

# **ABANS FINANCE PLC**

## **INTERIM FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED**

**30 JUNE 2017**



**ABANS FINANCE PLC****STATEMENT OF COMPREHENSIVE INCOME**For the Three Months  
Ended June

	2017 Rs.	2016 Rs.	Change
Income	438,655,590	375,639,793	16.8%
Interest Income	396,079,555	345,992,418	14.5%
Interest Expenses	(178,848,086)	(131,221,222)	36.3%
<b>Net Interest Income</b>	<b>217,231,469</b>	<b>214,771,196</b>	1.1%
Fee and Commission Income	37,216,603	24,719,748	50.6%
Fee and Commission Expenses	(31,813,693)	(11,728,200)	171.3%
<b>Net Fee and Commission Income</b>	<b>5,402,910</b>	<b>12,991,548</b>	-58.4%
Net Gain/(Loss) From Trading	1,608,093	364,417	341.3%
Other Operating Income (net)	3,751,339	4,563,208	-17.8%
<b>Total Operating Income</b>	<b>227,993,811</b>	<b>232,690,370</b>	-2.0%
Impairment (Charges) / Reversal	(71,997,371)	(60,245,820)	19.5%
<b>Net Operating Income</b>	<b>155,996,440</b>	<b>172,444,550</b>	-9.5%
<b>Operating Expenses</b>			
Personnel Costs	(61,220,759)	(48,362,531)	26.6%
Other Operating Expenses	(68,726,125)	(61,227,358)	12.2%
<b>Operating Profit/(Loss) before VAT on FS</b>	<b>26,049,556</b>	<b>62,854,662</b>	-58.6%
Value Added Tax on Financial Services	(11,492,529)	(11,335,255)	1.4%
<b>Profit / (Loss) before Taxation from Operations</b>	<b>14,557,026</b>	<b>51,519,407</b>	-71.7%
Income Tax (Expense)/Reversal	(5,202,822)	(17,279,051)	-69.9%
<b>Profit/(Loss) for the Period</b>	<b>9,354,204</b>	<b>34,240,357</b>	-72.7%
<b>Other Comprehensive Income</b>			
Gains & Losses arising on re-measuring Available for Sale Financial Assets - Investment in Unit Trust	-	1,155,796	
<b>Net Other Comprehensive Income to be re classified to profit or loss</b>	<b>-</b>	<b>1,155,796</b>	
<b>Other Comprehensive Income not To Be Classified to Profit or Loss</b>			
Actuarial Gains/(Losses) on Defined Benefit Plan	-	-	
Deferred Tax effect on above	-	-	
<b>Net Other Comprehensive Loss not to be re classified to profit or loss</b>	<b>-</b>	<b>-</b>	
<b>Other Comprehensive Income for the Period, Net of Tax</b>	<b>-</b>	<b>1,155,796</b>	
<b>Total Comprehensive Income for the Period</b>	<b>9,354,204</b>	<b>35,396,153</b>	-73.6%
<b>Earnings Per Share</b>	<b>0.16</b>	<b>0.82</b>	

The figures presented above are provisional and subject to Audit.

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

AS AT 30 JUNE 2017

	<b>Change</b>	<b>JUNE '2017 Rs.</b>	<b>MARCH '2017 Rs. (Audited)</b>
<b>Assets</b>			
Cash and Bank Balances	14.1%	430,142,761	376,968,804
Placements with Banks	2.1%	392,115,310	384,100,772
Securities Purchased under Repurchase Agreement	18.6%	297,517,026	250,809,890
Financial Assets - Held for Trading	20.5%	9,190,687	7,624,408
Loans and Advances	-4.2%	2,055,735,575	2,145,676,031
Lease Rentals Receivable & Stock Out on Hire	5.7%	3,890,111,551	3,679,965,646
Financial Investments - Available for Sale	0.0%	80,400	80,400
Financial Investments - Held to Maturity	-6.2%	223,836,658	238,572,963
Other Financial Assets	12.7%	122,245,801	108,507,477
Real Estate Stock	-2.6%	64,302,656	66,050,693
Other Non Financial Assets		40,860,104	40,725,064
Tax Recoverable		23,275,739	20,800,270
Defered Tax Asset		57,800,325	57,800,324
Intangible Assets	2.9%	23,329,066	22,681,042
Property, Plant & Equipment	2.9%	88,300,018	85,843,673
<b>Total Assets</b>	<b>3.1%</b>	<b>7,718,843,677</b>	<b>7,486,207,457</b>
<b>Liabilities</b>			
Due to Banks	1.3%	216,475,864	213,738,920
Due to Customers	-0.7%	5,511,163,419	5,550,552,545
Other Financial Liabilities	-2.8%	469,047,446	482,649,541
Other Non Financial Liabilities	-27.2%	10,089,934	13,862,374
Retirement Benefit Liability	4.0%	15,738,320	15,138,320
<b>Total Liabilities</b>	<b>-0.9%</b>	<b>6,222,514,983</b>	<b>6,275,941,700</b>
<b>Shareholders' Funds</b>			
Stated Capital	32.9%	1,121,412,955	844,073,080
Statutory Reserve		89,266,829	89,266,829
Retained Earnings	3.1%	285,648,910	276,925,848
<b>Total Shareholders' Funds</b>	<b>23.6%</b>	<b>1,496,328,694</b>	<b>1,210,265,757</b>
<b>Total Liabilities and Shareholders' Funds</b>	<b>3.1%</b>	<b>7,718,843,677</b>	<b>7,486,207,457</b>
<b>Commitments and Contingencies</b>		<b>162,414,056</b>	<b>172,609,297</b>
<b>Net Assets Per Share</b>		<b>22.48</b>	<b>21.82</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

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,

Rusi Pestonjee (Sgnd.)  
Director

V.K. Choksy (Sgnd.)  
Director

31st July 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.
<b>Balance as at 1 April 2016</b>	382,373,630	169,597,475	62,554,000	-	614,525,105
Issue of Shares	185,000,000	-	-	-	185,000,000
Direct Cost of Right Issue	-	(785,447)	-	-	-785,447
Net Profit / (Loss) for the Period	-	34,240,357	-	-	34,240,357
Other Comprehensive Income Net of Tax	-	-	-	1,155,796	1,155,796
<b>Balance as at 30 June 2016</b>	<u>567,373,630</u>	<u>203,052,385</u>	<u>62,554,000</u>	<u>1,155,796</u>	<u>834,135,811</u>
<b>Balance as at 1 April 2017</b>	844,073,080	276,925,848	89,266,829	-	1,210,265,757
Issue of Shares	277,339,875	-	-	-	277,339,875
Direct Cost of Right Issue	-	(631,142)	-	-	(631,142)
Net Profit / (Loss) for the Period	-	9,354,204	-	-	9,354,204
<b>Balances as at 30 June 2017</b>	<u>1,121,412,955</u>	<u>285,648,910</u>	<u>89,266,829</u>	<u>-</u>	<u>1,496,328,694</u>

31st July 2017  
Colombo

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

FOR THE PERIOD ENDED

	<b>30th June 2017 Rs.</b>	<b>30th June 2016 Rs.</b>
<b>Cash Flows From / (Used in) Operating Activities</b>		
Profit / (Loss) Before Income Tax Expense	14,557,026	51,519,408
<b>Adjustments for</b>		
Depreciation	4,733,859	3,543,314
Amortisation of Intangible Assets	743,572	571,757
Impairment Chargers	71,997,371	60,245,820
Loss/(Profit) from Sale of Unit Trust	-	(933,407)
Diminution/(Appreciation) in value of investments	(1,561,557)	(284,482)
Loss/(Profit) on Disposal of Property, Plant & Equipment	54,153	-
Provision/(reversal) for Defined Benefit Plans	600,000	890,000
Dividend Received	(46,536)	(79,936)
<b>Operating Profit before Working Capital Changes</b>	<b>91,077,889</b>	<b>115,472,474</b>
(Increase)/Decrease in Real Estate Stock	1,748,037	2,087,336
(Increase)/Decrease in Loans and Advances	75,505,096	(640,957,456)
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	(223,741,233)	271,727,072
(Increase)/Decrease in Other Financial Assets	(57,705,004)	(43,275,760)
(Increase)/Decrease in Other Non Financial Assets	(135,041)	61,445,730
Increase/(Decrease) in Amounts Due to Customers	(39,389,126)	324,320,801
Increase/(Decrease) in Other Financial Liabilities	(13,602,095)	(378,128,107)
Increase/(Decrease) in Other Non Financial Liabilities	(3,772,440)	4,177,600
<b>Cash Generated from Operations</b>	<b>(170,013,918)</b>	<b>(283,130,309)</b>
Retirement Benefit Liabilities Paid	-	(60,000)
Taxes Paid	(7,678,294)	(21,209,958)
<b>Net Cash From/(Used in) Operating Activities</b>	<b>(177,692,212)</b>	<b>(304,400,267)</b>
<b>Cash Flows from / (Used in) Investing Activities</b>		
Acquisition of Property, Plant & Equipment	(7,258,354)	(2,413,012)
Acquisition of Intangible Assets	(1,391,597)	(5,875,200)
Proceeds from Sales of Property, Plant & Equipment	13,999.00	
Acquisition of Financial Investment Held - for -Trading	(4,721)	-
Sale/(Purchase) of Placement with banks	(1,264)	(782)
Sale/(Purchase) of Financial Investments-Held to Maturity	14,736,305	(508,465)
Acquisition of Financial Investments - Available for Sale	-	(100,000,000)
Sale/(Purchase) of Financial Investments- Unit Trust	-	50,000,000
Dividends Received	46,536	79,936
<b>Net Cash Flows from/(Used in) Investing Activities</b>	<b>6,140,903</b>	<b>(58,717,524)</b>
<b>Cash Flows from / (Used in) Financing Activities</b>		
Repayment of Borrowings	(20,833,333)	(18,054,888)
Cash Flow from Debt Instruments Issued and Other borrowings	-	(31,110,631)
Cash Flow from Issue of Shares	277,339,875	185,000,000
Expences on Right Issue of Shares	(631,142)	(785,447)
<b>Net Cash Flows from/(Used in) Financing Activities</b>	<b>255,875,400</b>	<b>135,049,034</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>84,324,090</b>	<b>(228,068,757)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>999,476,642</b>	<b>905,839,030</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>1,083,800,732</b>	<b>677,770,273</b>

The figures presented above are provisional and subject to Audit.

31st July 2017  
Colombo

**BANS FINANCE PLC**
**ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS**

As at	HFT at Fair Value		HTM at Amortized Cost		L&R at Amortized Cost		AFS at Fair Value		Total	
	30.06.2017 Rs.	31.03.2017 Rs.	30.06.2017 Rs.	31.03.2017 Rs.	30.06.2017 Rs.	31.03.2017 Rs.	30.06.2017 Rs.	31.03.2017 Rs.	30.06.2017 Rs.	31.03.2017 Rs.
<b>Assets</b>										
Cash and Bank Balances	-	-	-	-	430,142,761	376,968,804	-	-	430,142,761	376,968,804
Placements with Banks	-	-	-	-	392,115,310	384,100,772	-	-	392,115,310	384,100,772
Repurchase Agreements	-	-	-	-	297,517,026	250,809,890	-	-	297,517,026	250,809,890
Financial Investments - Held for Trading	9,190,687	7,624,408	-	-	-	-	-	-	9,190,687	7,624,408
Loans and Advances	-	-	-	-	2,055,735,575	2,145,676,031	-	-	2,055,735,575	2,145,676,031
Lease rentals receivable & Stock out on hire	-	-	-	-	3,890,111,551	3,679,965,646	-	-	3,890,111,551	3,679,965,646
Financial Investments - Available for Sale	-	-	-	-	-	-	80,400	80,400	80,400	80,400
Financial Investments - Held to Maturity	-	-	223,836,658	238,572,963	-	-	-	-	223,836,658	238,572,963
Other financial assets	-	-	-	-	122,245,801	108,507,477	-	-	122,245,801	108,507,477
<b>Total Financial Assets</b>	<b>9,190,687</b>	<b>7,624,408</b>	<b>223,836,658</b>	<b>238,572,963</b>	<b>7,187,868,025</b>	<b>6,946,028,623</b>	<b>80,400</b>	<b>80,400</b>	<b>7,420,975,770</b>	<b>7,192,306,393</b>
	<b>OFL</b>								<b>Total</b>	
<b>Liabilities</b>										
Due to Banks	216,475,864	213,738,920							216,475,864	213,738,920
Due to Customers	5,511,163,419	5,550,552,545							5,511,163,419	5,550,552,545
Debt Instruments Issued & Other borrowed funds	-	-							-	-
Other Financial Liabilities	469,047,446	482,649,541							469,047,446	482,649,541
<b>Total Financial Liabilities</b>	<b>6,196,686,730</b>	<b>6,246,941,007</b>							<b>6,196,686,730</b>	<b>6,246,941,007</b>

**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 30 JUNE	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.
Interest Income	235,013,107	232,598,570	1,568,055	7,055,812	120,467,769	86,287,824	39,030,624	20,050,212	396,079,555	345,992,418
Fee Based Income & Others	34,869,730	11,794,086	104,220	225,629	2,242,651	12,700,034	1,867,443	615,906	39,084,044	25,335,655
Unallocated Income							3,491,989	4,311,719	3,491,989	4,311,719
<b>Total Revenue</b>	<b>269,882,838</b>	<b>244,392,656</b>	<b>1,672,275</b>	<b>7,281,441</b>	<b>122,710,420</b>	<b>98,987,857</b>	<b>44,390,056</b>	<b>24,977,838</b>	<b>438,655,590</b>	<b>375,639,793</b>
Interest Expences	(97,953,720)	(75,200,280)	(951,541)	(2,413,522)	(54,892,665)	(33,876,503)	(25,050,160)	(19,730,917)	(178,848,086)	(131,221,222)
Fee Based Expences & Others	(24,183,021)	(4,658,162)	-	-	(42,910)	(151,508)	(7,587,763)	(6,918,529)	(31,813,693)	(11,728,200)
Impairment Reversal / (Provision)	(12,431,446)	(31,885,472)	(1,168,061)	6,579,587	(14,431,184)	(8,349,006)	(43,966,680)	(26,590,928)	(71,997,371)	(60,245,820)
<b>Net Operating Income</b>	<b>135,314,650</b>	<b>132,648,741</b>	<b>(447,326)</b>	<b>11,447,505</b>	<b>53,343,661</b>	<b>56,610,841</b>	<b>(32,214,547)</b>	<b>(28,262,536)</b>	<b>155,996,440</b>	<b>172,444,550</b>
Unallocated Expenses									(141,439,413)	(120,925,142)
<b>Profits/ (Loss) before Tax</b>									<b>14,557,026</b>	<b>51,519,408</b>
Income Tax expenses									(5,202,822)	(17,279,051)
<b>Net Profit / (Loss) for the period</b>									<b>9,354,204</b>	<b>34,240,357</b>
Segment Assets	3,860,812,134	3,192,480,552	29,299,418	106,738,269	2,055,735,575	1,821,155,296	977,771,650	793,967,834	6,923,618,776	5,914,341,951
Unallocated Assets									795,224,902	390,024,013
<b>Total Assets</b>	<b>3,860,812,134</b>	<b>3,192,480,552</b>	<b>29,299,418</b>	<b>106,738,269</b>	<b>2,055,735,575</b>	<b>1,821,155,296</b>	<b>977,771,650</b>	<b>793,967,834</b>	<b>7,718,843,677</b>	<b>6,304,365,963</b>
Unallocated Liabilities									7,718,843,677	6,304,365,963
<b>Total Liabilities</b>									<b>7,718,843,677</b>	<b>6,304,365,963</b>

## ABANS FINANCE PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2017

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

	30th June 2017
Highest	Rs.37.50
Lowest	Rs.25.00
Closing	Rs.29.00

#### (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 30th June 2017 is, 8.10%
- Number of Public Share Holders as at 30th June 2017 is, 790.

#### (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 2017	
	No.of Shares	(%)
Mr. R Pestonjee	220,660 *	0.33
Mr. K B Wanigasekara	NIL	-
Mr. V K Choksy	NIL	-
Mr. A S Ratnayake	NIL	-
Mr. Mayank Pravin Parekh	NIL	-
Mr. Chanaka Wickramasuriya (Alternate Director to Mr. Mayank Pravin Parekh)	NIL	-

\* This includes 28,800 Shares Held Jointly.



**ABANS FINANCE PLC****NOTES TO THE FINANCIAL STATEMENTS (Cont..)****FOR THE PERIOD ENDED 30TH JUNE 2017****(g). TWENTY LARGEST SHAREHOLDERS**

Name Of The Shareholder	30th June 2017	
	No.of Shares	(%)
1 Mess Abans PLC	39,717,534	59.67%
2 Mess Ironwood Investment Holding Pvt Ltd	21,225,079	31.89%
3 Mr Peston Nadirshah Pestonjee	911,520	1.37%
4 Mess 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 (Includes 28,800 Shares held Jointly)	220,660	0.33%
10 Mrs Saroshi Dubash	192,423	0.29%
11 Mess Ab Securitas (Private) Limited	144,000	0.22%
12 Mess Cleantech Pvt Ltd	144,000	0.22%
13 Mess A B Cold Storage (Private) Limited	144,000	0.22%
14 Mrs Aban Pestonjee	80,000	0.12%
15 Mr Joseph Suresh Adrian Perera	68,316	0.10%
16 Mrs Helena Irene Salgado	66,600	0.10%
17 Mr Gajath Chrysantha Goonetilleke	48,105	0.07%
18 Mess Nation Lanka Capital Ltd/Karagoda Loku Gamage Uday	38,004	0.06%
19 Mr Ravindra Erle Rambukwelle	37,120	0.06%
20 Miss Mohamed Farook Fathima Safina	36,748	0.06%
	65,544,002	98.47%
<b>Others</b>	1,017,571	1.53%
<b>Total</b>	<b>66,561,573</b>	<b>100.00%</b>

**(h). PRIVATE PLACEMENT PROCEEDS UTILIZATION AS AT 30.06.2017 (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%	15,540,758.98	52%	Remaining funds are invested in Placements with Banks
		<b>276,699,450</b>		<b>276,699,450.00</b>	<b>100%</b>			

**(i). RIGHTS ISSUE FUNDS UTILIZATION AS AT 30.06.2017 (LISTED ON 05th MAY 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	183,800,000	1st Quarter 2016/2017	184,214,553.09	99.58%	184,214,553.09	100%	N/A
2	Expences relating to the rights issue	1,200,000	1st Quarter 2016/2017	785,446.91	0.42%	785,446.91	100%	N/A
		<b>185,000,000</b>		<b>185,000,000.00</b>	<b>100%</b>			

**(j). RIGHTS ISSUE FUNDS UTILIZATION AS AT 30.06.2017 (LISTED ON 23rd MAY 2017)**

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	275,839,875	1st & 2nd Quarter 2017/2018	276,708,732.90	99.77%	276,708,732.90	100%	N/A
2	Expences relating to the rights issue	1,500,000	1st Quarter 2017/2018	631,142.10	0.23%	631,142.10	100%	N/A
		<b>277,339,875</b>		<b>277,339,875.00</b>	<b>100%</b>			