

**ASIA ASSET FINANCE PLC
COLOMBO - 03**

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST MARCH 2022**



AUDITOR'S REPORT - AUDIT

To M/s Elias George & Co.
From BDO Partners - Sri Lanka
Date 28 April 2022
Subject Independent auditor's report on the special purpose financial information (reporting package) of Asia Asset Finance PLC (the "company") for the year ended 31 March 2022.

To Elias George & Co., India

As requested in your group audit engagement instructions dated 13 April 2022, we have audited, for the purposes of your audit of the consolidated financial statements of Muthoot Finance Limited, the accompanying special purpose financial information of Asia Asset Finance PLC as of 31 March 2022 and for the year then ended as set out on pages 01 to 15.

Management's Responsibility for the Special Purpose Financial Information

Management is responsible for the preparation and presentation of this special purpose financial information in accordance with group accounting policies and instructions. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the special purpose financial information that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. This special purpose financial information has been prepared solely to enable Muthoot Finance Limited to prepare its consolidated financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on this special purpose financial information based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. As requested, our audit procedures also included the additional procedures identified in your instructions. Sri Lanka Auditing Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the special purpose financial information is free from material misstatement. As requested by you, we planned and performed our audit using the materiality level specified in your instructions, which is different than the materiality level that we would have used had we been designing the audit to express an opinion on the financial information of the component alone.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the special purpose financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the special purpose financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The conclusions reached in forming our opinion are based on the component materiality level specified by you in the context of the audit of the consolidated financial statements of the group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the special purpose financial information of the current period. These matters were addressed in the context of our audit of the special purpose financial information as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Impairment of loans and receivables

The company's gross loans and receivables amount to Rs. 17.34 billion as at 31st March 2022 (2021: Rs.14 billion) and impairment allowance for the year amounts to Rs. 493 million (2021: Rs. 383 million).

Due to the significance of loans and receivables and the significant estimates and judgement involved, the impairment of these loans and receivables was considered to be a key audit matter.

The impairment provision is considered separately on an individual and collective basis.

In calculating the impairment provision on a collective basis, statistical models are used. The following inputs to these models require significant management judgement:

- the probability of default (PD);
- the exposure at default (EAD);
- the loss given default (LGD); and
- the effective interest rates.

In assessing loans and receivables on an individual basis, significant judgements, estimates and assumptions have been made by management to:

- Determine if the loan or advance is credit impaired;
- Evaluate the adequacy and recoverability of collateral;
- Determine the expected cash flows to be collected; and
- Estimate the timing of the future cash flows.

Key areas of significant judgements, estimates and assumptions used by management related to the impact of COVID-19 in the assessment of the impairment allowance included the following:

- The probable impacts of COVID-19 and related industry responses (e.g. government stimulus packages and debt moratorium relief measures granted by the company);
- the determination on whether or not customer contracts have been substantially modified due to such COVID-19 related stimulus and relief measures granted and related effects on the amount of interest income recognised on affected loans and advances;
- Forward-looking macroeconomic factors, including developing and incorporating macroeconomic scenarios, given the wide range of potential economic outcomes and probable impact from COVID-19 that may affect future expected credit losses.

The disclosures associated with impairment of loans and receivables are set out in the special purpose financial information in the following notes:

- Note 4 - Impairment of financial instruments
- Note 10 - Loans and receivables

How our audit addressed the key audit matter

Our procedures included the following:

- We obtained an understanding of management's process and tested controls over credit origination, credit monitoring and credit remediation.
- We assessed the appropriateness of the accounting policies and loan impairment methodologies applied by comparing these to the requirements of SLFRS 9: Financial Instruments including consideration of current economic crisis, COVID-19 impact and related industry responses based on the best available information up to the date of our report.
- We test-checked the underlying calculations and data.

In addition to the above, we performed the following specific procedures:

For loans and receivables collectively assessed for impairment:

- We assessed the completeness of the underlying information in loans and receivables used in the impairment calculations by agreeing details to the company's source documents and information in IT systems.
- We also considered the reasonableness of macro-economic and other factors used by management by comparing them with publicly available data and information sources. This included assessing and challenging the reasonableness of macroeconomic scenarios considered and certain forward-looking economic data developed by the company, with a particular focus on the impact of current economic crisis and COVID-19 in light of certain available information and consensus views.

For loans and receivables individually assessed for impairment:

- We assessed the main criteria used by the management for determining whether an impairment event had occurred.
- Where impairment indicators existed, we assessed the reasonableness of management's estimated future recoveries including the expected future cash flows, discount rates and the valuation of collateral held.
- Evaluating the reasonableness of the provisions made with particular focus on the impact of COVID-19 on elevated risk industries, strategic responsive actions taken, collateral values, and the value and timing of future cashflows.

For loans and advances affected by government stimulus and debt moratorium relief measures granted:

- Assessing the appropriateness of judgements, reasonableness of calculations and data used to determine whether customer contracts have been substantially modified or not and to determine the resulting accounting implications; and
- Evaluating the reasonableness of the interest income recognised on such affected loans and advances.


Opinion

In our opinion, the accompanying special purpose financial information for Asia Asset Finance PLC as of 31 March 2022 and for the year then ended has been prepared, in all material respects, in accordance with the group accounting policies and instructions.

Restriction on Use and Distribution

This special purpose financial information has been prepared for purposes of providing information to Muthoot Finance Limited to enable it to prepare the consolidated financial statements of the group. As a result, the special purpose financial information is not a complete set of financial statements of Asia Asset Finance PLC in accordance with Sri Lanka Accounting Standards underlying the group's accounting policies and is not intended to give a true and fair view of, in all material respects, the financial position of Asia Asset Finance PLC as of 31 March 2022, and of its financial performance, and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards underlying the group's accounting policies. The financial information may, therefore, not be suitable for another purpose.

This report is intended solely for Elias George & Co. and should not be used by or distributed to other parties.

Component engagement partner's name	Mr. R. Vasanthakumar
Component engagement partner's signature	
Component auditor's firm and address	BDO Partners Chartered Accountants, "Charter House" No. 65/2, Sir Chittampalam A Gardiner Mawatha, Colombo 02, Sri Lanka.
Date	28 April 2022

	Notes	Quarter ended 31.03.2022 Rs.	Quarter ended 31.12.2021 Rs.	Quarter ended 31.03.2021 Rs.	Year ended 31.03.2022 Rs.	Year ended 31.03.2021 Rs.
Revenue from operations						
a) Interest income	1	781,745,364	647,421,642	577,123,364	2,576,080,611	2,626,394,467
b) Dividend income		240,000	-	-	240,000	320,000
c) Fee and commission income		-	-	-	-	-
d) Net gain on fair value		-	-	-	-	-
e) Service charges		-	-	-	-	-
f) Money transfer		-	-	-	-	-
g) Windmill income		-	-	-	-	-
I. Total Revenue from operations		781,985,364	647,421,642	577,123,364	2,576,320,611	2,626,714,467
II. Other income	2	139,154,663	182,955,444	208,187,139	605,412,840	325,626,539
III. Total income [I + II]		921,140,027	830,377,086	785,310,503	3,181,733,451	2,952,341,006
Expenses						
a) Finance cost	3	166,581,297	164,412,105	176,645,063	655,764,111	765,520,372
b) Interest on fixed deposits		189,100,529	165,350,255	147,563,852	668,472,279	696,180,739
c) Impairment of financial instruments	4	175,438,424	137,561,620	110,327,251	492,904,300	382,940,886
d) Employee benefit expenses	5	98,877,396	82,287,040	59,574,808	333,319,633	276,092,769
e) Depreciation, amortization and impairment	6	41,768,484	33,519,933	39,218,541	134,072,718	92,295,333
f) Other expenses (to be specified)	7	183,442,293	181,519,195	210,323,364	694,918,105	652,563,729
IV. Total expenses		855,208,422	764,650,148	743,652,879	2,979,451,146	2,865,593,829
V. Profit before exceptional items and tax [III - IV]		65,931,605	65,726,937	41,657,624	202,282,304	86,747,178
VI. Exceptional items		-	-	-	-	-
VII. Profit before tax [V - VI]		65,931,605	65,726,937	41,657,624	202,282,304	86,747,178
VIII. Tax expense:						
(1) Current tax	13	784,038	784,038	(784,038)	784,038	(784,038)
(2) Deferred tax	14	(23,063,470)	(26,784,038)	(13,267,020)	(85,063,470)	(40,767,020)
(3) Earlier years adjustments		-	-	-	-	-
IX. Profit for the period from continuing operations		43,652,173	39,726,937	27,606,566	118,002,872	45,196,120
X. Profit from discontinued operations		-	-	-	-	-
XI. Tax expense of discontinued operations		-	-	-	-	-
XII. Profit from discontinued operations (after tax) [X - XI]		-	-	-	-	-
XIII. Profit for the period		43,652,173	39,726,937	27,606,566	118,002,872	45,196,120
XIV. Other comprehensive income						
A) Items that will not be classified to profit or loss (specify items and amounts)						
Remeasurement gain on defined benefit plan		1,164,300	-	4,379,407	1,164,300	4,379,407
Fair value on investment in unquoted equity shares		-	-	-	-	-
Income tax relating to items that will not be reclassified to profit or loss		279,432	-	1,051,058	279,432	1,051,058
Subtotal (A)		1,443,732	-	5,430,465	1,443,732	5,430,465
B) Items that will be classified to profit or loss (specify items and amounts)						
Income tax relating to items that will be reclassified to profit or loss		-	-	-	-	-
Subtotal (B)		-	-	-	-	-
Other comprehensive income [A + B]		1,443,732	-	5,430,465	1,443,732	5,430,465
XV. Total comprehensive income for the period [XIII + XIV]		45,095,905	39,726,937	33,037,031	119,446,604	50,626,585
XVI. Earnings per equity share (for continuing operations)						
Basic (Rs.)	26	0.35	0.32	0.22	0.95	0.36

The accounting notes on pages 05 to 15 form an integral part of these financial information.

Colombo
28th April 2022



	Note	As at 31.03.2022 Rs.	As at 31.03.2021 Rs.
I. ASSETS			
1 Financial assets			
a) Cash and cash equivalents	8	1,397,259,011	1,005,985,148
b) Bank balance other than (a) above	9	373,539	248,328
d) Loans	10	15,813,299,649	12,410,797,757
e) Investments	11	989,433,452	654,692,844
f) Other financial assets	12	506,659	506,659
Total financial assets		<u>18,200,872,310</u>	<u>14,072,230,736</u>
2 Non-financial assets			
a) Inventories		-	-
b) Current tax assets (net)	13	27,698,763	26,914,725
c) Deferred tax assets (net)	14	101,422,647	186,206,685
d) Right - of - Use asset on leases		196,496,796	217,810,349
e) Property, plant and equipment	15	184,377,807	156,436,177
f) Investment property	16	359,055,286	376,158,648
g) Other intangible assets	17	44,194,279	40,951,790
h) Other non financial assets	18	227,670,131	273,721,001
Total non-financial assets		<u>1,140,915,708</u>	<u>1,278,199,375</u>
Total assets		<u>19,341,788,018</u>	<u>15,350,430,111</u>
II. LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
a) Overdraft against deposit with banks		38,990,636	24,279,289
b) Payables	19	8,695,180,272	7,013,686,384
c) Borrowings (other than debt securities)	20	7,531,303,821	5,808,223,855
d) Lease liability		207,778,446	213,877,899
e) Other financial liabilities	21	295,240	295,240
Total financial liabilities		<u>16,473,548,415</u>	<u>13,060,362,667</u>
2 Non-financial liabilities			
a) Current tax liabilities (net)		-	-
b) Provisions	22	32,796,379	30,135,378
c) Other non-financial liabilities	23	79,932,111	37,852,668
Total non-financial liabilities		<u>112,728,490</u>	<u>67,988,046</u>
3 Equity			
a) Equity share capital	24	2,205,463,801	1,791,478,691
b) Other equity	25	550,047,312	430,600,707
Total equity		<u>2,755,511,113</u>	<u>2,222,079,398</u>
Total liabilities and equity		<u>19,341,788,018</u>	<u>15,350,430,111</u>
Net assets value per share		<u>22.19</u>	<u>17.89</u>

The accounting notes on pages 05 to 15 form an integral part of these financial information.

These Financial Statements are in compliance with the requirements of the group accounting policies.



Geethika Elwalage
Deputy General Manager - Finance

The Board of Directors is responsible for the preparation and presentation of the financial information.

Approved and signed for and on behalf of the Board.



R.J.A Gunawardena
Director/Chief Executive Officer



Inusitha Perera
Director/Chairman of the audit committee

	Equity share capital Rs.	Preference Share Capital Rs.	Statutory reserve fund Rs.	General reserve Rs.	Retained earnings Rs.	Total Rs.
Balance as at 31st March, 2019	1,640,493,541	-	70,387,374	3,000,000	239,007,167	1,952,888,082
Total comprehensive income for the year						
Profit for the year	-	-	-	-	70,153,367	70,153,367
Other comprehensive income (net of tax)	-	-	-	-	(2,573,785)	(2,573,785)
Total comprehensive income for the year	-	-	-	-	67,579,582	67,579,582
Transactions with equity holders recognized directly in equity						
Proceeds from right issue of ordinary shares	150,985,150	-	-	-	-	150,985,150
Transfers to reserves	-	-	3,378,979	-	(3,378,979)	-
	150,985,150	-	3,378,979	-	(3,378,979)	150,985,150
Balance as at 31st March, 2020	1,791,478,691	-	73,766,353	3,000,000	303,207,770	2,171,452,814
Total comprehensive income for the year						
Profit for the year	-	-	-	-	45,196,120	45,196,120
Other comprehensive income (net of tax)	-	-	-	-	5,430,465	5,430,465
Total comprehensive income for the year	-	-	-	-	50,626,585	50,626,585
Transactions with equity holders recognized directly in equity						
Transfers to reserves	-	-	2,531,329	-	(2,531,329)	-
	-	-	2,531,329	-	48,095,256	50,626,585
Balance as at 31st March, 2021	1,791,478,691	-	76,297,682	3,000,000	351,303,026	2,222,079,399
Total comprehensive income for the year						
Profit for the year	-	-	-	-	118,002,872	118,002,872
Other comprehensive income (net of tax)	-	-	-	-	1,443,732	1,443,732
Total comprehensive income for the year	-	-	-	-	119,446,604	119,446,604
Transactions with equity holders recognized directly in equity						
Proceeds from right issue of preference shares	-	413,985,110	-	-	-	413,985,110
Transfers to reserves	-	-	5,972,330	-	(5,972,330)	-
	-	413,985,110	5,972,330	-	113,474,274	533,431,714
Balance as at March 31st, 2022	1,791,478,691	413,985,110	82,270,012	3,000,000	464,777,300	2,755,511,113

The accounting notes on pages 05 to 15 form an integral part of these financial information.

Colombo
28th April 2022



	Note	2021/2022 Rs.	2020/2021 Rs.
Cash flows from operating activities			
Profit before income tax		202,282,304	86,747,175
Adjustments for			
Depreciation and amortization	19 & 22	72,580,622	51,276,593
Amortization of right-of-use asset	20	61,492,097	41,018,741
Interest expenses on lease liability	26	25,478,575	20,009,922
Impairment of lease, hire purchase, loans and advances	7	492,904,300	382,940,886
Early termination of loans, leases and hire purchase		(37,203,068)	(29,908,552)
Non-cash items included in profit before tax (WHT and Notional tax)		-	37,817
Gain on expiration of operating lease agreement during the year		(1,719,551)	-
Interest income on short term investment		-	(18,852,915)
Gains from sale of property, plant and equipment, investment property and real estate inventories		(2,230,807)	(8,958,592)
Provision for retirement benefit liability	29.1	6,051,551	7,163,721
Interest expense on other borrowings		463,925,159	695,547,058
Interest expense on debentures		166,360,280	47,070,376
Cash generated from operations before working capital changes		1,449,921,462	1,274,092,230
Changes in working capital			
Decrease in lease rentals receivable and hire purchase		1,085,312,945	1,592,530,924
Increase in loans and advances		(4,947,566,069)	(1,716,824,690)
Increase in other receivables		(101,514,784)	(126,272,144)
Increase in deposits and prepayments		141,585,635	(95,894,459)
Increase/(decrease) in deposits from customers		1,681,493,888	428,451,679
Increase/(decrease) other non-financial liabilities		41,310,965	63,144,462
Net cash from/(used in) operating activities before income tax payments		(649,455,958)	1,419,228,002
Taxes paid		-	-
Gratuity paid		(2,226,250)	(2,621,800)
Lease rent advance paid		-	(14,542,782)
Rent paid		(63,288,541)	(39,408,751)
Net cash generated from/(used in) operating activities		(714,970,750)	1,362,654,669
Cash flows from investing activities			
Acquisition of property, plant and equipment	19	(81,044,789)	(65,141,353)
Acquisition of intangible assets	20	(12,276,583)	(6,956,240)
Acquisition of investment property	21	-	(315,000)
Proceeds from sale of investment property		12,210,000	30,900,000
Investments in short term investments		-	(980,000,000)
Proceeds from short term investments		-	998,852,915
Proceeds from sale of property, plant and equipment		730,796	3,578,913
Net cash used in investing activities		(80,380,576)	(19,080,765)
Cash flows from financing activities			
Repayment of other borrowed funds	25	(4,182,257,403)	(4,686,113,659)
Proceeds from other borrowed funds	25	4,398,000,000	2,683,000,000
Proceeds from debenture issue		992,025,770	982,394,733
Repayment of Debenture		(114,973,820)	-
Proceed from preference share issue		413,985,110	-
Net cash generated from/(used in) financing activities		1,506,779,658	(1,020,718,926)
Net increase in cash and cash equivalents		711,428,332	322,854,978
Cash and cash equivalents at the beginning of the year	A	1,636,647,031	1,313,792,053
Cash and cash equivalents at the end of the year	B	2,348,075,363	1,636,647,031
At the beginning of the year			
Cash and cash equivalents		1,006,233,476	511,939,133
Investment in reverse repurchase agreements against the treasury bills and bonds at amortized cost		654,692,844	860,630,696
Bank overdraft		(24,279,289)	(58,777,776)
		1,636,647,031	1,313,792,053
At the end of the year			
Cash and cash equivalents		1,397,632,551	1,006,233,476
Investment in reverse repurchase agreements against the treasury bills and bonds at amortized cost		989,433,452	654,692,844
Bank overdraft		(38,990,640)	(24,279,289)
		2,348,075,363	1,636,647,031

Figures in brackets indicate deductions.

The accounting notes on pages 05 to 15 form an integral part of these financial information.

Colombo
28th April 2022



	Quarter ended 31.03.2022			Quarter ended 31.12.2021			Quarter ended 31.03.2021			Year ended 31.03.2022			Year ended 31.03.2021		
	On financial asset measured at fair value through OCI	On financial asset measured at amortised cost	On financial assets classified at fair value through profit and loss	On financial asset measured at fair value through OCI	On financial asset measured at amortised cost	On financial assets classified at fair value through profit and loss	On financial asset measured at fair value through OCI	On financial asset measured at amortised cost	On financial assets classified at fair value through profit and loss	On financial asset measured at fair value through OCI	On financial asset measured at amortised cost	On financial assets classified at fair value through profit and loss	On financial asset measured at fair value through OCI	On financial asset measured at amortised cost	On financial assets classified at fair value through profit and loss
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. Interest income															
1.1 Interest on loans															
HP	-	11,572	-	-	-	-	-	-	-	-	11,572	-	-	-	-
Micro finance loan	-	7,828,669	-	-	9,562,314	-	-	13,947,093	-	-	38,771,415	-	-	-	59,251,300
Personal loan	-	32,354,597	-	-	30,544,416	-	-	41,843,136	-	-	130,641,871	-	-	-	186,634,824
GPL	-	7,077,113	-	-	8,619,984	-	-	15,230,178	-	-	38,060,896	-	-	-	80,647,156
Pledge	-	3,115,076	-	-	2,691,703	-	-	6,950,909	-	-	13,678,400	-	-	-	51,647,663
Lease	-	35,733,829	-	-	48,248,718	-	-	119,655,726	-	-	235,089,142	-	-	-	730,671,271
Gold loan	-	511,405,129	-	-	394,817,429	-	-	249,801,210	-	-	1,528,952,298	-	-	-	866,007,440
Mortgage loan	-	48,870,288	-	-	53,041,779	-	-	70,621,378	-	-	224,823,871	-	-	-	326,731,762
Cheque discounting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Over due interest	-	38,796,377	-	-	42,665,267	-	-	14,800,534	-	-	147,807,893	-	-	-	168,483,795
Written off contract	-	9,790,942	-	-	15,251,440	-	-	19,510,680	-	-	30,525,472	-	-	-	66,680,944
Early termination Interest Income	-	37,203,068	-	-	-	-	-	-	-	-	37,203,068	-	-	-	-
1.2 Income from investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on commercial papers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on fixed deposit	-	125,512	-	-	5,500	-	-	-	-	-	131,012	-	-	-	2,082,307
Interest on treasury bill	-	19,308,825	-	-	18,503,913	-	-	7,972,884	-	-	62,428,974	-	-	-	41,466,484
Bank interest for short term	-	14,695,055	-	-	8,441,796	-	-	4,627,190	-	-	37,683,607	-	-	-	20,181,728
Interest on money market investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on unit trust	-	15,429,311	-	-	15,027,382	-	-	12,162,446	-	-	50,271,119	-	-	-	25,907,793
	-	781,745,364	-	-	647,421,642	-	-	577,123,364	-	-	2,576,080,611	-	-	-	2,626,394,467

	Quarter ended 31.03.2022	Quarter ended 31.12.2021	Quarter ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
2. Other income					
Other non-operating income	139,154,663	182,955,444	208,187,139	605,412,840	325,626,539
	139,154,663	182,955,444	208,187,139	605,412,840	325,626,539

	Quarter ended 31.03.2022		Quarter ended 31.12.2021		Quarter ended 31.03.2021		Year ended 31.03.2022		Year ended 31.03.2021	
	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	On financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3. Finance cost										
3.1 Interest expense on borrowings:										
Other borrowing costs	-	166,581,297	-	164,412,105	-	176,645,063	-	655,764,111	-	765,520,372
	-	166,581,297	-	164,412,105	-	176,645,063	-	655,764,111	-	765,520,372

	Quarter ended 31.03.2022		Quarter ended 31.12.2021		Quarter ended 31.03.2021		Year ended 31.03.2022		Year ended 31.03.2021	
	On financial instruments measured at fair value through OCI	On financial Instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial Instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial Instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial Instruments measured at amortised cost	On financial instruments measured at fair value through OCI	On financial Instruments measured at amortised cost
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4. Impairment of financial instruments										
Impairment loss	-	175,438,424	-	137,561,620	-	110,327,251	-	492,904,300	-	382,940,886
	-	175,438,424	-	137,561,620	-	110,327,251	-	492,904,300	-	382,940,886



	Quarter ended 31.03.2022	Quarter ended 31.12.2021	Quarter ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
	Rs.	Rs.	Rs.	Rs.	Rs.
5. Employee benefit expenses					
Salaries and wages	85,772,975	70,207,690	47,802,602	283,079,058	227,048,341
Contributions to provident and other funds	6,924,370	6,679,850	6,775,985	27,126,024	27,148,707
Directors remuneration	4,928,500	4,199,500	4,132,500	17,063,000	14,732,000
Gratuity	1,251,551	1,200,000	863,721	6,051,551	7,163,721
	<u>98,877,396</u>	<u>82,287,040</u>	<u>59,574,808</u>	<u>333,319,633</u>	<u>276,092,769</u>
6. Depreciation, amortization and impairment					
Depreciation of tangible assets	20,803,070	15,610,174	22,925,632	64,789,367	45,051,802
Amortization of intangible assets	2,016,262	2,063,111	1,636,595	7,791,255	6,224,790
Amortization of right-of-use asset	18,949,152	15,846,646	14,656,314	61,492,096	41,018,741
	<u>41,768,484</u>	<u>33,519,933</u>	<u>39,218,541</u>	<u>134,072,718</u>	<u>92,295,333</u>
7. Other expenses					
Other administration expenses	92,452,619	106,489,899	121,924,849	390,293,341	351,321,012
Electricity charges	6,427,512	3,346,784	2,880,941	16,868,117	12,208,098
Business promotion expenses	19,882,024	16,341,410	11,444,017	68,032,237	25,383,501
Advertisement	7,401,833	3,505,630	3,649,976	19,069,367	6,496,071
Security guard charges	1,768,031	1,163,081	2,620,407	6,207,681	8,332,667
Repairs to machinery	89,297	194,993	138,267	668,234	720,945
Repairs to others	3,794,874	3,985,493	8,188,413	12,935,062	18,975,962
Postage, telegram and telephone	18,817,178	13,561,002	16,088,412	49,787,994	38,432,698
Printing and stationery	4,459,573	2,719,815	2,464,015	13,096,242	8,306,849
Rates and taxes	153,479	64,644	168,971	268,733	817,567
Legal and professional charges	4,399,583	3,057,325	6,141,669	11,353,707	16,081,026
Bank charges	388,171	940,253	769,994	2,392,091	2,676,044
Water charges	210,925	217,048	244,093	846,044	804,348
Courier service charges	1,219,398	1,169,986	1,038,644	4,604,280	3,024,278
Consultancy for taxes	60,000	276,944	155,801	344,089	382,949
Licence fees	2,504,000	2,700	6,020	2,506,700	6,020
Subscription - others	361,734	1,011,988	1,054,461	3,502,543	4,027,139
Fuel expenses	957,061	650,210	714,692	2,525,559	2,170,684
Entertainment expenses	360	-	950	360	490,950
Insurance	10,356,070	10,485,237	17,093,903	45,354,922	74,879,235
Newspaper and periodicals	6,440	12,030	-	18,910	3,310
Annual report expenses	280,301	623,031	(422,963)	1,503,331	1,250,000
Commission on leasing	2,551,010	3,827,333	8,844,791	18,547,123	50,617,157
Audit expenses - External	1,187,195	1,050,000	(414,747)	4,715,195	4,525,951
Audit expenses - Internal	1,597,821	-	-	1,597,821	-
Travelling expenses	3,140,138	2,755,358	3,444,427	11,327,371	10,890,925
Freight Charges	-	-	-	1,200	-
CEO's awards - Incentives	1,166,666	1,449,999	-	4,616,664	-
Digitalization & Other Incentive	(2,350,000)	2,350,000	-	-	-
CSR expenses	159,000	267,000	2,083,362	1,933,188	9,738,343
	<u>183,442,293</u>	<u>181,519,195</u>	<u>210,323,364</u>	<u>694,918,105</u>	<u>652,563,729</u>



	As at 31.03.2022 Rs.	As at 31.03.2021 Rs.
8. Cash and cash equivalents		
Cash in hand	87,317,521	91,868,385
Balances with banks	-	-
- in current accounts	338,643,526	67,727,654
- in deposit accounts having original maturity less than three months	971,297,964	846,389,110
	<u>1,397,259,011</u>	<u>1,005,985,148</u>
9. Bank balance other than cash and cash equivalents		
Deposit with original maturity for more than three months but less than twelve months *	125,843	331
Balance in other escrow accounts		
- Interim dividend	-	-
- Unpaid dividend account	247,697	247,997
- Unclaimed Interest and redemption proceeds of non-convertible debentures- public issue	-	-
Fixed deposits given as security for borrowings	-	-
Fixed deposits given as security for guarantees	-	-
	<u>373,539</u>	<u>248,328</u>



10. Loans and receivables

	As at 31.03.2022						As at 31.03.2021					
	At fair Value						At fair Value					
	Amortized cost Rs.	Through OCI Rs.	Through profit or loss Rs.	Designated at through profit or loss Rs.	Sub total Rs.	Total Rs.	Amortized cost Rs.	Through OCI Rs.	Through profit or loss Rs.	Designated at through profit or loss Rs.	Sub total Rs.	Total Rs.
(A) Gold loan	11,686,848,221	-	-	-	-	11,686,848,221	6,622,496,772	-	-	-	-	6,622,496,772
Hire purchase	1,193,001	-	-	-	-	1,193,001	29,626,496	-	-	-	-	29,626,496
Lease	1,256,149,473	-	-	-	-	1,256,149,473	2,399,894,651	-	-	-	-	2,399,894,651
GPL	379,457,897	-	-	-	-	379,457,897	471,975,259	-	-	-	-	471,975,259
Micro finance	747,404,666	-	-	-	-	747,404,666	758,544,284	-	-	-	-	758,544,284
Project finance	4,120,150	-	-	-	-	4,120,150	157,412,339	-	-	-	-	157,412,339
Sale & buyback	1,000,001	-	-	-	-	1,000,001	1,000,001	-	-	-	-	1,000,001
Personal loan	1,719,221,402	-	-	-	-	1,719,221,402	1,873,944,468	-	-	-	-	1,873,944,468
Mortgage	1,444,338,182	-	-	-	-	1,444,338,182	1,551,415,934	-	-	-	-	1,551,415,934
Pledge loan	105,279,648	-	-	-	-	105,279,648	135,919,742	-	-	-	-	135,919,742
Total [A] - Gross	17,345,012,641	-	-	-	-	17,345,012,641	14,002,229,946	-	-	-	-	14,002,229,946
Less : Impairment loss allowance	(1,531,712,993)	-	-	-	-	(1,531,712,993)	(1,591,432,189)	-	-	-	-	(1,591,432,189)
Total [A] - Net	15,813,299,649	-	-	-	-	15,813,299,649	12,410,797,757	-	-	-	-	12,410,797,757
(B) I) Secured by tangible assets												
i) Gold loan	11,686,848,221	-	-	-	-	11,686,848,221	6,622,496,772	-	-	-	-	6,622,496,772
ii) Term loan	1,444,338,182	-	-	-	-	1,444,338,182	1,551,415,934	-	-	-	-	1,551,415,934
iii) DPN other loan	-	-	-	-	-	-	-	-	-	-	-	-
Total [I] - Gross	13,131,186,403	-	-	-	-	13,131,186,403	8,173,912,706	-	-	-	-	8,173,912,706
Less : Impairment loss allowance	(77,174,393)	-	-	-	-	(77,174,393)	(173,878,835)	-	-	-	-	(173,878,835)
Total [I] - Net	13,054,012,011	-	-	-	-	13,054,012,011	8,000,033,871	-	-	-	-	8,000,033,871
II) Covered by bank / Government guarantees	-	-	-	-	-	-	-	-	-	-	-	-
III) Unsecured	-	-	-	-	-	-	-	-	-	-	-	-
Total [III] - Net	-	-	-	-	-	-	-	-	-	-	-	-
Total [I+II+III] - Net	13,054,012,011	-	-	-	-	13,054,012,011	8,000,033,871	-	-	-	-	8,000,033,871
(C) I) Loans in India												
i) Public sector	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others	-	-	-	-	-	-	-	-	-	-	-	-
II) Loans outside India	17,345,012,641	-	-	-	-	17,345,012,641	14,002,229,946	-	-	-	-	14,002,229,946
Less: Impairment loss allowance	(1,531,712,993)	-	-	-	-	(1,531,712,993)	(1,591,432,189)	-	-	-	-	(1,591,432,189)
Total [C] - Net	15,813,299,649	-	-	-	-	15,813,299,649	12,410,797,757	-	-	-	-	12,410,797,757

11. Investments

	As at 31.03.2022						As at 31.03.2021					
	At fair Value						At fair Value					
	Amortized cost Rs.	Through OCI Rs.	Through profit or loss Rs.	Designated at through profit or loss Rs.	Sub total Rs.	Total Rs.	Amortized cost Rs.	Through OCI Rs.	Through profit or loss Rs.	Designated at through profit or loss Rs.	Sub total Rs.	Total Rs.
I. Mutual funds	-	-	-	-	-	-	-	-	-	-	-	-
II. Government securities												
Reverse repurchase agreements against the treasury bills and bonds	989,433,452	-	-	-	-	989,433,452	654,692,844	-	-	-	-	654,692,844
III. Other approved securities	-	-	-	-	-	-	-	-	-	-	-	-
IV. Debt securities												
In subsidiary companies- Unquoted												
Debenture investment	-	-	-	-	-	-	-	-	-	-	-	-
Commercial paper investment	-	-	-	-	-	-	-	-	-	-	-	-
V. Equity instruments												
Subsidiaries- Unquoted	-	-	-	-	-	-	-	-	-	-	-	-
Others- Unquoted	-	-	-	-	-	-	-	-	-	-	-	-
Others- Quoted												
Total - Gross [A]	989,433,452	-	-	-	-	989,433,452	654,692,844	-	-	-	-	654,692,844
i) Overseas investments	989,433,452	-	-	-	-	989,433,452	654,692,844	-	-	-	-	654,692,844
ii) Investments in India	-	-	-	-	-	-	-	-	-	-	-	-
Total - Gross [B]	989,433,452	-	-	-	-	989,433,452	654,692,844	-	-	-	-	654,692,844
Less : Allowance for impairment loss [C]	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net [D = A - C]	989,433,452	-	-	-	-	989,433,452	654,692,844	-	-	-	-	654,692,844





	As at 31.03.2022 Rs.	As at 31.03.2021 Rs.
12. Other financial assets		
Other financial assets	506,659	506,659
Loan receivables within 1 year period	-	-
	<u>506,659</u>	<u>506,659</u>
13. Current tax asset		
Balance at the beginning of the year	26,914,725	27,736,580
Income tax expense/(reversal of over provision) for the year	784,038	(784,038)
	<u>27,698,763</u>	<u>26,952,542</u>
Income tax paid	-	-
Less: Tax credits		
WHT and notional tax	-	(37,817)
ESC paid	-	-
Balance at the end of the year	<u>27,698,763</u>	<u>26,914,725</u>
	Year ended 31.03.2022 Rs.	Year ended 31.03.2021 Rs.
Income tax expense/(reversal of over provision) for the year	<u>784,038</u>	<u>(784,038)</u>
	As at 31.03.2022 Rs.	As at 31.03.2021 Rs.
14. Deferred tax		
I. Deferred tax assets		
Balance as at beginning of the year	186,206,685	225,922,647
Charge / reversal for the year		
Statement of profit or loss	(85,063,470)	(40,767,020)
Statement of other comprehensive income	279,432	1,051,058
Balance as at end of the year	<u>101,422,647</u>	<u>186,206,685</u>
II. Deferred tax assets and liabilities relate to the followings:		
Deferred tax liability		
Right-of-use asset	(2,707,596)	(943,789)
Lease rental receivable	(16,542,204)	(22,235,694)
Property, plant and equipment	(17,591,826)	(16,432,676)
	<u>(36,841,625)</u>	<u>(39,612,159)</u>
Deferred tax assets		
Retirement benefit obligation	7,871,131	7,232,491
Carried forward tax loss and unused tax credit	81,618,198	158,431,606
Transitional adjustment	42,935,265	57,247,020
Lease rental receivable	-	-
Provision for impairment of loans and receivables	5,839,678	2,907,727
	<u>138,264,272</u>	<u>225,818,844</u>
Net deferred tax asset	<u>101,422,647</u>	<u>186,206,685</u>

15. Property, plant and equipment

	Plant & equipment Rs.	Computers Rs.	Furniture & fixtures Rs.	Vehicles Rs.	Total Rs.
15.1 Cost:					
Balance as at 01.04.2021	232,486,550	57,677,379	33,341,615	59,999,561	383,505,105
Additions	43,181,389	24,671,428	7,116,973	10,125,000	85,094,790
Disposals	7,800	-	-	1,655,020	1,662,820
Balance as at 31.03.2022	275,660,139	82,348,807	40,458,588	68,469,541	466,937,075
Depreciation and impairment:					
Balance as at 01.04.2021	124,238,091	33,819,804	20,811,176	48,199,857	227,068,928
Disposals	-	-	-	(967,711)	(967,711)
Depreciation charge for the year	(39,555,397)	(8,892,777)	(3,891,116)	(4,118,758)	(56,458,048)
Balance as at 31.03.2022	84,682,694	24,927,027	16,920,060	43,113,389	169,643,170
Net book value:					
Balance as at 01.04.2021	108,248,459	23,857,575	12,530,439	11,799,704	156,436,177
Balance as at 31.03.2022	190,977,445	57,421,779	23,538,528	25,356,152	184,377,807

15.2 During the financial year, the company acquired property, plant and equipment to the aggregate value of Rs.85,094,790/- (2021 - Rs.65,151,353/-). Cash payments amounting to Rs. 81,044,789/- (2021 -Rs.65,151,353/-) was paid during the year for the purchases of property, plant and equipment.

15.3 Temporarily idle property, plant and equipment

There were no property, plant and equipment idling as at 31st March 2022 and 31st March, 2021

15.4 Title restriction on property, plant and equipment

There was no restriction on the title of property, plant and equipment as at 31st March 2022 and 31st March, 2021

15.5 Property, plant and equipment pledged as security for liabilities

There were no items of property, plant and equipment pledged as securities for liabilities as at 31st March 2022 and 31st March, 2021

	As at 31.03.2022 Rs.	As at 31.03.2021 Rs.
16. Investment Property		
Balance at the beginning of the year	376,158,648	399,678,109
Acquisitions during the year	-	315,000
Depreciation charge for the year	(8,103,362)	-
Disposals during the year	(9,000,000)	(23,834,461)
Balance at the end of the year	359,055,286	376,158,648

17. Other Intangible Assets

	Computer Software
Cost	
Balance as at 01.04.2021	55,064,066
Additions	12,276,583
Disposals	(3,099,906)
Balance as at 31.03.2022	64,240,743
Amortization	
Balance as at 01.04.2021	14,112,277
Disposals	(1,857,068)
Amortization charge for the year	7,791,255
Balance as at 31.03.2022	20,046,464
Net book value:	
Balance as at 01.04.2021	40,951,790
Balance as at 31.03.2022	44,194,279

	As at 31.03.2022 Rs.	As at 31.03.2021 Rs.
18. Other non-financial assets		
Advance to supplier	227,670,131	273,721,001
	<u>227,670,131</u>	<u>273,721,001</u>
19. Payables		
19.1 Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8,695,180,272	7,013,686,384
19.2 Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	<u>8,695,180,272</u>	<u>7,013,686,384</u>



	As at 31.03.2022				As at 31.03.2021			
	At amortised cost Rs.	At fair value through profit or loss Rs.	Designated at fair value through profit or loss Rs.	Total Rs.	At amortised cost Rs.	At fair value through profit or loss Rs.	Designated at fair value through profit or loss Rs.	Total Rs.
20. Borrowings (other than debt securities)								
20.1 Term loan								
I. From banks								
DFCC Vardhana Bank 02	-	-	-	-	12,499,989	-	-	12,499,989
Sampath Bank loan 02	-	-	-	-	15,277,779	-	-	15,277,779
DFCC Vardhana Bank 03	15,624,971	-	-	15,624,971	78,124,998	-	-	78,124,998
Sampath Bank loan 03	54,750,000	-	-	54,750,000	104,550,000	-	-	104,550,000
Nation Trust Bank loan 02	-	-	-	-	21,600,000	-	-	21,600,000
DFCC Vardhana Bank 04	46,875,000	-	-	46,875,000	84,375,000	-	-	84,375,000
DFCC Vardhana Bank 05	250,815,212	-	-	250,815,212	-	-	-	-
HNB Bank loan 3	55,540,000	-	-	55,540,000	138,880,000	-	-	138,880,000
HNB Bank Loan 4	320,840,000	-	-	320,840,000	-	-	-	-
DFCC Bank Term Loan 06	300,000,000	-	-	300,000,000	-	-	-	-
NDB Loan 1	250,000,000	-	-	250,000,000	-	-	-	-
NTB Loan 3	300,000,000	-	-	300,000,000	-	-	-	-
II. From financial institutions								
Securitization loan 21	-	-	-	-	-	-	-	-
Securitization loan 22	-	-	-	-	280,989,622	-	-	280,989,622
Securitization loan 24	-	-	-	-	127,023,472	-	-	127,023,472
Securitization loan 26	-	-	-	-	67,520,065	-	-	67,520,065
Securitization loan 25	-	-	-	-	204,309,441	-	-	204,309,441
Securitization loan 28	-	-	-	-	171,948,282	-	-	171,948,282
Securitization loan 29	-	-	-	-	137,327,038	-	-	137,327,038
Securitization loan 30	-	-	-	-	253,594,074	-	-	253,594,074
Securitization loan 31	-	-	-	-	120,052,526	-	-	120,052,526
Securitization loan 32	-	-	-	-	433,617,955	-	-	433,617,955
Securitization loan 33	131,987,565	-	-	131,987,565	602,690,118	-	-	602,690,118
Securitization loan 34	494,291,263	-	-	494,291,263	1,072,138,402	-	-	1,072,138,402
Securitization loan 35	336,905,022	-	-	336,905,022	515,185,264	-	-	515,185,264
Securitization loan 36	678,543,869	-	-	678,543,869	337,054,720	-	-	337,054,720
Securitization loan 37	436,463,745	-	-	436,463,745	-	-	-	-
Securitization loan 38	627,935,879	-	-	627,935,879	-	-	-	-
Securitization loan 39	1,022,757,294	-	-	1,022,757,294	-	-	-	-
Securitization loan 40	135,096,661	-	-	135,096,661	-	-	-	-
III. Listed redeemable, rated debenture								
Debenture - Type A	478,698,258	-	-	478,698,258	476,486,467	-	-	476,486,467
Debenture - Type B	560,802,570	-	-	560,802,570	552,978,643	-	-	552,978,643
Debenture -Type A2	105,134,997	-	-	105,134,997	-	-	-	-
Debenture -Type B2	333,923,955	-	-	333,923,955	-	-	-	-
Debenture - Type C	1,627,885	-	-	1,627,885	-	-	-	-
Debenture - Type D	592,689,674	-	-	592,689,674	-	-	-	-
	7,531,303,821	-	-	7,531,303,821	5,808,223,855	-	-	5,808,223,855
Borrowings in India	-	-	-	-	-	-	-	-
Borrowings outside India	7,531,303,821	-	-	7,531,303,821	5,808,223,855	-	-	5,808,223,855
	7,531,303,821	-	-	7,531,303,821	5,808,223,855	-	-	5,808,223,855

		31.03.2022	31.03.2021
		Rs.	Rs.
21. Other financial liabilities			
Unpaid dividends		295,240	295,240
		<u>295,240</u>	<u>295,240</u>
22. Provisions			
Provision for employee benefits			
- Gratuity		32,796,379	30,135,378
- Provision for compensated absences		-	-
		<u>32,796,379</u>	<u>30,135,378</u>
22.1 Retirement benefit obligations - gratuity			
Balance at the beginning of the year		30,135,378	29,972,864
Amount charged for the year		4,887,251	2,784,314
Payments made during the year		(2,226,250)	(2,621,800)
Balance at the end of the year		<u>32,796,379</u>	<u>30,135,378</u>
23. Other non-financial liabilities			
Statutory dues payable		19,421,676	9,375,751
Other non financial liabilities		60,510,435	28,476,917
		<u>79,932,111</u>	<u>37,852,668</u>
24. Equity Share Capital	(24.1 & 24.2)	<u>2,205,463,801</u>	<u>1,791,478,691</u>
		As at 31.03.2022	As at 31.03.2021
		Number	Rs.
		Number	Rs.
24.1 Fully paid ordinary shares		<u>124,195,533</u>	<u>1,791,478,691</u>
24.1.1 Balance at the beginning of the year		124,195,533	1,791,478,691
Share issued during the year		-	-
Balance at the end of the year		<u>124,195,533</u>	<u>1,791,478,691</u>

The holders of ordinary shares confer their rights to receive dividends as declared from time to time and are entitled to one vote per share at the meeting.

All shares rank equally with regard to the company's residual assets.

		As at 31.03.2022		As at 31.03.2021	
		Number	Rs.	Number	Rs.
24.2 Fully paid Preference shares		<u>41,398,511</u>	<u>413,985,110</u>	-	-
24.2.1 Balance at the beginning of the year		-	-	-	-
Share issued during the year		41,398,511	413,985,110	-	-
Balance at the end of the year		<u>41,398,511</u>	<u>413,985,110</u>	-	-

Asia Asset Finance PLC has obtained approval from the Central Bank of Sri Lanka and issued 41,398,511 preference shares [non-cumulative, irredeemable and convertible] at a price of LKR 10/- per share.



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	31.03.2022	31.03.2021
	<u>Rs.</u>	<u>Rs.</u>
25. Statutory reserve fund and other reserves		
Statutory reserve fund	82,270,012	76,297,682
General reserve	3,000,000	3,000,000
Retained Earnings	464,777,300	351,303,026
	<u>550,047,312</u>	<u>430,600,708</u>

25.1 Statutory reserve fund

Statutory reserve fund is a capital reserve which contains profits transferred as required by Section 3 (b) (i) of Finance Companies (Capital Funds) Direction No. 1 of 2003.

25.2 General reserve

General Reserve represents the amounts set aside by the directors for general application.

26. Earning per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

26.1 The following reflects the income and share data used in the basic earnings per share computation.

	Year ended 31.03.2022	Year ended 31.03.2021
	<u>Rs.</u>	<u>Rs.</u>
Amounts used as the numerator:		
Net profit attributable to ordinary shareholders for basic earnings per share	118,002,872	45,196,120
Number of ordinary shares used as denominator for basic earnings per share		
Weighted average number of ordinary shares in issue	124,195,533	124,195,533
Basic earnings per share	<u>0.95</u>	<u>0.36</u>

