

INTERIM FINANCIAL STATEMENTS

ASIA ASSET FINANCE PLC



For the Twelve Months ended 31st March 2019

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	For the quarter ended		For the year ended			
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	Variance	Change
	LKR	LKR	LKR	LKR		
Unaudited*	Audited*	Unaudited*	Audited*	LKR	%	
Interest Income	751,870,653	629,827,126	2,722,660,945	2,443,389,400	279,271,545	11.4%
Interest Expenses	(382,177,512)	(320,712,307)	(1,433,366,343)	(1,233,214,297)	200,152,046	16.2%
Net Interest Income	369,693,141	309,114,819	1,289,294,602	1,210,175,103	79,119,499	6.5%
Net Trading Gain/(Loss) on Equity Securities	-	(3,041)	(9,220)	(31,406)	22,186	-70.6%
Other Operating Income	25,556,431	53,252,481	146,105,034	129,007,575	17,097,459	13.3%
Less: Operating Expenses						
Personnel Costs	(74,470,929)	(68,814,064)	(280,796,890)	(264,465,472)	16,331,418	6.2%
Provision for Staff Retirement Benefits	1,771,322	(4,809,832)	(5,272,963)	(5,754,935)	(481,972)	-8.4%
General and Administration Expenses	(181,687,118)	(122,346,772)	(633,317,428)	(449,633,183)	183,684,246	40.9%
Impairment Charge for Lease Rentals Receivable, Hire Purchase and Loans and Advances	(112,620,797)	(124,396,606)	(357,620,797)	(333,396,606)	24,224,191	7.3%
Operating Profit before Value Added Tax on Financial Services	28,242,050	41,996,987	158,382,338	285,901,078	(127,518,740)	-44.6%
Value Added Tax on Financial Services	(16,419,813)	(13,500,000)	(64,475,297)	(63,761,107)	714,190	1.1%
Profit Before Taxation	11,822,237	28,496,987	93,907,041	222,139,971	(128,232,930)	-57.7%
Income Tax (Expenses) / Reversal	37,382,639	4,195,541	7,022,778	(43,914,541)	(50,937,319)	-116.0%
Profit for the Period	49,204,875	32,692,528	100,929,818	178,225,430	(77,295,611)	-43.4%
Actuarial Loss on Retirement Benefit Liability	(719,285)	3,554,897	(719,285)	3,554,897	-	-
Income Tax on Components of Other Comprehensive Income	(201,400)	(995,371)	(201,400)	(995,371)	-	-
Other Comprehensive Income for the Period Net of Tax	(920,685)	2,559,526	(920,685)	2,559,526	(3,480,211)	-
Total Comprehensive Income for the Period	48,284,190	35,252,054	100,009,133	180,784,956	(80,775,822)	-44.7%
Earnings Per Share - Basic	0.69	1.74	1.36	2.73		-50.1%

* The above figures are provisional and subject to audit.

* Figures in brackets indicate deductions.

	31.03.2019 LKR Unaudited*	31.03.2018 LKR Audited*	Change %
ASSETS			
Cash and Cash Equivalents	643,777,199	660,159,119	-2.5%
Investment in Reverse Repurchase Agreements Against Treasury Bills and Bonds	691,744,740	622,975,267	11.0%
Other Financial Assets	-	207,244,747	-100.0%
Financial Assets - Held for Trading	125	213,734	-99.9%
Loans and Advances	7,453,374,462	7,247,899,368	2.8%
Lease Rentals Receivable and Hire Purchase	4,102,651,935	2,280,489,222	79.9%
Other Assets	16,511,803	15,587,389	5.9%
Income Tax Receivable	3,732,304	362,927	928.4%
Vehicle Stock	18,913,569	262,088	7116.5%
Advances, Deposits and Prepayments	155,155,197	67,948,443	128.3%
Financial Assets - Available for Sale	506,659	506,659	-
Property, Plant and Equipment	158,680,580	150,037,783	5.8%
Investment Property	393,818,512	352,385,530	11.8%
Deferred Tax Assets	249,583,725	112,814,714	121.2%
Intangible Assets	11,043,610	8,807,431	25.4%
Total Assets	13,899,494,421	11,727,694,421	18.5%
LIABILITIES			
Due to Banks	131,273,907	454,920,306	-71.1%
Other Liabilities	217,163,372	36,650,813	492.5%
Other Borrowed Funds	4,958,735,614	3,001,078,793	65.2%
Due to Customers	6,617,344,955	6,356,067,246	4.1%
Retirement Benefit Liability	22,088,492	20,044,993	10.2%
Total Liabilities	11,946,606,338	9,868,762,150	21.1%
SHAREHOLDERS' FUNDS			
Stated Capital	1,640,493,541	1,388,935,273	18.1%
Retained Earnings	239,007,167	401,610,081	-40.5%
Statutory Reserve Fund and Other Reserves	73,387,374	68,386,917	7.3%
Total Equity	1,952,888,082	1,858,932,271	5.1%
Total Equity and Liabilities	13,899,494,421	11,727,694,421	18.5%
Net Assets Per Share	17.90	2.22	708.1%

* Figures in brackets indicate deductions.

I certify that the above Interim Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007 and give a true and fair view of the state of affairs of Asia Asset Finance PLC as at 31st March 2019 and its profit for the year ended 31st March 2019.

.....Sgd.....

Geethika Elwalage

Assistant General Manager - Finance

The Board of Directors is responsible for the preparation and presentation of these Interim Financial Statements.

.....Sgd.....

R.J.A. Gunawardena

Director/CEO

.....Sgd.....

Mr.C .Ramachandra

Director/Chairman

30th May 2019

Colombo

* The above figures are provisional and subject to audit.

ASIA ASSET FINANCE PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH, 2019

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	Stated Capital Rs.	General Reserve Rs.	Statutory Reserve Fund Rs.	Accumulated Profit/(Loss) Rs.	Total Rs.
Balance as at 1st April, 2017 (Audited)	1,388,935,273	3,000,000	56,347,669	288,608,924	1,736,891,866
Profit for the year	-	-	-	178,225,427	52,645,630
Other comprehensive income (net of tax)				2,559,526	
Transferred to/from reserves During the Period	-	-	9,039,248	(9,039,248)	-
Final dividend for 2016/17				(58,744,548)	
Balance as at 31st March, 2017 (Audited*)	1,388,935,273	3,000,000	65,386,917	401,610,081	1,858,932,271
Balance as at 1st April, 2018 (Audited)	1,388,935,273	3,000,000	65,386,917	401,610,081	1,858,932,271
Profit for the year	-	-	-	100,009,133	100,009,133
					-
Impact of adoption of SLFRS 9 as at 1st April 2018				(357,793,876)	(357,793,876)
Deferred tax on transitional adjustments				100,182,286	100,182,286
Proceeds from right issue of ordinary shares	251,558,268				251,558,268
Transferred to/from reserves During the Period	-	-	5,000,457	(5,000,457)	-
Balance as at 31st March, 2019 (Unaudited*)	1,640,493,541	3,000,000	70,387,374	239,007,168	1,952,888,083

* The above figures are provisional and subject to audit.

* Figures in brackets indicate deductions.

	31.03.2019 Rs. Unaudited*	31.03.2018 Rs. Audited*
Cash Flows From / (Used in) Operating Activities		
Profit Before Tax	93,907,041	222,139,969
Adjustments for		
Depreciation and amortization	51,006,613	45,161,381
Impairment of lease hire purchase, loans and advances	357,620,797	333,396,606
Early termination of loans, leases and hire purchase	(35,561,373)	(36,107,333)
Non-cash items included in profit before tax (WHT and Notional tax)	-	(13,323,227)
Interest income on commercial papers	(6,234,305)	(28,949,821)
Profit on sale of vehicle stock	(86,431)	-
Profit on sale of held for trading securities	1,614	40,449
Gain/loss on fair valuation of held for trading securities	7,606	(9,044)
Gain/loss on fair valuation of Fixed Deposit	(5,104,394)	-
Gains from sale of property, plant and equipment, investment property and real estate inv	(1,922,182)	(5,035,502)
Gain from disposal of vehicle stock	-	-
Provision for retirement benefit liability	5,272,963	5,754,935
Interest expense on other borrowings	581,621,544	393,757,139
Profit from Operation Before Working Capital Changes	1,040,529,493	916,825,552
	-	-
	(1,533,288,480)	(936,179,413)
(Increase)/Decrease in Lease Rentals Receivable and Hire Purchase	(1,533,288,480)	(936,179,413)
Increase in Loans and Advances	(531,177,127)	(673,111,281)
(Increase)/Decrease in Other Receivables	(924,414)	38,711
(Increase)/Decrease in Deposits and Prepayments	(87,206,754)	(3,450,246)
(Increase)/Decrease in Other Financial Assets	-	49,959,551
Increase in Deposits from Customers	261,277,709	674,889,106
Increase/(Decrease) in Other Liabilities	(180,512,559)	(10,140,467)
Net Cash From/(Used in) Operating Activities before Income Tax Payments	(1,031,302,132)	18,831,513
Taxes Paid	(87,988,120)	(57,310,691)
Gratuity Paid	(3,948,750)	(930,000)
Net Cash From Operating Activities	(1,123,239,002)	(39,409,178)
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant and Equipment & Intangible Assets	(57,293,521)	(51,718,268)
Acquisition of intangible assets	(5,506,856)	(627,851)
Acquisition and proceeds from sale of Investment Property	(28,093,241)	(15,000,000)
Proceeds from sale of investment property	16,380,317	16,350,000
Investments in commercial papers	-	(505,857,691)
Investment/Proceeds from Commercial Papers	213,479,053	327,562,766
Acquisition and proceeds of Vehicle Stock	(37,565,049)	-
Proceeds from sale of vehicle stock	19,000,000	-
Proceeds from sales of held for trading securities	-	-
Proceeds from sales of property, plant and equipment	2,836,973	24,782,254
Net Cash Flows From/(Used in) Investing Activities	123,237,675	(204,508,790)
Cash Flows from / (Used in) Financing Activities		
Repayment of Other Borrowed Funds	(3,426,336,554)	(2,497,136,427)
Proceeds from Other Borrowed Funds	4,802,371,833	2,627,939,860
Dividends paid	-	(57,864,958)
Net Cash Flows From/(Used in) Financing Activities	1,376,035,279	72,938,475
Net Increase in Cash and Cash Equivalents	376,033,952	(170,979,493)
Cash and Cash Equivalents at the Beginning of the Period	828,214,080	999,193,573
Cash and Cash Equivalents at the End of the Period	1,204,248,032	828,214,080
At the End of the Period		
Cash and Cash Equivalents	643,777,199	660,159,119
Investment in Reverse Repurchase Agreements Against Treasury Bills and Bonds	691,744,740	622,975,267
Bank Overdraft	(131,273,907)	(454,920,306)
	1,204,248,032	828,214,080

* The above figures are provisional and subject to audit.

	Finance Lease		Hire Purchase Loans and Advance		Investment		Gold Loan		Other		Total	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest Income	892,924,489	407,178,686	4,536,077	1,551,867,817	94,076,200	133,348,460	479,727,848	286,483,298	97,424,795	54,038,307	2,722,660,945	2,443,389,400
Other Income	31,955,571	18,428,964	368,919	65,127,051	38,264	322,530	54,537,612	35,591,474	8,807,179	9,229,769	146,095,814	128,976,170
Total Revenue	924,880,060	425,607,650	4,904,996	1,616,994,868	94,114,464	133,670,990	534,265,460	322,074,772	106,231,973	63,268,076	2,868,756,759	2,572,365,570
Segmental Result	51,062,073	47,303,419	270,802	179,718,070	5,196,003	14,856,629	29,496,475	35,796,438	5,865,003	7,031,820	158,382,338	285,901,078
Value Added Tax on Financial Services											(64,475,297)	(63,761,107)
Profits from Operations											93,907,041	222,139,971
Income Tax Charge/Reversal for the Period											7,022,778	(43,914,542)
Net profit for the Period											100,929,818	178,225,429
Segment Assets	4,082,795,389	2,221,631,846	19,856,546	5,490,542,843	691,744,740	830,940,407	2,702,639,260	1,757,356,525	-	-	12,247,771,138	10,359,328,997
Unallocated Assets	-	-	-	-	-	-	-	-	1,651,723,283	1,368,365,424	1,651,723,283	1,368,365,424
Total Assets	4,082,795,389	2,221,631,846	19,856,546	5,490,542,843	691,744,740	830,940,407	2,702,639,260	1,757,356,525	1,651,723,283	1,368,365,424	13,899,494,421	11,727,694,421
Segment Liabilities	3,902,647,456	2,104,370,396	18,980,402	5,219,066,002	661,222,421	786,602,064	2,583,388,886	1,646,277,096	-	-	11,707,354,475	9,812,066,344
Unallocated Liabilities	-	-	-	-	-	-	-	-	239,251,863	56,695,806	239,251,863	56,695,806
Total Liabilities	3,902,647,456	2,104,370,396	18,980,402	5,219,066,002	661,222,421	786,602,064	2,583,388,886	1,646,277,096	239,251,863	62,391,612	11,946,606,338	9,868,762,150

In determining segment results,

Expenses have been allocated proportionately based

Segment Liabilities have been proportionately allocated based on the segment assets.

01. The Interim Financial Statements are in compliance with the Sri Lanka Accounting Standard - LKAS 34: Interim Financial Reporting and the provisions of the Companies Act No. 7 of 2007 and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
02. The company has adopted consistent accounting policies and methods of computation as disclosed in the Annual Report for the year ended 31st March 2019.
03. The Interim financial statements of Asia Asset Finance PLC for the period ended 31st March, 2019 (including comparatives) were approved and authorized for issue on 30th May, 2019 in accordance with a resolution of the board of directors on 30th May, 2019.
04. The presentation and classification of the financial statements for previous periods have been amended where relevant for better presentation and to be comparable with those of the current period.
05. Earning per share has been annualised for the quarter ended and year ended 31st March, 2019 in the statement of Comprehensive income.
06. Subsequent to Balance sheet date ,no circumstances has arise that would require adjustments to or disclosure in the Financial statements.

07. Stated capital is represented by number of shares in issue as follows.

	<u>31.03.2019</u>	<u>31.03.2018</u>
Issued and Fully Paid Ordinary Shares (Quoted)	109,097,018	839,207,833

08. Market Value of Shares

	<u>31.03.2019</u>	<u>31.03.2018</u>
	Rs.	Rs.
Highest Traded Price	9.00	1.50
Lowest Traded Price	7.80	1.30
Closing Price	8.40	1.40

09. There has been no significant change to the contingent liabilities disclosed in the previous Audited Financial statements.

10. Major 20 share holders as at 31st March 2019

NAME	No of Shares	(%)
1 MUTHOOT FINANCE LIMITED	75,465,649	69.17
2 SEYLAN BANK PLC/DR. THIRUGNANASAMBANDAR SENTHILVERL	7,560,504	6.93
3 J.B. COCOSHELL (PVT) LTD	4,242,950	3.89
4 MR S.D.R. ARUDPRAGASAM	2,460,638	2.26
5 PEOPLE'S LEASING & FINANCE PLC/MR.W.K.R.JAYAKODY	1,501,280	1.38
6 MR P.A.D.R.U. PUSHPAKUMARA	1,359,006	1.25
7 MR K.M.S.M. RAZEEK & MR K.S.M. RAJUBDEEN & MR S.M.R. MOHAMED	740,000	0.68
8 SEYLAN BANK PLC/W.D.N.H.PERERA	716,947	0.66
9 DFCC BANK PLC/P.S.R.CASIE CHITTY	550,000	0.50
10 MUTIARA HOLDINGS (PRIVATE) LTD	510,000	0.47
11 MR C.W. GUNASEKARA	490,000	0.45
12 CODE-GEN INTERNATIONAL PVT LTD	424,118	0.39
13 DFCC BANK PLC/MR.K.S.D.SENAWEERA	335,000	0.31
14 MR P.P. SUBASINGHE	302,623	0.28
15 MR C.R. PERERA	274,999	0.25
16 MR S. ABISHEK	229,389	0.21
17 MR U.C. BANDARANAYAKE & MRS L. BANDARANAYAKE	200,000	0.18
18 MR T.S. SALIM	197,495	0.18
19 MR W.K.R. JAYAKODY	196,100	0.18
20 MRS M. ARUDPRAGASAM	174,320	0.16
	97,931,018	89.77
Othres	11,166,000	10.23
Total	109,097,018	100

No of Shareholders	% of Shareholding
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11. Shares held by public as at 31st March 2019

2,399	31%
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12. Directors Share Holding

Name	No. of Shares 31.03.2019	%
Mr. H.L.L.M. Nanayakkara	-	-
Mr.Rajiv James Abeywickrema Gunawardena	-	-
Ms.Dayangani Priyanthi Pieris	60,000	0.054
Mr.G.Alexander	-	-
Mr.Chandrakumar Ramachandra	80,000	0.073
Mr.R.A.T.P.Perera	-	-
Mr.K.R.Bijimon	-	-
Mr.K.G.K.Pillai	-	-
Mr.R.A.B. Basnayake	-	-

13 Corporate Information

Name of the Company

Asia Asset Finance PLC

Legal Form

Incorporated as a Private Limited Liability Company under the Companies ordinance, no 51 of 1938 (Cap 145) on 23 September 1970 and name changed under the Companies ordinance, no 51 of 1938 (Cap 145) on 03 October 2006 and Re-registered under the companies Act No.07 of 2007 on 23 January 2008 and converted to a public company under the companies Act No.07 of 2007 on 20 March 2012.

Registration Number (Under the Companies Act No.17 of 1982)

PVS/PBS 3266

New Registration Number (Under the Companies Act No.7 of 2007)

PB 139 PQ

Registered Office

No.76/1, Dharmapala Mawatha, Colombo 03.

Telephone

011 5 66 99 22

Fax

011 2 57 74 77

E-mail

info@asiaassetfinance.lk

Website

<http://www.asiaassetfinance.lk/>

Board of Directors of the Company

Mr.Chandrakumar Ramachandra
Mr.Rajiv James Abeywicrema Gunawardena
Mrs.Dayangani Priyanthi Pieris
Mr.Thusitha Perera
Mr.George Muthoot Alexander
Mr.Kuttikattu Rajappan Bijimon
Mr.Kiran Gopala Krishna Pillai
Mr.Rajitha Ananda Bandara Basnayake
Mr.Danasiri Rupakumara Jayasekara

Company Secretary

P R Secretarial Services (Pvt) Ltd
59 Gregory Road,
Colombo 07.

Lawyers of the Company

Gunawardane & Ranasighe Associates
1056 Mardana Road,
Colombo 08.

Company Auditors - External

BDO Partners
65/2, Sir Chiththapalam A Gardiner Mawatha,
Colombo 02.

Bankers of the Company :

Bank of Ceylon
Commercial Bank of Ceylon PLC
DFCC Bank PLC
Hatton National Bank PLC
Pan Asia Banking Corporation PLC
People's Bank
Sampath Bank PLC
National Development Bank PLC
Seylan Bank PLC
Indian Bank
Nation Trust Bank

Audit Committee

Mr.Thusitha Perera
Mr. Danasiri Rupakumara Jayasekara
Mr.Chandrakumar Ramachandra
Mr.Kiran Gopala Krishna Pillai
Mr.Rajitha Ananda Bandara Basnayake

Integrated Risk Management Committee

Mr.Chandrakumar Ramachandra
Mr.Thusitha Perera
Mr.Rajiv James Abeywicrema Gunawardena
Mr.Roshan De Silva Gunasekara (COO)
Mr. Danasiri Rupakumara Jayasekara
Mr.Kuttikattu Rajappan Bijimon

Remuneration Committee

Mr.Chandrakumar Ramachandra
Mr.Thusitha Perera
Mr.George Muthoot Alexander
Mr.Rajitha Ananda Bandara Basnayake
Mr.Danasiri Rupakumara Jayasekara

Related Party Transactions Review Committee

Mr.Danasiri Rupakumara Jayasekara
Mrs.Dayangani Priyanthi Pieris
Mr.Kuttikattu Rajappan Bijimon
Mr.Rajitha Ananda Bandara Basnayake

IT committee

Mr.Rajitha Ananda Bandara Basnayake
Mr.Rajiv James Abeywickrema Gunawardena
Mr.Chandrakumar Ramachandra
Mrs.Dayangani Priyanthi Pieris
Mr.Danasiri Rupakumara Jayasekara

Credit Committee

Mr.Danasiri Rupakumara Jayasekara
Mr.Rajiv James Abeywicrema Gunawardena
Mr.Chandrakumar Ramachandra