

# **ABANS FINANCE PLC**

## **INTERIM FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED**

**30 JUNE 2018**



**ABANS FINANCE PLC****STATEMENT OF COMPREHENSIVE INCOME**For the Quarter  
Ended June

	2018 Rs.	2017 Rs.	Change
Income	514,851,528	438,655,590	17%
Interest Income	463,888,504	396,079,555	17%
Interest Expenses	(222,549,144)	(178,848,086)	24%
<b>Net Interest Income</b>	<b>241,339,360</b>	<b>217,231,469</b>	11%
Fee and Commission Income	47,416,683	37,216,603	27%
Fee and Commission Expenses	(34,273,197)	(31,813,693)	8%
<b>Net Fee and Commission Income</b>	<b>13,143,486</b>	<b>5,402,910</b>	143%
Net Gain/(Loss) From Trading	-	1,608,093	-100%
Other Operating Income (net)	3,546,341	3,751,339	-5%
<b>Total Operating Income</b>	<b>258,029,187</b>	<b>227,993,811</b>	13%
Impairment (Charges) / Reversal	(73,226,264)	(71,997,371)	2%
<b>Net Operating Income</b>	<b>184,802,923</b>	<b>155,996,440</b>	18%
<b>Operating Expenses</b>			
Personnel Costs	(68,588,008)	(61,220,759)	12%
Other Operating Expenses	(75,662,685)	(68,726,125)	10%
<b>Operating Profit/(Loss) before VAT on FS</b>	<b>40,552,231</b>	<b>26,049,556</b>	56%
Value Added Tax on Financial Services	(14,286,094)	(11,492,529)	24%
<b>Profit / (Loss) before Taxation from Operations</b>	<b>26,266,137</b>	<b>14,557,026</b>	80%
Income Tax (Expence)/Reversal	(7,879,841)	(5,202,822)	51%
<b>Profit/(Loss) for the Period</b>	<b>18,386,296</b>	<b>9,354,204</b>	97%
<b>Other Comprehensive Income</b>			
<b>Net Other Comprehensive Income to be re classified to profit or loss</b>	-	-	
<b>Other Comprehensive Income not To Be Classified to Profit or Loss</b>			
Actuarial Gains/(Losses) on Defined Benefit Plan			
Deferred Tax effect on above			
<b>Net Other Comprehensive Gain/Loss not to be re classified to profit or loss</b>	-	-	
<b>Other Comprehensive Income for the Period, Net of Tax</b>	-	-	
<b>Total Comprehensive Income for the Period</b>	<b>18,386,296</b>	<b>9,354,204</b>	97%
<b>Earnings Per Share</b>	<b>0.28</b>	<b>0.16</b>	

The figures presented above are provisional and subject to Audit.

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

AS AT 30 JUNE 2018

	<b>Change</b>	<b>JUNE '2018 Rs.</b>	<b>MARCH '2018 Rs. (Audited)</b>
<b>Assets</b>			
Cash and Bank Balances	5%	423,857,423	405,474,541
Placements with Banks	-17%	458,238,724	550,601,090
Securities Purchased under Repurchase Agreement	29%	466,044,843	362,248,075
Loans and Advances	-11%	2,160,876,363	2,435,821,344
Lease Rentals Receivable & Stock Out on Hire	2%	4,584,797,236	4,492,296,195
Financial Investments - Available for Sale		80,400	80,400
Financial Investments - Held to Maturity	-5%	226,672,760	239,630,135
Other Financial Assets	16%	181,233,273	155,935,006
Real Estate Stock	-6%	54,693,213	58,049,675
Other Non Financial Assets	1%	75,633,918	74,538,359
Tax Recoverable		15,473,231	19,422,858
Intangible Assets	-4%	20,354,776	21,098,350
Property, Plant & Equipment	-3%	87,033,383	89,641,860
Deferred Tax Asset		52,586,166	52,586,166
<b>Total Assets</b>	-2%	<b>8,807,575,709</b>	<b>8,957,424,054</b>
<b>Liabilities</b>			
Due to Banks	15%	251,943,061	218,381,026
Due to Customers	-2%	6,462,047,460	6,615,159,367
Other Financial Liabilities	-10%	474,321,838	525,278,976
Other Non Financial Liabilities	8%	13,011,718	12,064,037
Retirement Benefit Liability	7%	20,237,408	18,912,720
<b>Total Liabilities</b>	-2%	<b>7,221,561,485</b>	<b>7,389,796,126</b>
<b>Shareholders' Funds</b>			
Stated Capital	0%	1,121,412,955	1,121,412,955
Statutory Reserve	0%	108,239,567	108,239,567
Retained Earnings	5%	356,361,702	337,975,406
<b>Total Shareholders' Funds</b>	1%	<b>1,586,014,223</b>	<b>1,567,627,928</b>
<b>Total Liabilities and Shareholders' Funds</b>	-2%	<b>8,807,575,709</b>	<b>8,957,424,054</b>
<b>Commitments and Contingencies</b>		<b>136,285,060</b>	<b>144,325,714</b>
<b>Net Assets Per Share</b>		<b>23.83</b>	<b>23.55</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

Ivon Brohier (Sgnd.)  
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,

Roshan Nanayakkara (Sgnd.)  
Director

Rusi Pestonjee (Sgnd.)  
Director

01 August 2018  
Colombo

## ABANS FINANCE PLC

### STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED

	Stated Capital Rs.	Retained Earnings Rs.	Statutory Reserve Rs.	Total Rs.
<b>Balance as at 1 April 2017</b>	844,073,080	276,925,847	89,266,829	1,210,265,756
Issue of Shares	277,339,875	-	-	277,339,875
Direct Cost of Right Issue	-	(631,142)	-	(631,142)
Net Profit / (Loss) for the Period	-	9,354,204	-	9,354,204
<b>Balance as at 30 June 2017</b>	<b><u>1,121,412,955</u></b>	<b><u>285,648,910</u></b>	<b><u>89,266,829</u></b>	<b><u>1,496,328,694</u></b>
 <b>Balance as at 1 April 2018</b>	 1,121,412,955	 337,975,406	 108,239,567	 1,567,627,927
Net Profit / (Loss) for the Period	-	18,386,296	-	18,386,296
<b>Balances as at 30 June 2018</b>	<b><u>1,121,412,955</u></b>	<b><u>356,361,702</u></b>	<b><u>108,239,567</u></b>	<b><u>1,586,014,223</u></b>

01 August 2018  
Colombo

**ABANS FINANCE PLC****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

Diminution/(Appreciation) in value of investments

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

Provision/(reversal) for Defined Benefit Plans

Dividend Received

**Operating Profit before Working Capital Changes**

(Increase)/Decrease in Real Estate Stock

(Increase)/Decrease in Loans and Advances

(Increase)/Decrease in Lease Rentals Receivable &amp; 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

Taxes Paid

Net Cash From/(Used in) Operating Activities

**Cash Flows from / (Used in) Investing Activities**

Acquisition of Property, Plant &amp; Equipment

Acquisition of Intangible Assets

Proceeds from Sales of Property, Plant &amp; Equipment

Acquisition of Financial Investment Held - for -Trading

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

Cash Flow from Issue of Shares

Expences on Right Issue of Shares

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**

<b>30th June 2018 Rs.</b>	<b>30th June 2017 Rs.</b>
26,266,137	14,557,026
5,765,118	4,733,859
743,572	743,572
73,226,264	71,997,371
-	(1,561,557)
-	54,153
1,815,188	600,000
-	(46,536)
<b>107,816,279</b>	<b>91,077,889</b>
3,356,462	1,748,037
265,307,099	75,509,276
(121,826,909)	(223,745,413)
(59,560,781)	(57,705,004)
(1,095,559)	(135,041)
(153,111,906)	(39,389,126)
(50,957,138)	(13,602,095)
947,681	(3,772,440)
<b>(9,124,772)</b>	<b>(170,013,918)</b>
(550,250)	-
(3,946,407)	(7,678,294)
<b>(13,621,429)</b>	<b>(177,692,212)</b>
(3,156,640)	(7,258,354)
-	(1,391,597)
-	13,999
-	(4,721)
(8,350,405)	(1,264)
12,957,374	14,736,305
-	46,536
<b>1,450,329</b>	<b>6,140,903</b>
(25,833,333)	(20,833,333)
-	277,339,875
-	(631,142)
<b>(25,833,333)</b>	<b>255,875,400</b>
<b>(38,004,433)</b>	<b>84,324,090</b>
1,008,737,712	999,476,642
<b>970,733,279</b>	<b>1,083,800,732</b>

The figures presented above are provisional and subject to Audit.

01 August 2018

Colombo

# ABANS FINANCE PLC

## ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

	HFT at Fair Value		HTM at Amortized Cost		L&R at Amortized Cost		AFS at Fair Value		Total	
As at	30.06.2018	31.03.2018	30.06.2018	31.03.2018	30.06.2018	31.03.2018	30.06.2018	31.03.2018	30.06.2018	31.03.2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Assets</b>										
Cash and Bank Balances	-	-	-	-	423,857,423	405,474,541	-	-	423,857,423	405,474,541
Placements with Banks	-	-	-	-	458,238,724	550,601,090	-	-	458,238,724	550,601,090
Repurchase Agreements	-	-	-	-	466,044,843	362,248,075			466,044,843	362,248,075
Financial Investments - Held for Trading	-	-	-	-	-	-	-	-	-	-
Loans and Advances	-	-	-	-	2,160,876,363	2,435,821,344	-	-	2,160,876,363	2,435,821,344
Lease rentals receivable & Stock out on hire	-	-	-	-	4,584,797,236	4,492,296,195	-	-	4,584,797,236	4,492,296,195
Financial Investments - Available for Sale	-	-	-	-	-	-	80,400	80,400	80,400	80,400
Financial Investments - Held to Maturity	-	-	226,672,760	239,630,134	-	-	-	-	226,672,760	239,630,134
Other financial assets	-	-	-	-	181,233,273	155,935,006	-	-	181,233,273	155,935,006
<b>Total Financial Assets</b>	-	-	226,672,760	239,630,134	8,275,047,862	8,402,376,253	80,400	80,400	8,501,801,022	8,642,086,786
	OFL								Total	

	30.06.2018	31.03.2018		30.06.2018	31.03.2018
	Rs.	Rs.		Rs.	Rs.
<b>Liabilities</b>					
Due to Banks	251,943,061	218,381,027		251,943,061	218,381,027
Due to Customers	6,462,047,460	6,615,159,367		6,462,047,460	6,615,159,367
Debt Instruments Issued					
& Other borrowed funds	-	-		-	-
Other Financial Liabilities	474,321,838	525,278,976		474,321,838	525,278,976
<b>Total Financial Liabilities</b>	7,188,312,359	7,358,819,369		7,188,312,359	7,358,819,369

**HFT** - Held for Trading

**HTM** - Held to Maturity

**L & R** - Loans and Receivables

**AFS** - Available for Sale

**OFL** - Other Financial Liabilities

ABANS FINANCE PLC
FINANCIAL REPORTING BY SEGMENT

	Leasing		Hirepurchase		Term Loans		Others		Total	
FOR THE PERIOD ENDED 30 JUNE	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Interest Income	292,026,787	235,013,107	382,635	1,568,055	136,683,231	120,467,769	34,795,851	39,030,624	463,888,504	396,079,555
Fee Based Income & Others	46,192,303	34,869,730	83,064	104,220	1,141,316	2,242,651	52,906	1,867,443	47,469,589	39,084,044
Unallocated Income							3,493,435	3,491,991	3,493,435	3,491,991
<b>Total Revenue</b>	<b>338,219,091</b>	<b>269,882,838</b>	<b>465,699</b>	<b>1,672,275</b>	<b>137,824,547</b>	<b>122,710,420</b>	<b>38,342,192</b>	<b>44,390,057</b>	<b>514,851,528</b>	<b>438,655,590</b>
Interest Expences	(125,177,052)	(97,953,720)	(373,177)	(951,541)	(63,579,433)	(54,892,665)	(33,419,483)	(25,050,160)	(222,549,144)	(178,848,086)
Fee Based Expences & Others	(28,265,251)	(24,183,021)	-	-	(8,500)	(42,910)	(5,999,446)	(7,587,763)	(34,273,197)	(31,813,693)
Impairment Reversal / (Provision)	(30,733,765)	(12,431,446)	1,407,898	(1,168,061)	(9,637,883)	(14,431,184)	(34,262,514)	(43,966,680)	(73,226,264)	(71,997,371)
<b>Net Operating Income</b>	<b>154,043,022</b>	<b>135,314,650</b>	<b>1,500,420</b>	<b>(447,326)</b>	<b>64,598,732</b>	<b>53,343,661</b>	<b>(35,339,251)</b>	<b>(32,214,546)</b>	<b>184,802,923</b>	<b>155,996,440</b>
Unallocated Expenses									(158,536,787)	(141,439,413)
<b>Profits/ (Loss) before Tax</b>									<b>26,266,137</b>	<b>14,557,026</b>
Income Tax expenses									(7,879,841)	(5,202,822)
<b>Net Profit / (Loss) for the period</b>									<b>18,386,296</b>	<b>9,354,204</b>
Segment Assets	4,576,923,195	3,860,812,134	7,874,041	29,299,418	2,160,876,363	2,055,735,575	1,205,649,540	977,771,650	7,951,323,139	6,923,618,776
Unallocated Assets									856,252,570	795,224,902
<b>Total Assets</b>	<b>4,576,923,195</b>	<b>3,860,812,134</b>	<b>7,874,041</b>	<b>29,299,418</b>	<b>2,160,876,363</b>	<b>2,055,735,575</b>	<b>1,205,649,540</b>	<b>977,771,650</b>	<b>8,807,575,709</b>	<b>7,718,843,677</b>
Unallocated Liabilities									8,807,575,709	7,718,843,677
<b>Total Liabilities</b>									<b>8,807,575,709</b>	<b>7,718,843,677</b>

## **ABANS FINANCE PLC**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018**

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

	<b>30th June 2018</b>
Highest	Rs.25.50
Lowest	Rs.19.10
Closing	Rs.21.00

#### **(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 2018.

#### **SLFRS 9 –Financial Instruments**

The Sri Lanka Accounting Standard SLFRS 9 Financial Instruments is applicable for the annual financial statements of the entity beginning on 1 April 2018. The impact of the application of SLFRS 9 on these financial statements has not been quantified.

#### **(c). COMMITMENTS AND CONTINGENCIES**

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

#### **(d). PUBLIC HOLDING**

- Public Share holding as at 30th June 2018 is, **8.099%**
- Number of Public Share Holders as at 30th June 2018 is, **803.**

#### **(e). 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.



**ABANS FINANCE PLC****NOTES TO THE FINANCIAL STATEMENTS (Cont..)****FOR THE PERIOD ENDED 30 JUNE 2018****(f). DIRECTORS SHAREHOLDING**

<b>Name of The Director</b>	<b>30th June 2018</b>	
	<b>No.of Shares</b>	<b>(%)</b>
Mr. R Pestonjee	220,660 *	0.33
Mr.R A Nanayakkara	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)	NIL	-

\* This includes 28,800 Shares Held Jointly.

**(g). TWENTY LARGEST SHAREHOLDERS**

	<b>30th June 2018</b>	
	<b>No.of Shares</b>	<b>(%)</b>
1 Abans PLC	33,063,877	49.67%
2 Ironwood Investment Holding Pvt Ltd	27,881,236	41.89%
3 Mr.Peston Nadirshah Pestonjee	911,520	1.37%
4 Able Investments (Private) Limited	806,917	1.21%
5 Mr.Kurusamy Kunenthiran	466,816	0.70%
6 Mrs.Srimathie Chandrakanthi Henagama Gamage	444,000	0.67%
7 Mrs.Champika Vilasini Sumanadasa	444,000	0.67%
8 Mr.Behman Pestonjee	308,160	0.46%
9 Mr.Rusi Pestonjee*	220,660	0.33%
10 Mrs.Saroshi Dubash	192,423	0.29%
11 A B Cold Storage (Pvt) Limited	144,000	0.22%
12 Ab Securitas (Private) Limited	144,000	0.22%
13 Cleantech Pvt Ltd	144,000	0.22%
14 Mrs.Aban Pestonjee	80,000	0.12%
15 Mrs.Helena Irene Salgado	66,600	0.10%
16 Mr.Gajath Chrysantha Goonetilleke	48,105	0.07%
17 Nation Lanka Capital Ltd/Karagoda Loku Gamage Udayananda	38,004	0.06%
18 Mr.Ravindra Erle Rambukwelle	37,120	0.06%
19 Miss Mohamed Farook Fathima Safina	36,748	0.06%
20 Dr.Kandasamy Poologasundram	36,000	0.05%
	65,514,186	98.43%
<b>Others</b>	1,047,387	1.57%
<b>Total</b>	<b>66,561,573</b>	<b>100.00%</b>

**(h). PRIVATE PLACEMENT PROCEEDS UTILIZATION AS AT 30.06.2018 (LISTED ON 18th NOVEMBER 2016)**

Objective Number	Objective as per Circular	Amount allocated as per Circular in LKR	Proposed date of utilization as per Circular	Amount allocated from proceeds in LKR (A)	Percentage of total proceeds	Amount utilized in LKR (B)	Percentage Utilized against allocation (B/A)	Clarification if funds are not fully utilized including where the funds are invested (Eg; whether lent to related party/s etc.)
1	To expand the lending activities of the Company	246,699,450	3rd Quarter 2016/2017	246,699,450.00	89%	246,699,450.00	100%	-
2	Investment in IT systems (Hardware and Software)	30,000,000	3rd Quarter 2016/2017	30,000,000.00	11%	24,467,549.15	82%	Remaining funds are invested in Placements with Banks
		<b>276,699,450</b>		<b>276,699,450.00</b>	<b>100%</b>			