

ABANS FINANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 MARCH 2018



ABANS FINANCE PLC
STATEMENT OF COMPREHENSIVE INCOME

	For the Twelve Months Ended March			For the Quarter Ended March		
	2018 Rs. (Unaudited)	2017 Rs. (Audited)	Change	2018 Rs. (Unaudited)	2017 Rs. (Audited)	Change
Income	1,917,670,595	1,620,506,381	18%	515,355,193	428,459,297	20%
Interest Income	1,711,585,708	1,494,673,697	15%	458,370,628	386,284,138	19%
Interest Expenses	(813,594,238)	(623,639,761)	30%	(226,908,124)	(175,375,349)	29%
Net Interest Income	897,991,469	871,033,936	3%	231,462,505	210,908,789	10%
Fee and Commission Income	185,717,691	104,114,176	78%	52,946,957	34,776,579	52%
Fee and Commission Expenses	(143,550,479)	(84,747,252)	69%	(32,913,196)	(26,301,433)	25%
Net Fee and Commission Income	42,167,212	19,366,924	118%	20,033,761	8,475,146	136%
Net Gain/(Loss) From Trading	1,676,965	948,395	77%	-	(95,938)	-100%
Other Operating Income (net)	18,690,232	20,770,114	-10%	4,037,608	7,494,518	-46%
Total Operating Income	960,525,878	912,119,368	5%	255,533,874	226,782,514	13%
Impairment (Charges) / Reversal	(223,102,119)	(189,369,394)	18%	(77,914,447)	(65,699,810)	19%
Net Operating Income	737,423,758	722,749,974	2%	177,619,426	161,082,703	10%
Operating Expenses						
Personnel Costs	(256,394,681)	(217,088,659)	18%	(69,206,974)	(59,930,060)	15%
Other Operating Expenses	(289,425,140)	(252,936,224)	14%	(69,749,795)	(65,911,618)	6%
Operating Profit/(Loss) before VAT on FS	191,603,937	252,725,092	-24%	38,662,657	35,241,026	10%
Value Added Tax on Financial Services	(58,654,511)	(55,318,763)	6%	(15,300,872)	(13,321,504)	15%
Profit / (Loss) before Taxation from Operations	132,949,426	197,406,329	-33%	23,361,786	21,919,522	7%
Income Tax (Expence)/Reversal	(38,085,738)	(63,842,188)	-40%	(6,180,356)	(6,901,624)	-10%
Profit/(Loss) for the Period	94,863,689	133,564,141	-29%	17,181,430	15,017,898	14%
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	(1,247,133)	3,531,254		(1,247,133)	3,531,254	
Deferred Tax effect on above	349,197	(988,751)		349,197	(988,751)	
Net Other Comprehensive Gain/Loss not to be re classified to profit or loss	(897,936)	2,542,503		(897,936)	2,542,503	
Other Comprehensive Income for the Period, Net of Tax	(897,936)	2,542,503		(897,936)	2,542,503	
Total Comprehensive Income for the Period	93,965,753	136,106,644	-31%	16,283,494	17,560,401	-7%
Earnings Per Share	1.44	2.36		0.26	0.27	

The figures presented above are provisional and subject to Audit.

Figures in brackets indicate deductions.

25 May 2018
Colombo

ABANS FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

AS AT 31 MARCH 2018

	Change	MARCH '2018 Rs. (Unaudited)	MARCH '2017 Rs. (Audited)
Assets			
Cash and Bank Balances	8%	405,474,541	376,968,804
Placements with Banks	43%	550,601,090	384,100,772
Securities Purchased under Repurchase Agreement	44%	362,248,075	250,809,890
Financial Assets - Held for Trading	-100%	-	7,624,408
Loans and Advances	14%	2,435,821,344	2,145,676,031
Lease Rentals Receivable & Stock Out on Hire	22%	4,492,296,195	3,679,965,646
Financial Investments - Available for Sale		80,400	80,400
Financial Investments - Held to Maturity	0%	239,630,134	238,572,963
Other Financial Assets	44%	155,935,006	108,507,477
Real Estate Stock	-12%	58,049,675	66,050,693
Other Non Financial Assets	83%	74,538,359	40,725,064
Tax Recoverable		19,422,858	20,800,270
Intangible Assets	-7%	21,098,349	22,681,042
Property, Plant & Equipment	4%	89,641,861	85,843,673
Deferred Tax Asset		52,586,166	57,800,324
Total Assets	20%	8,957,424,053	7,486,207,457
Liabilities			
Due to Banks	2%	218,381,027	213,738,920
Due to Customers	19%	6,615,159,367	5,550,552,545
Other Financial Liabilities	9%	525,278,975	482,649,541
Other Non Financial Liabilities	-13%	12,064,037	13,862,374
Retirement Benefit Liability	25%	18,912,720	15,138,320
Total Liabilities	18%	7,389,796,126	6,275,941,700
Shareholders' Funds			
Stated Capital	33%	1,121,412,955	844,073,080
Statutory Reserve	21%	108,239,567	89,266,829
Retained Earnings	22%	337,975,406	276,925,848
Total Shareholders' Funds	30%	1,567,627,928	1,210,265,757
Total Liabilities and Shareholders' Funds	20%	8,957,424,053	7,486,207,457
Commitments and Contingencies		144,325,714	172,609,297
Net Assets Per Share		23.85	21.37

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

25 May 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.
Balance as at 1 April 2016	382,373,630	169,597,475	62,554,000	614,525,105
Issue of Shares	461,699,450	-	-	461,699,450
Direct Cost of Right Issue	-	(785,447)	-	(785,447)
Direct Cost on Private Placement	-	(1,279,995)	-	(1,279,995)
Net Profit / (Loss) for the Period	-	133,564,141	-	133,564,141
Other Comprehensive Income Net of Tax	-	2,542,503	-	2,542,503
Transfer to / (from) during the Period	-	(26,712,829)	26,712,829	-
Balance as at 31 March 2017 (Audited)	844,073,080	276,925,847	89,266,829	1,210,265,756
 Balance as at 1 April 2017	 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)
Dividend Declaration	-	(13,312,315)	-	(13,312,315)
Net Profit / (Loss) for the Period	-	94,863,689	-	94,863,689
Other Comprehensive Income Net of Tax	-	(897,936)	-	(897,936)
Transfer to / (from) during the Period	-	(18,972,738)	18,972,738	-
Balances as at 31 March 2018 (Unaudited)	1,121,412,955	337,975,406	108,239,567	1,567,627,928

Figures in brackets indicate deductions.

25 May 2018
Colombo

ABANS FINANCE PLC**CASH FLOW STATEMENT**

FOR THE PERIOD ENDED

	31 March 2018 Rs. (Unaudited)	31 March 2017 Rs. (Audited)
Cash Flows From / (Used in) Operating Activities		
Profit / (Loss) Before Income Tax Expense	132,949,426	197,406,329
Adjustments for		
Depreciation	20,670,196	16,146,846
Amortisation of Intangible Assets	2,974,290	2,513,703
Impairment Chargers	223,102,119	189,369,394
Loss/(Profit) from Sale of Investments	168,046	-
Loss/(Profit) from Sale of Unit Trust	-	(2,142,786)
Diminution/(Appreciation) in value of investments	(1,561,557)	(674,167)
Loss/(Profit) on Disposal of Property, Plant & Equipment	(1,182,865)	-
Provision/(reversal) for Defined Benefit Plans	5,667,867	4,466,536
Dividend Received	(283,453)	(274,227)
Operating Profit before Working Capital Changes	382,504,069	406,811,627
(Increase)/Decrease in Real Estate Stock	8,001,017	17,015,788
(Increase)/Decrease in Loans and Advances	(342,668,573)	(1,017,572,990)
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	(845,544,301)	(83,841,030)
(Increase)/Decrease in Other Financial Assets	(184,792,632)	(163,503,726)
(Increase)/Decrease in Other Non Financial Assets	(33,813,296)	57,169,760
Increase/(Decrease) in Amounts Due to Customers	1,064,606,822	1,011,190,324
Increase/(Decrease) in Other Financial Liabilities	42,629,434	(354,375,970)
Increase/(Decrease) in Other Non Financial Liabilities	(1,798,337)	5,775,853
Cash Generated from Operations	89,124,203	(121,330,364)
Retirement Benefit Liabilities Paid	(3,140,600)	(1,046,300)
Taxes Paid	(31,180,725)	(138,357,829)
Net Cash From/(Used in) Operating Activities	54,802,878	(260,734,494)
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(27,690,516)	(26,179,254)
Acquisition of Intangible Assets	(1,391,597)	(9,585,849)
Proceeds from Sales of Property, Plant & Equipment	4,436,030	
Proceeds from Sale of Financial Investments Held -for-Trading	9,022,642	(35,000)
Sale/(Purchase) of Placement with banks	(300,874,398)	(3,710)
Sale/(Purchase) of Financial Investments-Held to Maturity	(1,057,172)	(216,903,150)
Acquisition of Financial Investments - Available for Sale	-	(100,000,000)
Sale/(Purchase) of Financial Investments- Unit Trust	-	102,142,786
Dividends Received	283,453	274,227
Net Cash Flows from/(Used in) Investing Activities	(317,271,559)	(250,289,950)
Cash Flows from / (Used in) Financing Activities		
Repayment of Borrowings	(91,666,667)	(104,971,953)
Borrowings from Banks	100,000,000	250,000,000
Cash Flow from Issue of Shares	277,339,875	459,634,008
Expences on Right Issue of Shares	(631,142)	
Dividend Paid	(13,312,315)	-
Net Cash Flows from/(Used in) Financing Activities	271,729,751	604,662,055
Net Increase in Cash and Cash Equivalents	9,261,070	93,637,612
Cash and Cash Equivalents at the beginning of the year	999,476,642	905,839,030
Cash and Cash Equivalents at the end of the year	1,008,737,712	999,476,642

The figures presented above are provisional and subject to Audit.
Figures in brackets indicate deductions.

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	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assets										
Cash and Bank Balances	-	-	-	-	405,474,541	376,968,804	-	-	405,474,541	376,968,804
Placements with Banks	-	-	-	-	550,601,090	384,100,772	-	-	550,601,090	384,100,772
Repurchase Agreements	-	-	-	-	362,248,075	250,809,890	-	-	362,248,075	250,809,890
Financial Investments - Held for Trading	-	7,624,408	-	-	-	-	-	-	-	7,624,408
Loans and Advances	-	-	-	-	2,435,821,344	2,145,676,031	-	-	2,435,821,344	2,145,676,031
Lease rentals receivable & Stock out on hire	-	-	-	-	4,492,296,195	3,679,965,646	-	-	4,492,296,195	3,679,965,646
Financial Investments - Available for Sale	-	-	-	-	-	-	80,400	80,400	80,400	80,400
Financial Investments - Held to Maturity	-	-	239,630,134	238,572,963	-	-	-	-	239,630,134	238,572,963
Other financial assets	-	-	-	-	155,935,006	108,507,477	-	-	155,935,006	108,507,477
Total Financial Assets	-	7,624,408	239,630,134	238,572,963	8,402,376,252	6,946,028,621	80,400	80,400	8,642,086,786	7,192,306,391
	OFL								Total	

	31.03.2018	31.03.2017		31.03.2018	31.03.2017
	Rs.	Rs.		Rs.	Rs.
Liabilities					
Due to Banks	218,381,027	213,738,920		218,381,027	213,738,920
Due to Customers	6,615,159,367	5,550,552,545		6,615,159,367	5,550,552,545
Debt Instruments Issued					
& Other borrowed funds	-	-		-	-
Other Financial Liabilities	525,278,975	482,649,541		525,278,975	482,649,541
Total Financial Liabilities	7,358,819,369	6,246,941,007		7,358,819,369	6,246,941,007

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 31 MARCH	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.	2018 Rs.	2017 Rs.
Interest Income	1,042,219,905	904,576,211	4,824,287	20,046,954	519,241,078	453,946,296	145,300,438	116,104,236	1,711,585,708	1,494,673,697
Fee Based Income & Others	178,462,964	87,468,321	349,736	659,385	6,904,989	15,986,470	2,924,820	3,964,382	188,642,509	108,078,558
Unallocated Income							17,442,378	17,754,126	17,442,378	17,754,126
Total Revenue	1,220,682,869	992,044,532	5,174,023	20,706,339	526,146,067	469,932,766	165,667,636	137,822,744	1,917,670,595	1,620,506,381
Interest Expences	(443,136,905)	(355,219,827)	(2,983,890)	(7,539,007)	(250,102,272)	(166,229,062)	(117,371,171)	(94,651,865)	(813,594,238)	(623,639,761)
Fee Based Expences & Others	(109,786,062)	(57,823,136)	-	-	(83,510)	(215,708)	(33,680,907)	(26,708,408)	(143,550,479)	(84,747,252)
Impairment Reversal / (Provision)	(34,973,442)	(31,286,962)	1,759,688	31,163,980	(52,523,261)	(60,447,984)	(137,365,104)	(128,798,427)	(223,102,119)	(189,369,394)
Net Operating Income	632,786,460	547,714,607	3,949,821	44,331,313	223,437,024	243,040,011	(122,749,546)	(112,335,957)	737,423,758	722,749,974
Unallocated Expenses									(604,474,332)	(525,343,645)
Profits/ (Loss) before Tax									132,949,426	197,406,329
Income Tax expenses									(38,085,738)	(63,842,188)
Net Profit /(Loss) for the period									94,863,689	133,564,141
Segment Assets	4,481,166,085	3,636,435,388	11,130,110	43,530,258	2,435,821,344	2,145,676,031	1,210,528,976	939,534,319	8,138,646,515	6,765,175,996
Unallocated Assets									818,777,539	721,031,461
Total Assets	4,481,166,085	3,636,435,388	11,130,110	43,530,258	2,435,821,344	2,145,676,031	1,210,528,976	939,534,319	8,957,424,053	7,486,207,457
Unallocated Liabilities									8,957,424,053	7,486,207,457
Total Liabilities									8,957,424,053	7,486,207,457

Figures in brackets indicate deductions.

ABANS FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

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

	31st March 2018
Highest	Rs.24.90
Lowest	Rs.21.00
Closing	Rs.21.30

(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.

There were no changes to the Accounting Policies and method of computation since the publication of the Audited Financial Statements for the year ended 31st March 2017.

(c). COMMITMENTS AND CONTINGENCIES

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

(d). PUBLIC HOLDING

- Public Share holding as at 31st March 2018 is, 8.10%
- Number of Public Share Holders as at 31st March 2018 is, 811.

(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.

(f). DIRECTORS SHAREHOLDING

Name Of The Director	31st March 2018	
	No.of Shares	(%)
Mr. R Pestonjee	220,660 *	0.33
Mr. K B Wanigasekara **	NIL	-
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.

** Relinquished office as the Managing Director of the company and resigned from the board with effect from 27th September 2017.

*** Appointed as a Director (Managing Director) with effect from 27th September 2017.

ABANS FINANCE PLC**NOTES TO THE FINANCIAL STATEMENTS (Cont.)
FOR THE PERIOD ENDED 31 MARCH 2018****(g). TWENTY LARGEST SHAREHOLDERS**

Name Of The Shareholder	31st March 2018	
	No.of Shares	(%)
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%
Others	1,047,387	1.57%
Total	66,561,573	100.00%

(h). PRIVATE PLACEMENT PROCEEDS UTILIZATION AS AT 31.03.2018 (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%	23,553,284.15	79%	Remaining funds are invested in Placements with Banks
		276,699,450		276,699,450.00	100%			

(i). RIGHTS ISSUE FUNDS UTILIZATION AS AT 30.06.2017 (LISTED ON 23rd MAY 2017)

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	275,839,875	1st & 2nd Quarter 2017/2018	276,708,732.90	99.77%	276,708,732.90	100%	N/A
2	Expences relating to the rights issue	1,500,000	1st Quarter 2017/2018	631,142.10	0.23%	631,142.10	100%	N/A
		277,339,875		277,339,875.00	100%			