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working world

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SPF/CPEG/JJ

The Board of Directors
Commercial Credit and Finance PLC
No. 106, Yatinuwara Veediya
Kandy

23 March 2015

Accountants' report for inclusion in the prospectus of Commercial Credit and Finance PLC

Dear Sirs,

Introduction

This report has been prepared for the inclusion in the Prospectus of Commercial Credit and Finance PLC ("Company") for the offering of Ten Million (10,000,000) Listed, Rated, Subordinated, Guaranteed, Redeemable Debentures with a value of Rupees One Billion (Rs.1,000,000,000/-).

We have examined the financial statements of Commercial Credit and Finance PLC for the years ended 31 March 2010 to 31 March 2014 and report as follows.

1. Incorporation

Commercial Credit and Finance PLC is a public quoted company incorporated and domiciled in Sri Lanka. The registered office of the Company and the principal place of business is situated at No. 106, Yatinuwara Veediya, Kandy. It is a finance Company, Licensed, by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011.

The Company provides a comprehensive range of financial services encompassing acceptance of deposits, granting of lease facilities, hire purchase, personal loan, micro loans, pawing and other credit facilities, real estate development and other relates services.

2. Financial Information

2.1 Five Year Summary of Audited Financial Statements

A summary of Income Statements, Statements of Comprehensive Income, Statements of Financial Position/ Balance Sheet, Statements of Changes in Equity and Cash Flow Statements of Commercial Credit and Finance PLC for the financial years ended 31 March 2010 to 31 March 2014, based on the audited financial statements, are attached to this Accountants Report.

2.2 Audited Financial Statements for the year ended 31 March 2014

Our audit report on the Financial Statements for the year ended 31 March 2014 together with such financial statements comprising Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement along with the accounting policies and notes thereon, is available on the websites of the Company and the Colombo Stock Exchange where the management is responsible for the electronic presentation of the financial report and to ensure the electronic version of the audited financial report and the auditor's report on the website is identical to the final signed hard copy version.

2.3 Audit Reports

- a) Year ended 31 March 2010, Messrs. L M Associates has issued a qualified audit opinion by way of their auditor's report dated 3 February 2011. The qualifications are as follows;

Disagreement with the management

As discussed in note 4.18, profit on sale of real estate under easy payment scheme amounting to Rs. 17,272,424/- has been recognized upon entering into the contract of agreement to sell. However, the equitable interest and legal title of the property are transferred to the buyer upon settlement of 100% of the installment. In our opinion, the company had not transferred to the buyer, the significant risk and rewards of ownership of the land, and retains continuing managerial involvement to the degree usually associated with ownership and effective control of the land at the time of entering into an agreement to sell, which is not in compliance with Sri Lanka Accounting Standard - 29 "Revenue Recognition". Accordingly, profit for the year has been overstated by the said amount.

As discussed in note 35-H, assessment of net realizable value of real estate stock was carried out as at 31 March 2010 and the provision for fall in value amounting to Rs.36,034,423/- has been adjusted through reserves. In our opinion, it is not a prior period error in accordance with Sri Lanka Accounting Standards - 10 "Accounting policies, Changes in Accounting Estimates and Errors". Therefore, profit for the year has been overstated by the said amount.

As discussed in note 35-F and G, advance company tax amounting to Rs. 1,671,329/- and GST receivable amounting to Rs. 1,060,890/- had been charged to retained earnings due to non availability of information. In our opinion, it is not a prior period error in accordance with Sri Lanka Accounting Standards - 10 "Accounting policies, Changes in Accounting Estimates and Errors". Therefore, profit for the year has been overstated by Rs.2,732,219/-.



Report on Legal and Other Regulatory Requirements

The Company has not maintained the minimum core capital as required by the Central Bank Direction No 1 of 2006 throughout the year.

The audit committee does not comprise solely of Non-Executive directors as required by the Central Bank Direction No. 03 of 2008.

Except for the above, the financial statements also comply with the requirements of Section 151(2) of the Companies Act No. 07 of 2007 and Finance Companies Act No. 78 of 1988.

- b) Year ended 31 March 2011, Messrs. Ernst & Young has issued a qualified audit opinion by way of their auditor's report dated 25 October 2011. The qualifications are as follows;

Scope Limitation

Up to the beginning of the current financial year, the Company's practice was to recognise profit on sale of real estate under easy payment scheme upon entering to the contract of agreement to sell, which is not in compliance with Sri Lanka Accounting Standards - 29 "Revenue Recognition". Despite the fact that this was changed from the current year onwards, in the absence of adequate audit evidence we were unable to satisfy our selves as to the effect of the amounts which should have been included in the current years' income, in relation to such contracts relevant to prior years.

We were engaged to undertake the audit on 9 April 2011, subsequent to the balance sheet date, and therefore it has not been feasible to review or observe the performance of internal controls in operation for the current year in relation to, contingent liabilities, commitments and disclosure of related party transactions. We have not been able to perform alternative audit procedures that provide sufficient and appropriate audit evidence whether contingent liabilities, commitments and disclosures of related party transactions are fairly stated.

In the absence of a break-up of an amount of Rs.12,210,291/- included in accrued expenses and other payables as given in Note18, we were unable to carryout audit procedures to satisfy ourselves in relation to the fairness of the same.

- c) Year ended 31 March 2012, Messrs. Ernst & Young has issued an unqualified audit opinion by way of their auditor's report dated 27 June 2012.
- d) Year ended 31 March 2013, Messrs. Ernst & Young has issued an unqualified audit opinion by way of their auditor's report dated 20 June 2013.
- e) Year ended 31 March 2014, Messrs. Ernst & Young has issued an unqualified audit opinion by way of their auditor's report dated 28 May 2014.



2.4 Accounting Policies

The financial statements of the Company for the years ended 31 March 2010 to 31 March 2014 comply with Sri Lanka Accounting Standards.

The accounting policies of the Company are stated in detail in the audited financial statements of the Company for the year ended 31 March 2014. There were no material changes in the accounting policies of the Company for the years ended 31 March 2010 to 31 March 2014, except for adoption of revised Sri Lanka Accounting Standards during the year ended 31 March 2013.

First-time adoption of Sri Lanka Accounting Standards ("SLFRS/LKAS")

For all periods up to and including the year ended 31 March 2011, the Company has prepared its financial statements in accordance with previous Sri Lanka Accounting Standards (SLASs). The Financial statements, for the year ended 31 March 2012 are the first Bank has prepared in accordance with revised Sri Lanka Accounting Standards comprising SLFRS and LKAS effective for the period beginning on or after 1 January 2012.

2.5 Dividends

The Company has declared and paid dividends in respect of Ordinary Shares for the years ended 31 March 2010 to 31 March 2014 in the following manner.

Year	Dividend Paid (Rs.)	Dividend per Share (Rs.)
2010	-	-
2011	-	-
2012	-	-
2013	218,074,365	1.00
2014	119,037,182	0.50

2.6 Events after Reporting Date

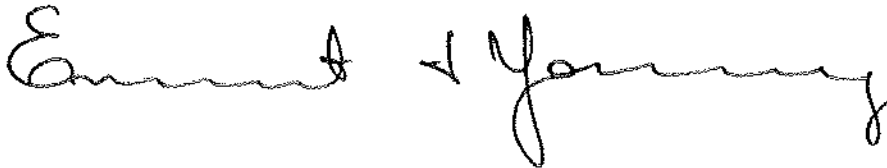
There were no material events have taken place since 31 March 2014 that require disclosure or/and adjustments in these financial statements for the year ended 31 March 2014.



2.7 Restriction on Use

This report is made solely for the purpose of the Board of Directors of Commercial Credit and Finance PLC in usage in the application for the purpose of offering of Ten Million (10,000,000) Listed, Rated, Subordinated, Guaranteed, Redeemable Debentures with a value of Rupees One Billion (Rs.1,000,000,000/-). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the addressee, for our audit work, for this report we have formed. This report should not to be used, circulated, quoted or otherwise referred to for any other purpose.

Yours faithfully

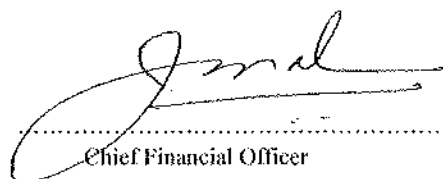


Five Year Summary
Commercial Credit and Finance PLC

INCOME STATEMENT

Year ended 31 March

	Presentation under SLFRS		
	2014 Rs.	2013 Rs.	2012 Rs.
Revenue	7,371,775,193	4,292,016,912	2,681,406,414
Interest income	6,913,771,563	3,963,167,955	2,442,085,675
Interest expenses	(2,876,129,467)	(1,555,155,807)	(700,285,490)
Net interest income	4,037,642,096	2,408,012,148	1,741,800,185
Fee and commission income	348,436,956	218,902,617	112,763,479
Fee and commission expenses	(121,491)	(1,300,827)	-
Net fee and commission income	348,315,465	217,601,790	112,763,479
Net income from Real estate sales	109,566,674	109,946,340	126,557,260
Net gain from trading	(1,834,602)	453,480	(13,862,705)
Other operating income	64,028,357	18,712,305	56,434,248
Change in fair value of Investment property	118,028,753	90,369,899	110,428,860
Total operating income	4,675,746,743	2,845,095,962	2,134,121,327
Impairment Charges of loans and advances, Lease and financial assets	(759,605,386)	(256,505,165)	(209,033,144)
Net operating income	3,916,141,357	2,588,590,797	1,925,088,183
Operating expenses			
Personnel costs	(1,500,359,096)	(929,026,905)	(510,869,261)
Depreciation of Property, Plant and Equipment	(73,474,544)	(42,135,943)	(27,116,918)
Other operating expenses	(981,362,078)	(649,356,795)	(343,354,339)
Operating profit before Value Added Tax on financial services	1,360,945,639	968,071,154	1,043,747,665
Value Added Tax on financial services	(166,441,861)	(102,366,938)	(83,327,031)
Profit before Taxation	1,194,503,778	865,704,216	960,420,634
Income Taxation	(186,667,253)	(186,303,188)	(304,811,985)
Profit for the year	1,007,836,525	679,401,028	655,608,649
Basic Earnings Per Share (Rs)	4.20	3.12	3.04
Dividend Per Share (Rs.)	0.50	1.00	-


Chief Financial Officer

Above summarised financial information and its extraction from audited financial statements, is the responsibility of the Board of Directors.

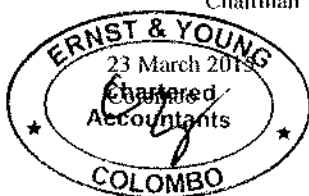
Signed for and on behalf of the Board of Directors by :



Chairman



Director




Five Year Summary

Commercial Credit and Finance PLC

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March


	Presentation under SLFRS		
	2014 Rs.	2013 Rs.	2012 Rs.
Profit for the year	1,007,836,525	679,401,028	655,608,649
Net losses on remeasuring Available-for-sale financial assets	(3,028,152)	(139,634)	-
Revaluation gain	-	9,665,432	-
Deferred tax charge relating to revaluation gain on building	-	(2,078,281)	-
Actuarial Gains and (Losses) on Defined Benefit Plans	(8,192,928)	-	-
Deferred tax charge relating to Actuarial Loss on Defined Benefit Plans	2,294,020	-	-
Other Comprehensive Income for the year, net of taxes	(8,927,060)	7,447,517	-
Total Comprehensive Income for the year	998,909,465	686,848,545	655,608,649



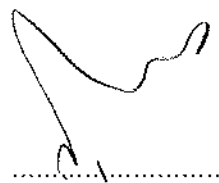
 Chief Financial Officer

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Signed for and on behalf of the Board of Directors by :



 Chairman



 Director




Five Year Summary
Commercial Credit and Finance PLC

INCOME STATEMENT


Year ended 31 March


	Previous Presentation under SLAS	
	2011 Rs.	2010 Rs.
Income	1,258,391,240	425,466,094
Interest Income	1,112,597,093	377,101,417
Interest Expense	410,109,441	206,700,994
Net Interest Income	702,487,652	170,400,423
Net Income from Real Estate	71,883,738	22,961,942
Other Operating Income	73,910,409	25,402,735
Less: Operating Expenses		
Staff Costs	291,573,186	114,310,266
Provision for Staff Retirement Benefits	4,439,162	2,440,000
General and Administration Expenses	201,310,791	87,023,920
Provision for fall in value of investments, Bad and Doubtful Loans and Write Offs	69,048,637	33,768,762
Profit/(loss) from Operations	281,910,023	(18,777,848)
Value Added Tax on Financial Services	(37,543,728)	(7,164,561)
Profit/(Loss) before Taxation	244,366,295	(25,942,409)
Provision for Income Taxation	(184,271,908)	71,132,513
Profit for the year	60,094,387	45,190,104
Earnings Per Share	4.42	9.33


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Chief Financial Officer

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Signed for and on behalf of the Board of Directors by :

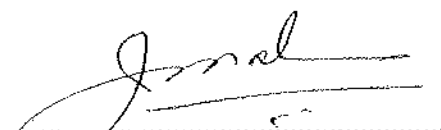

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Chairman


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Director



Five Year Summary
Commercial Credit and Finance PLC
STATEMENT OF FINANCIAL POSITION
As at 31 March

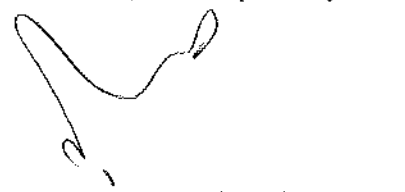
	Presentation under SI.FRS			As at 01 April
	2014 Rs.	2013 Rs.	2012 Rs.	2011 Rs.
Cash and Bank balances	1,123,107,655	395,655,343	140,960,720	203,708,480
Reverse repurchase agreements	597,417,466	253,280,283	163,173,162	10,000,000
Placement with banks	624,132,013	572,721,124	378,394,198	112,055,502
Financial instruments - Held for trading	728,352,621	192,108,613	122,540,217	97,134,220
Loans and Advances	17,186,030,902	9,422,772,398	4,485,570,624	1,884,175,207
Lease rentals receivable & Stock out on hire	8,745,616,189	5,063,153,448	3,927,521,756	2,439,291,395
Financial instruments - Available for sale	238,098,722	112,841,984	917,900	201,900
Other financial assets	129,554,635	27,073,634	16,166,792	14,453,857
Real estate and Vehicle stock	484,329,253	694,218,225	383,018,079	152,841,459
Other assets	146,982,228	109,053,218	126,601,381	51,154,462
Investment property	936,904,000	868,772,125	200,000,000	26,000,000
Property, plant and equipment	607,580,081	557,661,240	290,504,802	238,531,843
Intangible assets	55,599,881	7,078,015	-	-
Prepaid rent	8,679,127	8,801,176	8,924,822	9,047,039
Deferred tax asset	30,825,418	-	-	-
Total Assets	31,643,210,191	18,285,190,826	10,244,294,453	5,238,595,364
Liabilities				
Due to banks	3,298,275,965	2,106,875,337	1,517,720,558	594,985,722
Due to customers	22,855,779,162	13,155,608,625	6,925,890,077	3,958,393,628
Debt instruments issued and Other borrowed funds	953,712,733	689,281,775	-	-
Other financial liabilities	780,981,399	562,045,169	383,462,112	192,814,235
Other liabilities	114,362,262	159,234,176	124,374,592	113,960,424
Post employment benefit obligations	52,514,650	26,635,261	17,843,334	13,489,412
Current tax liabilities	284,574,699	12,389,590	186,631,021	33,133,613
Deferred tax liabilities	-	119,775,855	103,801,901	2,856,121
Total liabilities	28,340,200,870	16,831,845,788	9,259,723,595	4,909,633,155
Shareholders' Funds				
Stated capital	1,478,640,315	470,640,315	170,640,315	170,640,315
Retained earnings	760,622,312	260,967,683	347,880,454	(100,176,841)
Reserves	1,063,746,694	721,737,040	466,050,089	258,498,735
Total Shareholders' Funds	3,303,009,321	1,453,345,038	984,570,858	328,962,209
Total Liabilities and Shareholders' Funds	31,643,210,191	18,285,190,826	10,244,294,453	5,238,595,364
Commitments and Contingencies	140,816,974	98,370,543	11,813,579	11,955,027

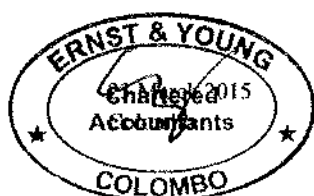

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Chief Financial Officer

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Signed for and on behalf of the Board of Directors by :


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Chairman


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Director

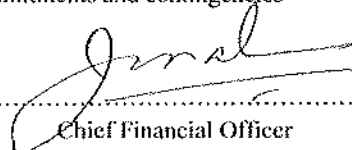


Five Year Summary
Commercial Credit and Finance PLC

BALANCE SHEET

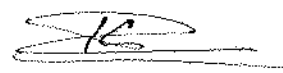
As at 31 March


	Previous Presentation under SLAS 2010 Rs.
Assets	
Cash and bank balance	51,924,106
Treasury bills	116,251,251
Placements with other banks	9,706,520
Loans and advances	389,762,504
Lease rentals receivable & Stock out on hire	1,300,555,245
Real estate and Vehicle stock	44,777,435
Other Debtors, Deposits and Prepayments	36,353,283
Investment securities	201,900
Dealing securities	55,084
Tax receivables	7,913,443
Property, plant and equipment	160,488,214
Leasehold property	9,207,644
Investment property	22,000,000
Deferred tax assets	121,445,236
Total Assets	<u><u>2,270,641,865</u></u>
Liabilities	
Deposits from customers	1,732,958,193
Borrowings	81,795,887
Other liabilities	219,073,395
Employment benefit liability	9,889,650
	<u><u>2,043,717,125</u></u>
Shareholders' Fund	
Stated capital	73,718,375
Reserves	153,206,365
Total equity	<u><u>226,924,740</u></u>
Total equity and liability	<u><u>2,270,641,865</u></u>
Commitments and contingencies	<u><u>11,459,264</u></u>


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Chief Financial Officer

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Signed for and on behalf of the Board of Directors by :


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Chairman


.....
Director



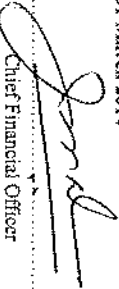
Five Year Summary

Commercial Credit and Finance PLC

RESTATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March

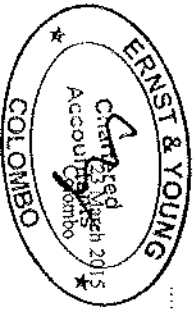
	Stated Capital Rs.	Revaluation Reserve Rs.	General Reserve Rs.	Presentation under SIFRS Retained Earnings Rs.	Statutory Reserve Rs.	Investment Fund Reserve Rs.	Available for Sale Reserve Rs.	Total
Balance as at 31 March 2011	170,640,315	118,415,453	58,751,125	(100,176,841)	73,013,637	8,318,520	-	328,962,209
Net profit for the year	-	-	-	655,608,649	-	-	-	655,608,649
Other comprehensive income net of tax	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	(152,000,000)	152,000,000	-	-	-
Transferred to Statutory Reserve	-	-	-	(35,531,354)	-	55,531,354	-	-
Transferred to Investment Fund Reserve	-	-	-	347,880,454	225,013,637	63,869,874	-	984,570,858
Balance as at 31 March 2012	170,640,315	118,415,453	58,751,125	347,880,454	225,013,637	63,869,874	-	984,570,858
Net profit for the year	-	-	-	679,401,028	-	-	-	679,401,028
Other comprehensive income net of tax	-	7,587,151	-	-	-	-	(139,634)	7,447,517
Total comprehensive income	-	126,002,604	-	1,027,281,482	-	-	-	1,671,419,403
Capitalization of reserves	300,000,000	-	-	(300,000,000)	-	-	-	-
Transferred to Statutory Reserve	-	-	-	(140,000,000)	140,000,000	-	-	-
Transferred to Investment Fund Reserve	-	-	-	(108,239,434)	-	108,239,434	-	-
Final dividend for 2011/12	-	-	-	(21,8074,365)	-	-	-	(218,074,365)
Balance as at 31 March 2013	470,640,315	126,002,604	58,751,125	260,967,683	365,013,637	172,109,308	(139,634)	1,453,345,038
Shares issued during the year	1,008,000,000	-	-	-	-	-	-	1,008,000,000
Cost of the share issue	-	-	-	(38,208,000)	-	-	-	(38,208,000)
Net profit for the year	-	-	-	1,007,836,525	-	-	-	1,007,836,525
Other comprehensive income net of tax	-	-	-	(5,898,908)	-	-	(3,028,152)	(8,927,060)
Total comprehensive income	-	-	-	1,224,697,300	-	-	(3,167,786)	1,968,701,465
Transferred to Statutory Reserve	-	-	-	(202,000,000)	202,000,000	-	-	-
Transferred to Investment Fund Reserve	-	-	-	(143,037,806)	-	143,037,806	-	-
Interim dividend for 2013/2014	-	-	-	(119,037,182)	-	-	-	(119,037,182)
Balance as at 31 March 2014	1,478,640,315	126,002,604	58,751,125	760,622,312	567,013,637	315,147,114	(3,167,786)	3,303,009,321


Chief Financial Officer

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Signed for and on behalf of the Board of Directors by:


Chairman


Director

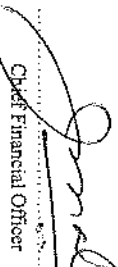


Five Year Summary
Commercial Credit and Finance PLC

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March

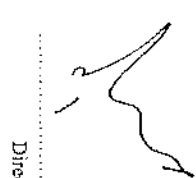
	Stated Capital Rs.	Revaluation Reserve Rs.	Previous Presentation under SLAS				Accumulated Profit/(Loss) Rs.	Total Rs.
			General Reserve Rs.	Reserve Fund Rs.	Investment Fund Reserve Rs.			
Balance as at 01 April 2009	73,718,375	74,603,594	58,751,125	50,294,760	-	(33,319,574)	224,048,280	
Error correction-Write off of bogus contracts	-	-	-	-	-	(2,856,641)	(2,856,641)	
Error correction-Receiveable company advance tax	-	-	-	-	-	(1,671,329)	(1,671,329)	
Error correction-GST Receiveable	-	-	-	-	-	(1,060,890)	(1,060,890)	
Error correction-Write down of Real estate inventory to NRV	-	-	-	-	-	(36,034,423)	(36,034,423)	
Error correction -Suspense Clearance account	-	-	-	-	-	(690,361)	(690,361)	
Net profit for the year	-	-	-	-	-	45,190,103	45,190,103	
Balance as at 1 April 2010	73,718,375	74,603,594	58,751,125	50,294,760	-	(30,443,115)	226,924,759	
Net Profit for the year	-	-	-	-	-	60,094,387	60,094,387	
Right issue of shares for cash	96,921,940	-	-	-	-	-	96,921,940	
Surplus on Revaluation of Property, Plant & Equipment	-	49,892,181	-	-	-	-	49,892,181	
Transferred to Reserve Fund - 2008/09	-	-	-	1,500,000	-	(1,500,000)	-	
- 2009/10	-	-	-	9,200,000	-	(9,200,000)	-	
- 2010/11	-	-	-	12,018,877	-	(12,018,877)	-	
Tax effect of item transferred from Deferred Tax Liability	-	(1,696,011)	-	-	-	-	(1,696,011)	
Transferred to Investment Fund Reserve	-	-	-	-	8,318,520	(8,318,520)	-	
Balance as at 31 March 2011	170,640,315	122,799,764	58,751,125	73,013,637	8,318,520	(1,386,123)	432,137,236	

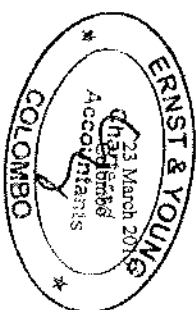

Chief Financial Officer

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Signed for and on behalf of the Board of Directors by :


Chairman


Director

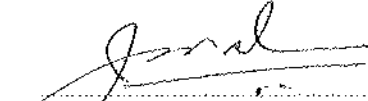


Five Year Summary
Commercial Credit and Finance PLC

CASH FLOW STATEMENTS

Year ended 31 March

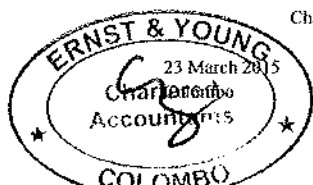
	Presentation under SI.FRS		
	2014 Rs.	2013 Rs.	2012 Rs.
Cash Flows From / (Used in) Operating Activities			
Profit before Income Tax Expense	1,194,503,778	865,704,216	960,420,634
Adjustments for			
Depreciation	73,474,544	42,135,943	27,116,918
Amortisation of Leasehold property	122,049	123,646	122,217
Impairment provision	759,605,386	256,505,165	222,895,849
Profit from Sale of Investments	-	(10,214,650)	(2,009,056)
Appreciation in value of Investment property	(118,028,753)	(90,369,899)	(110,428,860)
Loss/(profit) on disposal of Property, plant and equipment	-	4,137,156	(6,898,076)
Provision for Defined benefit plans	18,786,211	9,171,727	7,543,522
Notional tax credit on interest on Treasury Bills	(9,227,014)	(7,239,424)	(1,415,981)
Net (gain)/loss in Financial Instruments Held for Trading	1,381,122	(453,480)	-
Change in Fair Value of Financial Investments	2,362,501	139,634	-
Provision for fall in market value of Real Estate Stock	-	(28,215,935)	-
Operating profit before working capital changes	1,922,979,824	1,041,424,099	1,097,347,167
Decrease/(Increase) in Real Estate and Vehicle Stock	270,023,097	(282,984,293)	(230,176,621)
Increase in Loans and Advances	(8,195,984,377)	(5,113,755,065)	(2,824,291,267)
Increase in Lease Rentals Receivable & Stock out on hire	(4,009,342,254)	(1,215,583,563)	(1,488,230,361)
Increase in Other Financial Assets	(102,481,001)	(10,906,845)	(1,712,937)
(Increase)/Decrease in Other Assets	(37,929,010)	613,038	(74,030,942)
Increase in Loans and Receivables	(16,868,075)	(194,326,926)	(266,338,696)
Increase in Amounts Due to Customers	9,700,170,537	6,229,718,547	2,967,496,447
Increase in Other Financial Liabilities	218,936,230	120,114,112	150,489,872
(Decrease)/Increase in Other Liabilities	(44,871,914)	91,758,376	50,572,180
Cash generated from Operations	(295,366,943)	666,071,480	(618,875,158)
Retirement Benefit Liabilities paid	(1,099,750)	(379,800)	(3,189,600)
Taxes paid	(56,590,536)	(331,646,111)	(50,368,790)
Net cash flows (used in)/from Operating activities	(353,057,229)	334,045,569	(672,433,548)
Cash flows from / (used in) Investing activities			
Acquisition of Property, plant and equipment	(123,393,385)	(282,338,561)	(83,266,714)
Acquisition of Intangible assets	(48,521,866)	(7,078,015)	-
Additions/subsequent expenditure incurred on Investment Property	(10,237,247)	(578,402,226)	(63,571,140)
Proceeds from Sales of Property, plant and equipment	-	135,672	11,074,913
Net investment in financial instruments- held for trading	(537,625,130)	(58,900,267)	(28,621,945)
Net investment in financial instruments- available for sale	(127,619,239)	(112,063,718)	4,509,000
Net cash flows used in Investing activities	(847,396,867)	(1,038,647,115)	(159,875,886)
Cash flows from / (used in) Financing activities			
Net proceeds from Issue of Shares	969,792,000	-	-
Net cash flow from Debt Instruments issued and Other borrowings	264,430,958	678,322,871	-
Payment under Finance Lease Liabilities	(3,327,599)	(3,511,317)	(5,290,687)
Proceeds from Loans obtained	3,086,421,084	835,860,950	720,500,000
Repayment of Bank Loans	(1,447,955,147)	(448,055,344)	(128,224,243)
Dividend paid	(119,037,182)	(218,074,365)	-
Net cash flows from Financing activities	2,750,324,113	844,542,795	586,985,070
Net increase in Cash and Cash equivalents	1,549,870,018	139,941,249	(245,324,364)
Cash and Cash equivalents at the beginning of the year	(98,108,871)	(238,050,120)	7,274,244
Cash and Cash equivalents at the end of the year	1,451,761,147	(98,108,871)	(238,050,120)
Cash and Cash Equivalents For the Purpose of Cash Flow Statement			
Cash in hand	1,123,107,655	395,655,343	140,960,720
Reverse repurchase agreements	597,417,466	253,280,283	163,173,162
Placements with Bank (less than three months)	34,542,814	-	-
Bank Overdraft	(303,306,788)	(747,044,497)	(542,184,002)
Total Cash and Cash Equivalents For the Purpose of Cash Flow Statement	1,451,761,147	(98,108,871)	(238,050,120)


Chief Financial Officer

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Signed for and on behalf of the Board of Directors by :


Chairman


Director



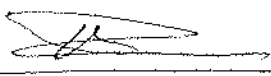
Five Year Summary
Commercial Credit and Finance PLC
CASH FLOW STATEMENTS
Year ended 31 March

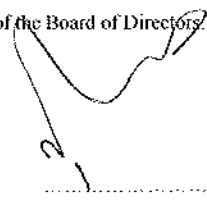
	Previous Presentation under SLAS	
	2011	2010
	Rs.	Rs.
Cash Flows From / (Used in) Operating Activities		
Profit/(Loss) before Tax	244,366,295	(25,942,410)
Adjustments for		
Depreciation	12,154,671	7,590,331
Amortization of Lease Hold Property	160,605	312,120
Provision for doubtful debts	66,004,331	33,768,762
Increase Market Fair Value of Investment Property	(4,000,000)	-
Depreciation in Market Value of Quoted Shares	1,686,898	-
Provision in Market Value of Real Estate Stocks	5,357,409	-
Profit from Sale of Property, Plant and Equipment	(3,946,176)	(952,369)
Provision for Defined Benefit Plans	4,439,163	2,440,000
Notional Tax Credit on Interest on Treasury Bills	(1,219,810)	(1,328,712)
Profit from operation before Working Capital Changes	<u>325,003,386</u>	<u>15,887,722</u>
Increase in Real Estate Stock	(113,421,434)	(37,117,920)
Increase in Lease Rentals Receivable and Stock out on hire	(1,241,343,317)	(568,342,342)
Decrease in Government of Sri Lanka Treasury Bills	19,276,035	10,314,166
Increase in Loans and Advances	(1,569,393,126)	(169,046,484)
Increase in Other Debtors, Deposits, Prepayments	(30,536,345)	(5,238,795)
Increase in Placement with Banks	(100,853,446)	1,463,792
Increase in Deposits from Customers	2,107,534,096	878,384,699
Increase in Other Liabilities	205,090,395	67,406,769
Cash Generated from Operations	(398,643,756)	193,711,607
Retirement Benefit Liabilities Paid	(839,400)	(1,869,500)
Net Cash From/(Used in) Operating Activities before Income Tax Payments	<u>(399,483,156)</u>	<u>191,842,107</u>
Taxes Paid	(13,252,725)	(4,645,857)
Net Cash used in Operating Activities	<u>(412,735,882)</u>	<u>187,196,250</u>
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant and Equipment	(35,455,993)	(21,464,183)
Acquisition of Investment Property	-	(22,000,000)
Acquisition of Investments	(31,796,670)	-
Proceeds from Sales of Property, Plant and Equipment	6,865,753	2,467,500
Net Cash Flows Used in Investing Activities	<u>(60,386,910)</u>	<u>(40,996,683)</u>
Cash Flows from / (Used in) Financing Activities		
Proceeds from Loans Obtained	395,000,000	46,000,000
Repayments of Bank Loans	(78,392,667)	(67,777,163)
Payment under Finance Lease Liabilities	(6,842,371)	(5,693,531)
Proceeds from the Right Issue of Shares	96,921,940	-
Net Cash Flows from/(Used in) Financing Activities	<u>406,686,902</u>	<u>(27,470,694)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>(66,435,891)</u>	<u>118,728,874</u>
Cash and Cash Equivalents at the beginning of the year	<u>73,710,135</u>	<u>(45,018,739)</u>
Cash and Cash Equivalents at the end of the year	<u>7,274,244</u>	<u>73,710,135</u>


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Chief Financial Officer

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Signed for and on behalf of the Board of Directors by :


.....
Chairman


.....
Director

