

Citizens Development Business Finance PLC

31 மார்ச் 2020 இல் நிறைவடைந்த ஆண்டிற்கான கணக்காய்வு செய்யப்பட்ட நிதிக் கூற்றுக்கள்

நிதி நிலைமைக் கூற்று

இலாபம் அல்லது நட்டம் மற்றும் ஏனைய விரிவான வருமானக் கூற்று

	கம்பனி		குழுமம்	
	2020 ரூ. '000	2019 ரூ. '000	2020 ரூ. '000	2019 ரூ. '000
சொத்துக்கள்				
காசம் காக்குச் சமமானவைகளும்	1,347,303	1,093,874	1,391,919	1,189,251
இலாபம் அல்லது நட்டத்தினூடாக நியாயப் பெறுமதியில்				
அளவிடப்பட்ட நிதிச் சொத்துக்கள் (இ.ந.நி.பெ.)	56,442	1,687,004	56,442	1,727,013
வங்கிகளுக்கான கடன்கள் மற்றும் வருமதிகள்	3,671,353	3,094,312	3,691,374	3,195,205
நிதி நிறுவனங்களுடான வைப்புக்கள்	4,387,464	6,719,704	4,387,464	6,719,704
வாடிக்கையாளர்களுக்கான கடன்கள் மற்றும் வருமதிகள்	71,218,455	69,133,049	72,422,827	71,582,081
ஏனைய முதலீட்டுப் பிணையங்கள்	2,319,634	1,313,861	2,362,194	1,319,177
துணை நிறுவனங்களிலான முதலீடுகள்	509,918	509,918	-	-
முதலீட்டுச் சொத்து	20,198	20,198	20,198	20,198
ஆதனம், பொறித்தொகுதி மற்றும் உபகரணம்	2,938,155	2,369,187	2,950,554	2,384,016
அருவச் சொத்துக்கள்	80,146	82,791	92,837	97,838
பயன்படுத்துவதற்கு உரிமையுள்ள சொத்துக்கள்	840,868	-	840,868	-
ஒருங்கிணைப்பிலான நன்மதிப்பு	-	-	244,180	244,180
ஏனைய சொத்துக்கள்	4,458,554	3,408,541	4,734,292	3,499,958
மொத்தச் சொத்துக்கள்	91,848,490	89,432,439	93,195,149	91,978,621
பொறுப்புக்கள்				
முலாதார நிதியில் பொறுப்புக்கள்	60,440	363,153	60,440	363,153
வாடிக்கையாளர்களிடமிருந்தான வைப்புக்கள்	43,327,576	47,236,367	43,305,775	47,222,578
வழங்கப்பட்ட கடன் பிணையங்கள்	5,092,096	3,980,483	5,092,096	3,980,483
ஏனைய வட்டி தாங்கும் கடன் பெறுதல்கள்	26,675,062	24,509,877	27,505,136	26,473,852
குத்தகைப் பொறுப்புக்கள்	804,390	-	804,390	-
நடைமுறை வரிப் பொறுப்புக்கள்	1,519,031	556,748	1,603,146	633,142
ஒத்திவைக்கப்பட்ட வரிப் பொறுப்புக்கள்	650,401	1,357,419	609,271	1,336,061
இணைப்பாறுதல் நலன் கட்டப்படுகள்	28,931	7,369	28,931	7,681
ஏனைய பொறுப்புக்கள்	2,463,793	2,755,620	2,629,604	3,091,402
மொத்தப் பொறுப்புக்கள்	80,621,720	80,767,036	81,638,789	83,108,352
உரித்துவம்				
கூறப்பட்ட மூலதனம்	2,350,363	1,185,062	2,350,363	1,185,062
ஒதுக்கங்கள்	2,295,877	2,240,486	2,301,336	2,240,471
நிறுத்திவைக்கப்பட்ட உழைப்புக்கள்	6,580,530	5,239,855	6,847,068	5,399,141
கம்பனியின் உரித்துவமையாளர்களுக்கு உடையாகக் கருதப்படும் மொத்த உரித்துவம்	11,226,770	8,665,403	11,498,767	8,824,674
கட்டுப்பாடற்ற அக்கறைகள்	-	-	57,593	45,595
மொத்த உரித்துவம்	11,226,770	8,665,403	11,556,360	8,870,269
மொத்த பொறுப்புக்கள் மற்றும் உரித்துவம்	91,848,490	89,432,439	93,195,149	91,978,621
பங்கொன்றிற்கான தேரிய சொத்துக்களின் பெறுமதி	160.86	159.57	164.76	162.50
எதிர்பாரா நிகழ்வுகள் மற்றும் கட்டப்படுகள்	503,323	269,613	503,323	269,613

	கம்பனி		குழுமம்	
	2020 ரூ. '000	2019 ரூ. '000	2020 ரூ. '000	2019 ரூ. '000
மார்க் 31 இல் நிறைவடைந்த ஆண்டிற்கானது				
வருவாய்	16,653,775	16,240,520	17,362,985	16,920,793
வட்டி வருமானம்	15,028,927	14,174,517	15,636,833	14,681,763
வட்டிச் செலவினம்	8,762,019	8,949,018	8,998,331	9,184,258
தேறிய வட்டி வருமானம்	6,266,908	5,225,499	6,638,502	5,497,505
கட்டணம் மற்றும் தரகு வருமானம்	448,071	510,937	499,996	681,984
ஏனைய செயற்பாட்டு வருமானம்	1,176,777	1,555,066	1,226,156	1,557,046
மொத்த செயற்பாட்டு வருமானம்	7,891,756	7,291,502	8,364,654	7,736,535
கழி: நிதிச் சொத்துக்களில் வலுக்குன்றல் கட்டணங்கள்	1,409,895	1,064,610	1,552,731	1,138,407
மற்றும் ஏனைய கடன் நட்டங்கள்	-	-	-	-
தேறிய செயற்பாட்டு வருமானம்	6,481,861	6,226,892	6,811,923	6,598,128
கழி: செயற்பாட்டு செலவினங்கள்	-	-	-	-
ஆளணிச் செலவினங்கள்	1,648,127	1,354,366	1,651,422	1,413,444
வளாகம், உபகரணம் மற்றும் ஸ்தபனச் செலவுகள்	1,823,277	1,717,375	1,876,438	1,808,013
ஏனையச் செலவுகள்	520,346	552,112	553,031	617,663
மொத்த செயற்பாட்டுச் செலவுகள்	3,991,750	3,623,853	4,080,891	3,839,120
நிதிச் சேவைகளில் வரிக்கு முந்திய செயற்பாட்டு இலாபம்	2,490,111	2,603,039	2,731,032	2,759,008
கழி: நிதிச் சேவைகளிலான வரி	421,335	491,673	459,109	522,783
வரிக்கு முந்திய இலாபம்	2,068,776	2,111,366	2,271,923	2,236,225
கழி: வருமான வரிச் செலவினம்	356,639	401,173	434,873	428,111
ஆண்டிற்கான இலாபம்	1,712,137	1,710,193	1,837,050	1,808,114
பின்வருவனவற்றிற்கு உடையாகக் கருதப்படும் இலாபம்:				
கம்பனியின் உரித்துவமையாளர்களுக்கு	1,712,137	1,710,193	1,825,033	1,798,213
கட்டுப்பாடற்ற அக்கறை	-	-	12,017	9,901
ஆண்டிற்கான இலாபம்	1,712,137	1,710,193	1,837,050	1,808,114
ஏனைய விரிவான வருமானம்				
இலாபம் அல்லது நட்டத்திற்கு மீள்வகைப்படுத்தப்படாத உருப்படிகள்	-	-	-	-
மீள்மதிப்பீட்டு மிகைமீளான தேறிய மாற்றம்	-	-	-	-
மீள்மதிப்பீட்டு மிகைமீளான அதிகரிப்பு	-	200,804	-	200,804
கழி: மீள்மதிப்பீட்டு மிகைமீளான ஒத்திவைக்கப்பட்ட வரி	-	(56,225)	-	(56,225)
ஏ.வி.வநி.பெ. இல் உரித்துவ முறலீடுகள் - நியாயப் பெறுமதியிலான தேறிய மாற்றம்	-	(38,726)	-	(38,915)
நிணமிக்கப்பட்ட நலன் திட்டங்களிலான தேறிய காப்புக் கணிப்பு இலாபம் / (நட்டம்)	62,061	(70,242)	62,061	(70,108)
மொத்த ஏனைய விரிவான வருமானம்	23,335	74,337	23,146	74,471
ஆண்டிற்கான மொத்த விரிவான வருமானம்	1,735,472	1,784,530	1,860,196	1,882,585
பின்வருவனவற்றிற்கு உடையாகக் கருதப்படும் மொத்த விரிவான வருமானம்:				
கம்பனியின் உரித்துவமையாளர்களுக்கு	1,735,472	1,784,530	1,848,179	1,872,671
கட்டுப்பாடற்ற அக்கறை	-	-	12,017	9,914
ஆண்டிற்கான மொத்த விரிவான வருமானம்	1,735,472	1,784,530	1,860,196	1,882,585
பங்கொன்றிற்கான உழைப்பு				
அடிப்படை/நித்த பங்கொன்றிற்கான உழைப்புகள் (ரூபா)	24.53	30.05*	26.15	31.60*

2011 ஆம் ஆண்டின் 42 ஆம் இலக்க நிதி வணிகச் சட்டம் மற்றும் 2007 ஆம் ஆண்டின் 07 ஆம் இலக்க கம்பனிகள் சட்டத்தின் தேவைப்படுகளுக்கு இணங்க இந்த நிதிக் கூற்றுக்கள் தயாரிக்கப்பட்டுள்ளன என நான் சான்றளிக்கின்றேன்.

தமிழ் தென்னக்கோள் பிரதி பிரதம நிறைவேற்று அதிகாரி / பணிப்பாளர் / பிரதம நிதியியல் அதிகாரி பணிப்பாளர் சபையானது இந்த நிதிக் கூற்றுக்களின் தயாரிப்பிற்கும் காட்சிப்படுத்தலுக்கும் பொறுப்பாளியாக உள்ளது. சபைக்காகவும் சபையின் சார்பாகவும் அங்கீகரிக்கப்பட்டு கையொப்பமிடப்பட்டுள்ளன.

ரங்க அபேநாயக்க தலைவர்
15 ஜூலை 2020, கொழும்பு

சி.எம்.நானையக்கார முகாமைப் பணிப்பாளர்/பிரதம நிறைவேற்று அதிகாரி

Independent Auditors' Report



INDEPENDENT AUDITOR'S 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 March 31, 2020, and the statement of comprehensive income (or 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.

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 March 31, 2020, 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 (SLAuSs). 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 judgment, 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.



Risk Description

Impairment of loans and receivables to customers is a subjective area due to the level of judgment 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 judgment involved for the Group 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 judgment;
 - 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 judgment 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 judgment and our own research. We evaluated the timing and means of realization 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;
- Assessing the disclosures related to impairment of loans and receivables to customers and transition disclosures in the financial statements.

2. IT systems and controls over financial reporting

Risk Description

Automated accounting procedures and IT environment controls, which include IT governance, controls over program development and changes, access to programs 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 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 organization and the controls over program development and changes, access to programs 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. Management assessment of material uncertainty relating to impact of COVID-19

Risk Description

The financial statements have been prepared on a going concern basis. In adopting the going concern basis of preparation of the financial statements, the Directors have reviewed the Group's cash flow projections for the next 12 months, prepared by the management. The cash flow projections were based on management's assumptions and estimation of future cash inflows and outflows, also taking into consideration the impact of COVID-19 global pandemic.

Note 2.12.1 (a) to the financial statements, described the impact of COVID-19 outbreak to the current year financial statements and possible effects to the Group's future prospects, performance and cash flows. Further, the management considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Group's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.

We identified the management assessment of the COVID-19 event as a key audit matter because the cash flow projections referred to above involves consideration of future events and circumstances which are inherently uncertain, and effect of those uncertainties may significantly impact the resulting accounting estimates. Therefore, the assessment requires the exercise of significant management judgment in assessing future cash inflows and outflows which could be subject to potential management bias.

Our Responses

Our audit procedures included:

- Assessing the Directors' assessment of the Group's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the Directors' plans for future actions in relation to their going concern assessment;
- Obtaining the Group's cash flow projections covering period of not less than twelve months from the reporting period end date and challenging these key assumptions used in preparing the projections;
- Evaluating the sensitivity of the projected available cash by considering downside scenarios together with reasonably plausible changes to the key assumptions and considering whether there were any indicators of management bias in the selection of the assumptions;
- Inspecting the facility agreements for the Group's long-term loans to identify any financial covenants or similar terms and assessing the implication of these on the Group's liquidity;
- Assessing the adequacy of disclosures in the financial statements in relation to the going concern basis of accounting with reference to the requirements of the prevailing accounting standards.

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. The annual report is expected to be made available to us after the date of this auditor's report.

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

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.

Auditor's 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 SLAuSs 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 SLAuSs, we exercise professional judgment and maintain professional skepticism 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.

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

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