

# ABANS FINANCE PLC

## INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 March 2014



**Abans**  
FINANCE

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

LKR

	For the Twelve Months Ended 31st MARCH		For the Quarter Ended 31st MARCH	
	2014	2013	2014	2013
Income	754,566,569	570,344,913	218,644,263	164,329,079
Interest Income	688,523,379	541,111,997	187,759,663	152,601,906
Interest Expenses	(387,218,811)	(328,177,272)	(98,588,391)	(90,085,699)
<b>Net Interest Income</b>	301,304,568	212,934,725	89,171,272	62,516,207
Fee and Commission Income	48,243,962	24,513,497	16,479,272	9,992,282
Fee and Commission Expenses	(22,452,896)	(7,055,624)	(11,057,895)	(4,060,590)
<b>Net Fee and Commission Income</b>	25,791,066	17,457,873	5,421,377	5,931,692
Net Gain/(Loss) From Trading	272,657	449,377	258,558	185,412
Other Operating Income (net)	17,526,571	4,270,043	14,146,770	1,549,479
<b>Total Operating Income</b>	344,894,862	235,112,018	108,997,977	70,182,790
Impairment (Charges) / Reversal	(132,279,536)	(5,143,119)	(37,757,153)	(5,211,149)
<b>Net Operating Income</b>	212,615,326	229,968,899	71,240,823	64,971,641
<b>Operating Expenses</b>				
Personnel Costs	(78,998,857)	(70,509,068)	(21,220,249)	(14,438,512)
Other Operating Expenses	(118,370,976)	(93,872,626)	(37,495,526)	(27,694,915)
<b>Operating Profit before Value Added Tax on FS</b>	15,245,493	65,587,205	12,525,049	22,838,214
Value Added Tax on Financial Services	(2,536,007)	(7,585,827)	(787,280)	(1,928,495)
<b>Profit before Taxation from Operations</b>	12,709,486	58,001,378	11,737,769	20,909,719
Provision for Income Taxation	(11,942,303)	(17,867,778)	(11,942,303)	(6,462,417)
<b>Profit for the Period</b>	767,183	40,133,600	(204,534)	14,447,302
<b>Other Comprehensive Income</b>	263,703	-	263,703	-
<b>Other Comprehensive Income for the Period, Net of Tax</b>	263,703	-	263,703	-
<b>Total Comprehensive Income for the Period</b>	1,030,886	40,133,600	59,169	14,447,302
<b>Earnings Per Share (Rs)</b>	0.02	1.08	(0.02)	1.56

The figures presented above are provisional and subject to Audit.

27th May 2014  
Colombo

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

AS AT 31 MARCH 2014

	MAR '2014 Rs.	LKR ' MAR '2013 Rs.
<b>Assets</b>		
Cash and Bank Balances	105,135,491	33,802,530
Placements with Banks	127,536,938	125,140,325
Repurchase Agreements	268,997,323	-
Financial Assets - Held for Trading	7,050,137	8,336,546
Financial Investments - Debt Securities	49,436,762	-
Loans and Advances	743,827,013	836,056,102
Lease Rentals Receivable & Stock Out on Hire	2,027,939,718	1,549,447,291
Financial Investments - Available for Sale	80,400	80,400
Financial Investments - Held to Maturity	57,074,657	168,522,407
Other Financial Assets	23,063,763	15,933,472
Real Estate Stock	130,860,857	133,841,502
Other Non Financial Assets	94,812,176	25,467,071
Intangible Assets	9,340,722	12,268,902
Property, Plant & Equipment	17,957,132	16,608,243
Deferred Tax Asssets	3,938,473	-
<b>Total Assets</b>	<b><u>3,667,051,562</u></b>	<b><u>2,925,504,791</u></b>
<b>Liabilities</b>		
Due to Banks	263,270,844	359,435,796
Due to Customers	2,600,119,545	1,765,882,547
Debt Inst. Issued and Other Borrowed Funds	122,265,623	174,325,059
Other Financial Liabilities	222,519,445	168,376,894
Other Non Financial Liabilities	1,567,958	1,459,519
Retirement Benefit Liability	7,411,816	5,833,972
Current Tax Liabilities	4,640,056	3,376,089
Deferred Tax Liability	-	2,589,526
<b>Total Liabilities</b>	<b><u>3,221,795,287</u></b>	<b><u>2,481,279,402</u></b>
<b>Shareholders' Funds</b>		
Stated Capital	382,373,630	382,373,630
Statutory Reserve	28,228,500	28,228,500
Investment Fund	18,454,242	14,723,671
Retained Earnings	16,199,903	18,899,588
<b>Total Shareholders' Funds</b>	<b><u>445,256,275</u></b>	<b><u>444,225,389</u></b>
<b>Total Liabilities and Shareholders' Funds</b>	<b><u>3,667,051,562</u></b>	<b><u>2,925,504,791</u></b>
<b>Commitments and Contingencies</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Net Assets Per Share (Rs.)</b>	<b><u>12.03</u></b>	<b><u>12.01</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

Mahadevan Suthakar (Sgnd.)  
Finance Manager

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

C D Pathirana (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 2012</b>	382,373,630	(6,316,722)	20,201,500	7,833,381	404,091,789
Net profit for the Period	-	40,133,600	-	-	40,133,600
Other Comprehensive Income Net of Tax	-	-	-	-	-
Transfer to / (from) during the Period	-	(14,917,290)	8,027,000	6,890,290	-
<b>Balance as at 31 March 2013</b>	<u>382,373,630</u>	<u>18,899,588</u>	<u>28,228,500</u>	<u>14,723,671</u>	<u>444,225,389</u>
<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	-	767,183	-	-	767,183
Other Comprehensive Income Net of Tax	-	263,703	-	-	263,703
Transfer to / (from) during the Period	-	(3,730,571)	-	3,730,571	-
<b>Balances as at 31 March 2014</b>	<u><u>382,373,630</u></u>	<u><u>16,199,903</u></u>	<u><u>28,228,500</u></u>	<u><u>18,454,242</u></u>	<u><u>445,256,275</u></u>

27th May 2014  
Colombo

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

FOR THE PERIOD ENDED

	<b>31st MAR '2014 Rs.</b>	<b>LKR' 31st MAR '2013 Rs.</b>
<b>Cash Flows From / (Used in) Operating Activities</b>		
Profit / (Loss) Before Income Tax Expense	12,709,486	58,001,378
<b>Adjustments for</b>		
Depreciation	6,016,662	5,571,555
Amortisation of Intangible Assets	4,331,603	2,850,401
Impairment provision	132,279,536	5,143,119
Loss/(Profit) from Sale of Investments	(342,965)	-
Diminution/(Appreciation) in value of investments	199,912	(250,618)
Loss/(Profit) on Disposal of Property, Plant & Equipment	6,187	2,677
Provision/(reversal) for Defined Benefit Plans	1,989,297	2,484,442
Dividend Received	(129,604)	(195,425)
<b>Operating Profit before Working Capital Changes</b>	<b>157,060,114</b>	<b>73,607,529</b>
(Increase)/Decrease in Real Estate Stock	2,980,644	10,775,698
(Increase)/Decrease in Loans and Advances	52,841,690	136,316,656
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	(540,965,096)	(316,729,951)
(Increase)/Decrease in Other Financial Assets	(37,549,758)	(1,720,006)
(Increase)/Decrease in Other Non Financial Assets	(69,345,105)	521,243
Increase/(Decrease) in Amounts Due to Customers	834,236,998	93,773,808
Increase/(Decrease) in Other Financial Liabilities	54,142,551	34,132,770
Increase/(Decrease) in Other Non Financial Liabilities	108,439	326,627
Cash Generated from Operations	<b>453,510,476</b>	<b>31,004,373</b>
Retirement Benefit Liabilities Paid	(147,750)	(366,638)
Taxes Paid	(17,206,336)	(5,218,304)
Net Cash From/(Used in) Operating Activities	<b>436,156,390</b>	<b>25,419,431</b>
<b>Cash Flows from / (Used in) Investing Activities</b>		
Acquisition of Property, Plant & Equipment	(7,371,737)	(3,088,944)
Acquisition of Intangible Assets	(1,403,423)	(4,709,086)
Proceeds from Sales of Property, Plant & Equipment	-	159,821
Acquisition of Financial Investment held - for - trading	(2,097,015)	-
Proceeds from Financial investments held -for- trading	3,526,479	-
Sale/(Purchase) of Placement with banks	(4,033)	15,982,531
Sale/(Purchase) of financial investments- held to maturity	(2,431,470)	4,598,192
Securities Purchased under re-purchase agreements	-	15,362,989
Investment In Debt Securities	(49,436,762)	-
Dividend Received	129,604	195,425
Net Cash Flows from/(Used in) Investing Activities	<b>(59,088,357)</b>	<b>28,500,929</b>
<b>Cash Flows from / (Used in) Financing Activities</b>		
Borrowings	(5,373,586)	13,915,966
Cash Flow from Debt Instruments Issued and Other borrowings	(52,059,438)	74,950,438
Dividends Paid	-	-
Net Cash Flows from/(Used in) Financing Activities	<b>(57,433,024)</b>	<b>88,866,405</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>319,635,008</b>	<b>142,786,764</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>179,932,943</b>	<b>37,146,178</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>499,567,951</b>	<b>179,932,942</b>

The figures presented above are provisional and subject to Audit.

27th May 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	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Assets</b>										
Cash and Bank Balances	-	-	-	-	105,135,491	33,802,530	-	-	105,135,491	33,802,530
Placements with Banks	-	-	-	-	127,536,938	125,140,325	-	-	127,536,938	125,140,325
Repurchase Agreements	-	-	-	-	268,997,323	-	-	-	268,997,323	-
Financial Investments - Held for Trading	7,050,137	8,336,547	-	-	-	-	-	-	7,050,137	8,336,547
Financial Investments - Debt Securities	-	-	-	-	49,436,762	-	-	-	49,436,762	-
Loans and Advances	-	-	-	-	743,827,013	836,056,102	-	-	743,827,013	836,056,102
Lease rentals receivable & Stock out on hire	-	-	-	-	2,027,939,718	1,549,447,291	-	-	2,027,939,718	1,549,447,291
Financial Investments - Available for Sale	-	-	-	-	-	-	80,400	80,400	80,400	80,400
Financial Investments - Held to Maturity	-	-	57,074,657	168,522,407	-	-	-	-	57,074,657	168,522,407
Other financial assets	-	-	-	-	23,063,763	15,933,472	-	-	23,063,763	15,933,472
<b>Total Financial Assets</b>	<u>7,050,137</u>	<u>8,336,547</u>	<u>57,074,657</u>	<u>168,522,407</u>	<u>3,345,937,008</u>	<u>2,560,379,720</u>	<u>80,400</u>	<u>80,400</u>	<u>3,410,142,202</u>	<u>2,737,319,073</u>
	<b>OFL</b>								<b>Total</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>							<b>30.06.2013</b>	<b>31.03.2013</b>
	<b>Rs.</b>	<b>Rs.</b>							<b>Rs.</b>	<b>Rs.</b>
<b>Liabilities</b>										
Due to Banks	263,270,844	359,435,796							263,270,844	359,435,796
Due to Customers	2,600,119,545	1,765,882,547							2,600,119,545	1,765,882,547
Debt Instruments Issued & Other borrowed funds	122,265,623	174,325,059							122,265,623	174,325,059
Other Financial Liabilities	222,519,445	168,376,894							222,519,445	168,376,894
<b>Total Financial Liabilities</b>	<u>3,208,175,457</u>	<u>2,468,020,296</u>							<u>3,208,175,457</u>	<u>2,468,020,296</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 PERIOD ENDED 31 MARCH	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Interest Income	243,812,406	111,508,193	188,856,273	187,818,077	218,057,176	211,022,044	37,797,524	30,763,682	688,523,379	541,111,996
Fee Based Income & Others	38,840,113	9,752,738	5,698,165	8,228,542	3,705,684	6,532,217	814,851	692,198	49,058,813	25,205,695
Unallocated Income							16,984,378	4,027,222	16,984,378	4,027,222
<b>Total Revenue</b>	<b>282,652,518</b>	<b>121,260,931</b>	<b>194,554,438</b>	<b>196,046,619</b>	<b>221,762,861</b>	<b>217,554,261</b>	<b>55,596,753</b>	<b>35,483,102</b>	<b>754,566,570</b>	<b>570,344,914</b>
Interest Expenses	(129,727,130)	(72,062,603)	(92,154,115)	(102,763,782)	(98,317,510)	(107,684,465)	(67,020,055)	(45,666,422)	(387,218,811)	(328,177,272)
Fee Based Expenses & Others	(18,644,459)	(2,008,305)	(460,265)	(2,863,913)	(160,610)	(2,183,406)	(3,187,562)	-	(22,452,896)	(7,055,624)
Impairment Reversal / (Provision)	(31,997,935)	7,305,670	(30,474,735)	416,224	(39,387,399)	(2,578,775)	(30,419,468)		(132,279,537)	(5,143,119)
<b>Net Operating Income</b>	<b>102,282,994</b>	<b>54,495,693</b>	<b>71,465,323</b>	<b>90,835,148</b>	<b>83,897,342</b>	<b>105,107,615</b>	<b>(45,030,332)</b>	<b>(10,183,320)</b>	<b>212,615,326</b>	<b>229,968,899</b>
Unallocated Expenses									(199,905,840)	(171,967,521)
<b>Profits/ (Loss) before Tax</b>									<b>12,709,486</b>	<b>58,001,378</b>
Income Tax expenses									(11,942,303)	(17,867,778)
<b>Net Profit / (Loss) for the period</b>									<b>767,183</b>	<b>40,133,600</b>
Other Comprehensive Income for the Period, Net of Tax									263,703	-
<b>Total Comprehensive Income for the Year</b>									<b>1,030,886</b>	<b>40,133,600</b>
Segment Assets	1,390,994,216	693,616,175	623,945,502	856,896,829	743,827,013	836,056,102	641,037,075	435,921,179	3,399,803,806	2,822,490,285
Unallocated Assets									267,247,756	103,014,506
<b>Total Assets</b>	<b>1,390,994,216</b>	<b>693,616,175</b>	<b>623,945,502</b>	<b>856,896,829</b>	<b>743,827,013</b>	<b>836,056,102</b>	<b>641,037,075</b>	<b>435,921,179</b>	<b>3,667,051,561</b>	<b>2,925,504,791</b>
Unallocated Equity & Liabilities									3,667,051,562	2,925,504,791
<b>Total Equity &amp; Liabilities</b>									<b>3,667,051,562</b>	<b>2,925,504,791</b>

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

	<b>31st MAR 2014</b>	<b>31st MAR 2013</b>
Highest	Rs.32.00	Rs.37.80
Lowest	Rs.26.10	Rs.26.20
Closing	Rs.29.40	Rs.29.00

**(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).

The accounting policies adapted by the Company are consistent with those used in the previous financial year except for the policy on Retirement Defined Benefit Plans-Gratuity.

The Company applied revised Sri Lanka Accounting Standards (LKAS 19) on Employee Benefits.

As per previous policy, actuarial gain/loss was recognized in the Income Statement. As per revised LKAS 19, actuarial gain/loss is recognized in full in Other Comprehensive Income (OCI). Accordingly the Company changed its policy for recognizing actuarial gain/loss in OCI. Comparatives were not restated to effect this change as it is not material.

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 31st March 2014 is, 10.04%

**(e). EVENTS 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**

<b>NAME OF THE DIRECTOR</b>	<b>31st March 2014</b>		<b>31st March 2013</b>	
	<b>NO.OF SHARES</b>	<b>(%)</b>	<b>NO.OF SHARES</b>	<b>(%)</b>
MRS. SAROSHI DUBASH	133,334	0.36	133,334	0.36
MR. R PESTONJEE	106,801	0.29	106,801	0.29
MR. C D PATHIRANA	NIL	0.00	NIL	0.00
MR. K B WANIGASEKARA	NIL	0.00	NIL	0.00
MR. V K CHOKSY	NIL	0.00	NIL	0.00



**(g). TWENTY LARGEST SHAREHOLDERS**

NAME OF THE SHAREHOLDER	31st March 2014		31st March 2013	
	NO.OF SHARES	(%)	NO.OF SHARES	(%)
ABANS PLC	33,025,006	89.26	31,195,367	84.31
MR. P N PESTONJEE	679,000	1.84	679,560	1.84
MR. B PESTONJEE	-	-	519,732	1.40
MR. P K PESTONJEE	370,100	1.00	370,100	1.00
MR. D S KARUNAKARAN	-	-	370,000	1.00
MRS. H G S CHANDRAKANTHI	370,000	1.00	370,000	1.00
MR. K KUNENTHIRAN	370,000	1.00	370,000	1.00
MRS. C V SUMANADASA	370,000	1.00	370,000	1.00
MR. A H A JAYASINGHE	-	-	370,000	1.00
MR. N N PERERA	-	-	370,000	1.00
MRS. M V I F FERNANDO	-	-	370,000	1.00
MISS. I N JALALDEEN	-	-	366,400	0.99
MRS. S DUBASH	133,334	0.36	133,334	0.36
MR. R PESTONJEE	106,801	0.29	106,801	0.29
AB SECURITAS (PRIVATE) LIMITED	100,000	0.27	100,000	0.27
CLEANTECH PVT LTD	100,000	0.27	100,000	0.27
A B COLD STORAGE (PRIVATE) LIMITED	100,000	0.27	100,000	0.27
MR. A W A KUMARADASA	91,063	0.25	-	-
MRS. K S RODRIGO	90,000	0.24	-	-
MRS. S F ZUBAIR	77,871	0.21	-	-
MRS. ABAN PESTONJEE	66,667	0.18	66,667	0.18
MRS. H I SALGADO	66,600	0.18	-	-
MR. S G SALGADO	-	-	66,600	0.18
PARAMADAMMA BUDDHIST INSTITUTE	51,208	0.14	-	-
MR. G C GOONETILLEKE	34,044	0.09	30,000	0.08
DR. K POOLOGASUNDRAM	25,000	0.07	-	-
DR. S A LEELANANDA	20,000	0.05	-	-
	36,246,694	97.96	36,424,561	98.44
<b>OTHERS</b>	753,306	2.04	566,598	1.53
<b>TOTAL</b>	<b>37,000,000</b>	<b>100.0</b>	<b>36,991,159</b>	<b>100.0</b>