

ABANS FINANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 DECEMBER 2020



ABANS FINANCE PLC
STATEMENT OF COMPREHENSIVE INCOME

	09 Months Ended 31 December			03 Months Ended 31 December		
	2020 Rs. Unaudited	2019 Rs. Unaudited	Change	2020 Rs. Unaudited	2019 Rs. Unaudited	Change
Income	1,405,907,797	1,526,921,984	-8%	509,397,944	477,112,995	6.8%
Interest Income	1,309,640,372	1,377,474,204	-5%	468,891,383	443,730,326	5.7%
Interest Expenses	(518,328,721)	(668,022,826)	-22%	(152,832,326)	(221,604,439)	-31%
Net Interest Income	791,311,650	709,451,378	11.5%	316,059,058	222,125,887	42%
Fee and Commission Income	78,237,951	141,213,098	-45%	28,672,302	29,918,136	-4%
Fee and Commission Expenses	(10,149,262)	(12,340,118)	-18%	(4,739,935)	(1,342,193)	253%
Net Fee and Commission Income	68,088,689	128,872,981	-47%	23,932,367	28,575,942	-16%
Day 1 Gain/(Loss) on Moratorium	(72,799,291)	-		-	-	
Net Gain/(Loss) from Trading	320,000	240,800		-	-	
Other Operating Income (net)	17,709,474	7,993,882	122%	11,834,258	3,464,533	242%
Total Operating Income	804,630,522	846,559,041	-5%	351,825,683	254,166,362	38%
Impairment (Charges) / Reversal	(85,664,313)	(330,611,910)	-74%	(1,944,226)	(118,175,766)	-98%
Net Operating Income	718,966,209	515,947,130	39%	349,881,456	135,990,596	157%
Operating Expenses						
Personnel Costs	(189,863,077)	(203,671,660)	-7%	(68,014,659)	(67,875,848)	0%
Depreciation & Amortization	(52,680,446)	(19,748,169)	167%	(19,125,370)	(6,888,207)	178%
Other Operating Expenses	(142,342,166)	(221,555,913)	-36%	(48,999,649)	(71,565,298)	-32%
Operating Profit before Value Added Tax on FS & Levy	334,080,520	70,971,388	371%	213,741,778	(10,338,756)	-2167%
Taxes on Financial Services	(64,003,864)	(53,783,989)	19%	(34,499,448)	(10,881,075)	217%
Profit / (Loss) before Taxation from Operations	270,076,656	17,187,399	1471%	179,242,330	(21,219,831)	-945%
Income Tax (Expense)/Reversal	(81,818,772)	(5,156,220)	1487%	(54,568,474)	5,597,805	-1075%
Profit/(Loss) for the Period	188,257,884	12,031,179	1465%	124,673,856	(15,622,026)	-898%
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	188,257,884	12,031,179	1465%	124,673,856	(15,622,026)	-898%
Earnings Per Share	2.83	0.18		1.87	- 0.23	

The figures presented above are provisional and subject to Audit.

12th February 2021
Colombo

ABANS FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2020

	Change	DECEMBER'2020 Rs. (Un Audited)	MARCH '2020 Rs. (Audited)
Assets			
Cash and Bank Balances	87.2%	275,042,680	146,941,688
Placements with Banks	1.2%	206,822,767	204,354,154
Securities Purchased under Repurchase Agreement	88.1%	525,108,793	279,143,141
Loans and Advances	-27.0%	1,400,720,133	1,920,095,538
Lease Rentals Receivable & Stock Out on Hire	-0.8%	5,809,423,387	5,854,327,613
Equity instruments at fair value through OCI	0.0%	80,400	80,400
Debt instruments at amortised cost	-93.9%	13,799,565	225,421,143
Other Financial Assets	-55.9%	42,583,863	96,487,549
Real Estate Stock	-21.0%	31,066,726	39,313,213
Other Non Financial Assets	-16.1%	53,626,057	63,953,134
Intangible Assets	20.5%	35,345,333	29,339,420
Property, Plant & Equipment	-15.2%	59,655,984	70,332,907
Right of use Asset		72,286,471	81,250,333
Deferred Tax Asset	0.0%	45,073,647	45,073,647
Total Assets	-5.4%	8,570,635,807	9,056,113,880
Liabilities			
Due to Banks	-47.6%	424,614,000	809,672,689
Due to Customers	-10.7%	4,599,713,894	5,148,142,044
Debt Inst. Issued and Other Borrowed Funds	29.8%	843,774,040	649,837,356
Other Financial Liabilities	0.8%	725,500,099	720,063,470
Other Non Financial Liabilities	-10.0%	21,423,306	23,791,226
Retirement Benefit Liability	18.1%	22,946,397	19,435,147
Current Tax Liabilities	123.8%	107,088,186	47,853,949
Total Liabilities	-9.1%	6,745,059,923	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	49.3%	570,493,680	382,235,796
Total Shareholders' Funds	11.5%	1,825,575,884	1,637,318,001
Total Liabilities and Shareholders' Funds	-5.4%	8,570,635,807	9,056,113,880
Commitments and Contingencies		252,950,184	119,300,467
Net Assets Per Share		27.43	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

Thulci Aluwihare (Sgnd.)
Director

12th February 2021
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	-	12,031,179	-	12,031,179
Balance as at 31 December 2019	<u>1,121,412,955</u>	<u>311,694,654</u>	<u>112,983,832</u>	<u>1,546,091,440</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	-	188,257,884	-	188,257,884
Balances as at 31 December 2020	<u>1,121,412,955</u>	<u>570,493,680</u>	<u>133,669,249</u>	<u>1,825,575,884</u>

12th February 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

Impairment Chargers

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

Provision/(reversal) for Defined Benefit Plans

Dividend Received

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

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

Borrowings from Banks

Borrowings through Securitization

Repayment of Securitization

Cash Flow from Debt Instruments Issued and Other borrowings

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

	31 December 2020 Rs.	31 December 2019 Rs.
Profit / (Loss) Before Income Tax Expense	270,076,656	17,187,399
Adjustments for		
Depreciation	46,163,360	16,263,095
Amortisation of Intangible Assets	6,517,086	3,485,074
Impairment Chargers	85,664,313	330,611,910
Loss/(Profit) on Disposal of Property, Plant & Equipment	53,168	157,571
Provision/(reversal) for Defined Benefit Plans	4,050,000	4,150,000
Dividend Received	(320,000)	(240,800)
Interest Accrued on Borrowings	113,393,382	101,132,545
Operating Profit before Working Capital Changes	525,597,965	472,746,794
(Increase)/Decrease in Real Estate Stock	8,246,487	11,480,000
(Increase)/Decrease in Loans and Advances	495,947,525	72,127,448
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	43,506,540	(195,193,842)
(Increase)/Decrease in Other Financial Assets	(6,935,064)	(30,403,761)
(Increase)/Decrease in Right-of-use Assets	(23,148,108)	-
(Increase)/Decrease in Other Non Financial Assets	10,327,077	(3,190,750)
Increase/(Decrease) in Amounts Due to Customers	(548,428,150)	(388,071,408)
Increase/(Decrease) in Other Financial Liabilities	5,436,629	(6,137,181)
Increase/(Decrease) in Other Non Financial Liabilities	(2,367,921)	(9,411,027)
Cash Generated from Operations	508,182,980	(76,053,726)
Retirement Benefit Liabilities Paid	(538,750)	(2,311,705)
Interest paid on Bank and Other Borrowings	(119,921,285)	(53,452,470)
Taxes Paid	(22,584,535)	(16,914,663)
Net Cash From/(Used in) Operating Activities	365,138,410	(148,732,564)
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(3,506,634)	(4,873,129)
Acquisition of Intangible Assets	(12,523,001)	(1,231,497)
Proceeds from Sales of Property, Plant & Equipment	99,000	264,000
Sale/(Purchase) of Placement with banks	(767,018)	(6,256,856)
Disposal/(Acquisition) of Debt instruments at amortised cost	7,730,258	204,064,715
Sale/(Purchase) of Financial Investments-Held to Maturity	-	918,223
Dividends Received	320,000	240,800
Net Cash Flows from/(Used in) Investing Activities	(8,647,395)	193,126,258
Cash Flows from / (Used in) Financing Activities		
Repayment of Borrowings	(230,092,424)	(429,493,258)
Borrowings from Banks	-	295,000,000
Borrowings through Securitization	695,250,974	450,000,000
Repayment of Securitization	(487,035,428)	(106,490,169)
Cash Flow from Debt Instruments Issued and Other borrowings	2,440,810	-
Net Cash Flows from/(Used in) Financing Activities	(19,436,067)	209,016,573
Net Increase in Cash and Cash Equivalents	337,054,948	253,410,267
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	877,126,193	904,911,240

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	31.12.2020 Rs.	31.03.2020 Rs.	31.12.2020 Rs.	31.03.2020 Rs.	31.12.2020 Rs.	31.03.2020 Rs.
Assets						
Cash and Bank Balances	275,042,680	146,941,688	-	-	275,042,680	146,941,688
Placements with Banks	206,822,767	204,354,154	-	-	206,822,767	204,354,154
Repurchase Agreements	525,108,793	279,143,141	-	-	525,108,793	279,143,141
Loans and Advances	1,400,720,133	1,920,095,535	-	-	1,400,720,133	1,920,095,535
Lease rentals receivable & Stock out on hire	5,809,423,387	5,854,327,613	-	-	5,809,423,387	5,854,327,613
Equity instruments at fair value through OCI	-	-	80,400	80,400	80,400	80,400
Debt instruments at amortised cost	13,799,565	225,421,143	-	-	13,799,565	225,421,143
Other financial assets	42,583,863	96,487,549	-	-	42,583,863	96,487,549
Total Financial Assets	8,273,501,188	8,726,770,823	80,400	80,400	8,273,581,588	8,726,851,222

	OFL at Amortized Cost		Total	
	31.12.2020 Rs.	31.03.2020 Rs.	31.12.2020 Rs.	31.03.2020 Rs.
Liabilities				
Due to Banks	424,614,000	809,672,688	424,614,000	809,672,688
Due to Customers	4,599,713,894	5,148,142,044	4,599,713,894	5,148,142,044
Debt Instruments Issued & Other borrowed funds	843,774,040	649,837,356	843,774,040	649,837,356
Other Financial Liabilities	725,500,099	720,063,470	725,500,099	720,063,470
Total Financial Liabilities	6,593,602,034	7,327,715,558	6,593,602,034	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 31 DECEMBER	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Interest Income	988,308,473	1,003,614,873	61,889	1,088,716	291,056,474	312,360,228	30,213,535	60,410,387	1,309,640,372	1,377,474,204
Fee Based Income & Others	74,656,531	134,597,071	1,690,646	672,747	1,543,758	5,943,280	8,455,346	(1,201,330)	86,346,280	140,011,768
Unallocated Income							9,921,145	9,436,013	9,921,145	9,436,013
Total Revenue	1,062,965,004	1,138,211,944	1,752,534	1,761,463	292,600,232	318,303,509	48,590,026	68,645,069	1,405,907,797	1,526,921,984
Interest Expences	(364,928,540)	(428,080,290)	(1,261,951)	(2,024,587)	(104,259,009)	(164,681,413)	(47,879,220)	(73,236,536)	(518,328,721)	(668,022,826)
Fee Based Expences & Others	(2,480,696)	(894,818)	-	-	-	(19,373)	(7,668,566)	(11,425,926)	(10,149,262)	(12,340,118)
Day 1 Loss on Moratorium	(61,927,093)	-	-	-	(10,872,198)	-	-	-	(72,799,291)	-
Impairment Reversal / (Provision)	(1,392,727)	(91,263,715)	(4,959)	(401,517)	(23,427,877)	(114,582,624)	(60,838,750)	(124,364,054)	(85,664,313)	(330,611,910)
Net Operating Income	632,235,948	617,973,120	485,624	(664,642)	154,041,148	39,020,099	(67,796,511)	(140,381,446)	718,966,209	515,947,130
Unallocated Expenses									(448,889,553)	(498,759,731)
Profits/ (Loss) before Tax									270,076,656	17,187,399
Income Tax expenses									(81,818,772)	(5,156,220)
Net Profit / (Loss) for the period									188,257,884	12,031,179
Segment Assets	5,789,505,495	5,339,950,465	19,917,893	25,202,496	1,400,720,133	1,941,070,516	776,797,851	991,581,290	7,986,941,372	8,297,804,767
Unallocated Assets									583,694,435	408,790,772
Total Assets	5,789,505,495	5,339,950,465	19,917,893	25,202,496	1,400,720,133	1,941,070,516	776,797,851	991,581,290	8,570,635,807	8,706,595,539
Unallocated Liabilities									6,745,059,923	7,160,504,099
Total Liabilities									6,745,059,923	7,160,504,099

ABANS FINANCE PLC**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 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). 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. 4,599 million.

(e). CREDIT RATING

A (lka) by FITCH Ratings Lanka Ltd.

(f). TRADED PRICE PER SHARE

	03 Months Ended 31 December 2020	03 Months Ended 31 December 2019
Highest	Rs.29.70	Rs.29.90
Lowest	Rs.27.20	Rs.16.40
Closing	Rs.27.40	Rs.20.70

(g). MARKET CAPITALIZATION

- Market Capitalization (Rs.)	1,823,787,100
- Float Adjusted Market Capitalization (Rs.)	147,706,824

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

- Public Share holding as at 31 December is, **8.099%**
- Number of Public Share Holders as at 31 December 2020 is, **795**.

(i). SHARES HELD BY DIRECTORS

Name of The Director	31 December 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. W B W M R A M T G Aluwihare (Appointed w.e.f 28th December 2020)	NIL	-
Mr. Rashmika Nissanga (Appointed w.e.f 29th September 2020)	NIL	-
Mr. M P Parekh (Resigned w.e.f 29th September 2020)	NIL	-

* This includes 28,800 Shares Held Jointly.

(j). TWENTY LARGEST SHAREHOLDERS

Name of The Shareholder	31 December 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 Bansei Securities Capital (Pvt) Lts/P.MDN.Tissera	76,987	0.12%
16 Mrs.H.I.Salgado	66,600	0.10%
17 Mr.M.R.P. Thilakaratne	65,654	0.10%
18 Mr.G.C.Goonetilleke	48,105	0.07%
19 Mr.M.G.M. Hussain	46,965	0.07%
20 Mr.R.E.Rambukwella	38,517	0.06%
	65,594,437	98.55%
Others	967,136	1.45%
Total	66,561,573	100.00%