKAS), and the effect of the adoption has not yet been quantified and thus, is not disclosed in these Interim Financial Statements

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

5. 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.

6. There are no significant changes in the nature of the contingent liabilities disclosed in the Annual Report for the year ended 31 March 2012.

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

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

9. 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**

For the six months ended 30 September 2012

	Stated Capital	Statutory Reserve	Investment Fund Reserve	Retained Earnings	Total Equity
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at 31 March 2011	2,000,000	293,024	39,539	1,181,823	3,514,386
Profit for the Period	-	-	-	624,217	624,217
Transfer during the Period	-	123,497	-	(123,497)	-
Transfer during the Period	-	-	48,257	(48,257)	-
Balance as at 30 September 2011	2,000,000	416,521	87,796	1,634,286	4,138,603
Profit for the Period	-	-	-	621,571	621,571
Transfer during the Period	-	125,661	-	(125,661)	-
Transfer during the Period	-	-	69,350	(69,350)	-
Balance as at 31 March 2012	2,000,000	542,182	157,146	2,060,847	4,760,174
Profit for the Period	-	-	-	543,058	543,058
Transfer during the Period	-	-	58,522	(58,522)	-
Transfer during the Period	-	-	-	-	-
Balance as at 30 September 2012	2,000,000	542,182	215,668	2,545,383	5,303,232

Market prices of shares recorded during the six months ended**30th Sep 12**

Highest Price (Rs)	5.40
Lowest Price (Rs)	2.70
Last Traded Price (Rs)	4.60

Lanka ORIX Finance PLC

CASH FLOW STATEMENT

For the six months ended 30 September 2012

	30-Sep-12 Rs '000	30-Sep-11 Rs '000
Cash Flows From / (Used in) Operating Activities		
Profit before Income Tax Expense	754,247	848,727
Adjustments for:		
Change in fair value of Forward Contracts	149,310	-
Provision for Fall / (Increase) in Value of Investments	(1,500)	6,200
Allowance for/(reversal of) Doubtful Debts	83,637	(5,413)
Provision for Defined Benefit Plans	-	1,567
Investment Income	(117,480)	(60,826)
Finance Costs	2,118,434	1,274,262
Operating Profit/(Loss) before Working Capital Changes	2,986,648	2,064,518
Change in Other Receivables	58,450	(19,903)
Change in Inventories	7,033	-
Change in Real estate Stocks	-	(188)
Change in Margin Trading Receivables	-	9
Change in Trade and Other Payables	323,952	(357,443)
Change in Amounts due to / due from Related Parties	(1,622,849)	670,805
Change in Lease Receivables	99,773	(3,437,498)
Change in Hire Purchase, Loans and Advances	(906,108)	(4,820,661)
Change in Fixed Deposits from Customers	3,414,147	6,600,665
Change in Savings Deposits from Customers	(1,566,539)	(1,123,279)
Cash Generated from Operations	2,794,507	(422,975)
Finance Cost Paid on Deposits	(1,739,185)	(734,893)
Gratuity Paid	(218)	(163)
Income Tax Paid	(83,810)	(87,749)
Net Cash From/(Used in) Operating Activities	971,294	(1,245,779)
Cash Flows from / (Used in) Investing Activities		
Net proceeds from Investments in Term Deposits	746,457	(800,000)
Net proceeds from Investments in Treasury Bonds	(2,916,247)	772,062
Interest Received	117,480	60,826
Net Cash Flows from/(Used in) Investing Activities	(2,052,311)	32,888
Cash Flows from (Used in) Financing Activities		
Net Proceeds from Interest Bearing Loans & Borrowings	843,536	1,814,807
Finance Cost Paid on Bank Loans and Over draft	(328,123)	(164,650)
Net Cash Flows from/(Used in) Financing Activities	515,414	1,650,157
Net Increase/(Decrease) in Cash and Cash Equivalents	(565,603)	437,266
Cash and Cash Equivalents at the beginning of the Year	1,111,676	310,521
Cash and Cash Equivalents at the end of the Year	546,074	747,787
Analysis of Cash and Cash equivalents at the end of the Year		
Cash and Bank Balances	2,271,441	1,781,360
Bank Overdraft	(1,725,367)	(1,033,573)
	546,074	747,787

Lanka ORIX Finance PLC

SEGMENT INFORMATION

For the six months ended 30 September 2012

	Business Segment					
	Leasing Rs '000	Hire Purchase Rs '000	Loans Rs '000	Treasury Rs '000	Others Rs '000	Total Rs '000
For the period ended 30 September 2012						
Total revenue	1,231,676	260,534	2,223,644	127,413	11,806	3,855,073
Inter segmental revenue	-	-	-	-	-	-
External revenue	1,231,676	260,534	2,223,644	127,413	11,806	3,855,073
Net interest cost	(677,644)	(143,341)	(1,223,404)	(70,100)	(6,495)	(2,120,984)
Profit before operating expenses	554,033	117,193	1,000,240	57,313	5,310	1,734,089
Operating expenses	(234,527)	(83,310)	(560,406)	(27,246)	(2,525)	(908,013)
Value Added Tax on financial services	-	(5,138)	(66,691)	-	-	(71,828)
Results from operating activities	319,506	28,746	373,143	30,067	2,786	754,247
For the period ended 30 September 2011						
Total revenue	568,329	350,057	1,396,122	106,418	282,435	2,703,360
Inter segmental revenue	-	-	-	-	-	-
External revenue	568,329	350,057	1,396,122	106,418	282,435	2,703,360
Net interest cost	299,969	184,763	736,884	56,168	-	1,277,784
Profit before operating expenses	268,360	165,294	659,237	50,250	282,435	1,425,577
Operating expenses	(94,819)	(58,403)	(232,926)	(17,754)	(99,792)	(503,693)
Value Added Tax on financial services	-	(14,666)	(58,491)	-	-	(73,156)
Results from operating activities	173,542	92,226	367,821	32,495	182,643	848,727
For the period ended 30th September 2012						
Provision for / (reversal of provision for) doubtful debts and bad debts written off	(28,857)	27,597	84,897	-	-	83,637
As at 30-9-2012						
Total assets	10,893,072	2,111,307	21,680,633	4,541,302	2,798,184	42,024,498
Total liabilities	10,033,891	1,944,669	19,859,738	4,152,261	730,707	36,721,266
As at 31-3-2012						
Total assets	11,011,585	2,783,667	19,256,950	1,672,865	3,624,529	38,349,596
Total liabilities	10,011,221	2,530,781	17,212,758	1,495,285	2,339,378	33,589,422

Lanka ORIX Finance PLC

STATEMENT OF DIRECTORS' HOLDING AND CHIEF EXECUTIVE OFFICER'S HOLDING IN SHARES OF THE ENTITY

As at 30th September 2012

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
Mr. L. J. S.H. Cabral	Nil	Nil

Lanka ORIX Finance PLC

TOP 20 SHAREHOLDERS

As at 30th September 2012

	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	40,000,000	1.43
6	Union Assurance Plc/Account No. 05 (Unit-Linked Life Insurance Fund)	4,567,972	0.16
7	National Savings Bank	4,550,000	0.16
8	S.V.Somasunderam	3,000,000	0.11
9	A.R.Wickramanayake	1,688,500	0.06
10	HSBC Intl Nominees Ltd-Credit Suisse AG Zurich	1,218,000	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	Seylan Bank Plc/Nadarajah Muralie Prakash	984,600	0.04
15	A.R.Atapattu	936,705	0.03
16	A.Nissanka	815,600	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	2,763,181,611	98.69

The Public Shareholding as at 30th September 2012 was 10.00%