

# **ABANS FINANCE PLC**

## **INTERIM FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED**

**31 MARCH 2020**



**ABANS FINANCE PLC**
**STATEMENT OF COMPREHENSIVE INCOME**

	For the Twelve Months Ended March			For the Quarter Ended March		
	2020 Rs. Unaudited	2019 Rs. Audited	Change	2020 Rs. Unaudited	2019 Rs. Unaudited	Change
Income	2,036,278,841	1,978,548,890	3%	509,356,857	498,799,634	2.1%
Interest Income	1,838,845,338	1,820,102,486	1%	461,371,134	468,116,040	-1.4%
Interest Expenses	(877,270,005)	(860,326,072)	2%	(209,247,178)	(214,438,876)	-2%
<b>Net Interest Income</b>	<b>961,575,333</b>	<b>959,776,414</b>	0.2%	<b>252,123,956</b>	<b>253,677,164</b>	-1%
Fee and Commission Income	185,760,201	144,729,403	28%	44,547,103	28,543,350	56%
Fee and Commission Expenses	(13,633,993)	(74,074,243)	-82%	(1,293,876)	(6,944,840)	-81%
<b>Net Fee and Commission Income</b>	<b>172,126,207</b>	<b>70,655,160</b>	144%	<b>43,253,227</b>	<b>21,598,510</b>	100%
Net Gain/(Loss) From Trading	240,800	206,400	17%	-	-	
Other Operating Income (net)	11,432,502	13,510,601	-15%	3,438,620	2,140,245	61%
<b>Total Operating Income</b>	<b>1,145,374,843</b>	<b>1,044,148,576</b>	10%	<b>298,815,803</b>	<b>277,415,918</b>	8%
Impairment (Charges) / Reversal	(333,253,807)	(301,980,973)	10%	(2,641,897)	(61,538,780)	-96%
<b>Net Operating Income</b>	<b>812,121,036</b>	<b>742,167,602</b>	9%	<b>296,173,906</b>	<b>215,877,138</b>	37%
<b>Operating Expenses</b>						
Personnel Costs	(269,968,327)	(239,637,004)	13%	(66,296,668)	(67,214,752)	-1%
Depreciation & Amortization	(71,026,608)	(26,955,230)	163%	(51,278,439)	(7,498,041)	584%
Other Operating Expenses	(238,039,705)	(294,413,965)	-19%	(16,483,791)	(69,721,991)	-76%
<b>Operating Profit before Value Added Tax on FS &amp; Levy</b>	<b>233,086,396</b>	<b>181,161,404</b>	29%	<b>162,115,008</b>	<b>71,442,354</b>	127%
Debt Repayment Levy	(18,519,498)	(16,287,534)	14%	-	(10,523,169)	-100%
Value Added Tax on Financial Services	(62,994,384)	(53,994,316)	17%	(27,729,892)	(17,610,803)	57%
<b>Profit / (Loss) before Taxation from Operations</b>	<b>151,572,515</b>	<b>110,879,554</b>	37%	<b>134,385,116</b>	<b>43,308,382</b>	210%
Income Tax (Expense)/Reversal	(56,282,926)	(87,158,231)	-35%	(51,126,706)	(66,886,668)	-24%
<b>Profit/(Loss) for the Period</b>	<b>95,289,589</b>	<b>23,721,322</b>	302%	<b>83,258,410</b>	<b>(23,578,287)</b>	-453%
<b>Other Comprehensive Income</b>						
<b>Net Other Comprehensive Income to be re classified to profit or loss</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	
<b>Other Comprehensive Income not To Be Classified to Profit or Loss</b>						
Actuarial Gains/(Losses) on Defined Benefit Plan	(235,217)	3,316,623		(235,217)	3,316,623	
Deferred Tax effect on above	56,452	(928,654)		56,452	(928,654)	
<b>Net Other Comprehensive Gain/Loss not to be re classified to profit or loss</b>	<b>(178,765)</b>	<b>2,387,968</b>		<b>(178,765)</b>	<b>2,387,968</b>	
<b>Other Comprehensive Income for the Period, Net of Tax</b>	<b>(178,765)</b>	<b>2,387,968</b>	-107%	<b>(178,765)</b>	<b>2,387,968</b>	-107%
<b>Total Comprehensive Income for the Period</b>	<b>95,110,825</b>	<b>26,109,291</b>	264%	<b>83,079,645</b>	<b>(21,190,319)</b>	-492%
<b>Earnings Per Share</b>	<b>1.43</b>	<b>0.36</b>		<b>1.25</b>	<b>- 0.35</b>	

The figures presented above are provisional and subject to Audit.

28 May 2020  
Colombo

**ABANS FINANCE PLC****STATEMENT OF FINANCIAL POSITION**

AS AT 31 MARCH 2020

	Change	MARCH '2020 Rs. (Un Audited)	MARCH '2019 Rs. (Audited)
<b>Assets</b>			
Cash and Bank Balances	-58.5%	109,489,624	263,517,684
Placements with Banks	-18.1%	204,354,154	249,659,017
Securities Purchased under Repurchase Agreement	-0.9%	279,143,141	281,537,224
Loans and Advances	-9.8%	1,920,095,538	2,127,780,588
Lease Rentals Receivable & Stock Out on Hire	11.3%	5,854,327,613	5,261,624,352
Equity instruments at fair value through OCI	0.0%	80,400	80,400
Debt instruments at amortised cost	-4.4%	225,421,143	235,914,339
Other Financial Assets	-38.3%	105,862,122	171,436,746
Real Estate Stock	-22.6%	39,313,213	50,793,213
Other Non Financial Assets	-0.3%	63,953,134	64,153,394
Intangible Assets	-10.4%	29,339,417	32,758,835
Property, Plant & Equipment	-17.5%	70,332,908	85,287,696
Right of use Asset		83,943,816	-
Deferred Tax Asset	8.1%	38,676,934	35,767,246
<b>Total Assets</b>	1.9%	<b>9,024,333,157</b>	<b>8,860,310,735</b>
<b>Liabilities</b>			
Due to Banks	72.3%	881,586,240	511,760,291
Due to Customers	-11.1%	5,148,142,044	5,792,966,524
Debt Inst. Issued and Other Borrowed Funds	54.5%	649,837,356	420,593,845
Other Financial Liabilities	12.5%	625,413,907	555,894,435
Other Non Financial Liabilities	25.5%	23,519,567	18,741,949
Retirement Benefit Liability	11.2%	19,435,147	17,471,182
Current Tax Liabilities	435.3%	47,227,811	8,822,246
<b>Total Liabilities</b>	0.9%	<b>7,395,162,072</b>	<b>7,326,250,472</b>
<b>Shareholders' Funds</b>			
Stated Capital	0.0%	1,121,412,955	1,121,412,955
Statutory Reserve	16.9%	132,048,116	112,983,832
Retained Earnings	25.4%	375,710,015	299,663,476
<b>Total Shareholders' Funds</b>	6.2%	<b>1,629,171,086</b>	<b>1,534,060,263</b>
<b>Total Liabilities and Shareholders' Funds</b>	1.9%	<b>9,024,333,157</b>	<b>8,860,310,735</b>
<b>Commitments and Contingencies</b>		<b>347,598,063</b>	<b>119,300,467</b>
<b>Net Assets Per Share</b>		<b>24.48</b>	<b>23.05</b>

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

Rashmika Nissanga (Sgnd.)  
Alternate Director to Mayank Parekh

28 May 2020  
Colombo

**ABANS FINANCE PLC**  
**STATEMENT OF CHANGES IN EQUITY**

**FOR THE QUARTER ENDED**

	<b>Stated Capital Rs.</b>	<b>Retained Earnings Rs.</b>	<b>Statutory Reserve Rs.</b>	<b>Total Rs.</b>
<b>Balance as at 01 April 2018</b>	1,121,412,955	337,975,406	108,239,567	1,567,627,927
Impact of Adopting SLFRS 09 as at 01 April 2018	-	(59,676,957)	-	(59,676,957)
Net Profit / (Loss) for the Period	-	23,721,322	-	23,721,322
Other Comprehensive Income Net of Tax	-	2,387,968	-	2,387,968
Transfer to / (from) during the Period	-	(4,744,265)	4,744,265	-
<b>Balance as at 31 March 2019</b>	<b>1,121,412,955</b>	<b>299,663,474</b>	<b>112,983,832</b>	<b>1,534,060,261</b>
<b>Balance as at 01 April 2019</b>	1,121,412,955	299,663,475	112,983,831	1,534,060,261
Net Profit / (Loss) for the Period	-	95,289,589	-	95,289,589
Other Comprehensive Income Net of Tax	-	(178,765)	-	(178,765)
Transfer to / (from) during the Period	-	(19,064,285)	19,064,285	-
<b>Balances as at 31 March 2020</b>	<b>1,121,412,955</b>	<b>375,710,015</b>	<b>132,048,116</b>	<b>1,629,171,086</b>

28 May 2020  
Colombo

**CASH FLOW STATEMENT**

FOR THE PERIOD ENDED

	<b>31st March 2020 Rs.</b>	<b>31st March 2019 Rs.</b>
<b>Cash Flows From / (Used in) Operating Activities</b>		
Profit / (Loss) Before Income Tax Expense	151,572,515	110,879,554
<b>Adjustments for</b>		
Depreciation	66,375,696	23,209,418
Amortisation of Intangible Assets	4,650,912	3,745,813
Impairment Chargers	333,253,807	301,980,973
Loss/(Profit) on Disposal of Property, Plant & Equipment	163,923	-
Provision/(reversal) for Defined Benefit Plans	5,489,723	5,242,795
Dividend Received	(240,800)	(206,400)
Interest Accrued on Borrowings	139,965,537	55,441,542
<b>Operating Profit before Working Capital Changes</b>	<b>701,231,313</b>	<b>500,293,694</b>
(Increase)/Decrease in Real Estate Stock	11,480,000	7,256,462
(Increase)/Decrease in Loans and Advances	116,043,629	278,507,299
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	(664,659,923)	(975,963,336)
(Increase)/Decrease in Other Financial Assets	(104,116,819)	(164,097,576)
(Increase)/Decrease in Other Non Financial Assets	200,260	10,384,964
Increase/(Decrease) in Amounts Due to Customers	(644,824,481)	(822,192,842)
Increase/(Decrease) in Other Financial Liabilities	69,519,473	30,615,459
Increase/(Decrease) in Other Non Financial Liabilities	4,777,618	6,677,913
<b>Cash Generated from Operations</b>	<b>(510,348,931)</b>	<b>(1,128,517,963)</b>
Retirement Benefit Liabilities Paid	(3,760,975)	(3,367,710)
Interest paid on Bank and Other Borrowings	(92,566,671)	(34,819,975)
Taxes Paid	(20,787,049)	(19,815,156)
<b>Net Cash From/(Used in) Operating Activities</b>	<b>(627,463,626)</b>	<b>(1,186,520,804)</b>
<b>Cash Flows from / (Used in) Investing Activities</b>		
Acquisition of Property, Plant & Equipment	(6,969,045)	(18,855,254)
Acquisition of Intangible Assets	(1,231,497)	(15,406,297)
Proceeds from Sales of Property, Plant & Equipment	271,000	-
Disposal/(Acquisition) of Debt Instrument at Amortised cost	204,064,715	-
Sale/(Purchase) of Placement with banks	(5,689,376)	286,034,476
Sale/(Purchase) of Financial Investments-Held to Maturity	(1,070,607)	3,715,796
Dividends Received	240,800	206,400
<b>Net Cash Flows from/(Used in) Investing Activities</b>	<b>189,615,990</b>	<b>255,695,121</b>
<b>Cash Flows from / (Used in) Financing Activities</b>		
Repayment of Borrowings	(592,963,132)	(292,004,900)
Borrowings from Banks	755,000,000	445,000,000
Borrowings through Securitization	450,000,000	420,593,845
Repayment of Securitization	(269,136,850)	-
<b>Net Cash Flows from/(Used in) Financing Activities</b>	<b>342,900,018</b>	<b>573,588,945</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(94,947,617)</b>	<b>(357,236,738)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>651,500,972</b>	<b>1,008,737,712</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>556,553,355</b>	<b>651,500,974</b>

The figures presented above are provisional and subject to Audit.

# ABANS FINANCE PLC

## ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

	Amortised Cost		Equity Instruments - FVOCI		Total	
As at	31.03.2020 Rs.	31.03.2019 Rs.	31.03.2020 Rs.	31.03.2019 Rs.	31.03.2020 Rs.	31.03.2019 Rs.
<b>Assets</b>						
Cash and Bank Balances	109,489,624	263,517,684	-	-	109,489,624	263,517,684
Placements with Banks	204,354,154	249,659,017	-	-	204,354,154	249,659,017
Repurchase Agreements	279,143,141	281,537,224	-	-	279,143,141	281,537,224
Loans and Advances	1,920,095,538	2,127,780,587	-	-	1,920,095,538	2,127,780,587
Lease rentals receivable & Stock out on hire	5,854,327,613	5,261,624,352	-	-	5,854,327,613	5,261,624,352
Equity instruments at fair value through OCI	-	-	80,400	80,400	80,400	80,400
Debt instruments at amortised cost	225,421,143	235,914,339	-	-	225,421,143	235,914,339
Other financial assets	105,862,122	171,436,746	-	-	105,862,122	171,436,746
<b>Total Financial Assets</b>	<b>8,698,693,335</b>	<b>8,591,469,950</b>	<b>80,400</b>	<b>80,400</b>	<b>8,698,773,735</b>	<b>8,591,550,349</b>

	OFL at Amortized Cost		Total	
	31.03.2020 Rs.	31.03.2019 Rs.	31.03.2020 Rs.	31.03.2019 Rs.
<b>Liabilities</b>				
Due to Banks	881,586,240	511,760,291	881,586,240	511,760,291
Due to Customers	5,148,142,044	5,792,966,524	5,148,142,044	5,792,966,524
Debt Instruments Issued & Other borrowed funds	649,837,356	420,593,845	649,837,356	420,593,845
Other Financial Liabilities	625,413,907	555,894,435	625,413,907	555,894,435
<b>Total Financial Liabilities</b>	<b>7,304,979,547</b>	<b>7,281,215,095</b>	<b>7,304,979,547</b>	<b>7,281,215,095</b>

**FVOCI** - Fair Value Through Other Comprehensive Income

**OFL** - Other Financial Liabilities

# ABANS FINANCE PLC

## FINANCIAL REPORTING BY SEGMENT

	Leasing		Hirepurchase		Term Loans		Others		Total	
FOR THE PERIOD ENDED 31 MARCH	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Interest Income	1,352,229,317	1,233,269,527	1,492,710	982,608	405,750,147	467,140,076	79,373,164	118,710,274	1,838,845,338	1,820,102,486
Fee Based Income & Others	174,155,250	135,477,967	1,089,661	679,182	7,072,885	8,572,254	2,250,446	290,993	184,568,242	145,020,397
Unallocated Income							12,865,261	13,426,008	12,865,261	13,426,008
<b>Total Revenue</b>	<b>1,526,384,567</b>	<b>1,368,747,494</b>	<b>2,582,371</b>	<b>1,661,790</b>	<b>412,823,032</b>	<b>475,712,331</b>	<b>94,488,870</b>	<b>132,427,275</b>	<b>2,036,278,841</b>	<b>1,978,548,890</b>
Interest Expenses	(580,524,890)	(511,061,545)	(2,364,765)	(2,311,930)	(212,259,384)	(240,193,896)	(82,120,965)	(106,758,701)	(877,270,005)	(860,326,072)
Fee Based Expenses & Others	(361,818)	(56,902,220)	-	-	(19,373)	(33,598)	(13,252,802)	(17,138,425)	(13,633,993)	(74,074,243)
Impairment Reversal / (Provision)	(71,702,129)	(202,914,210)	(254,534)	(986,134)	(91,641,421)	(14,547,281)	(169,655,724)	(83,533,349)	(333,253,807)	(301,980,974)
<b>Net Operating Income</b>	<b>873,795,731</b>	<b>597,869,519</b>	<b>(36,927)</b>	<b>(1,636,274)</b>	<b>108,902,854</b>	<b>220,937,555</b>	<b>(170,540,621)</b>	<b>(75,003,199)</b>	<b>812,121,036</b>	<b>742,167,602</b>
Unallocated Expenses									(660,548,521)	(631,288,049)
<b>Profits/ (Loss) before Tax</b>									<b>151,572,515</b>	<b>110,879,553</b>
Income Tax expenses									(56,282,926)	(87,158,231)
<b>Net Profit / (Loss) for the period</b>									<b>95,289,589</b>	<b>23,721,322</b>
Segment Assets	5,834,050,346	5,236,804,547	20,277,267	24,819,806	1,920,095,538	2,127,780,588	748,231,652	817,849,848	8,522,654,802	8,207,254,789
Unallocated Assets									501,678,356	653,055,944
<b>Total Assets</b>	<b>5,834,050,346</b>	<b>5,236,804,547</b>	<b>20,277,267</b>	<b>24,819,806</b>	<b>1,920,095,538</b>	<b>2,127,780,588</b>	<b>748,231,652</b>	<b>817,849,848</b>	<b>9,024,333,157</b>	<b>8,860,310,733</b>
Unallocated Liabilities									7,395,162,072	7,326,250,473
<b>Total Liabilities</b>									<b>7,395,162,072</b>	<b>7,326,250,473</b>

**ABANS FINANCE PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2020****(a). MARKET VALUE PER SHARE FOR THE QUARTER ENDED,**

	<b>31 March 2020</b>
Highest	Rs.22.80
Lowest	Rs.15.10
Closing *	Rs.15.90

*\*Last market day during the period of 01st January 2020 to 31st March 2020 is 20th March 2020.*

**(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 except described in note (c),(l) & (j).

**(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.

Under the Modified retrospective approach, the company measures;

**Lease Liability** at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application.

**Right-of-use asset** at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

Refer Note l, for the impact of SLFRS 16 on the Statement of Financial Position & the Comprehensive Income .

**(d). COMMITMENTS AND CONTINGENCIES**

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

**(e). PUBLIC HOLDING**

- Public Share holding as at 31 March 2020 is, **8.099%**
- Number of Public Share Holders as at 31 March 2020 is, **824.**



**ABANS FINANCE PLC****NOTES TO THE FINANCIAL STATEMENTS (Cont.)  
FOR THE PERIOD ENDED 31 MARCH 2020****(f). MARKET CAPITALIZATION**

- Market Capitalization (Rs.)	1,058,329,011
- Float Adjusted Market Capitalization (Rs.)	85,713,084

**(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.Mär.20	
	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. H C Embuldeniya ( <i>Appointed w.e.f 13th March 2020</i> )	NIL	-
Mr. M P Parekh	NIL	-
Mr. Chanaka Wickramasuriya ( <i>Alternate Director to Mr. Mayank Pravin Parekh, resigned w.e.f 08th April 2019</i> )	NIL	-
Mr. Rashmika Nissanga ( <i>Alternate Director to Mr. Mayank Pravin Parekh, 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.Mär.20	
	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%
<b>Others</b>	1,046,194	1.57%
<b>Total</b>	<b>66,561,573</b>	<b>100.00%</b>

**(j). CREDIT RATING**

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

**(k). CAPITAL**

AFPLC is in compliance with the minimum core capital set out in terms of Section 2.1 of Finance Business Act Direction No. 02 of 2017 following the decision by CBSL to defer the requirement of Rs 2.0 Bn until 31.12.2020. As such, CBSL granted approval on 10.04.2020 for AFPLC to freely canvas deposits up to LKR 6.0 Bn and upon reaching that limit may apply to CBSL to canvas additional deposits.

# ABANS FINANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 MARCH 2020

#### (I) IMPACT OF SLFRS 16

##### Right of Use Asset

Set out below are the carrying amounts of right-of-use-assets recognised and movements during the year.

	<b>Balance Rs.</b>
<b>Cost</b>	
Balance as at 01 April 2019	-
Effect of Adoption SLFRS 16 as at 01 April 2019	119,089,744
Restated Balance as at 01 April 2019	119,089,744
Additions and Improvements	9,765,857
Cost as at 31 March 2020	128,855,601
<b>Accumulated Amortisation</b>	
Balance as at 01 April 2019	-
Effect of Adoption SLFRS 16 as at 01 April 2019	-
Restated Balance as at 01 April 2019	-
Charge for the year	44,869,897
Accumulated Amortisation as at 31 March 2020	44,869,897
<b>Net Book Value as at 31 March 2020</b>	<b>83,985,704</b>

##### Lease Liability

Set out below are the carrying amounts of Lease Liabilities (Included under Other Financial Liabilities) and movements during the year.

	<b>2020 Rs.</b>
Balance as at 01 April	-
Effect of Adoption SLFRS 16 as at 01 April 2019	111,864,656
Restated Balance as at 01 April 2019	111,864,656
Additions	10,448,750
Accretion of Interest (Note 6.2)	13,409,607
Payments	(49,848,556)
Balance as at 31 March	85,874,458

#### (j) 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

**“COVID - 19 Pandemic: Guidance Notes on the Implications on Financial Reporting” issued by the institute of chartered accountants of Sri Lanka has provided reporting guidelines including the following measures;**

##### **Expected Credit Loss calculation**

The Company considered the Probability of Default (PD), Loss Given Default (LGD) and Economic Factor Adjustment (EFA) computed as at February 29, 2020, in order to estimate the Expected Credit Loss (ECL) as at March 31, 2020, due to uncertainty and lack of sufficient information to make any adjustments to capture the potential impact of COVID 19.

# **ABANS FINANCE PLC**

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## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE PERIOD ENDED 31 MARCH 2020**

#### **(m) IMPACT OF COVID-19**

The outbreak of Covid 19 has caused interruptions to Company's business activities similar to other companies in the industry. The financial and economic market uncertainty could have a significant adverse impact on the future operations of the Company and cause significant adverse changes to assets and liabilities of the Company.

However, management under the guidance of Board of Directors is continuously monitoring the impact of COVID-19 on its financial performance.