

# සිටිසන්ස් ඩිවලොප්මන්ට් බිස්නස් ෆිනෑන්ස් පීඑල්සී

2018 මාර්තු 31න් අවසන් වූ මූල්‍ය වර්ෂය සඳහා වන විගණනය කරන ලද මූල්‍ය වාර්තා

## මූල්‍ය තත්ත්ව ප්‍රකාශය

මාර්තු 31 වෙනි දිනට	සමාගම		සමුහය	
	2018 රු.'000	2017 රු.'000	2018 රු.'000	2017 රු.'000
<b>වත්කම්</b>				
මුදල් හා මුදල් සමානවත්	2,974,825	454,061	3,039,663	507,020
ලාභය හෝ හානිය හරහා වන සාධාරණ අගයක දී ගණනය කරන ලද මූල්‍ය වත්කම්	1,485,315	163,041	1,519,227	163,041
බැංකුවෙන් ණය සහ ගැනීම්	1,425,000	655,673	1,475,356	655,673
බලපත්‍රලාභී වාණිජ බැංකු සමඟ තැන්පතු	2,392,827	1,893,615	2,392,827	1,893,615
ණය හා පාරිභෝගික අත්තිකාරම්	59,438,349	43,189,010	60,585,395	43,605,197
වෙනත් ආයෝජන සුරැකුම්පත්	2,471,305	3,563,432	2,476,583	3,637,045
පරිපාලන සමාගම්වල ආයෝජනය	509,918	509,918	-	-
දේපළ ආයෝජන	20,198	20,198	20,198	20,198
දේපළ, පිරිසිදු සහ උපකරණ	2,029,222	1,839,091	2,042,777	1,841,768
අස්පෘශ්‍ය වත්කම්	86,149	65,684	101,692	84,568
කීර්තිනාමය	-	-	244,180	244,180
වෙනත් වත්කම්	2,669,002	1,580,562	2,699,662	1,581,148
<b>මුළු වත්කම්</b>	<b>75,502,110</b>	<b>53,934,285</b>	<b>76,597,560</b>	<b>54,233,453</b>
<b>වගකීම්</b>				
පාරිභෝගික තැන්පතු	44,709,832	32,601,836	44,705,409	32,590,453
නිකුත් කළ ණය සුරැකුම්පත්	4,081,033	2,075,631	4,081,033	2,075,631
පොලී ගෙවිය යුතු වෙනත් ණය ගැනීම්	15,114,486	10,957,017	15,831,490	11,117,538
ප්‍රවර්තන බදු වගකීම්	443,080	178,702	445,407	179,108
විලම්බිත බදු ගෙවීම්	860,819	628,721	887,200	638,987
විශ්‍රාම ප්‍රතිලාභ බැඳීම්	60,727	15,794	61,017	15,861
වෙනත් වගකීම්	3,079,734	1,235,419	3,326,267	1,300,953
<b>මුළු වගකීම්</b>	<b>68,349,711</b>	<b>47,693,120</b>	<b>69,337,823</b>	<b>47,918,531</b>
<b>හිමිකම්</b>				
ප්‍රකාශිත ප්‍රාග්ධනය	1,185,062	1,185,062	1,185,062	1,185,062
සංචිත	1,753,868	2,402,088	1,758,999	2,406,392
රුද්‍රාවාගේ ඉපයුම්	4,213,469	2,654,015	4,279,468	2,690,686
<b>කොටස්කරුවන්ගේ මුළු අයිතිය</b>	<b>7,152,399</b>	<b>6,241,165</b>	<b>7,223,529</b>	<b>6,282,140</b>
පාලනය කළ නොහැකි කොටස් හිමියන්ගේ අයිතිය	-	-	36,208	32,782
<b>මුළු හිමිකම</b>	<b>7,152,399</b>	<b>6,241,165</b>	<b>7,259,737</b>	<b>6,314,922</b>
<b>මුළු හිමිකම් සහ වගකීම්</b>	<b>75,502,110</b>	<b>53,934,285</b>	<b>76,597,560</b>	<b>54,233,453</b>
කොටස් සඳහා ඉදිරි වත්කම් වර්තාකම	131.71	114.93	133.02	115.68
අනපේක්ෂිත සිදුවීම් සහ බැඳීම්	103,047	123,100	103,047	123,100

ඉහත සඳහන් මූල්‍ය ප්‍රකාශන, වර්ෂ 2007 අංක 07 දරන සමාගම් පනතේ සහ වර්ෂ 2011 අංක 42 දරන මූල්‍ය ව්‍යාපාර පනතේ අවශ්‍යතාවන්ට අනුකූල වේ.

**දුමින් තෙන්නකෝන්**  
 නියෝජ්‍ය ප්‍රධාන විධායක නිලධාරී/අධ්‍යක්ෂ/ප්‍රධාන මූල්‍ය නිලධාරී

මෙම මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමේ වගකීම අධ්‍යක්ෂ මණ්ඩලය සතු වේ. අධ්‍යක්ෂ මණ්ඩලය වෙනුවෙන් අත්සන් කළා.

**ඩී.එම්.ජේ. ගුණවර්ධන**  
 සභාපති  
 2018 ජූනි 4, කොළඹ

**සී.එම්. ජානාසේකර**  
 කළමනාකාර අධ්‍යක්ෂ/ප්‍රධාන විධායක නිලධාරී

## Independent Auditors' Report



To the Shareholders of Citizens Development Business Finance PLC  
**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

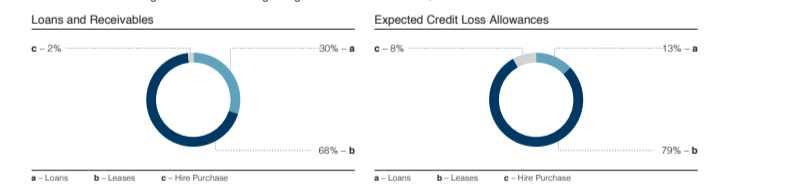
**OPINION**  
 We have audited the financial statements of Citizens Development Business Finance PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies set out on pages 222 to 347 of the annual report.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2018, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

**BASIS FOR OPINION**  
 We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAUS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**KEY AUDIT MATTERS**  
 Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the company financial statements and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the company financial statements and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**1. Impairment of loans and receivables to customers**  
 Refer to the accounting policies in the Financial Statements: Impairment of Loans and Receivables to customers, "Note 24" to the Financial Statements. Significant Accounting Judgements and Estimates: "Note 51 A.I.III" to the Financial Statements.



Composition of Loans and Receivables and Expected Credit Loss Allowances.

**Risk Description**  
 Impairment of loans and receivables to customers is a subjective area due to the level of judgement applied by management in determining impairment allowances.

From the Group's perspective, the portfolios which gave rise to the greatest uncertainty in determining impairment allowances for loans and receivables to customers were those where impairments were derived from internally developed statistical models, where the loans and receivables to customers were unsecured or where the loans and receivables to customers were subject to potential collateral shortfalls.

The determination of the allowance for expected credit losses is heavily dependent on the external macro environment and statistical, internal credit risk management models. The Group's expected credit losses for loans and receivables to customers are derived from the statistical models which are based on internally computed data comprising qualitative and quantitative factors including past due information and also incorporating forward-looking information.

We identified assessing impairment of loans and receivables to customers as a key audit matter because there is a high degree of complexity and judgement involved for the Company in estimating individual and collective credit impairment provisions against these loans. These features resulted in significant audit effort to address the risks around loan recoverability and the determination of related provisions.

**Our responses**  
 Our audit procedures included:

- Assessing the design, implementation and operating effectiveness of key internal controls over the approval of new lending facilities against the Company lending policies, recording, monitoring of counter party credit quality and restructuring of loans and receivables to customers, the process of the measurement of impairment allowances for loans and receivables to customers.
- Challenging the validity of the models used and assumptions adopted in Group or Company calculation of the impairment allowances by critically assessing:
  - Input parameters involving management judgement;
  - the overdue statistical data for the loan and receivable portfolios; and
  - Historical loss parameters used.

considering, as part of the procedures above, the nature of and reasons for any revisions to the key assumptions and input parameters in the models, the consistency of judgement applied in the use of economic factors and forward looking information and assessing key internal controls over the input of underlying data into the models.

- Assessing the economic factors used in the models to market information to assess whether they were aligned with market and economic development. We also assessed the emergence period by tracing the lifecycle of overdue accounts from the specific credit event to downgrading the account to a non-performing loan;

- Re-performing credit assessments for the selected impaired loans and receivables by assessing the forecast of recoverable cash flows through inquiry, applying judgement and our own research. We evaluated the timing and means of realisation of collateral and considered other sources of repayment asserted by management. We also evaluated the consistency of management's application of key assumptions and compared them with our own data sources. Where available, we made use of post reporting date information to evaluate credit quality with hindsight;

### 2. IT systems and controls over financial reporting

**Risk Description**  
 Automated accounting procedures and IT environment controls, which include IT governance, controls over programme development and changes, access to programmes and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting in particular areas of importance are system calculations, logic regarding significant accounts, including interest calculations, interfaces between business management systems and accounting systems and data migration from certain legacy systems to new systems.

We identified IT systems and controls over financial reporting as a key audit matter because the Group's financial accounting and reporting systems are fundamentally reliant on complex IT systems and control processes which are driven by significant transaction volumes caused by the size of the customer base

**Our Responses**  
 Our audit procedures included:

- assessing the design, implementation and operating effectiveness of key internal controls over the continued integrity of all major IT systems fundamental to dealing with the financial data, particularly financial reporting;

- examining the framework of governance over the Group's IT organisation and the controls over programme development and changes, access to programmes and data and IT operations, including compensating controls where required;
- evaluating the design, implementation and operating effectiveness of the significant accounts-related IT process controls by assessing the operating effectiveness of IT Application Controls, assessing the operating effectiveness of certain automated controls and system calculations which are relevant to the Group's compliance activities and assessing the consistency of data transmission and data migration;
- Assessing the availability and stability of key operating systems, taking into consideration the rapid development of businesses types and transactions volumes as well as IT projects that have a significant impact on business continuity;
- Testing the access rights given to staff by checking them to approved records, and inspecting the reports over the granting and removal of access right;
- Testing preventative controls designed to enforce segregation of duties between users within particular systems.

### 3. Early Adoption of SLFRS 9

**Risk Description**  
 SLFRS 9 – "Financial Instruments" which replaces "LKAS 39 – Financial Instruments: Recognition and Measurement" in three phases as follows:

- Phase 1 – Classification and measurement of financial assets and financial liabilities;
- Phase 2 – Impairment methodology; and
- Phase 3 – Hedge accounting.

SLFRS 9 is effective from 1 January 2018, (for the Group SLFRS 9 is applicable from 1 April 2018) the Group has early adopted SLFRS 9 ahead of its mandatory effective date of 1 April 2018. As permitted by SLFRS 9, the requirements have been applied retrospectively without restating comparatives.

Differences between previously reported carrying amounts and new carrying amounts of financial instruments as of 31 March 2017 and 1 April 2017 has been recognised in the opening retained earnings.

The key changes arising from early adoption of SLFRS 9 are that the Group's credit losses are now based on expected losses rather than an incurred loss model, and the change in the classification and measurement of the Group's financial assets and liabilities, which are detailed in note 3 and 4 to the consolidated financial statements. There were no significant changes arising from the early adoption of the hedge accounting requirements of SLFRS 9.

**Our Responses**  
 With respect to classification and measurement of financial assets and financial liabilities, our audit procedures comprised the following:

- We read the Group's SLFRS 9 based classification and measurement of financial assets and financial liabilities policy and compared it with the requirements of SLFRS 9;
- We obtained an understanding and checked the Group's business model assessment and the test on the contractual cash flows, which give rise to cash flows that are "solely payments of principal and interest" performed by the Group; and
- We checked the appropriateness of the opening balance adjustments.

With respect to impairment methodology, our audit procedures are described in Key Audit Matter 1 Impairment of Loans and Receivables to customers.

With respect to hedge accounting, there is no impact for the Group. We assessed the financial statement disclosures arising on early adoption of SLFRS 9 to determine if they were in accordance with the requirements of the Standard. Refer to the accounting policies, critical accounting estimates and judgements, disclosures of loans and receivables and credit risk management in Note 3, 4, 12, 24 and 51 to the Group financial statements.

### OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAUS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAUS, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

## විස්තීර්ණ ආදායම් ප්‍රකාශය

මාර්තු 31න් අවසන් වූ වර්ෂය සඳහා	සමාගම		සමුහය	
	2018 රු.'000	2017 රු.'000	2018 රු.'000	2017 රු.'000
<b>ආදායම</b>	<b>11,784,862</b>	<b>8,591,219</b>	<b>12,049,986</b>	<b>8,703,057</b>
පොලී ආදායම	10,117,149	7,587,180	10,320,089	7,685,823
පොලී වියදම්	6,662,828	4,699,482	6,705,127	4,707,708
<b>ඉදිරි පොලී ආදායම</b>	<b>3,454,321</b>	<b>2,887,698</b>	<b>3,614,962</b>	<b>2,978,115</b>
ගාස්තු සහ කොමිස් ආදායම	405,986	219,504	464,591	232,631
වෙනත් මෙහෙයුම් ආදායම්	1,261,727	784,535	1,265,306	784,603
<b>මුළු මෙහෙයුම් ආදායම</b>	<b>5,122,034</b>	<b>3,891,737</b>	<b>5,344,859</b>	<b>3,995,349</b>
අඩුකළා: මූල්‍ය වත්කම් මත ඉදිරි භානිකරන අලාභ	369,872	226,271	396,102	232,206
<b>ඉදිරි මෙහෙයුම් ආදායම</b>	<b>4,752,162</b>	<b>3,665,466</b>	<b>4,948,757</b>	<b>3,763,143</b>
අඩුකළා: මෙහෙයුම් වියදම්	-	-	-	-
සේවක මණ්ඩල වියදම්	1,047,154	879,609	1,083,585	901,958
ගොඩනැගිලි, උපකරණ සහ ආයතනික වියදම්	1,336,545	1,097,754	1,358,788	1,112,627
වෙනත් වියදම්	408,950	290,686	448,772	316,153
<b>මුළු මෙහෙයුම් වියදම්</b>	<b>2,792,649</b>	<b>2,268,049</b>	<b>2,891,145</b>	<b>2,330,738</b>
<b>මූල්‍ය සේවා මත එකතුකළ අගය මත බදු සහ වෙනත් බදුවලට පෙර මෙහෙයුම් ලාභය</b>	<b>1,959,513</b>	<b>1,397,417</b>	<b>2,057,612</b>	<b>1,432,405</b>
අඩුකළා: එකතු කළ අගය මත බදු සහ වෙනත් බදු	272,696	169,916	293,398	172,626
<b>බදුවලට පෙර ලාභය</b>	<b>1,686,817</b>	<b>1,227,501</b>	<b>1,764,214</b>	<b>1,259,779</b>
අඩුකළා: ආදායම් බදු වියදම්	285,629	220,986	310,063	234,695
<b>වර්ෂයට අදාළ ලාභය</b>	<b>1,401,188</b>	<b>1,006,515</b>	<b>1,454,151</b>	<b>1,025,084</b>
<b>ලාභය බෙදී යන ආකාරය</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
පරිපාලන සමාගමේ කොටස් හිමියන්ගේ අයිතිය	1,401,188	1,006,515	1,448,875	1,022,774
පාලනය කළ නොහැකි කොටස් හිමියන්ගේ අයිතිය	-	-	5,276	2,310
<b>වර්ෂයට අදාළ ලාභය</b>	<b>1,401,188</b>	<b>1,006,515</b>	<b>1,454,151</b>	<b>1,025,084</b>
<b>වෙනත් විස්තීර්ණ ආදායම්</b>				
ලාභ හෝ අලාභ යටතේ නැවත වර්ගීකරණය නොකරන අංශ	59,638	328,071	59,638	328,071
ප්‍රත්‍යාගණන අතිරික්තයේ වර්ධනය	(168,387)	-	(168,387)	-
ප්‍රත්‍යාගණන අතිරික්ත මත විලම්බිත බදු	(4,969)	(25,935)	(5,024)	(25,935)
නිෂ්චිත ප්‍රතිලාභ සැලසුම් මත ඉදිරි ආයුෂණක භාතිය	(113,718)	302,136	(113,773)	302,136
<b>ලාභය හෝ අලාභය යටතේ නැවත වර්ගීකරණය කරන ලද හෝ කිරීමට ඉඩ ඇති අංශ</b>	<b>-</b>	<b>70,613</b>	<b>-</b>	<b>72,275</b>
අලෙවිය සඳහා පවතින මූල්‍ය වත්කම් මත ඉදිරි ප්‍රතිලාභය	-	70,613	-	72,275
<b>වෙනත් මුළු විස්තීර්ණ ආදායම්</b>	<b>(113,718)</b>	<b>372,749</b>	<b>(113,773)</b>	<b>374,411</b>
<b>වර්ෂය සඳහා මුළු විස්තීර්ණ ආදායම</b>	<b>1,287,470</b>	<b>1,379,264</b>	<b>1,340,378</b>	<b>1,399,495</b>
<b>මුළු විස්තීර්ණ ආදායම බෙදියන ආකාරය:</b>				
පරිපාලන සමාගමේ කොටස් හිමියන්ගේ අයිතිය	1,287,470	1,379,264	1,335,107	1,397,025
පාලනය කළ නොහැකි කොටස් හිමියන්ගේ අයිතිය	-	-	5,271	2,470
<b>වර්ෂය සඳහා මුළු විස්තීර්ණ ආදායම</b>	<b>1,287,470</b>	<b>1,379,264</b>	<b>1,340,378</b>	<b>1,399,495</b>
<b>කොටස් සඳහා වන ඉපයීම්</b>	<b>25.80</b>	<b>18.53</b>	<b>26.68</b>	<b>18.83</b>
<b>කොටස් සඳහා වන ලාභාංශය</b>	<b>5.00</b>	<b>3.</b>		