

ABANS FINANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 DECEMBER 2017



ABANS FINANCE PLC

STATEMENT OF COMPREHENSIVE INCOME

	For the Nine Months Ended December			For the Quarter Ended December		
	2017 Rs.	2016 Rs.	Change	2017 Rs.	2016 Rs.	Change
Income	1,402,315,402	1,192,047,084	18%	512,275,225	424,740,605	21%
Interest Income	1,253,215,079	1,108,389,559	13%	453,714,329	390,345,243	16%
Interest Expenses	(586,686,115)	(448,264,411)	31%	(218,129,289)	(166,800,985)	31%
Net Interest Income	666,528,965	660,125,147	1%	235,585,040	223,544,258	5%
Fee and Commission Income	132,770,735	69,337,597	91%	54,466,311	30,186,253	80%
Fee and Commission Expenses	(110,637,283)	(58,445,819)	89%	(43,121,952)	(25,956,613)	66%
Net Fee and Commission Income	22,133,451	10,891,778	103%	11,344,360	4,229,640	168%
Net Gain/(Loss) From Trading	1,676,965	1,044,332	61%	212	(264,866)	-100%
Other Operating Income (net)	14,652,624	13,275,596	10%	4,094,372	4,473,974	-8%
Total Operating Income	704,992,004	685,336,854	3%	251,023,986	231,983,006	8%
Impairment (Charges) / Reversal	(145,187,672)	(123,669,583)	17%	(66,500,504)	(31,997,850)	108%
Net Operating Income	559,804,332	561,667,271	0%	184,523,481	199,985,156	-8%
Operating Expenses						
Personnel Costs	(187,187,707)	(157,158,599)	19%	(63,288,087)	(52,741,915)	20%
Other Operating Expenses	(219,675,345)	(192,629,463)	14%	(76,875,747)	(68,759,509)	12%
Operating Profit/(Loss) before VAT on FS	152,941,281	211,879,209	-28%	44,359,647	78,483,733	-43%
Value Added Tax on Financial Services	(43,353,639)	(36,392,402)	19%	(12,963,522)	(15,468,758)	-16%
Profit / (Loss) before Taxation from Operations	109,587,642	175,486,807	-38%	31,396,126	63,014,975	-50%
Income Tax (Expence)/Reversal	(31,905,382)	(56,940,564)	-44%	(8,989,679)	(21,049,737)	-57%
Profit/(Loss) for the Period	77,682,260	118,546,243	-34%	22,406,447	41,965,238	-47%
Other Comprehensive Income						
Gains & Losses arising on re-measuring Available for Sale Financial Assets - Investment in Unit Trust	-	-		-	-	
Net Other Comprehensive Income to be re classified to profit or loss	-	-		-	-	
Other Comprehensive Income for the Period, Net of Tax	-	-		-	-	
Total Comprehensive Income for the Period	77,682,260	118,546,243	-34%	22,406,447	41,965,238	-47%
Earnings Per Share	1.19	2.58		0.34	0.81	

The figures presented above are provisional and subject to Audit.

29th January 2018
 Colombo

ABANS FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2017

	Change	DECEMBER '2017 Rs.	MARCH '2017 Rs. (Audited)
Assets			
Cash and Bank Balances	4%	392,447,933	376,968,804
Placements with Banks	3%	397,074,234	384,100,772
Securities Purchased under Repurchase Agreement	133%	583,245,465	250,809,890
Financial Assets - Held for Trading	-100%	-	7,624,408
Loans and Advances	31%	2,803,771,336	2,145,676,031
Lease Rentals Receivable & Stock Out on Hire	20%	4,420,422,597	3,679,965,646
Financial Investments - Available for Sale		80,400	80,400
Financial Investments - Held to Maturity	-2%	234,686,907	238,572,963
Other Financial Assets	29%	139,720,273	108,507,477
Real Estate Stock	-12%	58,049,675	66,050,693
Other Non Financial Assets	61%	65,383,108	40,725,064
Tax Recoverable		11,841,694	20,800,270
Deferred Tax Asset		57,800,325	57,800,324
Intangible Assets	-4%	21,841,921	22,681,042
Property, Plant & Equipment	2%	87,515,599	85,843,673
Total Assets	24%	9,273,881,467	7,486,207,457
Liabilities			
Due to Banks	25%	267,003,992	213,738,920
Due to Customers	20%	6,673,358,657	5,550,552,545
Other Financial Liabilities	57%	755,535,117	482,649,541
Other Non Financial Liabilities	-13%	12,057,848	13,862,374
Retirement Benefit Liability	-4%	14,581,420	15,138,320
Total Liabilities	23%	7,722,537,033	6,275,941,700
Shareholders' Funds			
Stated Capital	33%	1,121,412,955	844,073,080
Statutory Reserve	0%	89,266,829	89,266,829
Retained Earnings	23%	340,664,651	276,925,848
Total Shareholders' Funds	28%	1,551,344,435	1,210,265,757
Total Liabilities and Shareholders' Funds	24%	9,273,881,467	7,486,207,457
Commitments and Contingencies		147,564,583	172,609,297
Net Assets Per Share		23.31	21.82

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,

Rusi Pestonjee (Sgnd.)
Director

Roshan Nanayakkara (Sgnd.)
Director

29th January 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	-	118,546,243	-	118,546,243
Balance as at 31 December 2016	844,073,080	286,078,275	62,554,000	1,192,705,355
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	-	77,682,260	-	77,682,260
Balances as at 31 December 2017	1,121,412,955	340,664,651	89,266,829	1,551,344,435

29th January 2018
Colombo

ABANS FINANCE PLC**CASH FLOW STATEMENT**

FOR THE PERIOD ENDED

	31st December 2017 Rs.	31st December 2016 Rs.
Cash Flows From / (Used in) Operating Activities		
Profit / (Loss) Before Income Tax Expense	109,587,642	175,486,807
Adjustments for		
Depreciation	15,036,517	11,671,074
Amortisation of Intangible Assets	2,230,717	1,804,921
Impairment Chargers	145,187,672	123,669,583
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)	(814,244)
Loss/(Profit) on Disposal of Property, Plant & Equipment	(1,182,865)	-
Provision/(reversal) for Defined Benefit Plans	1,800,000	3,020,000
Dividend Received	(283,453)	(230,089)
Operating Profit before Working Capital Changes	270,982,718	312,465,266
(Increase)/Decrease in Real Estate Stock	8,001,017	17,015,788
(Increase)/Decrease in Loans and Advances	(690,913,795)	(718,529,667)
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	(755,224,226)	65,671,357
(Increase)/Decrease in Other Financial Assets	(128,814,703)	(100,694,459)
(Increase)/Decrease in Other Non Financial Assets	(24,658,045)	54,622,005
Increase/(Decrease) in Amounts Due to Customers	1,122,806,111	911,474,999
Increase/(Decrease) in Other Financial Liabilities	272,885,576	(396,486,016)
Increase/(Decrease) in Other Non Financial Liabilities	(1,804,526)	2,661,863
Cash Generated from Operations	73,260,129	148,201,136
Retirement Benefit Liabilities Paid	(2,356,900)	(354,650)
Taxes Paid	(22,937,588)	(113,659,942)
Net Cash From/(Used in) Operating Activities	47,965,641	34,186,544
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(19,930,575)	(21,581,354)
Acquisition of Intangible Assets	(1,391,597)	(6,981,900)
Proceeds from Sales of Property, Plant & Equipment	4,391,000	-
Proceeds from Sale of Financial Investments Held -for-Trading	9,022,699	-
Sale/(Purchase) of Placement with banks	(3,846)	(2,459)
Sale/(Purchase) of Financial Investments-Held to Maturity	3,886,056	(212,030,286)
Acquisition of Financial Investments - Available for Sale	-	(100,000,000)
Sale/(Purchase) of Financial Investments- Unit Trust	-	102,142,786
Dividends Received	283,453	230,089
Net Cash Flows from/(Used in) Investing Activities	(3,742,810)	(238,223,124)
Cash Flows from / (Used in) Financing Activities		
Repayment of Borrowings	(65,833,333)	(53,027,988)
Borrowings from Banks	100,000,000	250,000,000
Cash Flow from Debt Instruments Issued and Other borrowings	-	(31,110,631)
Cash Flow from Issue of Shares	277,339,875	461,699,450
Expences on Right Issue of Shares	(631,142)	(2,065,442)
Dividend Paid	(13,312,315)	-
Net Cash Flows from/(Used in) Financing Activities	297,563,085	625,495,388
Net Increase in Cash and Cash Equivalentents	341,785,916	421,458,809
Cash and Cash Equivalentents at the beginning of the year	999,476,642	905,839,030
Cash and Cash Equivalentents at the end of the year	1,341,262,558	1,327,297,839

The figures presented above are provisional and subject to Audit.

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	31.12.2017	31.03.2017	31.12.2017	31.03.2017	31.12.2017	31.03.2017	31.12.2017	31.03.2017	31.12.2017	31.03.2017
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assets										
Cash and Bank Balances	-	-	-	-	392,447,933	376,968,804	-	-	392,447,933	376,968,804
Placements with Banks	-	-	-	-	397,074,234	384,100,772	-	-	397,074,234	384,100,772
Repurchase Agreements	-	-	-	-	583,245,465	250,809,890			583,245,465	250,809,890
Financial Investments - Held for Trading	-	7,624,408	-	-	-	-	-	-	-	7,624,408
Loans and Advances	-	-	-	-	2,803,771,336	2,145,676,031	-	-	2,803,771,336	2,145,676,031
Lease rentals receivable & Stock out on hire	-	-	-	-	4,420,422,597	3,679,965,646	-	-	4,420,422,597	3,679,965,646
Financial Investments - Available for Sale	-	-	-	-	-	-	80,400	80,400	80,400	80,400
Financial Investments - Held to Maturity	-	-	234,686,907	238,572,963	-	-	-	-	234,686,907	238,572,963
Other financial assets	-	-	-	-	139,720,273	108,507,477	-	-	139,720,273	108,507,477
Total Financial Assets	-	7,624,408	234,686,907	238,572,963	8,736,681,837	6,946,028,621	80,400	80,400	8,971,449,145	7,192,306,391
	OFL								Total	

	31.12.2017	31.03.2017		31.12.2017	31.03.2017
	Rs.	Rs.		Rs.	Rs.
Liabilities					
Due to Banks	267,003,992	213,738,920		267,003,992	213,738,920
Due to Customers	6,673,358,657	5,550,552,545		6,673,358,657	5,550,552,545
Debt Instruments Issued					
& Other borrowed	-	-		-	-
Other Financial Liabilities	755,535,117	482,649,541		755,535,117	482,649,541
Total Financial Liabilities	7,695,897,765	6,246,941,007		7,695,897,765	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 DECEMBER	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.
Interest Income	762,356,195	676,811,199	4,265,506	17,074,956	377,701,816	331,153,952	108,891,563	83,349,452	1,253,215,079	1,108,389,559
Fee Based Income & Others	126,696,684	54,413,975	252,217	536,279	5,821,832	14,387,343	2,915,992	4,053,359	135,686,725	73,390,956
Unallocated Income							13,413,598	10,266,570	13,413,598	10,266,570
Total Revenue	889,052,879	731,225,174	4,517,723	17,611,235	383,523,647	345,541,295	125,221,153	97,669,381	1,402,315,402	1,192,047,084
Interest Expenses	(309,014,166)	(250,046,697)	(2,363,936)	(5,963,162)	(190,256,255)	(109,941,786)	(85,051,758)	(82,312,767)	(586,686,115)	(448,264,411)
Fee Based Expenses & Others	(84,163,854)	(36,439,461)	-	-	(68,660)	(202,008)	(26,404,770)	(21,804,350)	(110,637,283)	(58,445,819)
Impairment Reversal / (Provision)	(18,355,407)	(25,024,557)	3,583,952	9,988,199	(32,814,310)	(41,508,402)	(97,601,907)	(67,124,823)	(145,187,672)	(123,669,583)
Net Operating Income	477,519,453	419,714,460	5,737,738	21,636,271	160,384,423	193,889,099	(83,837,282)	(73,572,559)	559,804,332	561,667,271
Unallocated Expenses									(450,216,691)	(386,180,465)
Profits/ (Loss) before Tax									109,587,642	175,486,807
Income Tax expenses									(31,905,382)	(56,940,564)
Net Profit /(Loss) for the period									77,682,260	118,546,243
Segment Assets	4,402,455,913	3,457,578,259	17,966,684	57,965,804	2,803,771,336	1,865,568,111	1,273,056,281	1,327,604,857	8,497,250,214	6,708,717,031
Unallocated Assets									776,631,253	706,956,404
Total Assets	4,402,455,913	3,457,578,259	17,966,684	57,965,804	2,803,771,336	1,865,568,111	1,273,056,281	1,327,604,857	9,273,881,467	7,415,673,435
Unallocated Liabilities									9,273,881,467	7,415,673,435
Total Liabilities									9,273,881,467	7,415,673,435

ABANS FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

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

	31st December 2017
Highest	Rs.28.00
Lowest	Rs.22.10
Closing	Rs.23.10

(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 December 2017 is, 8.10%
- Number of Public Share Holders as at 31st December 2017 is, 813.

(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 December 2017	
	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 DECEMBER 2017****(g). TWENTY LARGEST SHAREHOLDERS**

Name Of The Shareholder	31st December 2017	
	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 Uday	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 31.12.2017 (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%	20,994,714.91	70%	Remaining funds are invested in Placements with Banks
		276,699,450		276,699,450.00	100%			