

ABANS FINANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30 SEPTEMBER 2020



ABANS FINANCE PLC
STATEMENT OF COMPREHENSIVE INCOME

	06 Months Ended 30 September			03 Months Ended 30 September		
	2020 Rs.	2019 Rs.	Change	2020 Rs.	2019 Rs.	Change
	Unaudited	Unaudited		Unaudited	Unaudited	
Income	896,509,853	1,031,781,787	-13%	458,078,791	509,538,382	-10.1%
Interest Income	840,748,989	933,743,878	-10%	416,178,328	462,890,347	-10.1%
Interest Expenses	(365,496,396)	(446,418,387)	-18%	(181,610,925)	(225,216,924)	-19%
Net Interest Income	475,252,593	487,325,491	-2.5%	234,567,403	237,673,423	-1%
Fee and Commission Income	49,565,649	93,267,760	-47%	36,503,107	44,772,859	-18%
Fee and Commission Expenses	(5,409,327)	7,029,278	-177%	(3,023,665)	2,051,216	-247%
Net Fee and Commission Income	44,156,322	100,297,038	-56%	33,479,442	46,824,075	-28%
Day 1 Gain/(Loss) on Moratorium	(72,799,291)	-		-	-	
Net Gain/(Loss) from Trading	320,000	240,800		320,000	240,800	
Other Operating Income (net)	5,875,215	4,529,349	30%	5,077,356	1,634,377	211%
Total Operating Income	452,804,839	592,392,679	-24%	273,444,202	286,372,675	-5%
Impairment (Charges) / Reversal	(83,720,087)	(212,436,144)	-61%	28,287,457	(86,229,064)	-133%
Net Operating Income	369,084,752	379,956,535	-3%	301,731,658	200,143,611	51%
Operating Expenses						
Personnel Costs	(121,848,419)	(135,795,812)	-10%	(63,929,223)	(68,297,612)	-6%
Depreciation & Amortization	(33,555,076)	(13,366,586)	151%	(17,045,689)	(7,312,199)	133%
Other Operating Expenses	(93,342,517)	(149,483,992)	-38%	(52,177,205)	(73,210,639)	-29%
Operating Profit before Value Added Tax on FS & Levy	120,338,741	81,310,145	48%	168,579,541	51,323,160	228%
Taxes on Financial Services	(29,504,416)	(42,902,914)	-31%	(28,229,880)	(23,655,122)	19%
Profit / (Loss) before Taxation from Operations	90,834,325	38,407,231	137%	140,349,661	27,668,038	407%
Income Tax (Expense)/Reversal	(27,250,298)	(10,754,025)	153%	(42,104,899)	(7,747,051)	443%
Profit/(Loss) for the Period	63,584,027	27,653,206	130%	98,244,762	19,920,987	393%
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	63,584,027	27,653,206	130%	98,244,762	19,920,987	393%
Earnings Per Share	0.96	0.42		1.48	0.30	

The figures presented above are provisional and subject to Audit.

12th November 2020
Colombo

ABANS FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

AS AT 30 SEPTEMBER 2020

	Change	SEPTEMBER'2020 Rs. (Un Audited)	MARCH '2020 Rs. (Audited)
Assets			
Cash and Bank Balances	108.8%	306,841,006	146,941,688
Placements with Banks	0.2%	204,668,569	204,354,154
Securities Purchased under Repurchase Agreement	132.9%	650,150,267	279,143,141
Loans and Advances	-11.0%	1,709,074,473	1,920,095,538
Lease Rentals Receivable & Stock Out on Hire	-7.5%	5,414,743,496	5,854,327,613
Equity instruments at fair value through OCI	0.0%	80,400	80,400
Debt instruments at amortised cost	-94.0%	13,542,033	225,421,143
Other Financial Assets	-40.1%	57,788,009	96,487,549
Real Estate Stock	-2.3%	38,397,226	39,313,213
Other Non Financial Assets	3.4%	66,129,500	63,953,134
Intangible Assets	-7.6%	27,112,054	29,339,420
Property, Plant & Equipment	-12.4%	61,645,375	70,332,907
Right of use Asset		83,118,831	81,250,333
Deferred Tax Asset	0.0%	45,073,647	45,073,647
Total Assets	-4.2%	8,678,364,886	9,056,113,880
Liabilities			
Due to Banks	-12.4%	709,663,633	809,672,689
Due to Customers	-3.2%	4,983,995,640	5,148,142,044
Debt Inst. Issued and Other Borrowed Funds	1.2%	657,780,450	649,837,356
Other Financial Liabilities	-27.0%	525,393,110	720,063,470
Other Non Financial Liabilities	6.0%	25,217,112	23,791,226
Retirement Benefit Liability	11.7%	21,700,697	19,435,147
Current Tax Liabilities	12.2%	53,712,217	47,853,949
Total Liabilities	-5.9%	6,977,462,859	7,418,795,879
Shareholders' Funds			
Stated Capital	0.0%	1,121,412,955	1,121,412,955
Statutory Reserve	0.0%	133,669,249	133,669,250
Retained Earnings	16.6%	445,819,823	382,235,796
Total Shareholders' Funds	3.9%	1,700,902,027	1,637,318,001
Total Liabilities and Shareholders' Funds	-4.2%	8,678,364,886	9,056,113,880
Commitments and Contingencies		252,950,184	119,300,467
Net Assets Per Share		25.55	24.60

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,

Rashmika Nissanga (Sgnd.)
Director

Rusi Pestonjee (Sgnd.)
Director

12th November 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 2019	1,121,412,955	299,663,474	112,983,832	1,534,060,261
Net Profit / (Loss) for the Period	-	27,653,206	-	27,653,206
Balance as at 30 September 2019	<u>1,121,412,955</u>	<u>327,316,680</u>	<u>112,983,832</u>	<u>1,561,713,467</u>
Balance as at 01 April 2020	1,121,412,955	382,235,796	133,669,249	1,637,318,000
Net Profit / (Loss) for the Period	-	63,584,027	-	63,584,027
Balances as at 30 September 2020	<u>1,121,412,955</u>	<u>445,819,823</u>	<u>133,669,249</u>	<u>1,700,902,027</u>

12th November 2020
Colombo

CASH FLOW STATEMENT

FOR THE PERIOD ENDED

	30 September 2020 Rs.	30 September 2019 Rs.
Cash Flows From / (Used in) Operating Activities		
Profit / (Loss) Before Income Tax Expense	90,834,325	38,407,231
Adjustments for		
Depreciation	31,210,725	11,047,351
Amortisation of Intangible Assets	2,344,351	2,319,235
Impairment Chargers	83,720,087	212,436,144
Loss/(Profit) on Disposal of Property, Plant & Equipment	51,099	157,571
Provision/(reversal) for Defined Benefit Plans	2,700,000	2,800,000
Dividend Received	(320,000)	(240,800)
Interest Accrued on Borrowings	82,711,820	65,887,548
Operating Profit before Working Capital Changes	293,252,407	332,814,279
(Increase)/Decrease in Real Estate Stock	915,987	-
(Increase)/Decrease in Loans and Advances	190,807,392	11,891,890
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	430,131,209	(213,170,217)
(Increase)/Decrease in Other Financial Assets	(15,353,969)	29,401,372
(Increase)/Decrease in Right-of-use Assets	(23,148,108)	-
(Increase)/Decrease in Other Non Financial Assets	(2,176,367)	4,651,201
Increase/(Decrease) in Amounts Due to Customers	(164,146,404)	35,084,265
Increase/(Decrease) in Other Financial Liabilities	(194,670,361)	(254,595,263)
Increase/(Decrease) in Other Non Financial Liabilities	1,425,885	(4,605,560)
Cash Generated from Operations	517,037,672	(58,528,033)
Retirement Benefit Liabilities Paid	(434,450)	(1,585,610)
Interest paid on Bank and Other Borrowings	(99,370,297)	(28,477,611)
Taxes Paid	(21,392,030)	(10,754,025)
Net Cash From/(Used in) Operating Activities	395,840,896	(99,345,279)
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(1,368,680)	(4,369,013)
Acquisition of Intangible Assets	(116,987)	(1,231,497)
Proceeds from Sales of Property, Plant & Equipment	94,000	264,000
Sale/(Purchase) of Placement with banks	(318,536)	(5,766,822)
Sale/(Purchase) of Debt instruments at amortised cost	7,987,790	215,754,379
Dividends Received	320,000	240,800
Net Cash Flows from/(Used in) Investing Activities	6,597,587	204,891,847
Cash Flows from / (Used in) Financing Activities		
Repayment of Borrowings	(130,792,424)	(237,622,222)
Borrowings from Banks	-	130,000,000
Borrowings through Securitization	445,000,000	300,000,000
Repayment of Securitization	(409,035,428)	-
Net Cash Flows from/(Used in) Financing Activities	(94,827,851)	192,377,778
Net Increase in Cash and Cash Equivalents	307,610,631	297,924,346
Cash and Cash Equivalents at the beginning of the year	540,071,245	651,500,972
Cash and Cash Equivalents at the end of the year	847,681,877	949,425,319

The figures presented above are provisional and subject to Audit.

 12th November 2020
Colombo

ABANS FINANCE PLC
ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

	Amortised Cost		Equity Instruments - FVOCI		Total	
As at	30.09.2020 Rs.	31.03.2020 Rs.	30.09.2020 Rs.	31.03.2020 Rs.	30.09.2020 Rs.	31.03.2020 Rs.
Assets						
Cash and Bank Balances	306,841,006	146,941,688	-	-	306,841,006	146,941,688
Placements with Banks	204,668,569	204,354,154	-	-	204,668,569	204,354,154
Repurchase Agreements	650,150,267	279,143,141			650,150,267	279,143,141
Loans and Advances	1,709,074,473	1,920,095,535	-	-	1,709,074,473	1,920,095,535
Lease rentals receivable & Stock out on hire	5,414,743,496	5,854,327,613	-	-	5,414,743,496	5,854,327,613
Equity instruments at fair value through OCI	-	-	80,400	80,400	80,400	80,400
Debt instruments at amortised cost	13,542,033	225,421,143			13,542,033	225,421,143
Other financial assets	57,788,009	96,487,549	-	-	57,788,009	96,487,549
Total Financial Assets	8,356,807,852	8,726,770,823	80,400	80,400	8,356,888,252	8,726,851,222

	OFL at Amortized Cost		Total	
	30.09.2020 Rs.	31.03.2020 Rs.	30.09.2020 Rs.	31.03.2020 Rs.
Liabilities				
Due to Banks	709,663,633	809,672,688	709,663,633	809,672,688
Due to Customers	4,983,995,640	5,148,142,044	4,983,995,640	5,148,142,044
Debt Instruments Issued & Other borrowed funds	657,780,450	649,837,356	657,780,450	649,837,356
Other Financial Liabilities	525,393,110	720,063,470	525,393,110	720,063,470
Total Financial Liabilities	6,876,832,833	7,327,715,558	6,876,832,833	7,327,715,558

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 SEPTEMBER	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Interest Income	649,000,183	682,609,821	41,142	1,033,023	172,472,682	212,754,815	19,234,983	37,346,219	840,748,989	933,743,878
Fee Based Income & Others	47,470,638	88,273,723	767,205	233,791	1,084,387	4,760,246	682,249	265,290	50,004,478	93,533,049
Unallocated Income							5,756,386	4,504,860	5,756,386	4,504,860
Total Revenue	696,470,820	770,883,544	808,346	1,266,815	173,557,068	217,515,061	25,673,618	42,116,368	896,509,853	1,031,781,787
Interest Expenses	(247,985,114)	(284,120,821)	(836,696)	(1,288,186)	(80,132,306)	(112,234,891)	(36,542,279)	(48,774,490)	(365,496,396)	(446,418,387)
Fee Based Expenses & Others	(224,737)	15,765,151	-	-	-	(19,373)	(5,184,591)	(8,716,500)	(5,409,327)	7,029,278
Day 1 Loss on Moratorium	(61,927,093)	-	-	-	(10,872,198)	-	-	-	(72,799,291)	-
Impairment Reversal / (Provision)	(10,883,727)	(93,163,967)	1,430,819	(413,878)	(20,213,670)	(58,454,110)	(54,053,509)	(60,404,189)	(83,720,087)	(212,436,144)
Net Operating Income	375,450,149	409,363,906	1,402,469	(435,249)	62,338,895	46,806,687	(70,106,761)	(75,778,810)	369,084,752	379,956,535
Unallocated Expenses									(278,250,427)	(341,549,304)
Profits/ (Loss) before Tax									90,834,325	38,407,231
Income Tax expenses									(27,250,298)	(10,754,025)
Net Profit / (Loss) for the period									63,584,027	27,653,206
Segment Assets	5,397,127,023	5,358,000,365	17,616,473	23,216,359	1,709,074,473	2,057,434,586	906,758,096	1,000,886,542	8,030,576,064	8,439,537,853
Unallocated Assets									647,788,821	428,174,832
Total Assets	5,397,127,023	5,358,000,365	17,616,473	23,216,359	1,709,074,473	2,057,434,586	906,758,096	1,000,886,542	8,678,364,886	8,867,712,684
Unallocated Liabilities									6,977,462,859	7,305,999,218
Total Liabilities									6,977,462,859	7,305,999,218

ABANS FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2020

(a) . BASIS OF PREPARATION

These Interim Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards LKAS 34 - Interim Financial Reporting, and present information required by Listing Rules of 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 2020.

These Financial Statements are provisional and subject to audit.

(b) DAY 1 LOSS ON GRANTING MORATORIUM

Day 1 Loss on granting moratorium for lease rentals and loan repayments in compliance with the circulars issued by the Central Bank of Sri Lanka of Rupees 72.8 million was recognized in these financial statements. The loss recognized is the difference between the gross carrying amount of the financial asset and the present value of the modified cashflow discounted at the financial asset's original effective interest rate.

(c). EVENTS AFTER THE REPORTING DATE

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

(d). DISCLOSURE UNDER RULE 8 OF THE CSE LISTING RULE

Abans PLC agreed to sell 33,063,877 ordinary shares amounting 49.67% of the issued ordinary shares of Abans Finance PLC ("the Company") to Soft Logic Capital PLC at a price of Rs.30.10 per share subject to the receipt of all regulatory approvals which are required for the transaction.

Softlogic Capital PLC has intimated to the Company that it would make a mandatory offer to the minority share holders of Abans Finance PLC subsequent to the aforesaid acquisition in terms of the takeovers and Mergers code 1995 as amended in 2003.

(e). CORE 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 .

(f). CREDIT RATING

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

(g). TRADED PRICE PER SHARE

	03 Months Ended 30 September 2020	03 Months Ended 30 September 2019
Highest	Rs.30.10	Rs.20.00
Lowest	Rs.17.60	Rs.15.00
Closing	Rs.29.50	Rs.16.40

(h). MARKET CAPITALIZATION

- Market Capitalization (Rs.)	1,963,566,404
- Float Adjusted Market Capitalization (Rs.)	159,027,420

ABANS FINANCE PLC**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE PERIOD ENDED 30 SEPTEMBER 2020****(i). SHARES HELD BY PUBLIC**

- Public Share holding as at 30 September is, **8.099%**
- Number of Public Share Holders as at 30 September 2020 is, **864.**

(j). SHARES HELD BY DIRECTORS

Name of The Director	30 September 2020	
	No.of Shares	(%)
Mr. R Pestonjee	220,660 *	0.33
Mr. V K Choksy (Resigned w.e.f 28th August 2020)	NIL	-
Mr. A S Ratnayake	NIL	-
Mr. H C Embuldeniya (Appointed w.e.f 13th March 2020)	NIL	-
Mr. M P Parekh (Resigned w.e.f 29th September 2020)	NIL	-
Mr. Rashmika Nissanga (Appointed w.e.f 29th September 2020)	NIL	-

* This includes 28,800 Shares Held Jointly.

(k). TWENTY LARGEST SHAREHOLDERS

Name of The Shareholder	30 September 2020	
	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	38,517	0.06%
Seylan Bank PLC/Karagoda Loku Gamage		
18 Udayananda	38,004	0.06%
19 Dr. K. Poologasundram	36,000	0.05%
20 Sampath Bank PLC/Mr. Abishek Sithampalam	31,882	0.05%
	65,510,717	98.42%
Others	1,050,856	1.58%
Total	66,561,573	100.00%