

ABANS FINANCE PLC

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 DECEMBER 2016



ABANS FINANCE PLC**STATEMENT OF COMPREHENSIVE INCOME**

	For the Nine Months Ended December		For the Quarter Ended December	
	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
Income	1,192,047,084	973,354,476	424,740,605	325,746,860
Interest Income	1,108,389,559	878,875,290	390,345,243	305,383,207
Interest Expenses	(448,264,411)	(356,051,427)	(166,800,985)	(128,938,666)
Net Interest Income	660,125,147	522,823,862	223,544,258	176,444,541
Fee and Commission Income	69,337,597	85,388,219	30,186,253	18,253,419
Fee and Commission Expenses	(58,445,819)	(63,868,471)	(25,956,614)	(19,006,208)
Net Fee and Commission Income	10,891,778	21,519,748	4,229,640	(752,789)
Net Gain/(Loss) From Trading	1,044,332	474,967	(264,866)	(67,334)
Other Operating Income (net)	13,275,596	8,616,001	4,473,974	2,177,568
Total Operating Income	685,336,854	553,434,578	231,983,007	177,801,986
Impairment (Charges) / Reversal	(123,669,583)	(149,368,854)	(31,997,850)	(53,108,257)
Net Operating Income	561,667,271	404,065,723	199,985,156	124,693,729
Operating Expenses				
Personnel Costs	(157,158,599)	(114,336,723)	(52,741,915)	(49,570,849)
Other Operating Expenses	(192,629,463)	(162,886,706)	(68,759,509)	(56,878,750)
Operating Profit/(Loss) before VAT on FS	211,879,209	126,842,295	78,483,734	18,244,130
Value Added Tax on Financial Services	(36,392,402)	(20,572,342)	(15,468,758)	(6,510,601)
Profit / (Loss) before Taxation from Operations	175,486,807	106,269,953	63,014,976	11,733,529
Income Tax (Expense)/Reversal	(56,940,564)	(31,870,000)	(21,049,737)	(4,450,000)
Profit/(Loss) for the Period	118,546,243	74,399,953	41,965,239	7,283,529
Other Comprehensive Income				
Gains & Losses arising on re-measuring Available for Sale Financial Assets - Investment in Unit Trust	-	2,095,461	-	2,201,178
Other Comprehensive Income for the Period, Net of Tax	-	2,095,461	-	2,201,178
Total Comprehensive Income for the Period	118,546,243	76,495,413	41,965,239	9,484,707
Earnings Per Share	2.58	2.01	0.81	0.20

The figures presented above are provisional and subject to Audit.

23rd January 2017
Colombo

ABANS FINANCE PLC**STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2016

	DECEMBER '2016 Rs.	MARCH '2016 Rs. (Audited)
Assets		
Cash and Bank Balances	380,201,426	73,385,295
Placements with Banks	653,929,761	224,098,165
Securities Purchased under Repurchase Agreement	373,924,305	630,158,527
Financial Assets - Held for Trading	7,729,485	6,915,241
Loans and Advances	1,865,568,111	1,188,546,845
Lease Rentals Receivable & Stock Out on Hire	3,515,544,063	3,596,251,779
Financial Investments - Available for Sale	80,400	80,400
Financial Investments - Held to Maturity	233,700,099	21,669,813
Other Financial Assets	107,371,816	73,802,179
Real Estate Stock	66,050,693	83,066,481
Other Non Financial Assets	43,272,817	97,894,824
Tax Recoverable	373,503	-
Deferred Tax Asset	61,419,537	61,419,536
Intangible Assets	20,785,874	15,608,896
Property, Plant & Equipment	85,721,545	75,811,265
Total Assets	7,415,673,435	6,148,709,246
Liabilities		
Due to Banks	302,928,292	47,004,092
Due to Customers	5,450,837,220	4,539,362,221
Debt Inst. Issued and Other Borrowed Funds	-	31,110,631
Other Financial Liabilities	440,539,495	837,025,511
Other Non Financial Liabilities	10,748,385	8,086,521
Retirement Benefit Liability	17,914,688	15,249,338
Current Tax Liabilities	-	56,345,826
Total Liabilities	6,222,968,080	5,534,184,140
Shareholders' Funds		
Stated Capital	844,073,080	382,373,630
Statutory Reserve	62,554,000	62,554,000
Retained Earnings	286,078,275	169,597,476
Total Shareholders' Funds	1,192,705,355	614,525,106
Total Liabilities and Shareholders' Funds	7,415,673,435	6,148,709,246
Commitments and Contingencies	-	-
Net Assets Per Share	21.50	16.61

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

P.W.K.Roshan (Sgnd.)
Head of Finance

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

23rd January 2017
Colombo

ABANS FINANCE PLC
STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED

	Stated Capital Rs.	Retained Earnings Rs.	Statutory Reserve Rs.	Reserve on Available for Sale Financial Instruments Rs.	Total Rs.
Balance as at 1 April 2015	382,373,630	97,837,286	44,529,000	130,255.38	524,870,171
Net Profit / (Loss) for the Period	-	74,399,953	-	-	74,399,953
Other Comprehensive Income Net of Tax	-	-	-	2,095,461	2,095,461
Balance as at 31 December 2015	<u>382,373,630</u>	<u>172,237,239</u>	<u>44,529,000</u>	<u>2,225,716</u>	<u>601,365,585</u>
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
Balances as at 31 December 2016	<u>844,073,080</u>	<u>286,078,275</u>	<u>62,554,000</u>	<u>-</u>	<u>1,192,705,355</u>

23rd January 2017
Colombo

ABANS FINANCE PLC**CASH FLOW STATEMENT**

FOR THE PERIOD ENDED

	31st December '2016 Rs.	31st December '2015 Rs.
Cash Flows From / (Used in) Operating Activities		
Profit / (Loss) Before Income Tax Expense	175,486,807	106,269,953
Adjustments for		
Depreciation	11,671,074	7,902,270
Amortisation of Intangible Assets	1,804,921	7,516,562
Impairment Chargers	123,669,583	149,368,854
Loss/(Profit) from Sale of Unit Trust	(2,142,786)	(4,500,941)
Diminution/(Appreciation) in value of investments	(814,244)	(236,479)
Loss/(Profit) on Disposal of Property, Plant & Equipment	-	19,829
Provision/(reversal) for Defined Benefit Plans	3,020,000	1,620,000
Dividend Received	(230,089)	(238,487)
Operating Profit before Working Capital Changes	312,465,266	267,721,560
(Increase)/Decrease in Real Estate Stock	17,015,788	1,814,497
(Increase)/Decrease in Loans and Advances	(718,529,667)	24,191,784
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	65,671,357	(1,068,034,836)
(Increase)/Decrease in Other Financial Assets	(100,694,459)	(74,570,790)
(Increase)/Decrease in Other Non Financial Assets	54,622,005	51,046,429
Increase/(Decrease) in Amounts Due to Customers	911,474,999	893,648,023
Increase/(Decrease) in Other Financial Liabilities	(396,486,016)	16,461,150
Increase/(Decrease) in Other Non Financial Liabilities	2,661,863	4,964,350
Cash Generated from Operations	148,201,136	117,242,166
Retirement Benefit Liabilities Paid	(354,650)	(359,813)
Taxes Paid	(113,659,942)	(45,125,902)
Net Cash From/(Used in) Operating Activities	34,186,544	71,756,451
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(21,581,354)	(30,245,051)
Acquisition of Intangible Assets	(6,981,900)	(6,859,530)
Proceeds from Sales of Property, Plant & Equipment	-	32,250
Acquisition of Financial Investment Held - for -Trading	-	(24,546)
Sale/(Purchase) of Placement with banks	(2,459)	(2,025)
Sale/(Purchase) of Financial Investments-Held to Maturity	(212,030,286)	(754,831)
Acquisition of Financial Investments - Available for Sale	(100,000,000)	(100,000,000)
Sale/(Purchase) of Financial Investments- Unit Trust	102,142,786	104,500,941
Investment in Debt Securities	-	(29,454)
Dividends Received	230,089	238,487
Net Cash Flows from/(Used in) Investing Activities	(238,223,124)	(33,143,758)
Cash Flows from / (Used in) Financing Activities		
Repayment of Borrowings	(53,027,988)	(74,859,752)
Borrowings from Banks	250,000,000	-
Cash Flow from Debt Instruments Issued and Other borrowings	(31,110,631)	30,366,394
Cash Flow from Issue of Shares	461,699,450	-
Expences on Right Issue of Shares	(2,065,442)	-
Net Cash Flows from/(Used in) Financing Activities	625,495,388	(44,493,358)
Net Increase in Cash and Cash Equivalents	421,458,809	(5,880,665)
Cash and Cash Equivalents at the beginning of the year	905,839,030	745,027,800
Cash and Cash Equivalents at the end of the year	1,327,297,839	739,147,135

The figures presented above are provisional and subject to Audit.

23rd January 2017
Colombo

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	31.12.2016	31.03.2016	31.12.2016	31.03.2016	31.12.2016	31.03.2016	31.12.2016	31.03.2016	31.12.2016	31.03.2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Assets										
Cash and Bank Balances	-	-	-	-	380,201,426	73,385,295	-	-	380,201,426	73,385,295
Placements with Banks	-	-	-	-	653,929,761	224,098,165	-	-	653,929,761	224,098,165
Repurchase Agreements	-	-	-	-	373,924,305	630,158,527	-	-	373,924,305	630,158,527
Financial Investments - Held for Trading	7,729,485	6,915,241	-	-	-	-	-	-	7,729,485	6,915,241
Financial Investments - Debt Securities	-	-	-	-	-	-	-	-	-	-
Loans and Advances	-	-	-	-	1,865,568,111	1,188,546,843	-	-	1,865,568,111	1,188,546,843
Lease rentals receivable & Stock out on hire	-	-	-	-	3,515,544,063	3,596,251,779	-	-	3,515,544,063	3,596,251,779
Financial Investments - Available for Sale	-	-	-	-	-	-	80,400	80,400	80,400	80,400
Financial Investments - Held to Maturity	-	-	233,700,099	21,669,813	-	-	-	-	233,700,099	21,669,813
Other financial assets	-	-	-	-	107,371,816	73,802,180	-	-	107,371,816	73,802,180
Total Financial Assets	7,729,485	6,915,241	233,700,099	21,669,813	6,896,539,482	5,786,242,790	80,400	80,400	7,138,049,465	5,814,908,243
	OFL								Total	
	31.12.2016	31.03.2016							31.12.2016	31.03.2016
	Rs.	Rs.							Rs.	Rs.
Liabilities										
Due to Banks	302,928,292	47,004,092							302,928,292	47,004,092
Due to Customers	5,450,837,220	4,539,362,221							5,450,837,220	4,539,362,221
Debt Instruments Issued & Other borrowed	-	31,110,631							-	31,110,631
Other Financial Liabilities	440,539,495	837,025,511							440,539,495	837,025,511
Total Financial Liabilities	6,194,305,007	5,454,502,455							6,194,305,007	5,454,502,455

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	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
Interest Income	676,811,199	685,822,783	17,074,956	47,092,690	331,153,952	96,190,518	83,349,452	49,769,299	1,108,389,559	878,875,290
Fee Based Income & Others	54,414,028	81,570,272	536,226	822,821	14,387,343	2,995,126	4,053,359	1,157,405	73,390,956	86,545,624
Unallocated Income							10,266,570	7,933,562	10,266,570	7,933,562
Total Revenue	731,225,227	767,393,055	17,611,182	47,915,511	345,541,295	99,185,644	97,669,381	58,860,266	1,192,047,084	973,354,476
Interest Expences	(250,046,697)	(224,789,012)	(5,963,162)	(19,057,414)	(109,941,786)	(44,996,535)	(82,312,767)	(67,208,466)	(448,264,411)	(356,051,427)
Fee Based Expences & Others	(36,439,461)	(45,680,097)	-	-	(202,008)	(85,653)	(21,804,350)	(18,102,721)	(58,445,819)	(63,868,471)
Impairment Reversal / (Provision)	(25,024,557)	(87,341,215)	9,988,199	(8,364,222)	(41,508,402)	424,987	(67,124,823)	(54,088,405)	(123,669,583)	(149,368,854)
Net Operating Income	419,714,513	409,582,731	21,636,218	20,493,874	193,889,099	54,528,444	(73,572,559)	(80,539,326)	561,667,271	404,065,723
Unallocated Expenses									(386,180,465)	(297,795,771)
Profits/ (Loss) before Tax									175,486,807	106,269,953
Income Tax expenses									(56,940,564)	(31,870,000)
Net Profit /(Loss) for the period									118,546,243	74,399,953
Segment Assets	3,457,578,259	3,702,657,827	57,965,804	172,956,822	1,865,568,111	613,649,386	1,327,604,857	882,703,284	6,708,717,031	5,371,967,319
Unallocated Assets									706,956,404	372,234,535
Total Assets	3,457,578,259	3,702,657,827	57,965,804	172,956,822	1,865,568,111	613,649,386	1,327,604,857	882,703,284	7,415,673,435	5,744,201,853
Unallocated Liabilities									7,415,673,435	5,744,201,853
Total Liabilities									7,415,673,435	5,744,201,853

ABANS FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

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

	31st DECEMBER 2016
Highest	Rs.47.00
Lowest	Rs.30.00
Closing	Rs.30.20

(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 2016.

(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 2016 is, 8.11%
- Number of Public Share Holders as at 31st December 2016 is, 792.

(e). EVENTS OCCURRING AFTER THE REPORTING DATE

The Board of Directors of Abans Finance PLC has resolved to issue shares by way of a Rights Issue in the proportion of One (01) Ordinary shares for every Five (05) Ordinary Shares in the Capital of the Company at a price of Rs.25/- per share to raise Rs.277,339,875 /-.

The Proceeds of the issue are to be utilized to expand Lending/ Investment activities of the company and to upgrade the company into a well capitalized Finance company in the Industry.

The Right Issue is subject to the Colombo Stock Exchange Approving in principle, the issue and Listing of shares and obtaining shareholder approval at an Extraordinary General Meeting.

The company has obtained the approval of Central Bank of Sri Lanka in compliance with Finance Companies (Structural Changes) Direction No.01 of 2013 by their letter dated 27th December 2016.

(f). DIRECTORS AND CEO's SHAREHOLDING

NAME OF THE DIRECTOR	31st DECEMBER 2016	
	NO.OF SHARES	(%)
Mr. R Pestonjee	183,884 *	0.33
Mr. K B Wanigasekara	NIL	-
Mr. V K Choksy	NIL	-
Mr. A S Ratnayake	NIL	-
Mr.C D Pathirana **	NIL	-
Mr. Mayank Pravin Parekh	NIL	-
Mr. Chanaka Wickramasuriya (Alternate Director to Mr. Mayank Pravin Parekh)	NIL	-

* This includes 24,000 Shares Held Jointly.

** Mr. C D Pathirana ceased to be a Director w.e.f. 26th November 2016.

ABANS FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS (Cont.) FOR THE PERIOD ENDED 31 DECEMBER 2016

(g). TWENTY LARGEST SHAREHOLDERS

NAME OF THE SHAREHOLDER	31st DECEMBER 2016	
	NO.OF SHARES	(%)
1 Abans PLC	39,717,534	71.60%
2 Ironwood Invetsment Holding (Pvt) Ltd	11,067,978	19.95%
3 Mr.P.N.Pestonjee	759,600	1.37%
4 Able Investment (Private) Limited	617,130	1.11%
5 Mr.K.Kunenthiran	446,014	0.80%
6 Mrs.C.V.Sumanadasa	370,000	0.67%
7 Mrs.S.C.Henagama Gamage	370,000	0.67%
8 Mr.B.Pestonjee	256,800	0.46%
9 Mr.R.Pestonjee	183,884	0.33%
10 Mrs.S.Dubash	160,353	0.29%
11 A B Cold Storage (Private) Limited	120,000	0.22%
12 Cleantech (Pvt) Ltd	120,000	0.22%
13 AB Securitas (Private) Limited	120,000	0.22%
14 Mr.J.S.A.Perera & Mrs.R.N.Perera	68,316	0.12%
15 Mrs.A.Pestonjee	66,667	0.12%
16 Mrs.H.I.Salgado	66,600	0.12%
17 Mr.G.C.Goonetilleke	48,105	0.09%
18 Nation Lanka Capital Ltd/ Karagoda Loku Gamag	32,300	0.06%
19 Miss.M.F.F.Safina	30,624	0.06%
20 Mr.R.E.Rambukwelle	30,517	0.06%
	54,652,422	98.53%
OTHERS	815,556	1.47%
TOTAL	55,467,978	100.00%

(h). PRIVATE PLACEMENT PROCEEDS UTILIZATION AS AT 31.12.2016

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	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
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%	10,378,510.92	35%	Remaining funds are invested in Placements with Banks
		276,699,450		276,699,450.00	100%			