

# **ABANS FINANCE PLC**

## **INTERIM FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED**

**30 JUNE 2014**

**ABANS FINANCE PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**

<b>For the Quarter Ended 30th June</b>	<b>2014</b>	<b>2013</b>
Income	<u>213,035,317</u>	<u>167,848,264</u>
Interest Income	194,905,937	160,037,795
Interest Expenses	<u>(104,308,447)</u>	<u>(94,091,942)</u>
<b>Net Interest Income</b>	90,597,490	65,945,853
Fee and Commission Income	17,723,337	5,837,056
Fee and Commission Expenses	<u>(10,075,070)</u>	<u>(2,261,879)</u>
<b>Net Fee and Commission Income</b>	7,648,267	3,575,177
Net Gain/(Loss) From Trading	960,588	646,724
Other Operating Income (net)	<u>(554,545)</u>	<u>1,326,690</u>
<b>Total Operating Income</b>	98,651,800	71,494,444
Impairment (Charges) / Reversal	<u>(29,526,448)</u>	<u>(22,050,636)</u>
<b>Net Operating Income</b>	69,125,352	49,443,808
<b>Operating Expenses</b>		
Personnel Costs	(23,647,005)	(20,284,816)
Other Operating Expenses	(39,113,487)	(24,680,325)
<b>Operating Profit before Value Added Tax on FS</b>	6,364,860	4,478,667
Value Added Tax on Financial Services	(547,571)	(1,243,756)
<b>Profit before Taxation from Operations</b>	5,817,289	3,234,911
Provision for Income Taxation	(1,420,000)	(1,115,595)
<b>Profit for the Period</b>	<u>4,397,289</u>	<u>2,119,316</u>
<b>Other Comprehensive Income</b>	-	-
<b>Other Comprehensive Income for the Period, Net of Tax</b>	<u>-</u>	<u>-</u>
<b>Total Comprehensive Income for the Period</b>	<u>4,397,289</u>	<u>2,119,316</u>
<b>Earnings Per Share (Rs)</b>	<u>0.48</u>	<u>0.23</u>

The figures presented above are provisional and subject to Audit.

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

LKR '

AS AT

	<b>30th JUNE 2014 Rs.</b>	<b>31st MARCH 2014 Rs. (Audited)</b>
<b>Assets</b>		
Cash and Bank Balances	53,276,577	105,135,491
Placements with Banks	217,908,705	127,536,938
Repurchase Agreements	485,854,813	268,997,323
Financial Assets - Held for Trading	8,517,047	7,050,136
Financial Investments - Debt Securities	49,352,096	49,436,762
Loans and Advances	727,179,651	742,249,738
Lease Rentals Receivable & Stock Out on Hire	2,273,496,492	2,073,588,417
Financial Investments - Available for Sale	80,400	80,400
Financial Investments - Held to Maturity	37,412,489	57,074,657
Other Financial Assets	25,584,509	22,578,322
Real Estate Stock	117,163,203	130,860,857
Other Non Financial Assets	117,085,274	95,297,612
Intangible Assets	9,546,062	9,340,722
Property, Plant & Equipment	20,043,214	17,957,131
Deferred Tax Assets	155,428	155,429
<b>Total Assets</b>	<b><u>4,142,655,959</u></b>	<b><u>3,707,339,935</u></b>
<b>Liabilities</b>		
Due to Banks	249,977,575	263,270,842
Due to Customers	2,998,833,271	2,600,119,545
Debt Inst. Issued and Other Borrowed Funds	125,674,740	122,265,623
Other Financial Liabilities	295,957,009	252,620,559
Other Non Financial Liabilities	2,392,885	2,879,759
Retirement Benefit Liability	7,882,816	7,411,816
Current Tax Liabilities	4,645,379	5,876,796
<b>Total Liabilities</b>	<b><u>3,685,363,675</u></b>	<b><u>3,254,444,940</u></b>
<b>Shareholders' Funds</b>		
Stated Capital	382,373,630	382,373,630
Statutory Reserve	29,968,000	29,968,000
Investment Fund	19,132,661	18,454,242
Retained Earnings	25,817,993	22,099,123
<b>Total Shareholders' Funds</b>	<b><u>457,292,284</u></b>	<b><u>452,894,995</u></b>
<b>Total Liabilities and Shareholders' Funds</b>	<b><u>4,142,655,959</u></b>	<b><u>3,707,339,935</u></b>
<b>Commitments and Contingencies</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Net Assets Per Share (Rs.)</b>	<b><u>12.36</u></b>	<b><u>12.24</u></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

A. Rathnamali (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,

K.B.Wanigasekara (Sgnd.)  
Director

Rusi Pestonjee (Sgnd.)  
Director

**ABANS FINANCE PLC****STATEMENT OF CHANGES IN EQUITY**

FOR THE PERIOD ENDED	LKR '				
	Stated Capital Rs.	Retained Earnings Rs.	Statutory Reserve Rs.	Investment Fund Reserve Rs.	Total Rs.
<b>Balance as at 1 April 2013</b>	382,373,630	18,899,588	28,228,500	14,723,671	444,225,389
Net profit for the Period	-	2,119,316	-	-	2,119,316
Other Comprehensive Income Net of Tax	-	-	-	-	-
Transfer to / (from) during the Period	-	(1,358,670)	-	1,358,670	-
<b>Balance as at 30 June 2013</b>	<u>382,373,630</u>	<u>19,660,234</u>	<u>28,228,500</u>	<u>16,082,341</u>	<u>446,344,705</u>
<b>Balance as at 1 April 2014</b>	382,373,630	22,099,123	29,968,000	18,454,242	452,894,995
Net profit for the Period	-	4,397,289	-	-	4,397,289
Other Comprehensive Income Net of Tax	-	-	-	-	-
Transfer to / (from) during the Period	-	(678,419)	-	678,419	-
<b>Balances as at 30 June 2014</b>	<u>382,373,630</u>	<u>25,817,993</u>	<u>29,968,000</u>	<u>19,132,661</u>	<u>457,292,284</u>

22nd June 2014  
Colombo

**ABANS FINANCE PLC****CASH FLOW STATEMENT**

FOR THE QUARTER ENDED

	<b>30th JUNE '2014 Rs.</b>	<b>LKR' 30th JUNE '2013 Rs.</b>
<b>Cash Flows From / (Used in) Operating Activities</b>		
Profit / (Loss) Before Income Tax Expense	5,817,289	3,234,911
<b>Adjustments for</b>		
Depreciation	1,768,251	1,365,613
Amortisation of Intangible Assets	1,089,875	1,022,408
Impairment provision	29,526,448	22,050,636
Loss/(Profit) from Sale of Investments	-	(34,291)
Diminution/(Appreciation) in value of investments	(865,753)	(598,131)
Provision/(reversal) for Defined Benefit Plans	540,000	540,000
Dividend Received	(94,835)	(14,301)
<b>Operating Profit before Working Capital Changes</b>	<b>37,781,275</b>	<b>27,566,845</b>
(Increase)/Decrease in Real Estate Stock	13,697,655	1,835,439
(Increase)/Decrease in Loans and Advances	7,915,706	(12,225,775)
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	(216,627,895)	(38,050,137)
(Increase)/Decrease in Other Financial Assets	(8,658,433)	(5,754,030)
(Increase)/Decrease in Other Non Financial Assets	(21,787,662)	(6,011,085)
Increase/(Decrease) in Amounts Due to Customers	398,713,726	(6,800,405)
Increase/(Decrease) in Other Financial Liabilities	43,336,451	(67,328,639)
Increase/(Decrease) in Other Non Financial Liabilities	(486,875)	(570,777)
Cash Generated from Operations	<b>253,883,948</b>	<b>(107,338,564)</b>
Retirement Benefit Liabilities Paid	(69,000)	-
Taxes Paid	(2,651,418)	(3,976,156)
Net Cash From/(Used in) Operating Activities	<b>251,163,530</b>	<b>(111,314,720)</b>
<b>Cash Flows from / (Used in) Investing Activities</b>		
Acquisition of Property, Plant & Equipment	(3,854,333)	(277,050)
Acquisition of Intangible Assets	(1,295,215)	-
Acquisition of Financial Investment held - for - trading	(601,157)	(743,715)
Proceeds from Financial investments held -for- trading	-	1,071,997
Sale/(Purchase) of Placement with banks	(892)	(30,552,397)
Sale/(Purchase) of financial investments- held to maturity	(480,627)	(41,405,174)
Investment In Debt Securities	84,666	-
Dividend Received	94,835	14,301
Net Cash Flows from/(Used in) Investing Activities	<b>(6,052,723)</b>	<b>(71,892,038)</b>
<b>Cash Flows from / (Used in) Financing Activities</b>		
Borrowings	(25,378,016)	146,220,075
Cash Flow from Debt Instruments Issued and Other borrowings	3,409,117	59,543,486
Net Cash Flows from/(Used in) Financing Activities	<b>(21,968,899)</b>	<b>205,763,561</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>223,141,908</b>	<b>22,556,803</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>499,567,952</b>	<b>179,932,941</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>722,709,860</b>	<b>202,489,744</b>

The figures presented above are provisional and subject to Audit.

22nd June 2014  
Colombo

**ABANS FINANCE PLC**
**ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS**
*LKR'*

As at	HFT at Fair Value		HTM at Amortized Cost		L&R at Amortized Cost		AFS at Fair Value		Total	
	30.06.2014	31.03.2014	30.06.2014	31.03.2014	30.06.2014	31.03.2014	30.06.2014	31.03.2014	30.06.2014	31.03.2014
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Assets</b>										
Cash and Bank Balances	-	-	-	-	53,276,577	105,135,491	-	-	53,276,577	105,135,491
Placements with Banks	-	-	-	-	217,908,705	127,536,938	-	-	217,908,705	127,536,938
Repurchase Agreements	-	-	-	-	485,854,813	268,997,323	-	-	485,854,813	268,997,323
Financial Investments - Held for Trading	8,517,047	7,050,136	-	-	-	-	-	-	8,517,047	7,050,136
Financial Investments - Debt Securities	-	-	-	-	49,352,096	49,436,762	-	-	49,352,096	49,436,762
Loans and Advances	-	-	-	-	727,179,651	742,249,738	-	-	727,179,651	742,249,738
Lease rentals receivable & Stock out on hire	-	-	-	-	2,273,496,492	2,073,588,418	-	-	2,273,496,492	2,073,588,418
Financial Investments - Available for Sale	-	-	-	-	-	-	80,400	80,400	80,400	80,400
Financial Investments - Held to Maturity	-	-	37,412,489	57,074,657	-	-	-	-	37,412,489	57,074,657
Other financial assets	-	-	-	-	25,584,509	22,578,322	-	-	25,584,509	22,578,322
<b>Total Financial Assets</b>	<u>8,517,047</u>	<u>7,050,136</u>	<u>37,412,489</u>	<u>57,074,657</u>	<u>3,832,652,843</u>	<u>3,389,522,992</u>	<u>80,400</u>	<u>80,400</u>	<u>3,878,662,779</u>	<u>3,453,728,185</u>

	OFL		Total	
	30.06.2014	31.03.2013	30.06.2013	31.03.2013
	Rs.	Rs.	Rs.	Rs.
<b>Liabilities</b>				
Due to Banks	249,977,575	263,270,842	249,977,575	263,270,842
Due to Customers	2,998,833,271	2,600,119,545	2,998,833,271	2,600,119,545
Debt Instruments Issued & Other borrowed funds	125,674,740	122,265,623	125,674,740	122,265,623
Other Financial Liabilities	295,957,009	252,620,559	295,957,009	252,620,559
<b>Total Financial Liabilities</b>	<u>3,670,442,595</u>	<u>3,238,276,569</u>	<u>3,670,442,595</u>	<u>3,238,276,569</u>

**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

LKR '

	Leasing		Hirepurchase		Term Loans		Others		Total	
FOR THE QUARTER ENDED 30 JUNE	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Interest Income	99,617,353	44,401,830	36,213,528	53,406,671	45,556,040	54,631,979	13,519,016	7,597,316	194,905,937	160,037,796
Fee Based Income & Others	16,217,959	3,867,000	162,139	1,475,108	1,343,238	494,947	(229,340)	911,285	17,493,997	6,748,340
Unallocated Income							635,384	1,062,128	635,384	1,062,128
<b>Total Revenue</b>	<b>115,835,312</b>	<b>48,268,830</b>	<b>36,375,667</b>	<b>54,881,779</b>	<b>46,899,278</b>	<b>55,126,926</b>	<b>13,925,060</b>	<b>9,570,729</b>	<b>213,035,317</b>	<b>167,848,264</b>
Interest Expences	(37,288,188)	(22,384,198)	(22,336,278)	(29,509,096)	(24,296,371)	(28,685,285)	(20,387,609)	(13,513,362)	(104,308,447)	(94,091,942)
Fee Based Expences & Others	(8,040,395)	(1,476,284)	(144,000)	(272,325)	(69,730)	(56,440)	(1,820,945)	(456,828)	(10,075,070)	(2,261,878)
Impairment Reversal / (Provision)	(33,046,723)	(18,797,066)	16,326,903	5,297,884	(7,154,381)	(7,646,104)	(5,652,247)	(905,350)	(29,526,448)	(22,050,636)
<b>Net Operating Income</b>	<b>37,460,006</b>	<b>5,611,282</b>	<b>30,222,292</b>	<b>30,398,242</b>	<b>15,378,796</b>	<b>18,739,097</b>	<b>(13,935,741)</b>	<b>(5,304,811)</b>	<b>69,125,352</b>	<b>49,443,809</b>
Unallocated Expenses									(63,308,063)	(46,208,897)
<b>Profits/ (Loss) before Tax</b>									<b>5,817,289</b>	<b>3,234,912</b>
Income Tax expenses									(1,420,000)	(1,115,595)
<b>Net Profit /(Loss) for the period</b>									<b>4,397,289</b>	<b>2,119,316</b>
Other Comprehensive Income for the Period, Net of Tax									-	-
<b>Total Comprehensive Income for the Year</b>									<b>4,397,289</b>	<b>2,119,316</b>
Segment Assets	1,645,720,047	760,441,661	627,776,446	813,556,586	727,179,651	840,635,773	916,288,752	399,299,018	3,916,964,896	2,813,933,038
Unallocated Assets									225,691,063	893,406,897
<b>Total Assets</b>	<b>1,645,720,047</b>	<b>760,441,661</b>	<b>627,776,446</b>	<b>813,556,586</b>	<b>727,179,651</b>	<b>840,635,773</b>	<b>916,288,752</b>	<b>399,299,018</b>	<b>4,142,655,959</b>	<b>3,707,339,935</b>
Unallocated Liabilities									4,142,655,959	3,707,339,935
<b>Total Liabilities</b>									<b>4,142,655,959</b>	<b>3,707,339,935</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH JUNE 2014**

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

	30th JUNE 2014	31st MAR 2014
Highest	Rs.30.00	Rs.32.00
Lowest	Rs.26.00	Rs.26.10
Closing	Rs.27.30	Rs.29.40

**(b).**

These Interim Financial Statements of the Company have been prepared based on the Sri Lanka Accounting Standards that came into effect from 01st April 2012 (SLFRS/LKAS).

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.

**(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 2014 is, 10.40%

**(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 AND CEO's SHAREHOLDING**

NAME OF THE DIRECTOR	30th June 2014		31st March 2014	
	NO.OF SHARES	(%)	NO.OF SHARES	(%)
MRS. SAROSHI DUBASH	N/A *	-	133,334	0.36
MR. R PESTONJEE	106,801	0.29	106,801	0.29
MR. C D PATHIRANA	NIL	-	NIL	-
MR. K B WANIGASEKARA	NIL	-	NIL	-
MR. V K CHOKSY	NIL	-	NIL	-
MR. AJITH S RATNAYAKE	NIL	-	N/A **	-

\* Retired with Effect from 08th April 2014.

\*\* Joined with Effect from 16th May 2014.



**(g). TWENTY LARGEST SHAREHOLDERS**

NAME OF THE SHAREHOLDER	30th June 2014		31st March 2014	
	NO.OF SHARES	(%)	NO.OF SHARES	(%)
1 ABANS PLC	33,025,006	89.26	33,025,006	89.26
2 MR. P N PESTONJEE	679,000	1.84	679,000	1.84
3 MR. P K PESTONJEE	370,100	1.00	370,100	1.00
4 MRS. H G S CHANDRAKANTHI	370,000	1.00	370,000	1.00
5 MR. K KUNENTHIRAN	370,000	1.00	370,000	1.00
6 MRS. C V SUMANADASA	370,000	1.00	370,000	1.00
7 MRS. S DUBASH	133,334	0.36	133,334	0.36
8 MR. R PESTONJEE	106,801	0.29	106,801	0.29
9 AB SECURITAS (PRIVATE) LIMITED	100,000	0.27	100,000	0.27
10 CLEANTECH PVT LTD	100,000	0.27	100,000	0.27
11 A B COLD STORAGE (PRIVATE) LIMITED	100,000	0.27	100,000	0.27
12 MR. A W A KUMARADASA	90,263	0.24	91,063	0.25
13 MRS. K S RODRIGO	90,000	0.24	90,000	0.24
14 MRS. ABAN PESTONJEE	66,667	0.18	66,667	0.18
15 MRS. H I SALGADO	66,600	0.18	66,600	0.18
16 PARAMADAMMA BUDDHIST INSTITUTE	51,208	0.14	51,208	0.14
17 MRS. S F ZUBAIR	50,000	0.14	77,871	0.21
18 MR. G C GOONETILLEKE	34,044	0.09	34,044	0.09
19 DR. K POOLOGASUNDRAM	25,000	0.07	25,000	0.07
20 DR. S A LEELANANDA	20,000	0.05	20,000	0.05
21 MR. R PESTONJEE & MISS J E S FERNANDO	20,000	0.05	-	-
22 MR. N W G TISSA CHANDRASIRI	20,000	0.05	-	-
	36,258,023	97.99	36,246,694	97.96
<b>OTHERS</b>	741,977	2.01	753,306	2.04
<b>TOTAL</b>	<b>37,000,000</b>	<b>100.0</b>	<b>37,000,000</b>	<b>100.0</b>