

ABANS FINANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 DECEMBER 2019



ABANS FINANCE PLC
STATEMENT OF COMPREHENSIVE INCOME

	For the Nine Months Ended December			For the Quarter Ended December		
	2019 Rs. Unaudited	2018 Rs. Unaudited	Change	2019 Rs. Unaudited	2018 Rs. Unaudited	Change
Income	1,526,921,984	1,479,749,256	3%	478,493,278	479,637,118	-0.2%
Interest Income	1,377,474,204	1,351,986,446	2%	443,730,326	444,858,984	-0.3%
Interest Expenses	(668,022,826)	(645,887,196)	3%	(221,604,439)	(210,227,876)	5%
Net Interest Income	709,451,378	706,099,250	0.5%	222,125,887	234,631,107	-5%
Fee and Commission Income	141,213,098	116,186,053	22%	31,298,419	30,267,952	3%
Fee and Commission Expenses	(12,340,118)	(67,129,402)	-82%	(2,722,477)	(7,719,406)	-65%
Net Fee and Commission Income	128,872,981	49,056,651	163%	28,575,942	22,548,546	27%
Net Gain/(Loss) From Trading	240,800	206,400	17%	-	-	-
Other Operating Income (net)	7,993,882	11,370,356	-30%	3,464,533	4,510,182	-23%
Total Operating Income	846,559,041	766,732,657	10%	254,166,363	261,689,836	-3%
Impairment (Charges) / Reversal	(330,611,910)	(240,442,193)	38%	(118,175,766)	(93,479,437)	26%
Net Operating Income	515,947,130	526,290,464	-2%	135,990,595	168,210,399	-19%
Operating Expenses						
Personnel Costs	(203,671,660)	(172,422,251)	18%	(67,875,848)	(36,851,282)	84%
Depreciation & Amortization	(19,748,169)	(20,160,926)	-2%	(6,888,207)	(7,680,581)	-10%
Other Operating Expenses	(221,555,913)	(223,988,237)	-1%	(71,565,298)	(78,955,940)	-9%
Operating Profit before Value Added Tax on FS & Levy	70,971,388	109,719,050	-35%	(10,338,757)	44,722,595	-123%
Debt Repayment Levy	(18,519,498)	(5,764,364)	221%	(3,764,999)	(5,764,364)	-35%
Value Added Tax on Financial Services	(35,264,491)	(36,383,513)	-3%	(7,116,076)	(10,925,086)	-35%
Profit / (Loss) before Taxation from Operations	17,187,399	67,571,172	-75%	(21,219,831)	28,033,144	-176%
Income Tax (Expense)/Reversal	(5,156,220)	(20,271,563)	-75%	5,597,805	(8,410,155)	-167%
Profit/(Loss) for the Period	12,031,179	47,299,610	-75%	(15,622,026)	19,622,989	-180%
Other Comprehensive Income						
Net Other Comprehensive Income to be re classified to profit or loss	-	-		-	-	
Other Comprehensive Income not To Be Classified to Profit or Loss						
Actuarial Gains/(Losses) on Defined Benefit Plan	-	-		-	-	
Deferred Tax effect on above	-	-		-	-	
Net Other Comprehensive Gain/Loss not to be re classified to profit or loss	-	-		-	-	
Other Comprehensive Income for the Period, Net of Tax	-	-		-	-	
Total Comprehensive Income for the Period	12,031,179	47,299,610	-75%	(15,622,026)	19,622,989	-180%
Earnings Per Share	0.18	0.71		- 0.23	0.29	

The figures presented above are provisional and subject to Audit.

13 February 2020
Colombo

ABANS FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2019

	Change	DECEMBER '2019 Rs. (Un Audited)	MARCH '2019 Rs. (Audited)
Assets			
Cash and Bank Balances	-54.0%	121,229,917	263,517,684
Placements with Banks	32.5%	330,860,048	249,659,017
Securities Purchased under Repurchase Agreement	40.6%	395,965,875	281,537,224
Loans and Advances	-8.8%	1,941,070,516	2,127,780,588
Lease Rentals Receivable & Stock Out on Hire	2.0%	5,365,152,961	5,261,624,352
Equity instruments at fair value through OCI	0.0%	80,400	80,400
Debt instruments at amortised cost	-4.4%	225,442,154	235,914,339
Other Financial Assets	-54.8%	77,476,453	171,436,746
Real Estate Stock	-22.6%	39,313,213	50,793,213
Other Non Financial Assets	5.0%	67,344,144	64,153,394
Tax Recoverable		2,936,196	-
Intangible Assets	-6.9%	30,505,256	32,758,835
Property, Plant & Equipment	-13.9%	73,451,160	85,287,696
Deferred Tax Asset	0.0%	35,767,246	35,767,246
Total Assets	-1.7%	8,706,595,539	8,860,310,735
Liabilities			
Due to Banks	-28.6%	365,427,578	511,760,291
Due to Customers	-6.7%	5,404,895,117	5,792,966,524
Debt Inst. Issued and Other Borrowed Funds	93.0%	811,783,751	420,593,845
Other Financial Liabilities	-1.1%	549,757,254	555,894,435
Other Non Financial Liabilities	-50.2%	9,330,922	18,741,949
Retirement Benefit Liability	10.5%	19,309,477	17,471,182
Current Tax Liabilities	-100.0%	-	8,822,246
Total Liabilities	-2.3%	7,160,504,099	7,326,250,472
Shareholders' Funds			
Stated Capital	0.0%	1,121,412,955	1,121,412,955
Statutory Reserve	0.0%	112,983,831	112,983,832
Retained Earnings	4.0%	311,694,654	299,663,476
Total Shareholders' Funds	0.8%	1,546,091,440	1,534,060,263
Total Liabilities and Shareholders' Funds	-1.7%	8,706,595,539	8,860,310,735
Commitments and Contingencies		236,882,785	119,300,467
Net Assets Per Share		23.23	23.05

The figures presented above are provisional and subject to Audit.

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

Tharumini Bulegoda (Sgnd.)
Chief Accountant

The Board of Directors is responsible for the preparation & and presentation of these Financial Statements.
Signed for and on behalf of the Board by,

Rusi Pestonjee (Sgnd.)
Director

V K Choksy (Sgnd.)
Director

13 February 2020
Colombo

ABANS FINANCE PLC
STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED

	Stated Capital Rs.	Retained Earnings Rs.	Statutory Reserve Rs.	Total Rs.
Balance as at 01 April 2018	1,121,412,955	337,975,406	108,239,567	1,567,627,927
Net Profit / (Loss) for the Period	-	47,299,610	-	47,299,610
Balance as at 31 December 2018	1,121,412,955	385,275,015	108,239,567	1,614,927,537
Balance as at 01 April 2019	1,121,412,955	299,663,475	112,983,831	1,534,060,261
Net Profit / (Loss) for the Period	-	12,031,179	-	12,031,179
Balances as at 31 December 2019	1,121,412,955	311,694,654	112,983,831	1,546,091,440

13 February 2020
Colombo

CASH FLOW STATEMENT

FOR THE PERIOD ENDED

Cash Flows From / (Used in) Operating Activities

Profit / (Loss) Before Income Tax Expense

Adjustments for

Depreciation

Amortisation of Intangible Assets

Impairment Chargers

Loss/(Profit) on Disposal of Property, Plant & Equipment

Provision/(reversal) for Defined Benefit Plans

Dividend Received

Interest Accrued on Borrowings

Operating Profit before Working Capital Changes

(Increase)/Decrease in Real Estate Stock

(Increase)/Decrease in Loans and Advances

(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire

(Increase)/Decrease in Other Financial Assets

(Increase)/Decrease in Other Non Financial Assets

Increase/(Decrease) in Amounts Due to Customers

Increase/(Decrease) in Other Financial Liabilities

Increase/(Decrease) in Other Non Financial Liabilities

Cash Generated from Operations

Retirement Benefit Liabilities Paid

Interest paid on Bank and Other Borrowings

Taxes Paid

Net Cash From/(Used in) Operating Activities

Cash Flows from / (Used in) Investing Activities

Acquisition of Property, Plant & Equipment

Acquisition of Intangible Assets

Proceeds from Sales of Property, Plant & Equipment

Disposal/(Acquisition) of Debt Instrument at Amortised cost

Sale/(Purchase) of Placement with banks

Sale/(Purchase) of Financial Investments-Held to Maturity

Dividends Received

Net Cash Flows from/(Used in) Investing Activities

Cash Flows from / (Used in) Financing Activities

Repayment of Borrowings

Borrowings from Banks

Borrowings through Securitization

Repayment of Securitization

Net Cash Flows from/(Used in) Financing Activities

Net Increase in Cash and Cash Equivalents
Cash and Cash Equivalents at the beginning of the year
Cash and Cash Equivalents at the end of the year

	31st December 2019 Rs.	31st December 2018 Rs.
Profit / (Loss) Before Income Tax Expense	17,187,399	67,571,172
Adjustments for		
Depreciation	16,263,095	17,544,951
Amortisation of Intangible Assets	3,485,074	2,615,975
Impairment Chargers	330,611,910	240,442,193
Loss/(Profit) on Disposal of Property, Plant & Equipment	157,571	-
Provision/(reversal) for Defined Benefit Plans	4,150,000	5,445,566
Dividend Received	(240,800)	(206,400)
Interest Accrued on Borrowings	101,132,545	26,067,419
Operating Profit before Working Capital Changes	472,746,794	359,480,877
(Increase)/Decrease in Real Estate Stock	11,480,000	7,256,462
(Increase)/Decrease in Loans and Advances	72,127,448	254,329,123
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	(195,193,842)	(645,917,946)
(Increase)/Decrease in Other Financial Assets	(30,403,761)	(217,245,001)
(Increase)/Decrease in Other Non Financial Assets	(3,190,750)	14,903,085
Increase/(Decrease) in Amounts Due to Customers	(388,071,408)	(794,458,084)
Increase/(Decrease) in Other Financial Liabilities	(6,137,181)	(24,876,031)
Increase/(Decrease) in Other Non Financial Liabilities	(9,411,026)	93,774
Cash Generated from Operations	(76,053,726)	(1,046,433,741)
Retirement Benefit Liabilities Paid	(2,311,705)	(2,916,050)
Interest paid on Bank and Other Borrowings	(53,452,470)	(19,381,428)
Taxes Paid	(16,914,663)	(16,696,635)
Net Cash From/(Used in) Operating Activities	(148,732,564)	(1,085,427,855)
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(4,873,129)	(15,238,273)
Acquisition of Intangible Assets	(1,231,497)	(15,406,297)
Proceeds from Sales of Property, Plant & Equipment	264,000	-
Disposal/(Acquisition) of Debt Instrument at Amortised cost	204,064,715	-
Sale/(Purchase) of Placement with banks	(6,256,856)	(25,234,838)
Sale/(Purchase) of Financial Investments-Held to Maturity	918,223	8,187,251
Dividends Received	240,800	206,400
Net Cash Flows from/(Used in) Investing Activities	193,126,258	(47,485,758)
Cash Flows from / (Used in) Financing Activities		
Repayment of Borrowings	(429,493,258)	(77,500,000)
Borrowings from Banks	295,000,000	185,000,000
Borrowings through Securitization	450,000,000	399,972,278
Repayment of Securitization	(106,490,169)	-
Net Cash Flows from/(Used in) Financing Activities	209,016,573	507,472,278
Net Increase in Cash and Cash Equivalents	253,410,267	(625,441,334)
Cash and Cash Equivalents at the beginning of the year	651,500,972	1,008,737,712
Cash and Cash Equivalents at the end of the year	904,911,240	383,296,378

The figures presented above are provisional and subject to Audit.

13 February 2020

Colombo

ABANS FINANCE PLC

FINANCIAL REPORTING BY SEGMENT

	Leasing		Hirepurchase		Term Loans		Others		Total	
FOR THE PERIOD ENDED 31 DECEMBER	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Interest Income	1,003,614,873	899,561,601	1,088,716	837,061	312,360,228	357,060,228	60,410,387	94,527,557	1,377,474,204	1,351,986,446
Fee Based Income & Others	134,306,815	110,056,143	963,002	600,435	5,943,280	5,529,475	(1,201,330)	279,798	140,011,768	116,465,851
Unallocated Income							9,436,013	11,296,959	9,436,013	11,296,959
Total Revenue	1,137,921,688	1,009,617,744	2,051,718	1,437,496	318,303,509	362,589,703	68,645,069	106,104,313	1,526,921,984	1,479,749,256
Interest Expenses	(428,081,689)	(375,793,098)	(2,024,594)	(1,010,778)	(164,681,951)	(181,676,727)	(73,234,592)	(87,406,592)	(668,022,826)	(645,887,196)
Fee Based Expenses & Others	(361,818)	(52,664,480)	-	-	(19,373)	(27,000)	(11,958,926)	(14,437,923)	(12,340,118)	(67,129,402)
Impairment Reversal / (Provision)	(91,263,715)	(126,117,729)	(401,517)	3,186,824	(114,582,624)	(33,215,514)	(124,364,054)	(84,295,774)	(330,611,910)	(240,442,193)
Net Operating Income	618,214,465	455,042,437	(374,393)	3,613,542	39,019,560	147,670,461	(140,912,502)	(80,035,976)	515,947,130	526,290,464
Unallocated Expenses									(498,759,731)	(458,719,292)
Profits/ (Loss) before Tax									17,187,399	67,571,172
Income Tax expenses									(5,156,220)	(20,271,563)
Net Profit / (Loss) for the period									12,031,179	47,299,610
Segment Assets	5,339,950,465	5,008,885,185	25,202,496	6,398,050	1,941,070,516	2,148,276,708	991,581,290	994,929,002	8,297,804,767	8,158,488,946
Unallocated Assets									408,790,772	696,746,503
Total Assets	5,339,950,465	5,008,885,185	25,202,496	6,398,050	1,941,070,516	2,148,276,708	991,581,290	994,929,002	8,706,595,539	8,855,235,449
Unallocated Liabilities									7,160,504,099	7,240,307,912
Total Liabilities									7,160,504,099	7,240,307,912

ABANS FINANCE PLC

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

	Amortised Cost		Equity Instruments - FVOCI		Total	
As at	31.12.2019 Rs.	31.03.2019 Rs.	31.12.2019 Rs.	31.03.2019 Rs.	31.12.2019 Rs.	31.03.2019 Rs.
Assets						
Cash and Bank Balances	121,229,917	263,517,684	-	-	121,229,917	263,517,684
Placements with Banks	330,860,048	249,659,017	-	-	330,860,048	249,659,017
Repurchase Agreements	395,965,875	281,537,224	-	-	395,965,875	281,537,224
Loans and Advances	1,941,070,516	2,127,780,587	-	-	1,941,070,516	2,127,780,587
Lease rentals receivable & Stock out on hire	5,365,152,961	5,261,624,352	-	-	5,365,152,961	5,261,624,352
Equity instruments at fair value through OCI	-	-	80,400	80,400	80,400	80,400
Debt instruments at amortised cost	225,442,154	235,914,339	-	-	225,442,154	235,914,339
Other financial assets	77,476,453	171,436,746	-	-	77,476,453	171,436,746
Total Financial Assets	8,457,197,924	8,591,469,950	80,400	80,400	8,457,278,324	8,591,550,349

	OFL at Amortized Cost		Total	
	31.12.2019 Rs.	31.03.2019 Rs.	31.12.2019 Rs.	31.03.2019 Rs.
Liabilities				
Due to Banks	365,427,578	511,760,291	365,427,578	511,760,291
Due to Customers	5,404,895,117	5,792,966,524	5,404,895,117	5,792,966,524
Debt Instruments Issued & Other borrowed funds	811,783,751	420,593,845	811,783,751	420,593,845
Other Financial Liabilities	549,757,254	555,894,435	549,757,254	555,894,435
Total Financial Liabilities	7,131,863,700	7,281,215,095	7,131,863,700	7,281,215,095

FVOCI - Fair Value Through Other Comprehensive Income

OFL - Other Financial Liabilities

ABANS FINANCE PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

(a). MARKET VALUE PER SHARE FOR THE QUARTER ENDED,

	31 December 2019
Highest	Rs.29.90
Lowest	Rs.16.40
Closing	Rs.20.70

(b).

These Interim Financial Statements have been prepared in accordance with LKAS 34 - Interim Financial Reporting and present information required by Listing Rules of Colombo Stock Exchange. These Financial Statements are drawn up from the unaudited financial Statements of the company unless otherwise indicated.

The accounting policies and methods of computation applied in the preparation of these financial statements are the same as those used in the financial statements for the year ended 31 March 2019.

SLFRS 9 –Financial Instruments

The company has applied SLFRS 9 in the financial statements effective for annual periods beginning on or after 01 January 2018, for the first time.

SLFRS 9 replaces LKAS 39 for annual periods on or after 1 January 2018. The company has not restated comparative information for 2018/19 on financial instruments in the scope of SLFRS 9. Therefore, the comparative information for 2018/19 is reported under LKAS 39 and is not comparable to the information presented for 2019/20 quarters.

(c). SLFRS 16- LEASES

The Company will apply SLFRS 16 by using modified retrospective approach. Therefore, the cumulative effect of adopting SLFRS 16 will be recognized as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

Also the company is in the process of quantifying the probable impact on the implementation of the above Standard as at 01.04.2019

(d). COMMITMENTS AND CONTINGENCIES

There were no significant capital commitments as at the reporting date.

(e). PUBLIC HOLDING

- Public Share holding as at 31 December 2019 is, **8.099%**
- Number of Public Share Holders as at 31 December 2019 is, **832.**

ABANS FINANCE PLC**NOTES TO THE FINANCIAL STATEMENTS (Cont..)
FOR THE PERIOD ENDED 31 DECEMBER 2019****(f). MARKET CAPITALIZATION**

- Market Capitalization (Rs.)	1,377,824,561
- Float Adjusted Market Capitalization (Rs.)	111,588,732

(g). EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustment or disclosure in the Financial Statements.

(h). DIRECTORS SHAREHOLDING

Name of The Director	31.Dez.19	
	No.of Shares	(%)
Mr. R Pestonjee	220,660 *	0.33
Mr.R A Nanayakkara (<i>Resigned w.e.f 31st December 2019</i>)	NIL	-
Mr. V K Choksy	NIL	-
Mr. A S Ratnayake	NIL	-
Mr. M P Parekh	NIL	-
Mr. Chanaka Wickramasuriya (Alternate Director to Mr. Mayank Pravin Parekh, <i>resigned w.e.f 08th April 2019</i>)	NIL	-
Mr. Rashmika Nissanga (Alternate Director to Mr. Mayank Pravin Parekh, <i>Appointed w.e.f 21st June 2019</i>)	NIL	-

* This includes 28,800 Shares Held Jointly.

(i). TWENTY LARGEST SHAREHOLDERS

Name of The Shareholder	31.Dez.19	
	No.of Shares	(%)
1 Abans PLC	33,063,877	49.67%
2 Ironwood Investment Holding Pvt Ltd	27,881,236	41.89%
3 Mr.P.N.Pestonjee (Deceased)	911,520	1.37%
4 Able Investments (Private) Limited	806,917	1.21%
5 Mr.K.Kunenthiran	466,816	0.70%
6 Mrs.S.C.Henagama Gamage	444,000	0.67%
7 Mrs.C.V.Sumanadasa	444,000	0.67%
8 Mr.B.Pestonjee	308,160	0.46%
9 Mr.R.Pestonjee*	220,660	0.33%
10 Mrs.S.Dubash	192,423	0.29%
11 A B Cold Storage (Pvt) Limited	144,000	0.22%
12 A B Securitas (Private) Limited	144,000	0.22%
13 Cleantech Pvt Ltd	144,000	0.22%
14 Mrs.A.Pestonjee	80,000	0.12%
15 Mrs.H.I.Salgado	66,600	0.10%
16 Mr.G.C.Goonetilleke	48,105	0.07%
17 Mr.R.E.Rambukwella	38,313	0.06%
Seylan Bank Plc/Karagoda Loku Gamage		
18 Udayananda	38,004	0.06%
19 Miss. M. F. F. Safina	36,748	0.06%
20 Dr. K. Poologasundram	36,000	0.05%
	65,515,379	98.43%
Others	1,046,194	1.57%
Total	66,561,573	100.00%

(j). CREDIT RATING

BB+(lka)/Stable by FITCH Ratings Lanka Ltd

(k). IMPOSING A CAP ON DEPOSITS

In terms of Section 2.1 of Finance Business Act Direction No. 02 of 2017 – Minimum Core Capital, a cap of Rs. Six Billion on total deposits including accrued interest has been imposed by the Central Bank of Sri Lanka.