



ORIENT FINANCE PLC

Unaudited Interim Financial Statements

For the Period Ended 31 July 2015

ORIENT FINANCE PLC
STATEMENT OF COMPREHENSIVE INCOME
INTERIM FINANCIAL STATEMENTS FOR THE 04 MONTHS ENDED 31ST JULY 2015

For the period ended	31 July 2015 (04 Months) (Un Audited)	31 July 2014 (04 Months) (Unaudited)
Income	446,436,668	465,519,123
Interest and Similar Income	400,876,092	441,651,060
Interest and Similiar Expenses	(238,287,404)	(316,936,236)
Net Interest Income	162,588,688	124,714,824
Fee and Commission Income	9,079,828	6,770,392
Net Fee and Commission Income	9,079,828	6,770,392
Net Trading Income / (Expenses)		
Other Operating Income	36,480,748	17,097,672
	36,480,748	17,097,672
Total Operating Income	208,149,264	148,582,888
Impairment Charges for Loans and Other Losses	(91,261,708)	(24,100,000)
Net Operating Income	116,887,556	124,482,888
Operating Expenses		
Personnel Expenses	(58,864,929)	(70,299,047)
Depreciation of Property, Plant and Equipment	(7,775,503)	(8,644,414)
Other Operating Expenses	(68,035,215)	(49,448,306)
Total Operating Expenses	(134,675,647)	(128,391,767)
Profit / (Loss) Before Tax	(17,788,091)	(3,908,879)
Income Tax Expenses	281,860,000	-
Profit / (Loss) for the Period	264,071,909	(3,908,879)
Other Comprehensive Income / (Expenses)		
Total Other Comprehensive Income / (Expenses) for the Period, Net of Tax	(10)	-
Total Comprehensive Income for the Period, Net of Tax	264,071,900	(3,908,879)
Basic Earnings per Share	34.51	(0.51)

Figures in brackets indicate deductions.

ORIENT FINANCE PLC
STATEMENT OF FINANCIAL POSITION
INTERIM FINANCIAL STATEMENTS FOR THE 04 MONTHS ENDED 31ST JULY 2015

AS AT	31-07-2015 Rs. (Un Audited)	31-03-2015 Rs. (Audited)
ASSETS		
Cash and Cash Equivalents	166,608,833	194,035,452
Due from Banks and Other Financial Institutions	370,916,102	27,258,987
Loans and Advances to Customers	12,136,845,976	4,933,959,608
Financial Investments - Held to Maturity	827,504,051	695,740,846
Financial Investments - Available for Sale	3,230,600	3,200,000
Deferred Tax Asset	275,353,029	-
Amount Due from Related Parties	-	265,825,725
Economic Service Charges Recoverable	27,367,853	25,744,211
Other Debtors, Deposits and Prepayments	313,149,516	92,794,231
Income Tax Refund	-	54,021
Real Estate Stocks	47,335,391	47,227,436
Goodwill on Acquisition	572,001,676	-
Intangible Asset - Brand	235,880,000	-
Property, Plant and Equipment	462,958,074	446,863,819
Investment Property	-	-
Total Assets	15,439,151,101	6,732,704,336
LIABILITIES AND SHAREHOLDERS' FUNDS		
Liabilities		
Deposits from Customers	8,265,698,387	5,580,072,379
Interest Bearing Borrowings	2,729,371,561	118,380,288
Amount due to Related Parties	1,124,995,410	-
Deferred Tax Liabilities	-	50,300,826
Subordinated Term Debt	1,204,000,000	204,000,000
Income Tax Payable	4,635,885	-
Other Liabilities	1,223,752,885	165,069,120
Retirement Benefit Obligations	52,507,462	44,882,599
	14,604,960,590	6,162,705,212
Shareholders' Funds		
Stated Capital	306,189,810	306,024,990
Statutory Reserve	171,016,612	171,016,612
Revaluation Reserve	116,471,909	116,471,908
Available for Sale Reserve	(3,420,347)	(3,374,004)
Retained Earnings	243,931,527	(20,140,382)
Total Shareholders' Funds	834,190,511	569,999,124
Total Liabilities and Shareholders' Funds	15,439,151,101	6,732,704,336
Net Assets per Share	109.02	74.50

Figures in brackets indicate deductions.

The Financial Statements are in compliance with the requirements of the Companies Act No.07 of 2007

.....
Asela Wijayabandara
Asst. General Manager - Finance

.....
Suresh Amerasekera
Chief Executive Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Approved and signed for and on behalf of the Board;

.....
D.S.P. Wikramanayake
Director
24th September 2015

.....
Prakash Schaffer
Director

ORIENT FINANCE PLC
INTERIM FINANCIAL STATEMENTS FOR THE 04 MONTHS ENDED 31ST JULY 2015
STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs.	Statutory Reserve Rs. (Restated)	Revaluation Reserve Rs.	Available for Sale Reserve Rs.	Investment Fund Reserve Rs.	Retained Earnings Rs. (Restated)	Total Rs.
Balance as at 31st March, 2014	306,024,990	170,180,249	148,094,569	(7,778,079)	1,868,462	(56,976,957)	561,413,234
Net Profit for the Year	-	-	-	-	-	4,181,815	4,181,815
Transfer to Retained Earnings - Investment Fund	-	-	-	-	(1,868,462)	1,868,462	-
Transfer to Retained Earnings on Disposal Land	-	-	(31,622,661)	-	-	31,622,661	-
Disposal of AFS Investment	-	-	-	4,404,075	-	-	4,404,075
Transfer to Statutory Reserve	-	836,363	-	-	-	(836,363)	-
Balance as at 31st March, 2015	306,024,990	171,016,612	116,471,908	(3,374,004)	-	(20,140,382)	569,999,124
Issue of shares	164,820	-	-	-	-	-	164,820
Net Profit for the Year	-	-	-	-	-	264,071,909	264,071,909
Fair Value Changes of AFS Financial Assets	-	-	-	(46,342)	-	-	(46,342)
Balance as at 31st July, 2015	306,189,810	171,016,612	116,471,908	(3,420,346)	-	243,931,527	834,190,511

Figures in brackets indicate deductions.

ORIENT FINANCE PLC
CASH FLOW STATEMENT
FOR THE FOUR MONTHS ENDED 31ST JULY, 2015

	Four Months Ended 31st July 2015 (Unaudited) Rs.	Year Ended 31st March 2015 (Audited) Rs.
Profit Before Taxation	(17,788,076)	4,181,815
Adjustment for :		
AFS PROVISION	(46,343)	-
Depreciation	7,775,503	24,494,931
Impairment Charges for Loans and Other Losses	91,261,708	188,291,956
(Profit)/Loss on Disposal of Property, Plant and Equipment	19,442,274	(17,918,189)
Profit/ Loss on Sale of Investment Securities	-	1,253,121
Dividend Income	-	(571,326)
Hire Purchase Interest	-	143,020
Interest Income	(29,451,239)	(80,469,178)
Provision for Staff Retirement Benefits	(2,017,428)	12,000,000
Interest on Borrowings	238,287,404	56,979,192
Operating Profit /(Loss) Before Working Capital Changes	307,463,802	188,385,342
Withdrawals/(Investments) of Fixed Deposit in Other Financial In	(113,368,753)	(1,587,399)
Withdrawals/(Investments) in Government Securities	115,520,670	469,391,903
Net (Payment)/ Receipt from Loan and Advances	308,667,871	220,542,704
Sale Proceeds /(Investment Made) on Real Estate Stock	(107,955)	31,071,824
Net (Payment)/ Receipt Other Receivables, Deposit and	(52,843,226)	(13,825,717)
(Increase)/Decrease of Amount Due from Related Parties	265,825,725	-
Net Placement of Fixed Deposit Made by Customers	(693,885,923)	(883,887,864)
Net Payment to the Creditors & Accruals	204,440,413	(28,661)
Cash Generated From/ (Used In) Operations	341,712,624	10,062,132
Gratuity Paid	(5,325,995)	(3,738,414)
Economic Service Charges Paid	(1,623,642)	(2,722,233)
Net Cash From /(Used In) Operating Activities	334,762,987	3,601,485
Cash Flows From Investing Activities		
Dividend Received	-	571,326
Interest Received	29,451,239	80,469,178
Acquisition of Property, Plant and Equipment	(9,214,562)	(2,182,431)
Payment to shareholders of Orient Finance PLC	(1,730,741,430)	-
Sales Proceeds from Investment Securities	-	13,566,127
Sales Proceeds from Investment Properties	-	132,500,000
Sales Proceeds from Property, Plant and Equipment	19,442,274	81,874,400
Net Cash From/(Used In) Investing Activities	(1,691,062,479)	306,798,600
Cash Flows From Financing Activities		
Interest on Debentures	(238,287,404)	(26,520,000)
Net Borrowings/(Repayment) of Bank Loans	1,091,251,966	(27,305,495)
Net Borrowing/ (Repayment) Securitization Loans	-	(343,869,339)
Loan Obtained from Related Party	1,124,995,410	-
Net Borrowing/(Repayment) Hire Purchase Rental Paid	-	(4,803,375)
Net Cash From/(Used In) Financing Activities	1,977,959,972	(402,498,209)
Net Increase /(Decrease) in Cash and Cash Equivalents	621,660,480	(92,098,124)
Cash and Cash Equivalents at the Beginning of the Period (Note	107,415,559	199,513,683
Cash and Cash Equivalents at the End of the Period (Note B)	729,076,039	107,415,559
Cash and Cash Equivalents at the Beginning of the Period		Note A
Cash in Hand and Cash at Bank	194,035,452	200,985,276
Bank Overdraft	(86,619,893)	(1,471,593)
	107,415,559	199,513,683
Cash and Cash Equivalents at the End of the Period		Note B
Cash in Hand and Cash at Bank	166,608,833	194,035,452
Bank Overdraft	562,467,206	(86,619,893)
	729,076,039	107,415,559

Figures in brackets indicate deductions.

Explanatory Notes

1. These Interim Financial Statements of the Company have been prepared based on the Sri Lanka Accounting Standards that came into effect from January 01, 2012 (SLFRS/LKAS). There were no changes to the Accounting Policies and methods of computation since the publication of the Audited Financial Statements for the Year Ended 31 March 2015. Further, these Interim Financial Statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard 34 (LKAS 34) on Interim Financial Reporting. Previous year figures and phrases have been re-arranged wherever necessary to conform to the current presentation.
2. There are no material events that took place after the reporting date that require adjustments to or disclosure in the Financial Statements except the following.
3. All known expenses have been provided for in these Financial Statements.
4. Pursuant to the Shareholder approval at the Extraordinary General Meeting held on 25th June 2015, the Assets and Liabilities of Orient Finance PLC (OFP) were purchased by Bartleet Finance PLC (BFP) and amalgamate the OFP and BFP in terms of part VIII of section 239 of Companies act No. 07 of 2007.

Further BFP shall be the surviving entity upon the completion of the amalgamation and continue its activities as a single legal entity which is a licensed finance Company. The amalgamation is effective from 16th July 2015, the date approved by the Register General of Companies.

Subsequently on 14th August 2015 the Company was renamed as Orient Finance PLC.
5. There are no significant changes in the nature of the Contingent Assets or Contingent Liabilities which were disclosed in the Audited Financial Statements for the year ended 31st March 2015.

Selected Performance Indicators

	For the three months ended	
	31-07-2015	31-07-2014
Profitability		
Return on Equity - Annualized	37.61%	-2.12%
Return on Assets - Annualized	2.38%	-0.15%
Asset Quality (Rs. '000)		
Non Performing Accommodations (Net of Interest in Suspense)	1,547,542	546,621
Total Accommodations (Net of interest in Suspense)	12,615,768	5,199,681
Net Total Accommodations (Net of Provision for Bad and Doubtful Debts and Interest in Suspense)	11,792,572	4,933,960
Liquidity (Rs. '000)		
Required minimum amount of Liquid Assets	1,095,814	689,948
Available amount of Liquid Assets	1,251,270	760,597
Required minimum amount of Government Securities	707,658	483,193
Available amount of Government Securities	800,035	534,320

Ordinary Share Information

The Company's Ordinary Shares are not quoted in the Colombo Stock Exchange (CSE).

<u>Stated Capital</u>	<u>31st July 2015</u>	<u>31st July 2014</u>
Value of Ordinary Shares (Rs.)	306,189,810	306,024,990
No. of Ordinary Shares	7,651,837	7,650,624

Shareholders as at 31st July 2015

Name	No. of Shares	%
1. Janashakthi PLC	7,648,112	99.95%
2. Mr. N. A. De Silva	1,250	0.02%
3. Mrs. M.C.N. De Saram	1,250	0.02%
4. Mr. D. C.R. Gunawardena	2	0.00%
5. Mr. C.P. Malalanayake	1	0.00%
6. Mr. K.C.S. Jayatilaka	110	0.00%
7. Mr. E.A.N.K. Abeyawardena	1,102	0.01%
8. Mr. C.T.A. Schaffter	1	0.00%
9. Mr. P.A. Schaffter	1	0.00%
10. Mr. R. Schaffter	1	0.00%
11. Mrs. M. Mathews	1	0.00%
12. Mr. D. Schaffter	1	0.00%
13. Mrs. L.S. Schaffter	1	0.00%
14. Mrs. E.S. Schaffter	1	0.00%
15. Mrs. E.A.M.S. Schaffter	1	0.00%
17. Mr. J.P. Mathews	1	0.00%
18. Mrs. T.S. Schaffter	1	0.00%
Total	<u>7,651,837</u>	<u>100.00%</u>

Directors' Shareholding as at 31st July 2015

Name of the Director	No. of Shares	%
1. Dr. D.C. Jayasuriya PC - Chairman	-	-
2. Mr. Prakash Schaffter	1	-
3. Mr. Ramesh Schaffter	1	-
4. Mrs. Lakshmi K. Gunatilake	-	-
5. Mr. D. Sarath P. Wikramanayake	-	-
6. Mr. Ananda W. Atukorala	-	-
7. Mr. K. M. A. T. B. Tittawella	-	-
8. Mr. A. I. Fernando	-	-
9. Ms. Minette D. A. Perera	-	-
Total	<u>2.00</u>	<u>-</u>

CEO's Shareholding as at 31st July 2015

Mr. Suresh M. Amerasekera	-	-
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Listed Debenture Information

Debenture	31st July 2015	31st July 2014
Debentures Issued in 2011 (Deb. 01)	204,000,000	204,000,000
Debentures Issued in 2014 (Deb. 02)	1,000,000,000	-
	<u>1,204,000,000</u>	<u>204,000,000</u>
	<u>31st July 2015</u>	<u>31st July 2014</u>
Debenture 01		
Market Prices - Debenture		
Highest price	83.78	100.00
Lowest price	83.78	83.78
Last traded price	83.78	83.78
Debenture 02		
Market Prices - Debenture		
Highest price		
Lowest price	Not Traded as at 31	
Last traded price	July 2015	
Debt to Equity Ratio (Times)	14.53	12.92
Interest Coverage Ratio (Times)	1.07	0.97
Liquid Asset Ratio	20.44%	17.06%
Interest Rate of Comparable Government Securities	8.11%	8.93%
Interest yield as at date of last trade (01/06/2015)	15.52%	15.52%
Yield to maturity of trade done on (01/06/2015)	31.15%	22.90%

RIENT FINANCE PLC

Interim Financial Statements for the Four Months Ended 31st July 2015
Segmental Information

Rs. '000

	Lease, Hire purchase and Loans		Factoring		Unallocated		Total	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
Interest Income	389,464	441,651	11,292	-	120	-	400,876	441,651
Interest Expenses	(232,709)	(316,936)	(5,578)	-	-	-	(238,287)	(316,936)
Net Interest Income	156,755	124,715	5,714	-	120	-	162,589	124,715
Fee based income & Others	26,572	6,770	3,191	-	15,798	17,098	45,560	23,868
Total Operating Income	183,327	131,485	8,905	-	15,918	17,098	208,149	148,583
Impairment Charges for Loans and other Losses	(89,280)	(24,100)	(1,948)	-	(35)	-	(91,262)	(24,100)
Segmental Results	94,047	107,385	6,957	-	15,883	17,098	116,887	124,483
Unallocated Expenses							(134,675)	(128,392)
Profit / (Loss) Before Tax							(17,788)	(3,909)
Income Tax Expenses							281,860	-
Profit / (Loss) for the Period							264,072	(3,909)
Segment Assets	11,330,912	4,933,960	792,602	-	3,315,637	1,798,745	15,439,151	6,732,704
Segment Liabilities	773,120	13,975	-	-	13,831,841	6,148,730	14,604,961	6,162,705