

**LOLC HOLDINGS PLC**  
(FORMERLY KNOWN AS LANKA ORIX LEASING COMPANY PLC)  
**INTERIM FINANCIAL STATEMENTS**  
YEAR ENDED 31 MARCH 2019



**LOLC Holdings PLC**  
**(Formerly known as Lanka Orix Leasing Company PLC)**  
**Interim Financial Statements**  
**For the year ended 31 March 2019**

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**LOLC Holdings PLC**  
**(Formerly known as Lanka Orix Leasing Company PLC)**  
**Statement of Financial Position**

As at	Group		Company	
	31-Mar-19 Rs'000 Un-audited	31-Mar-18 Rs'000 Audited	31-Mar-19 Rs'000 Un-audited	31-Mar-18 Rs'000 Audited
<b>Assets</b>				
Cash and cash equivalents	73,840,488	51,133,160	945,468	281,209
Financial assets recognised through profit or loss/Trading assets - fair value through profit or loss	8,308,127	3,168,463	285,735	341,399
Investment securities	96,018,167	80,136,613	4,019,075	9,936,230
Financial assets at amortised cost/ Finance lease receivables, hire purchases and operating leases	56,425,041	56,724,874	3,287	2,888
Financial assets at amortised cost/ Advances and other loans	650,363,827	493,251,097	2,483,657	2,342,042
Premium receivables	1,227,507	1,112,966	-	-
Inventories	6,233,616	4,579,203	340,989	251,875
Current tax assets	1,382,194	1,284,651	215,920	172,790
Trade and other current assets	23,627,703	26,058,144	20,591,430	18,307,042
Prepaid lease rentals on leasehold properties	2,412,135	2,305,861	-	-
Investment properties	27,474,778	14,352,331	956,125	882,500
Biological Assets;				
Consumable Biological Assets	3,788,540	3,305,919	-	-
Bearer Biological Assets	1,259,879	1,212,197	-	-
Investments in group of companies;				
Subsidiary companies	-	-	87,671,487	68,301,090
Equity accounted investees - Associates	18,018,758	17,451,392	4,314,001	4,314,001
Deferred tax assets	2,123,566	1,914,813	275	-
Intangible assets	15,828,322	13,954,791	490,878	220,378
Property, plant and equipment	55,582,196	50,293,016	5,678,664	5,369,609
<b>Total assets</b>	<b>1,043,914,844</b>	<b>822,239,491</b>	<b>127,996,991</b>	<b>110,723,053</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Bank overdrafts	8,265,523	9,293,783	3,629,017	2,459,828
Trading liabilities - fair value through profit or loss	841,492	754,089	-	-
Financial Liabilities at Amortised Cost/ Deposits liabilities	452,075,041	307,528,600	-	-
Financial Liabilities at Amortised Cost/ Interest bearing borrowings	377,926,886	332,254,802	69,895,034	51,781,301
Insurance provision - life	3,458,728	2,877,925	-	-
Insurance provision - general	3,718,659	3,438,534	-	-
Current tax payables	6,094,263	4,812,096	733,155	718,156
Trade and other payables	32,535,854	37,193,510	4,798,850	3,513,803
Deferred tax liabilities	4,904,281	4,935,030	367,319	323,146
Deferred income	559,478	184,404	-	-
Retirement benefit obligations	1,600,389	1,434,161	343,926	291,463
<b>Total liabilities</b>	<b>891,980,592</b>	<b>704,706,934</b>	<b>79,767,301</b>	<b>59,087,697</b>
<b>Equity</b>				
Stated capital (475,200,000 shares)	475,200	475,200	475,200	475,200
Reserves	22,320,764	11,683,569	2,712,688	2,930,211
Retained earnings	67,244,673	58,303,245	45,041,802	48,229,945
<b>Equity attributable to shareholders of the Company</b>	<b>90,040,637</b>	<b>70,462,014</b>	<b>48,229,690</b>	<b>51,635,356</b>
<b>Non-controlling interests</b>	<b>61,893,615</b>	<b>47,070,543</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>151,934,252</b>	<b>117,532,557</b>	<b>48,229,690</b>	<b>51,635,356</b>
<b>Total liabilities &amp; equity</b>	<b>1,043,914,844</b>	<b>822,239,491</b>	<b>127,996,991</b>	<b>110,723,053</b>
<b>Net assets per share (Rs.)</b>	<b>189.48</b>	<b>148.28</b>	<b>101.49</b>	<b>108.66</b>

I certify that these Financial Statements have been prepared and presented in compliance with the requirements of the Companies Act, No.07 of 2007.

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

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

Sgd.  
Mr. I C Nanayakkara  
Deputy Chairman  
31st May 2019, Rajagiriya (Greater Colombo)

Sgd.  
Mr. W.D.K. Jayawardena  
Group Managing Director / CEO

**LOLC Holdings PLC**  
**(Formerly known as Lanka Orix Leasing Company PLC)**  
**Statement of Profit or Loss**

	Group					
	Three Months Ended			Year Ended		
	31-Mar-19 Rs'000	31-Mar-18 Rs'000	Variance	31-Mar-19 Rs'000	31-Mar-18 Rs'000	Variance
<b>Gross income</b>	<b>54,311,287</b>	<b>41,859,770</b>	<b>30</b>	<b>178,024,399</b>	<b>149,516,214</b>	<b>19</b>
Interest income	34,330,260	29,150,061	18	125,030,887	104,772,109	19
Interest expense	(19,690,818)	(15,041,716)	31	(71,121,776)	(58,517,709)	22
<b>Net interest income</b>	<b>14,639,442</b>	<b>14,108,345</b>	<b>4</b>	<b>53,909,111</b>	<b>46,254,400</b>	<b>17</b>
Revenue	7,732,612	5,748,352	35	24,855,449	22,602,826	10
Cost of sales	(5,327,644)	(4,483,588)	19	(17,109,822)	(15,428,148)	11
<b>Gross profit</b>	<b>2,404,967</b>	<b>1,264,764</b>	<b>90</b>	<b>7,745,626</b>	<b>7,174,678</b>	<b>8</b>
Income	5,042,467	1,939,049	160	17,574,816	12,032,101	46
Other income/(expenses) (Including net finance cost)	7,205,948	5,022,308	43	10,563,247	10,109,178	4
<b>Profit before operating expenses</b>	<b>29,292,825</b>	<b>22,334,466</b>	<b>31</b>	<b>89,792,801</b>	<b>75,570,357</b>	<b>19</b>
<b>Operating expenses</b>						
VAT on financial services	(862,908)	(1,029,493)	(16)	(2,637,841)	(2,930,006)	(10)
Other direct expenses excluding finance costs	(1,685,852)	(898,604)	88	(5,842,270)	(5,239,400)	12
Personnel costs	(6,265,750)	(4,803,398)	30	(22,347,924)	(18,676,238)	20
Net impairment (loss) / reversal on financial assets	(4,643,604)	(4,074,757)	14	(14,055,206)	(10,057,139)	40
Depreciation and amortization	(714,446)	(649,829)	10	(2,597,664)	(2,320,895)	12
Other operating expenses	(4,542,213)	(4,123,691)	10	(16,607,394)	(13,517,727)	23
<b>Results from operating activities</b>	<b>10,578,052</b>	<b>6,754,694</b>	<b>57</b>	<b>25,704,502</b>	<b>22,828,952</b>	<b>13</b>
Share of profits of equity accounted investees	365,330	197,180	85	1,108,860	1,763,093	(37)
Results on acquisition and divestment of group investments	-	62,177	(100)		63,774	(100)
<b>Profit before income tax expense</b>	<b>10,943,382</b>	<b>7,014,051</b>	<b>56</b>	<b>26,813,362</b>	<b>24,655,819</b>	<b>9</b>
Income tax expense	(2,061,455)	(1,068,433)	93	(7,195,394)	(5,466,316)	32
<b>Profit for the period</b>	<b>8,881,927</b>	<b>5,945,618</b>	<b>49</b>	<b>19,617,968</b>	<b>19,189,503</b>	<b>2</b>
<b>Profit attributable to;</b>						
Equity holders of the Company	5,817,931	2,464,976	136	11,270,881	9,728,108	16
Non-controlling interests	3,063,997	3,480,642	(12)	8,347,088	9,461,395	(12)
	<b>8,881,927</b>	<b>5,945,618</b>	<b>49</b>	<b>19,617,968</b>	<b>19,189,503</b>	<b>2</b>
<b>Basic earnings per share (Rs.)</b>	<b>12.24</b>	<b>5.19</b>	<b>136</b>	<b>23.72</b>	<b>20.47</b>	<b>16</b>

Figures in brackets indicate deductions.  
The above figures are not audited

**LOLC Holdings PLC**  
**(Formerly known as Lanka Orix Leasing Company PLC)**  
**Statement of Other Comprehensive Income**

	Group					
	Three Months Ended			Year Ended		
	31-Mar-19 Rs'000	31-Mar-18 Rs'000	Variance	31-Mar-19 Rs'000	31-Mar-18 Rs'000	Variance
<b>Profit for the period</b>	<b>8,881,927</b>	<b>5,945,618</b>	<b>49</b>	<b>19,617,968</b>	<b>19,189,503</b>	<b>2</b>
<b>Other comprehensive income</b>						
<b>Other comprehensive income that will never be reclassified to profit or loss in subsequent periods:</b>						
<i><b>Revaluation surplus of property, plant and equipment</b></i>						
Revaluation of property, plant and equipment	2,800,806	2,151,719	30	2,800,806	2,151,719	30
Related tax	(350,763)	(797,619)	(56)	(350,763)	(797,619)	(56)
<i><b>Defined benefit plan actuarial gains / (losses)</b></i>						
Re-measurement of defined benefit liabilities	79,917	(90,375)	(188)	81,991	(90,375)	(191)
Related tax	(13,428)	13,480	(200)	(13,428)	13,480	(200)
<i><b>FVOCI_Equity Securities</b></i>						
Fair value gains/(losses) that arose during the year	793,736	-	-	576,654	-	-
Share of other comprehensive income of equity accounted investees (net of tax)	-	402,701	(100)	73,259	402,701	(82)
<b>Net other comprehensive income not to be reclassified to income statement in subsequent periods</b>	<b>3,310,268</b>	<b>1,679,906</b>	<b>97</b>	<b>3,168,519</b>	<b>1,679,906</b>	<b>89</b>
<b>Other comprehensive income that are or may be reclassified to profit or loss in subsequent periods :</b>						
<i><b>Available for sale financial instruments</b></i>						
Net change in fair value of available-for-sale financial assets	-	6,637	(100)	-	370,267	(100)
Related tax	-	(3,019)	(100)	-	(3,019)	(100)
<i><b>Foreign currency translation differences for foreign operations</b></i>						
Net gains/(losses) on hedges of net investments			-			-
Net gains/(losses) arising from translating the Financial Statements of foreign operations	(1,645,585)	1,187,851	(239)	8,225,043	1,018,444	708
Transfer of translation reserve on disposed foreign associate	-	(62,177)	100		(63,774)	(100)
<i><b>Fair value differences on cash flow hedges</b></i>						
Gain/(loss) on effective portion of changes in fair value of cash flow hedge	(175,267)	(195,713)	(10)	(76,793)	(280,620)	(73)
Reclassification adjustments to the income statement	-	(19,188)	(100)		(19,188)	(100)
Deferred tax charge/(reversal) on changes in fair value of cash flow hedge	20,029	114,146	(82)	20,029	114,146	(82)
Net change in costs of hedging	-	-				
Share of other comprehensive income of equity accounted investees (net of tax)	-	847,083	(100)	-	847,083	(100)
<b>Net other comprehensive income to be reclassified to income statement in subsequent periods</b>	<b>(1,800,824)</b>	<b>1,875,620</b>	<b>(196)</b>	<b>8,168,278</b>	<b>1,983,339</b>	<b>312</b>
<b>Total other comprehensive income/ (expense) for the year, net of tax</b>	<b>1,509,445</b>	<b>3,555,526</b>	<b>(58)</b>	<b>11,336,797</b>	<b>3,663,245</b>	<b>209</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>10,391,372</b>	<b>9,501,144</b>	<b>9</b>	<b>30,954,765</b>	<b>22,852,748</b>	<b>35</b>
				1,582,703	1,582,703.26	73,259
<b>Tota comprehensive income attributable to;</b>						
Equity holders of the Company	7,436,084	4,557,934	63	17,074,794	11,940,209	43
Non-controlling interests	3,028,546	4,943,210	(39)	13,879,971	10,912,539	27
	<b>10,464,630</b>	<b>9,501,144</b>	<b>10</b>	<b>30,954,765</b>	<b>22,852,748</b>	<b>35</b>

Figures in brackets indicate deductions.  
The above figures are not audited

**LOLC Holdings PLC**  
**(Formerly known as Lanka Orix Leasing Company PLC)**  
**Statement of Profit or Loss**

	Company					
	Three Months Ended			Year Ended		
	31-Mar-19 Rs.' 000	31-Mar-18 Rs.' 000	Variance %	31-Mar-19 Rs.' 000	31-Mar-18 Rs.' 000	Variance %
<b>Gross income</b>	<b>3,594,077</b>	<b>8,526,953</b>	<b>(58)</b>	<b>11,650,625</b>	<b>16,304,439</b>	<b>(29)</b>
Interest income	703,251	882,487	(20)	2,839,764	3,018,226	(6)
Interest expense	(2,262,493)	(1,617,892)	40	(8,020,071)	(6,066,902)	32
<b>Net interest income</b>	<b>(1,559,242)</b>	<b>(735,405)</b>	<b>20</b>	<b>(5,180,307)</b>	<b>(3,048,676)</b>	<b>26</b>
Revenue	735,528	-	-	1,557,043	-	-
Less: cost of sales	(666,059)	-	-	(1,416,625)	-	-
<b>Gross profit</b>	<b>69,469</b>	<b>-</b>	<b>-</b>	<b>140,418</b>	<b>-</b>	<b>-</b>
Income	1,244,468	1,172,537	6	4,652,006	4,210,110	10
Other income/(expenses)	910,830	6,471,929	(86)	2,601,812	9,076,103	(71)
<b>Profit before operating expenses</b>	<b>665,525</b>	<b>6,909,061</b>	<b>(90)</b>	<b>2,213,929</b>	<b>10,237,537</b>	<b>(78)</b>
<b>Operating expenses</b>						
VAT on financial services	-	(122,738)	(100)	(53,913)	(150,752)	(64)
Other direct expenses excluding finance costs	(637)	13,897	(105)	(5,117)	(6,911)	(26)
Personnel costs	(504,622)	(533,778)	(5)	(1,666,993)	(1,616,335)	3
Net impairment (loss) / reversal on financial assets	(3,088)	(15,050)	(79)	3,788	(13,227)	(129)
Depreciation and amortization	(159,348)	(164,466)	(3)	(578,707)	(525,646)	10
Other operating expenses	(724,482)	(873,481)	(17)	(3,019,168)	(3,161,986)	(5)
<b>Results from operating activities</b>	<b>(726,652)</b>	<b>5,213,445</b>	<b>(114)</b>	<b>(3,106,181)</b>	<b>4,762,680</b>	<b>(165)</b>
Share of profits of equity accounted investees	-	-	-	-	-	-
Results on acquisition and divestment of group investments	-	-	-	-	-	-
<b>Profit/ (Loss) before income tax expense</b>	<b>(726,652)</b>	<b>5,213,445</b>	<b>(114)</b>	<b>(3,106,181)</b>	<b>4,762,680</b>	<b>(165)</b>
Income tax expense	(50,337)	91,388	(155)	(88,015)	(63,328)	39
<b>Profit/ (Loss) for the period</b>	<b>(776,989)</b>	<b>5,304,833</b>	<b>(115)</b>	<b>(3,194,196)</b>	<b>4,699,352</b>	<b>(168)</b>
<b>Profit attributable to;</b>						
Equity holders of the Company	(776,989)	5,304,833	(115)	(3,194,196)	4,699,352	(168)
Non-controlling interests	-	-	-	-	-	-
	<b>(776,989)</b>	<b>5,304,833</b>	<b>(115)</b>	<b>(3,194,196)</b>	<b>4,699,352</b>	<b>(168)</b>
<b>Basic earnings per share (Rs.)</b>	<b>(1.64)</b>	<b>11.16</b>	<b>(115)</b>	<b>(6.72)</b>	<b>9.89</b>	<b>(168)</b>

Figures in brackets indicate deductions.  
The above figures are not audited

**Statement of Profit or Loss**

	Company					
	Three Months Ended			Year Ended		
	31-Mar-19 Rs.' 000	31-Mar-18 Rs.' 000	Variance %	31-Mar-19 Rs.' 000	31-Mar-18 Rs.' 000	Variance %
<b>LOLC Holdings PLC</b> <b>(Formerly known as Lanka Orix Leasing Company PLC)</b> <b>Statement of Other Comprehensive Income</b>						
<b>Profit/ (Loss) for the period</b>	<b>(776,989)</b>	<b>5,304,833</b>	<b>(115)</b>	<b>(3,194,196)</b>	<b>4,699,352</b>	<b>(168)</b>
<b>Other comprehensive income</b>						
<b>Other comprehensive income that will never be reclassified to profit or loss in subsequent periods:</b>						
<i><b>Revaluation surplus of property, plant and equipment</b></i>						
Revaluation of property, plant and equipment	-	128,789	(100)	-	128,789	(100)
Related tax	-	(153,413)	(100)	-	(153,413)	(100)
<i><b>Defined benefit plan actuarial gains / (losses)</b></i>						
Re-measurement of defined benefit liabilities	(4,591)	(13,703)	(66)	(4,591)	(13,703)	(66)
Related tax	(1,285)	-	100	(1,285)	3,837	(133)
<i><b>FVOCI_Equity Securities</b></i>						
Fair value gains/(losses) that arose during the year	-	-	-	-	576,654	(100)
<b>Net other comprehensive income not to be reclassified to income statement in subsequent periods</b>	<b>(5,876)</b>	<b>(38,327)</b>	<b>(85)</b>	<b>(5,876)</b>	<b>542,164</b>	<b>(101)</b>
<b>Other comprehensive income that are or may be reclassified to to profit or loss in subsequent periods;</b>						
<i><b>Available for sale financial instruments</b></i>						
Net change in fair value of available-for-sale financial assets	(29,123)	7,766	(475)	(101,931)	(23,299)	337
<b>Net other comprehensive income to be reclassified to income statement in subsequent periods</b>	<b>(29,123)</b>	<b>7,766</b>	<b>(475)</b>	<b>(101,931)</b>	<b>(23,299)</b>	<b>337</b>
<b>Total comprehensive income / (expense) for the period</b>	<b>(806,112)</b>	<b>5,312,599</b>	<b>(115)</b>	<b>(3,296,127)</b>	<b>4,676,053</b>	<b>(170)</b>
<b>Total comprehensive income / (expense) attributable to;</b>						
Equity holders of the Company	(806,112)	5,312,599	(115)	(3,296,127)	4,676,053	(170)
Non-controlling interests	-	-	-	-	-	-
<b>Total comprehensive income / (expense) for the period</b>	<b>(806,112)</b>	<b>5,312,599</b>	<b>(115)</b>	<b>(3,296,127)</b>	<b>4,676,053</b>	<b>(170)</b>

Figures in brackets indicate deductions.  
The above figures are not audited

LOLC Holdings PLC  
(Formerly known as Lanka Orix Leasing Company PLC)  
Statement of Changes in Equity  
For the year ended 31 March 2019

Group	Equity Attributable to the Owners of the Company									Non-controlling Interests	Total Equity
	Stated Capital	Revaluation Reserve	Cash flow hedge Reserve	Fair Value Reserve	Translation Reserve	Future Taxation Reserve	Statutory Reserve Fund	Retained Earnings	Total		
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
Balance as at 01 April 2017	475,200	6,601,609	118,356	(895,216)	744,534	205,000	2,158,161	49,442,054	58,849,698	43,766,139	102,615,837
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	9,728,108	9,728,108	9,461,395	19,189,503
<b>Other comprehensive income</b>											
Net change in fair value of available-for-sale financial assets	-	-	-	352,827	-	-	-	-	352,827	17,440	370,267
Deferred tax on available-for-sale financial assets	-	-	-	(2,717)	-	-	-	-	(2,717)	(302)	(3,019)
Revaluation of property, plant and equipment	-	1,116,191	-	-	-	-	-	-	1,116,191	1,035,528	2,151,719
Deferred tax on revaluation	-	(414,307)	-	-	-	-	-	-	(414,307)	(383,312)	(797,619)
Foreign currency translation differences for foreign operations	-	-	-	-	395,195	-	-	-	395,195	623,249	1,018,444
Net movement of cash flow hedges	-	-	(246,364)	-	-	-	-	-	(246,364)	(34,256)	(280,620)
Net change in fair value of cash flow hedges reclassified to profit or loss	-	-	(17,269)	-	-	-	-	-	(17,269)	(1,919)	(19,188)
Deferred tax on cash flow hedges	-	-	104,251	-	-	-	-	-	104,251	9,895	114,146
Re-measurement of defined benefit liabilities	-	-	-	-	-	-	-	(35,593)	(35,593)	(54,782)	(90,375)
Deferred tax on re-measurement of defined benefit liabilities	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of equity accounted investees (net of tax)	-	-	-	-	-	-	-	6,483	6,483	6,997	13,480
Transfer of translation reserve	-	280,317	-	716,780	25,600	-	-	(5,519)	1,017,178	232,608	1,249,786
	-	-	-	-	(63,774)	-	-	-	(63,774)	-	(63,774)
<b>Total other comprehensive income for the period</b>	-	982,201	(159,382)	1,066,890	357,021	-	-	(34,629)	2,212,101	1,451,146	3,663,247
<b>Total comprehensive income for the period</b>	-	982,201	(159,382)	1,066,890	357,021	-	-	9,693,479	11,940,209	10,912,541	22,852,750
<b>Transactions with owners directly recorded in the Equity</b>											
<b>Contributions by and distributions to owners</b>											
Dividends paid during the period	-	-	-	-	-	-	-	-	-	(738,557)	(738,557)
Dividend forfeited	-	-	-	-	-	-	-	5,240	5,240	2,940	8,180
<b>Total contribution by/(distribution to) owners of the Company</b>	-	-	-	-	-	-	-	5,240	5,240	(735,617)	(730,377)
<b>Transactions due to changes in group holding</b>											
NCI contribution for subsidiary share issues	-	-	-	-	-	-	-	-	-	8,000	8,000
Non-controlling interests recognized on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	3,202,311	3,202,311
Acquisition of non-controlling interests	-	-	-	-	-	-	-	(1,945,433)	(1,945,433)	(6,170,675)	(8,116,108)
Changes in ownership interests that do not result in a change in control	-	-	-	-	-	-	-	1,612,300	1,612,300	(3,912,156)	(2,299,856)
<b>Total transactions due to changes in group holding</b>	-	-	-	-	-	-	-	(333,133)	(333,133)	(6,872,520)	(7,205,653)
<b>Total transactions with owners directly recorded in the equity</b>	-	-	-	-	-	-	-	(327,893)	(327,893)	(7,608,137)	(7,936,030)
<b>Other movements in equity</b>											
Depreciation transfer on revaluation	-	(455)	-	-	-	-	-	455	-	-	-
Net transfers to statutory reserve fund	-	-	-	-	-	-	504,850	(504,850)	-	-	-
<b>Total other movements</b>	-	(455)	-	-	-	-	504,850	(504,395)	-	-	-
Balance as at 31 March 2018	475,200	7,583,355	(41,026)	171,674	1,101,555	205,000	2,663,011	58,303,245	70,462,014	47,070,543	117,532,557
<b>Impact of adoption of SLFRS 9 and SLFRS 15</b>											
Recognition of SLFRS 9 ECLs including those measured at FVOCI	-	-	-	-	-	-	-	(410,506)	(410,506)	998,697	588,191
Deferred tax on transitional adjustments	-	-	-	-	-	-	-	168,574	168,574	(194,837)	(26,263)
Impact of reclassifying financial investment from AFS to FVTPL	-	-	-	(1,482)	-	-	-	1,482	0.00	-	0
Impact for Equity Accounted Investees	-	-	-	(493,162)	-	-	-	(40,963)	(534,125)	(55,020)	(589,145)
	-	-	-	(494,644)	-	-	-	(281,413)	(776,057)	748,840	(27,218)
<b>Restated opening balance under SLFRS 9 and SLFRS 15 as at 01 April, 2018</b>	475,200	7,583,355	(41,026)	(322,970)	1,101,555	205,000	2,663,011	58,021,832	69,685,957	47,819,383	117,505,339



LOLC Holdings PLC  
(Formerly known as Lanka Orix Leasing Company PLC)  
Statement of Changes in Equity  
For the year ended 31 March 2019

Group	Equity Attributable to the Owners of the Company									Non-controlling Interests	Total Equity
	Stated Capital	Revaluation Reserve	Cash flow hedge Reserve	Fair Value Reserve	Translation Reserve	Future Taxation Reserve	Statutory Reserve Fund	Retained Earnings	Total		
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	11,270,881	11,270,881	8,347,088	19,617,968
<b>Other comprehensive income</b>											
Other comprehensive income that will never be reclassified to profit or loss in subsequent periods:											
Revaluation surplus	-	2,510,393	-	-	-	-	-	-	2,510,393	290,412	2,800,806
Deferred tax charge/(reversal) on revaluation surplus	-	(297,779)	-	-	-	-	-	-	(297,779)	(52,984)	(350,763)
Defined benefit plan actuarial gains (losses) for the year	-	-	-	-	-	-	-	30,829	30,829	51,162	81,991
Deferred tax charge/(reversal) on actuarial gains/(losses)	-	-	-	-	-	-	-	(10,185)	(10,185)	(3,242)	(13,428)
Fair value gains/(losses) that arose during the year	-	-	-	410,727	-	-	-	-	410,727	165,928	576,654
Share of other comprehensive income of equity accounted investees (net of tax)	-	(29,571)	4,677	89,871	(9,495)	-	-	-	55,482	17,777	73,259
Other comprehensive income that are or may be reclassified to to profit or loss in subsequent periods:											
<b>Foreign currency translation differences for foreign operations</b>											
Net gains/(losses) arising from translating the Financial Statements of foreign operations	-	-	-	-	3,160,548	-	-	-	3,160,548	5,064,495	8,225,043
Gain/(loss) on effective portion of changes in fair value of cash flow hedge	-	-	(75,219)	-	-	-	-	-	(75,219)	(1,575)	(76,793)
Deferred tax charge/(reversal) on changes in fair value of cash flow hedge	-	-	19,117	-	-	-	-	-	19,117	912	20,029
<b>Total other comprehensive income for the period</b>	-	2,183,043	(51,425)	500,598	3,151,053	-	-	11,291,524	17,074,794	13,879,971	30,954,765
<b>Total comprehensive income for the period</b>	-	2,183,043	(51,425)	500,598	3,151,053	-	-	22,562,405	28,345,675	22,227,059	50,572,734
<b>Transactions due to changes in group holding</b>											
NCI recognized on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	(13,799)	(13,799)
NCI contribution for subsidiary share issue	-	-	-	-	-	-	-	-	-	1,020,351	1,020,351
Changes in ownership interests that do not result in a change in control	-	-	-	-	-	-	-	(7,990,995)	(7,990,995)	(9,159,378)	(17,150,373)
<b>Total transactions due to changes in group holding</b>	-	-	-	-	-	-	-	(7,990,995)	(7,990,995)	(8,152,827)	(16,143,821)
<b>Total transactions with owners directly recorded in the equity</b>	-	-	-	-	-	-	-	(7,990,995)	(7,990,995)	(8,152,827)	(16,143,821)
<b>Other movements in equity</b>											
Depreciation transfer on revaluation	-	(8,212)	-	-	-	-	-	8,212	-	-	-
Net transfers to statutory reserve fund	-	-	-	-	-	-	5,356,781	(5,356,781)	-	-	-
<b>Total other movements</b>	-	(8,212)	-	-	-	-	5,356,781	(5,348,569)	-	-	-
<b>Balance as at 31 March 2019</b>	475,200	9,758,186	(92,451)	177,628	4,252,608	205,000	8,019,792	67,244,673	90,040,637	61,893,615	151,934,252

Figures in brackets indicate deductions.  
The above figures are not audited

**LOLC Holdings PLC**  
**(Formerly known as Lanka Orix Leasing Company PLC)**

**Statement of Changes in Equity**

*For the year ended 31 March 2019*

Company	Equity Attributable to the Owners of the Company						
	Stated Capital	Revaluation Reserve	Fair Value Reserve	Future Taxation Reserve	Merger/ Amalgamation Reserve	Retained Earnings	Total
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
Balance as at 01 April 2017	475,200	3,139,620	33,007	205,000	-	43,138,873	46,991,700
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	4,699,352	4,699,352
<b>Other comprehensive income</b>							
Net change in fair value of available-for-sale financial assets	-	-	(23,299)	-	-	-	(23,299)
Deferred tax on available-for-sale financial assets	-	-	-	-	-	-	-
Revaluation of property, plant and equipment	-	128,789	-	-	-	-	128,789
Deferred tax on revaluation	-	(153,413)	-	-	-	-	(153,413)
Transfers from revaluation reserve	-	(399,493)	-	-	-	399,493	-
Re-measurement of defined benefit liabilities	-	-	-	-	-	(13,703)	(13,703)
Deferred tax on re-measurement of defined benefit liabilities	-	-	-	-	-	3,837	3,837
<b>Total other comprehensive income for the period</b>	-	(424,117)	(23,299)	-	-	389,627	(57,789)
<b>Total comprehensive income for the period</b>	-	(424,117)	(23,299)	-	-	5,088,979	4,641,563
<b>Transactions with owners directly recorded in the Equity</b>							
<b>Contributions by and distributions to owners</b>							
Dividends paid during the period	-	-	-	-	-	-	-
Dividend forfeited	-	-	-	-	-	2,093	2,093
<b>Total contribution by/(distribution to) owners of the Company</b>	-	-	-	-	-	2,093	2,093
Balance as at 31 March 2018	475,200	2,715,503	9,708	205,000	-	48,229,945	51,635,356

**LOLC Holdings PLC**  
**(Formerly known as Lanka Orix Leasing Company PLC)**

**Statement of Changes in Equity**

*For the year ended 31 March 2019*

Company	Equity Attributable to the Owners of the Company						Total
	Stated Capital	Revaluation Reserve	Fair Value Reserve	Future Taxation Reserve	Merger/ Amalgamation Reserve	Retained Earnings	
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
<b>Impact of adoption of SLFRS 9 and SLFRS 15</b>							
Recognition of SLFRS 9 ECLs including those measured at FVOCI	-	-	-	-	-	16,570	16,570
Deferred tax on transitional adjustments	-	-	-	-	-	(4,640)	(4,640)
<b>Total change in equity due to adopting SLFRS 9 and SLFRS 15</b>	-	-	-	-	-	11,930	11,930
<b>Restated opening balance under SLFRS 9 and SLFRS 15 as at 01 April, 2018</b>	<b>475,200</b>	<b>2,715,503</b>	<b>9,708</b>	<b>205,000</b>	<b>-</b>	<b>48,241,875</b>	<b>51,647,286</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	(3,194,196)	(3,194,196)
Defined benefit plan actuarial gains (losses) for the year	-	-	-	-	-	(4,591)	(4,591)
Deferred tax charge/(reversal) on actuarial gains/(losses)	-	-	-	-	-	(1,286)	(1,286)
<b>FVOCI_Equity Securities</b>							
<b>Government Securities &amp; Other debt instruments</b>							
Fair value gains/(losses) that arose during the year	-	-	(101,931)	-	-	-	(101,931)
<b>Total other comprehensive income for the period</b>	-	-	(101,931)	-	-	(5,877)	(107,808)
<b>Total comprehensive income for the period</b>	-	-	(101,931)	-	-	(3,200,073)	(3,302,004)
Amalgamation Gain/(loss)	-	-	-	-	(115,592)	-	(115,592)
Cost of share issue of subsidiaries	-	-	-	-	-	-	-
<b>Total other movements</b>	-	-	-	-	(115,592)	-	(115,592)
<b>Balance as at 31 March 2019</b>	<b>475,200</b>	<b>2,715,503</b>	<b>(92,223)</b>	<b>205,000</b>	<b>(115,592)</b>	<b>45,041,802</b>	<b>48,229,690</b>

Figures in brackets indicate deductions.

The above figures are not audited

**LOLC Holdings PLC**  
**(Formerly known as Lanka Orix Leasing Company PLC)**  
**Statement of Cash Flows**

For the year ended 31 March

	Group		Company	
	2019	2018	2019	2018
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before income tax expense	26,813,362	24,655,819	(3,106,181)	4,762,680
<b>Adjustment for:</b>				
(Gain) / loss on sale of property, plant and equipment	(172,326)	(112,331)	(50,770)	(60,874)
Depreciation and amortization	2,597,664	2,320,895	578,707	525,646
Insurance provision	860,928	1,538,052	-	-
Change in fair value of forward contracts	1,033,649	(1,648,223)	-	3,341
Provision for gratuity	510,986	414,982	62,773	49,318
Net impairment (loss) / reversal on financial assets	14,055,206	10,057,139	(3,788)	13,227
Provision for fall/(increase) in value of investments	(1,200,756)	(551,259)	55,664	108,347
Investment Income	(135,068)	(4,784,492)	(61,051)	(111,927)
Finance costs	71,121,776	58,517,709	8,020,071	6,066,902
Interest income	(2,458,696)	-	-	-
(Profit)/loss on sale of quoted and non-quoted shares	-	(903,588)	-	(764)
Share of profits of equity accounted investees	(1,108,860)	(1,763,093)	-	-
Foreign exchange gain / (loss)	409,148	1,525,851	-	-
Results on acquisition and divestment of Group investment	-	(63,774)	-	(5,671,400)
Gain in fair value of consumer biological assets	(439,076)	(285,256)	-	-
Change in fair value of investment properties	(4,057,510)	(1,548,491)	(72,004)	(4,400)
Amortization of deferred income	(9,766)	(73,482)	-	-
Provision for slow moving inventories	173,487	(6,899)	-	-
Allowance for trade and other receivables	-	93,443	-	-
Transaction cost on acquisition of subsidiaries	-	3,625	-	-
	<b>107,994,148</b>	<b>87,386,627</b>	<b>5,423,421</b>	<b>5,680,096</b>
<b>Working capital changes</b>				
Increase/(decrease) in trade and other payables	(4,768,055)	17,879,066	(3,714,042)	2,459,334
(Increase)/decrease in investment in leases, hire purchase and others	(70,213)	(6,562,798)	(399)	1,534
(Increase)/decrease in investment in advances and other loans	(177,797,687)	(133,802,493)	(137,671)	(1,556,930)
(Increase)/decrease in premium receivables	(114,541)	(32,208)	-	-
(Increase)/decrease in inventories	(1,787,426)	(501,781)	(89,113)	112,153
(Increase)/decrease in trade and other receivables	2,503,174	(8,186,684)	(1,795,624)	7,914,308
Increase/(decrease) in customer deposits	144,546,441	96,184,071	-	-
	<b>70,505,841</b>	<b>52,363,800</b>	<b>(313,428)</b>	<b>14,610,495</b>
<b>Cash generated from operations</b>				
Finance cost paid	(67,565,687)	(58,955,509)	(7,509,459)	(5,958,852)
Income tax and Economic Service Charge paid	(5,655,678)	(4,578,038)	(116,146)	(208,076)
Defined benefit plan costs paid	(349,510)	(1,275,542)	(14,130)	(6,106)
	<b>(3,065,034)</b>	<b>(12,445,289)</b>	<b>(7,953,163)</b>	<b>8,437,461</b>
<b>Net cash from/(used in) operating activities</b>				
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Investment in subsidiary companies	-	-	(16,810,517)	(10,807,257)
Net cash and cash equivalents on acquisition of subsidiary	36,951	427,486	10,543	-
Investment in equity accounted investees	168,078	(306,440)	-	-
Proceeds from disposal of subsidiaries, equity accounted investees	-	-	-	9,849,009
Acquisition of non-controlling interests	6,425,443	-	-	-
Acquisition of PPE/ Investment Properties	(9,600,734)	(8,649,462)	(849,287)	(400,722)
Acquisition / (Disposal) of intangible assets	(2,123,886)	(355,074)	(408,847)	(45,529)
Net additions to trading assets	(3,800,759)	1,935,945	-	(9,604,513)
Net additions to investment securities	(13,505,121)	(24,052,233)	11,295,708	-
Proceeds from the disposal of PPE/ Investment Properties	171,335	449,638	157,785	855,375
Investment income received	(32,999)	4,442,677	-	-
Dividend received	179,157	588,769	61,051	40,366
Net additions to biological assets	(139,828)	(145,543)	-	-
Payment of lease rentals	-	53,809	-	-
<b>Net cash flow from investing activities</b>	<b>(22,222,363)</b>	<b>(25,610,428)</b>	<b>(6,543,564)</b>	<b>(10,113,271)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Net cash proceeds from short-term interest bearing borrowings	(14,972,209)	994,135	15,225,359	(1,402,510)
Principal repayment under finance lease liabilities	(1,135,922)	(702,094)	-	(37,590)
Proceeds from long-term interest bearing loans and borrowings	118,077,291	109,109,531	630,628	3,628,972
Repayments of long-term interest bearing loans and borrowings	(57,159,757)	(67,986,105)	(1,864,190)	(4,210,397)
Issue/(repayment) of debentures	2,808,392	2,750,000	-	2,750,000
Dividends paid to non-controlling interests	-	(738,557)	-	-
NCl contributions to share issue of subsidiaries	1,020,351	8,000	-	-
Receipt of deferred income	384,840	26,241	-	-
Acquisition of non-controlling interests	-	(8,116,108)	-	-
Redemption of participative units issued to non-controlling interests	-	(2,299,856)	-	-
	<b>49,022,986</b>	<b>33,045,187</b>	<b>13,991,797</b>	<b>728,475</b>
<b>Net cash generated from financing activities</b>				
Net increase/(decrease) in cash and cash equivalents during the period	23,735,589	(5,010,530)	(504,930)	(947,335)
Cash and cash equivalents at the beginning of the year	41,839,377	46,849,907	(2,178,619)	(1,231,284)
<b>Cash and cash equivalents at the end of the period</b>	<b>65,574,966</b>	<b>41,839,377</b>	<b>(2,683,549)</b>	<b>(2,178,619)</b>
<b>Analysis of cash and cash equivalents at the end of the period</b>				
Cash in Hand and Favorable Bank Balances	73,840,488	51,133,160	945,468	281,209
Unfavorable Bank Balances used for cash management purposes	(8,265,523)	(9,293,783)	(3,629,017)	(2,459,828)
	<b>65,574,966</b>	<b>41,839,377</b>	<b>(2,683,549)</b>	<b>(2,178,619)</b>

Figures in brackets indicate deductions.

The above figures are not audited

- 1** The Statement of Financial Position as at 31 March 2019, Income Statement, Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity of the Company and the Group for the year ended there of are drawn up from unaudited financial statements of the Company, its subsidiaries, associates and joint ventures and provide information as required by the Colombo Stock Exchange and LKAS 34. Further, provisions of the Companies Act No.7 of 2007 has been considered in preparing the said financial statements of the Company and of the Group.

The presentation and classification of the financial statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.

The interim condensed financial statements are presented in Sri Lankan Rupees (LKR) and all values are rounded to the nearest thousand except when otherwise indicated.

- 2** Accounting policies and methods of computation as stated in the Financial Statements for 2017/18 are followed in the preparation of these Interim Financial Statements.
- 3** Revenue includes revenue from trading, manufacturing, leisure, plantation and other activities of the Group.
- 4** Interest income and income represent the income receivable for the period on all contracts, rentals on operating leases, income on factoring of client debtors, earned premium on insurance contracts and IT service fees. It includes 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** Other income / (expenses) includes foreign exchange gains / (losses), realized capital gains, capital gains and losses arising from marked to market valuation of quoted shares held for trading purposes, rent income and dividend.
- 6** All expenses related to management expenditure is fully provided for in the financial statements.
- 7** There are no significant changes in the nature of the contingent liabilities disclosed in the Financial Statements for the year ended 31 March 2018
- 8** Market prices of ordinary shares recorded during the quarter ended 31st March 2019 are as follows;

	<b>Rs.</b>
Closing price	88.90
Highest Price	100.00
Lowest Price	87.20

**9 Information on Company's listed debentures**

**9.1 Interest rate of comparable government security**

Buying and Selling prices of Treasury Bonds at the auction held on 27 March 2019

	Buying	Selling
4 Year Bond		
Price	97.41	97.68
Yield - %	10.79	10.69
5 Year Bond		
Price	7.12	97.84
Yield - %	10.85	10.78

**9.2 Market prices and yield during the period (ex interest)**

	4 Year Bond	5 Year Bond
Price	97.55	97.48
Yield - %	10.74	10.81

Yield to maturity of trade done on 15 March 2019	<b>Current period</b> 11.04%
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Debt to equity - Company	1.65	times
Interest cover - Company	0.61	times
Quick asset ratio - Company	2.41	times

**9.3 The market prices during the period (ex interest)**

Highest price	93.80
Lowest price	93.80
Last traded price	93.80

**10** Significant movement in the figures are noted in the group financial results and financial position as a result of PRASAC Microfinance Institution Limited becoming a subsidiary from an associate in the comparative period. Further, impact is also noted due to divestment of the investments in Hydro & Plantation sector.

**11 One - Off Surplus Arising from Change in Policy Liability Valuation**

Based on directions issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) dated 20 March 2018 and subsequent approval, LOLC LIFE has transferred LKR 256 Mn attributable to non - participating and non unit fund of unit linked business from the life policyholder fund through the Income Statement to the life shareholder fund and held as part of the Restricted Regulatory Reserve under equity in the Statement of Financial Position.

**12 Tax expense**

The New Income Tax Act No.24 of 2017 was certified on 24th October 2017 and is effective from 01 April 2018. Accordingly, Income tax provisions for the year ended 31 March 2018 were made based on rates applicable for the Year of Assessment 2017/18 with Deferred tax for the same period computed based on rates applicable post 1 April 2018.

13 Transition Disclosures - Group

The Group applied modified retrospective method in Transition of both SLFRS 15 (IFRS 15) and SLFRS 9 (IFRS 9) for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below

Reconciliation between the carrying amounts under LKAS 18 and LKAS 39 to the balances reported under SLFRS 9 and SLFRS 15 as at April 01, 2018

Description	Note	LKAS 39 Measurement as at 31st March, 2018		Reclassification	Remeasurement				SLFRS 9 Measurement as at 01st April, 2018		
		Category	Rs.		LOCAL	FOREIGN	Other	SLFRS 15	Rs.	Category	
					ECL	ECL					
Assets											
Cash in hand and favorable bank balances		L&R	51,133,159						51,133,159	AC	
Trading assets - fair value through profit or loss		FVTPL	3,168,463	46,238					3,214,702	FVTPL	
Equity securities	(i)	FVTPL		46,238						FVTPL	
From: Equity instruments at Available for sale				46,238							
From: Equity securities with readily determinable fair values											
Investment securities		AFS/L&R/HTM	80,136,613	(46,238)					80,090,375	FVTOCI_Equity/FVOCI_Debt/AC	
Financial assets measured at fair value through other comprehensive income "FVOCI" (formerly known as Available-for-sale investment securities)	(i)	AFS/L&R/HTM		(46,238)						FVTOCI_Equity/FVOCI_Debt/AC	
Equity securities with readily determinable fair values		AFS		(3,652)							
To: Equity instruments to fair value through profit or loss				- 3,652							
Unquoted equity securities		AFS		(42,587)							
To: Equity instruments to fair value through profit or loss				- 42,587							
Finance lease receivables, hire purchases and operating leases	(ii)	L&R	56,724,874		(555,888)				56,168,986	AC	
Finance lease receivables					(555,898)						
Hire purchase receivables					10						
Operating lease receivables											
Advances and other loans	(ii)	L&R	493,251,097		(586,299)	1,730,378			494,395,177	AC	
Advances and loans					(397,251)	1,730,378					
Factoring receivables					(44,126)						
Gold loan advances receivables					(144,922)						
Premium receivables		L&R	1,112,966						1,112,966	AC	
Inventories			4,579,202						4,579,202		
Current tax assets			1,284,652						1,284,652		
Trade and other current assets			26,058,150						26,058,150		
Prepaid lease rentals on leasehold properties			2,305,861						2,305,861		
Investment properties			14,352,331						14,352,331		
Biological Assets;			4,518,114						4,518,114		
Investments in group of companies;	(iii)		17,451,396				(589,145)		16,862,250		
Deferred tax assets			1,914,813			(346,076)			1,568,737		
Intangible assets			13,954,790						13,954,790		
Property, plant and equipment			50,293,014						50,293,014		
Total assets subject to transition impact			822,239,497	0	(1,142,187)	1,384,303	(589,145)	-	821,892,467		

Liabilities and equity									
Bank overdrafts		Financial liabilities at amortised cost	9,293,783					9,293,783	Financial liabilities at amortised cost
Trading liabilities - fair value through profit or loss		Fair value through profit or loss	754,089					754,089	Fair value through profit or loss
Deposits liabilities		Financial liabilities at amortised cost	307,528,599					307,528,599	Financial liabilities at amortised cost
Interest bearing borrowings		Financial liabilities at amortised cost	332,254,802					332,254,802	Financial liabilities at amortised cost
Insurance provision - life			2,877,926					2,877,926	
Insurance provision - general			3,438,534					3,438,534	
Current tax payables			4,812,097					4,812,097	
Trade and other payables		Financial liabilities at amortised cost	37,193,512					37,193,512	Financial liabilities at amortised cost
Deferred tax liabilities	(iv)		4,935,030		(319,812)			4,615,217	
Deferred income			184,404					184,404	
Retirement benefit obligations			1,434,161					1,434,161	
Total liabilities subject to transition impact			704,706,937	-	(319,812)		-	-	704,387,125

Description	LKAS 39		Reclassification	Re-measurement				SLFRS 09 & 15	
	Category	Amount		LOCAL	FOREIGN	Other	SLFRS 15	Amount	Category
				ECL	ECL				
Equity									
Stated capital	N/A	475,200						475,200	N/A
Revaluation reserve	N/A	7,583,355						7,583,355	N/A
Cash flow hedge reserve	N/A	(41,025)						(41,025)	N/A
Available for sale reserve	N/A	171,673	(171,673)					0	N/A
Fair Value Reserve	N/A	-	170,191			(493,162)		(322,971)	N/A
Translation Reserve		1,101,554						1,101,554	
Future Taxation Reserve		205,000						205,000	
Statutory Reserve Fund		2,663,011						2,663,011	
Retained earnings	N/A	58,303,245	1,482	(241,932)		(40,963)		58,021,831	N/A
Equity attributable to shareholders of the Company		70,462,014	(0)	(241,932)		(534,125)		69,685,957	
Non-controlling interests		47,070,547		803,860		(55,020)		47,819,386	
Total liabilities and equity		822,239,497	(0)	561,928	-	(589,145)	-	821,892,467	

The Impact on Retained Earnings by Transition to SLFRS 9 and SLFRS 15 is as follows,		Retained Earnings	Non-controlling interest
Closing balance under LKAS 39 as at 31st March 2018		58,303,245	47,070,547
Re-measurement adjustments on adoption of SLFRS 9			
Recognition of SLFRS 9 ECLs for loans and investments		(410,506,417)	998,697,182
Deferred tax on above		168,573,984	(194,837,139)
Transfer of AFS reserve to fair value reserve		1,481,845	-
Impact for Equity Accounted Investees		(40,962,518)	(55,020,442)
Total change in equity due to adoption of SLFRS 9		(281,413,105)	748,839,601
Adjusted Opening balance under SLFRS 9 and SLFRS 15 as at 1st April 2018		(223,109,861)	795,910,148

As at April 1, 2018, the Group has classified few equity investments which were classified under AFS category to FVTPL category since the relevant investments did not meet the SPPI criterion and business model justification within FVOCI\_Equity investment. Therefore, it elected to classify all of these instruments as Fair Value through Profit & Loss Investments..

- (i) Under LKAS 39, loans and advances were categorised as loans and receivables and measured at amortised cost. These assets classified as financial assets measured at amortised cost under SLFRS 9. As per SLFRS 9, financial assets measured at amortised cost are subject to expected credit loss. Therefore Group has recognised expected credit losses for loans and advances.
- (iii) This represents the impact due to adoption of SLFRS 09 and 15 at investments where Group has Significant Influence. Accordingly, Group has recognize the relevent impact of Equity Accounted Investees as of the measurement date.
- (iv) The net decrease in deferred tax liabilities was due to impact that arose from expected credit loss.



13.1 Transition Disclosures - Company

The Group applied modified retrospective method in Transition of both SLFRS 15 (IFRS 15) and SLFRS 9 (IFRS 9) for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below

Reconciliation between the carrying amounts under LKAS 18 and LKAS 39 to the balances reported under SLFRS 9 and SLFRS 15 as at April 01, 2018

Description	Note	LKAS 39 Measurement as at 31st March, 2018		Reclassification	Remeasurement			SLFRS 9 Measurement as at 01st April, 2018	
		Category	Rs.		ECL	Other	SLFRS 15	Rs.	Category
Assets									
Cash in hand and favorable bank balances		L&R	281,209					281,209	AC
Trading assets - fair value through profit or loss		FVTPL	341,399					341,399	FVTPL
Equity securities		FVTPL	341,399					341,399	FVTPL
To: Designated Equity instruments to FVOCI									
From: Equity securities with readily determinable fair values			341,399						
Investment securities		AFS/L&R/HTM	9,936,231					9,936,231	FVTOCI/AMORTISED COST
Financial assets measured at fair value through other comprehensive income "FVOCI" (formerly known as Available-for-sale investment securities)		AFS	380,209					380,209	EVTOCI_Equity/FVOCI_Debt/AC
Designated Financial assets measured at fair value through other comprehensive income "FVOCI" (formerly known as Available-for-sale investment securities)									
From: Designated Equity instruments at Available for sale		AFS	380,209					380,209	
From: Equity securities with readily determinable fair values			380,209						
Financial assets at amortised cost ((formerly known as Loans & receivables)		L&R	9,556,021					9,556,021	AC
Government securities		L&R	9,556,021					9,556,021	
To: Debt instruments at FVOCI									
To: Financial Investments – AC				9,556,021					
To: Financial Investments – Held to maturity									
From: Debt instruments at Available for sale									
From: Financial Investments – Loans and receivables			9,556,021	(9,556,021)					
From: Financial Investments – Held to maturity									
Finance lease receivables, hire purchases and operating leases		Loans and receivables	2,888	-				2,888	AC
Hire purchase receivables									
Operating lease receivables			2,888						
Advances and other loans		Loans and receivables	2,342,041	-	16,570			2,358,611	AC
Advances and loans			2,342,041		16,570				

Trade and other current assets	18,307,043				18,307,043	
Financial Assets	18,111,707				18,111,707	Financial assets at amortised cost
Non-financial Assets	195,337				195,337	
Investment properties	882,500				882,500	
Investments in group of companies;	72,615,092				72,615,092	
Subsidiary companies	68,301,091					
Equity accounted investees - Associates	4,314,001					
Intangible assets	220,378				220,378	
Property, plant and equipment	5,369,611				5,369,611	
Total assets subject to transition impact	110,723,057	-	16,570	-	-	110,739,627
Liabilities and equity						
Bank overdrafts	2,459,828				2,459,828	Financial liabilities at amortised cost
Trading liabilities - fair value through profit or loss						Fair value through profit or loss
Deposits liabilities						Financial liabilities at amortised cost
Interest bearing borrowings	51,781,300				51,781,300	Financial liabilities at amortised cost
Insurance provision - life	-					
Insurance provision - general	-					
Current tax payables	718,156				718,156	
Trade and other payables	3,513,804				3,513,804	Financial liabilities at amortised cost
Deferred tax liabilities	323,146		4,640		327,786	
Deferred income	-					
Retirement benefit obligations	291,462				291,462	
Total liabilities subject to transition impact	59,087,696	-	-	4,640	-	59,092,336
Equity						
Stated Capital	475,200				475,200	
Reserves (Except Fair Value Reserve)	2,920,503				2,920,503	
Fair Value Reserve on AFS	9,708				9,708	
Closing balance under LKAS 39 as at 31 March, 2018						
Impact of adoption of SLFRS 9 on Available for reserve	9,708				9,708	
Retained earnings	48,229,949				48,229,949	
Closing balance under LKAS 39 as at 31 March, 2018						
Recognition of SLFRS 9 ECLs including those measured at FVOCI		16,570			16,570	
Deferred tax in relation to ECL			(4,640)		(4,640)	
Impact of adoption of SLFRS 9 on retained earnings	48,229,949	16,570	(4,640)		48,241,880	
Total change in equity due to adopting SLFRS 9	51,635,360	-	16,570	(4,640)	-	51,647,291

*For the year ended 31 March 2019*

	Financial Services	Long term & General Insurance	Manufacturing & Trading	Leisure & Entertainment	Plantation & Hydro power	Equity Accounted Investees	Others / Eliminations	Total
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
Gross income	152,656,147	6,773,153	24,895,180	1,853,414	2,919,171	-	(11,072,667)	<b>178,024,399</b>
Net interest cost	(68,138,619)	(10,427)	(4,525,878)	(2,301,958)	(616,598)	-	4,471,705	<b>(71,121,776)</b>
Cost of sales	(1,416,625)	-	(14,262,477)	(486,598)	(785,032)	-	(159,090)	<b>(17,109,822)</b>
<b>Profit before operating expenses</b>	<b>83,100,903</b>	<b>6,762,726</b>	<b>6,106,825</b>	<b>(935,142)</b>	<b>1,517,540</b>	-	<b>(6,760,052)</b>	<b>89,792,801</b>
Operating expenses	(57,494,099)	(6,937,838)	(3,020,643)	(1,265,148)	(1,378,862)	-	6,008,291	<b>(64,088,299)</b>
<b>Results from operating activities</b>	<b>25,606,804</b>	<b>(175,112)</b>	<b>3,086,182</b>	<b>(2,200,289)</b>	<b>138,678</b>	-	<b>(751,761)</b>	<b>25,704,502</b>
Share of profits of equity accounted investees	-	-	-	-	-	1,108,860	-	<b>1,108,860</b>
<b>Profit before taxation</b>	<b>25,606,804</b>	<b>(175,112)</b>	<b>3,086,182</b>	<b>(2,200,289)</b>	<b>138,678</b>	<b>1,108,860</b>	<b>(751,761)</b>	<b>26,813,361</b>

*For the year ended 31 March 2018*

Gross income	133,283,593	6,393,399	21,112,287	3,292,333	3,363,490	-	(17,928,888)	149,516,214
Net interest cost	(57,631,460)	(8,503)	(1,808,925)	(1,698,925)	(547,715)	-	3,177,819	(58,517,709)
Cost of sales	-	-	(14,038,553)	(380,814)	(948,022)	-	(60,759)	(15,428,148)
<b>Profit before operating expenses</b>	<b>75,652,133</b>	<b>6,384,896</b>	<b>5,264,809</b>	<b>1,212,594</b>	<b>1,867,753</b>	-	<b>(14,811,828)</b>	<b>75,570,357</b>
Operating expenses	(48,867,031)	(5,678,491)	(4,269,736)	(1,348,338)	(1,488,595)	-	8,910,786	<b>(52,741,405)</b>
<b>Results from operating activities</b>	<b>26,785,102</b>	<b>706,405</b>	<b>995,073</b>	<b>(135,744)</b>	<b>379,158</b>	-	<b>(5,901,042)</b>	<b>22,828,952</b>
Share of profits of equity accounted investees	-	-	-	-	-	1,763,093	-	1,763,093
Results on acquisition and divestment of group investments	-	-	-	-	-	-	63,774	63,774
<b>Profit before taxation</b>	<b>26,785,102</b>	<b>706,405</b>	<b>995,073</b>	<b>(135,744)</b>	<b>379,158</b>	<b>1,763,093</b>	<b>(5,837,268)</b>	<b>24,655,819</b>

*For the year ended 31 March 2019*

	Financial Services	Long term & General Insurance	Manufacturing & Trading	Leisure & Entertainment	Plantation & Hydro power	Equity Accounted Investees	Others / Eliminations	Total
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
Net impairment (loss) / reversal on financial assets	13,951,754	10,163	81,676	2,197	-	-	9,417	<b>14,055,206</b>
Depreciation and amortization	1,592,448	66,253	436,070	253,462	258,317	-	(8,885)	<b>2,597,664</b>
<b>Total assets (as at 31 March 2019)</b>	<b>1,025,314,730</b>	<b>12,337,061</b>	<b>86,705,994</b>	<b>55,763,997</b>	<b>10,745,557</b>	-	<b>(146,952,495)</b>	<b>1,043,914,844</b>
<b>Total liabilities (as at 31 March 2019)</b>	<b>850,021,699</b>	<b>8,436,683</b>	<b>35,422,149</b>	<b>29,867,137</b>	<b>7,214,488</b>	-	<b>(38,981,560)</b>	<b>891,980,594</b>

*For the year ended 31 March 2018*

Net impairment (loss) / reversal on financial assets	10,004,888	1,401	34,894	640	-	-	15,316	<b>10,057,139</b>
Depreciation and amortization	1,431,674	56,158	301,729	245,800	251,845	-	33,689	<b>2,320,895</b>
<b>Total assets (as at 31 March 2018)</b>	<b>800,514,742</b>	<b>11,669,929</b>	<b>53,917,652</b>	<b>48,300,318</b>	<b>10,255,848</b>	-	<b>(102,418,998)</b>	<b>822,239,491</b>
<b>Total liabilities (as at 31 March 2018)</b>	<b>669,241,356</b>	<b>7,704,977</b>	<b>28,128,828</b>	<b>21,995,638</b>	<b>6,809,506</b>	-	<b>(29,173,371)</b>	<b>704,706,934</b>

**LOLC Holdings PLC**  
**(Formerly known as Lanka Orix Leasing Company PLC)**  
**Valuation of Financial Assets and Liabilities**

Rs'000							
As at 31 March 2019 - Group	Fair value - derivatives	Fair value - held for trading	Fair value through other comprehensive income - available for sale	Amortised cost / Not measured at fair value	Total carrying amount	Fair value	Fair value measurement level
Financial assets recognised through profit or loss/Trading assets - fair value through profit or loss	-	8,308,127	-	-	8,308,127	8,308,127	Level 1 and Level 2
Investment securities	-	-	18,815,024	77,203,143	96,018,167	96,018,167	Level 1 and Level 2
Financial assets at amortised cost/ Finance lease receivables, hire purchases and operating leases	-	-	-	56,425,041	56,425,041	55,838,221	Level 3
Financial assets at amortised cost/ Advances and other loans	-	-	-	650,363,827	650,363,827	649,943,042	Level 3
<b>Total financial assets</b>	<b>-</b>	<b>8,308,127</b>	<b>18,815,024</b>	<b>783,992,012</b>	<b>811,115,163</b>	<b>810,107,557</b>	
Trading liabilities - fair value through profit or loss	841,492	-	-	-	841,492	841,492	Level 1
Financial Liabilities at Amortised Cost/ Deposits liabilities	-	-	-	452,075,041	452,075,041	454,787,491	Level 3
Financial Liabilities at Amortised Cost/ Interest bearing borrowings	-	-	-	377,926,886	377,926,886	380,194,447	Level 3
<b>Total financial liabilities</b>	<b>841,492</b>	<b>-</b>	<b>-</b>	<b>830,001,926</b>	<b>830,843,418</b>	<b>835,823,430</b>	

Rs'000							
As at 31st March 2018 - Group	Fair value - derivatives	Fair value - held for trading	Fair value through other comprehensive income - available for sale	Amortised cost / Not measured at fair value	Total carrying amount	Fair value	Fair value measurement level
Trading assets - fair value through profit or loss	-	3,168,463	-	-	3,168,463	3,168,463	Level 1 and Level 2
Investment securities	-	-	12,434,835	67,701,778	80,136,613	55,379,321	Level 1 and Level 2
Finance lease receivables, hire purchases and operating leases	-	-	-	56,724,874	56,724,874	57,299,901	Level 3
Advances and other loans	-	-	-	493,251,097	493,251,097	493,781,850	Level 3
<b>Total financial assets</b>	<b>-</b>	<b>3,168,463</b>	<b>12,434,835</b>	<b>617,677,749</b>	<b>633,281,047</b>	<b>609,629,535</b>	
Trading liabilities - fair value through profit or loss	754,089	-	-	-	754,089	754,089	Level 1
Deposits liabilities	-	-	-	307,528,600	307,528,600	308,359,254	Level 3
Interest bearing borrowings	-	-	-	332,254,802	332,254,802	333,936,603	Level 3
<b>Total financial liabilities</b>	<b>754,089</b>	<b>-</b>	<b>-</b>	<b>639,783,402</b>	<b>640,537,491</b>	<b>643,049,946</b>	

**LOLC Holdings PLC**

(Formerly known as Lanka Orix Leasing Company PLC)

Statement of Directors' holding and Chief Executive Officer's holding in shares of the Entity as at 31 March 2019

Directors Name	No of shares	%
Mr. I C Nanayakkara <i>Held shares in the following manner</i>		
Mr. I C Nanayakkara	91,613,792	19.279
Sampath Bank PLC/ I C Nanayakkara	61,774,000	13.000
Commercial Bank of Ceylon PLC/ I C Nanayakkara	79,000,000	16.625
Mr. W D K Jayawardena <i>Group Managing Director / CEO</i>	-	-
Mrs. K U Amarasinghe	23,760,000	5.000
Deshamanya M D D Peiris	-	-
Mr. R A Fernando	12,600	0.003

Top 20 shareholders as at 31 March 2019

	Shareholder	No. of Shares	% of Issued Capital
1	LOLC Capital (Private) Limited	146,265,983	30.780
2	Mr. I C Nanayakkara	91,613,792	19.279
3	Commercial Bank of Ceylon PLC/ I C Nanayakkara	79,000,000	16.625
4	Sampath Bank PLC/ Ishara Chinthaka Nanayakkara	61,774,000	13.000
5	Mrs. K U Amarasinghe	23,760,000	5.000
6	Employees Provident Fund	15,182,259	3.195
7	BBH - Matthews International Funds-Matthews Asia Growth Fund	12,121,473	2.551
8	Kashyapa Capital (Pvt) Ltd	8,671,625	1.825
9	BBH - Matthews Emerging Asia Funds	7,511,241	1.581
10	Mrs. I Nanayakkara	2,827,948	0.595
11	Mr. R C De Silva	1,710,000	0.360
12	J B Cocoshell (Pvt) Ltd	1,529,920	0.322
13	Swastika Mills LTD	985,703	0.207
14	Mrs. S N Fernando	818,440	0.172
15	Dr. M Ponnambalam	722,616	0.152
16	Mr. G G Ponnambalam	716,818	0.151
17	Sampath Bank PLC/ Capital Trust Holdings Limited	550,000	0.116
18	Mr. R Maheswaran	500,000	0.105
19	Miss. A Radhakrishnan	500,000	0.105
20	Miss. M P Radhakrishnan	500,000	0.105
		<b>457,261,818</b>	<b>96.225</b>

The Public Shareholding as at 31 March 2019 was 15.31 % comprising of 2,817 shareholders.

**31st March 2019**

The float adjusted market capitalization  
Public Shareholding  
No. of Public shareholders  
Compliance Level

6,469,573,485  
15.31%  
2,817  
Complied under Option 02