

ABANS FINANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30 JUNE 2021



ABANS FINANCE PLC
STATEMENT OF COMPREHENSIVE INCOME

03 Months
Ended 30 June

	2021 Rs. Unaudited	2020 Rs. Unaudited	Change
Income	484,961,918	364,872,546	32.9%
Interest Income	448,362,312	351,771,370	27.5%
Interest Expenses	(139,858,804)	(183,885,471)	-24%
Net Interest Income	308,503,508	167,885,899	84%
Fee and Commission Income	35,222,245	12,303,317	186%
Fee and Commission Expenses	(6,123,407)	(1,626,438)	276%
Net Fee and Commission Income	29,098,838	10,676,880	173%
Other Operating Income (net)	1,377,361	797,859	73%
Total Operating Income	338,979,707	179,360,638	89%
Credit Loss Expense on Financial Assets and Other Losses	(105,940,310)	(112,007,544)	-5%
Net Operating Income	233,039,397	67,353,094	246%
Operating Expenses			
Personnel Costs	(75,250,648)	(57,919,196)	30%
Depreciation & Amortization	(16,440,760)	(16,509,386)	0%
Other Operating Expenses	(61,185,551)	(41,165,312)	49%
Operating Profit before Value Added Tax on FS & Levy	80,162,438	(48,240,801)	266%
Taxes on Financial Services	(19,438,090)	(1,274,536)	1425%
Profit / (Loss) before Taxation from Operations	60,724,348	(49,515,337)	223%
Income Tax (Expence)/Reversal	(20,039,034)	14,854,601	-235%
Profit/(Loss) for the Period	40,685,314	(34,660,736)	217%
Other Comprehensive Income			
Items that will not be reclassified to profit or loss	-	-	
Actuarial Gains/(Losses) on Defined Benefit Plan	-	-	
Deferred Tax effect on above	-	-	
Net Other Comprehensive Gain/Loss not to be reclassified	-	-	
Items that will be reclassified to profit or loss	-	-	
Surplus from Revaluation of Property, Plant & Equipment	-	-	
Deferred Tax Effect of above	-	-	
	-	-	
Other Comprehensive Income for the Period, Net of Tax	-	-	
Total Comprehensive Income for the Period	40,685,314	(34,660,736)	217%
Earnings Per Share	0.61	(0.52)	

The figures presented above are provisional and subject to Audit.

ABANS FINANCE PLC
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Change	JUNE'2021 Rs. (Un Audited)	MARCH '2021 Rs. (Audited)
Assets			
Cash and Bank Balances	5.8%	239,157,077	226,092,543
Placements with Banks	24.3%	257,568,806	207,264,972
Securities Purchased under Repurchase Agreement	-25.5%	702,146,587	942,235,676
Money Market Investments		50,039,844	-
Loans and Advances	-8.1%	1,267,357,140	1,379,508,592
Lease Rentals Receivable & Stock Out on Hire	1.3%	6,107,612,092	6,027,133,949
Equity instruments at fair value through OCI	0.0%	80,400	80,400
Debt instruments at amortised cost	2.3%	14,005,313	13,684,192
Other Financial Assets	-20.3%	79,542,306	99,842,557
Real Estate Stock	0.0%	31,066,726	31,066,726
Other Non Financial Assets	-3.4%	47,597,989	49,289,851
Intangible Assets	-4.4%	32,387,508	33,866,422
Property, Plant & Equipment	6.1%	154,912,621	146,041,713
Right of use Asset	-17.0%	51,756,953	62,490,872
Deferred Tax Asset	0.0%	9,815,140	9,815,140
Total Assets	-2.0%	9,045,046,502	9,228,413,605
Liabilities			
Due to Banks	8.5%	412,380,754	380,234,236
Due to Customers	1.5%	4,993,030,541	4,918,802,137
Debt Inst. Issued and Other Borrowed Funds	-9.4%	1,096,626,381	1,210,632,535
Other Financial Liabilities	-39.2%	325,684,609	535,607,003
Other Non Financial Liabilities	8.5%	17,223,581	15,877,158
Retirement Benefit Liability	7.8%	29,130,676	27,014,926
Current Tax Liabilities	-6.8%	137,284,482	147,245,448
Total Liabilities	-3.1%	7,011,361,024	7,235,413,443
Shareholders' Funds			
Stated Capital	0.0%	1,121,412,955	1,121,412,955
Statutory Reserve	0.0%	191,107,440	191,107,439
Revaluation Reserve	0.0%	70,403,907	70,403,907
Retained Earnings	6.7%	650,761,176	610,075,861
Total Shareholders' Funds	2.0%	2,033,685,478	1,993,000,162
Total Liabilities and Shareholders' Funds	-2.0%	9,045,046,502	9,228,413,605
Commitments and Contingencies		319,321,141	319,321,141
Net Assets Per Share		30.55	29.94

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

Sgd
BGP Samantha
Chief Financial Officer

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

Sgd
Hiran Embuldeniya
Director

Sgd
Thulci Aluwihare
Director

08th August'2021
Colombo

ABANS FINANCE PLC
STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED

	Stated Capital Rs.	Retained Earnings Rs.	Revaluation Reserve	Statutory Reserve Rs.	Total Rs.
Balance as at 01 April 2020	1,121,412,955	382,235,796	-	133,669,250	1,637,318,000
Net Profit / (Loss) for the Period	-	(34,660,736)	-	-	(34,660,736)
Balance as at 30 June 2020	1,121,412,955	347,575,060	-	133,669,250	1,602,657,264
Balance as at 01 April 2021	1,121,412,955	610,075,862	70,403,907	191,107,440	1,993,000,164
Net Profit / (Loss) for the Period	-	40,685,314	-	-	40,685,314
Balances as at 30 June 2021	1,121,412,955	650,761,176	70,403,907	191,107,440	2,033,685,478

08th August'2021
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

Allowance for impairment

Provision/(reversal) for Defined Benefit Plans

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 Right-of-use 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

Sale/(Purchase) of Placement with banks

Disposal/(Acquisition) of Debt instruments at amortised cost

Net Cash Flows from/(Used in) Investing Activities

Cash Flows from / (Used in) Financing Activities

Repayment of Borrowings

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

	30th June 2021 Rs.	30th June 2020 Rs.
Profit / (Loss) Before Income Tax Expense	60,724,348	(49,515,337)
Adjustments for		
Depreciation	14,961,846	15,333,799
Amortisation of Intangible Assets	1,478,914	1,175,588
Allowance for impairment	105,940,310	112,007,544
Provision/(reversal) for Defined Benefit Plans	2,250,000	1,350,000
Interest Accrued on Borrowings	36,825,757	36,156,955
Operating Profit before Working Capital Changes	222,181,174	116,508,548
(Increase)/Decrease in Real Estate Stock	-	915,987
(Increase)/Decrease in Loans and Advances	102,647,246	57,720,637
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	(173,408,764)	247,492,176
(Increase)/Decrease in Other Financial Assets	16,794,767	(8,902,962)
(Increase)/Decrease in Right-of-use Assets	-	369,689
(Increase)/Decrease in Other Non Financial Assets	1,691,861	2,458,846
Increase/(Decrease) in Amounts Due to Customers	74,228,404	(142,287,076)
Increase/(Decrease) in Other Financial Liabilities	(209,922,394)	(319,188,212)
Increase/(Decrease) in Other Non Financial Liabilities	1,346,423	(1,025,126)
Cash Generated from Operations	35,558,717	(45,937,492)
Retirement Benefit Liabilities Paid	(134,250)	(434,450)
Interest paid on Bank and Other Borrowings	(25,831,909)	(41,984,730)
Taxes Paid	(29,999,999)	(6,194,206)
Net Cash From/(Used in) Operating Activities	(20,407,441)	(94,550,878)
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(13,098,835)	(1,157,180)
Acquisition of Intangible Assets	-	(116,987)
Proceeds from Sales of Property, Plant & Equipment	-	7,000
Sale/(Purchase) of Placement with banks	(100,393,412)	130,042
Disposal/(Acquisition) of Debt instruments at amortised cost	(321,121)	(372,837)
Net Cash Flows from/(Used in) Investing Activities	(113,813,368)	(1,509,963)
Cash Flows from / (Used in) Financing Activities		
Repayment of Borrowings	(32,100,000)	(120,960,953)
Borrowings through Securitization	-	350,000,000
Repayment of Securitization	(125,000,000)	(181,524,530)
Net Cash Flows from/(Used in) Financing Activities	(157,100,000)	47,514,517
Net Increase in Cash and Cash Equivalents	(291,320,809)	(48,546,324)
Cash and Cash Equivalents at the beginning of the year	1,225,146,193	540,071,245
Cash and Cash Equivalents at the end of the year	933,825,384	491,524,921

The figures presented above are provisional and subject to Audit.

 08th August'2021
Colombo

ABANS FINANCE PLC
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

	Amortised Cost		Equity Instruments - FVOCI		Total	
As at	30.06.2021 Rs.	31.03.2021 Rs.	30.06.2021 Rs.	31.03.2021 Rs.	30.06.2021 Rs.	31.03.2021 Rs.
Assets						
Cash and Bank Balances	239,157,077	226,092,543	-	-	239,157,077	226,092,543
Placements with Banks	257,568,806	207,264,972	-	-	257,568,806	207,264,972
Repurchase Agreements	702,146,587	942,235,676			702,146,587	942,235,676
Money Market Investments	50,039,844	-			50,039,844	-
Loans and Advances	1,267,357,140	1,379,508,592	-	-	1,267,357,140	1,379,508,592
Lease rentals receivable & Stock out on hire	6,107,612,092	6,027,133,949	-	-	6,107,612,092	6,027,133,949
Equity instruments at fair value through OCI	-	-	80,400	80,400	80,400	80,400
Debt instruments at amortised cost	14,005,313	13,684,192			14,005,313	13,684,192
Other financial assets	79,542,306	99,842,557	-	-	79,542,306	99,842,557
Total Financial Assets	8,717,429,165	8,895,762,482	80,400	80,400	8,717,509,565	8,895,842,881

	OFL at Amortized Cost		Total	
	30.06.2021 Rs.	31.03.2021 Rs.	30.06.2021 Rs.	31.03.2021 Rs.
Liabilities				
Due to Banks	412,380,754	380,234,236	412,380,754	380,234,236
Due to Customers	4,993,030,541	4,918,802,137	4,993,030,541	4,918,802,137
Debt Instruments Issued & Other borrowed funds	1,096,626,381	1,210,632,535	1,096,626,381	1,210,632,535
Other Financial Liabilities	325,684,609	535,607,003	325,684,609	535,607,003
Total Financial Liabilities	6,827,722,286	7,045,275,911	6,827,722,286	7,045,275,911

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 30 JUNE	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Interest Income	374,562,391	265,345,547	251,918	29,864	61,151,739	76,775,279	12,396,265	9,620,680	448,362,313	351,771,370
Fee Based Income & Others	33,813,602	12,046,715	1,090,316	299,104	299,577	581,097	18,750	150,442	35,222,245	13,077,358
Unallocated Income							1,377,361	783,043	1,377,361	783,043
Total Revenue	408,375,993	277,392,262	1,342,234	328,968	61,451,315	77,356,376	13,792,376	10,539,349	484,961,918	365,631,771
Interest Expences	(99,261,341)	(126,449,629)	(391,169)	(470,548)	(21,736,492)	(42,180,960)	(18,469,802)	(14,784,334)	(139,858,804)	(183,885,471)
Fee Based Expences & Others	(3,317,000)	(17,000)	-	-	-	-	(2,806,407)	(2,368,663)	(6,123,407)	(2,385,663)
Impairment Reversal / (Allowance)	(92,507,086)	(80,482,454)	(423,535)	(286)	(9,504,206)	(187,470)	(3,505,484)	(31,337,334)	(105,940,310)	(112,007,544)
Net Operating Income	213,290,566	70,443,178	527,529	(141,866)	30,210,617	34,987,946	(10,989,316)	(37,950,982)	233,039,397	67,353,093
Unallocated Expenses									(172,315,049)	(116,868,430)
Profits/ (Loss) before Tax									60,724,348	(49,515,337)
Income Tax expenses									(20,039,034)	14,854,601
Net Profit /(Loss) for the period									40,685,314	(34,660,736)
Segment Assets	6,080,569,275	5,504,436,871	27,042,817	21,915,825	1,267,357,140	1,862,187,428	1,054,827,275	577,450,246	8,429,796,508	7,965,990,369
Unallocated Assets									615,249,994	590,445,658
Total Assets	6,080,569,275	5,504,436,871	27,042,817	21,915,825	1,267,357,140	1,862,187,428	1,054,827,275	577,450,246	9,045,046,502	8,556,436,027
Unallocated Liabilities									7,011,361,026	6,953,778,763
Total Liabilities									7,011,361,026	6,953,778,763

ABANS FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

(a) . BASIS OF PREPARATION

These Interim Financial Statements have been prepared in accordance with Sri Lanka Accounting Standard LKAS 34 Interim Financial Reporting, and present information required by Listing Rules of the Colombo Stock Exchange.

The accounting policies followed in the preparation of these financial statements are the same as those used in the audited financial statements for the year ended 31 March 2021, except as described in these notes.

(b). IMPAIRMENT

Paragraph B5.5.52 of Appendix B Application Guidance of Sri Lanka Accounting Standard SLFRS 9 Financial Instruments states as follows:

“Historical Information is an important anchor or base from which to measure expected credit losses. However, an entity shall adjust historical data, such as credit loss experience, on the basis of current observable data to reflect the effects of the current conditions and its forecast for the future conditions that did not affect the period on which historical data is based, and to remove the effects of the conditions in the historical period that are not relevant to the future contractual cash flows.”

The period under review experienced island wide travel restrictions for a period of approximately 1 month, which affected collections from customers during the months of May and June 2021. This resulted in a delay in collections compared to historical data, a major part of the effect of which is expected to be temporary.

Therefore, the company used the number of months in arrears as at 31 May 2021, instead of as at 30 June 2021, as an overlay on the model to provide a reasonable estimate of the impairment allowance as at 30 June 2021.

(b). EVENTS AFTER THE REPORTING DATE

There were no events after the reporting date with require disclosure.

(c). CORE CAPITAL

Direction No. 02 of 2017 issued under the Finance Business Act as amended up to 31 December 2020 requires a finance company to have a core capital of at least Rs. 2 billion. As the core capital of the company is less than the said amount, the Central Bank of Sri Lanka has issued a direction which requires the amount of deposits accepted by the company not to exceed Rs. 6 billion. The amount of deposits held by the company as at the end of the reporting period was Rs. 4,993 million.

(d). CREDIT RATING

A (lka) on Rating Watch Evolving (RWE) by FITCH Ratings Lanka Ltd.

(e). TRADED PRICE PER SHARE

	03 Months Ended 30 June 2021	03 Months Ended 30 June 2020
Highest	Rs. 34.00	Rs. 21.00
Lowest	Rs. 25.20	Rs. 14.50
Closing	Rs. 29.30	Rs. 20.80

(f). MARKET CAPITALIZATION

- Market Capitalization (Rs.)	1,950,254,089
- Float Adjusted Market Capitalization (Rs.)	157,949,268

ABANS FINANCE PLC**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE PERIOD ENDED 30 JUNE 2021****(g). SHARES HELD BY PUBLIC**

- Public Share holding as at 30 June 2021 is, 8.099%
- Number of Public Share Holders as at 30 June 2021 is, 774.

(h). SHARES HELD BY DIRECTORS

Name of The Director	30 June 2021	
	No.of Shares	(%)
Mr. R Pestonjee	220,660 *	0.33
Mr. A S Ratnayake	NIL	-
Mr. H C Embuldeniya	NIL	-
Mr. W B W M R A M T G Aluwihare	NIL	-
Mr. K J C Perera	NIL	-
Ms. D S Ratnayake	NIL	-

* This includes 28,800 Shares Held Jointly.

(i). TWENTY LARGEST SHAREHOLDERS

Name of The Shareholder	30 June 2021	
	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 Mr. P. Thilakaratne	75,301	0.11%
16 Mr.M.G.M. Hussain	70,701	0.11%
17 Mrs.H.I.Salgado	66,600	0.10%
18 Seylan Bank PLC/Shermal Hemaka Jayasuriya	56,502	0.08%
19 Mr.T.D.R. Siriwardena	53,070	0.08%
20 Mr.G.C.Goonetilleke	48,105	0.07%
	65,621,888	98.59%
Others	939,675	1.41%
Total	66,561,563	100.00%