

Financial Statements



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Tel +94 11 5444666 Fax : +094 11 2665 334
Email: info@sdf.lk Web: www.sarvodayafinance.lk

Statement of Financial Position

| As at 31 March | 2017 Rs. | 2016 Rs. |
|--|----------------------|----------------------|
| Assets | | |
| Cash and Cash Equivalents | 138,046,068 | 306,766,105 |
| Loans and Receivables | 3,477,040,068 | 2,766,806,059 |
| Lease Rentals Receivable | 283,558,784 | - |
| Financial Investments | 268,211,272 | 243,177,150 |
| Other Financial Assets | 282,577,503 | 232,859,565 |
| Investment in Subsidiary Companies | - | 379,474,885 |
| Other Non Financial Assets | 64,336,684 | 78,966,548 |
| Income Tax Refund | 29,768 | - |
| Intangible Assets | 36,694,563 | 30,443,303 |
| Property, Plant and Equipment | 321,409,381 | 281,535,732 |
| Deferred Tax Asset | 988,885 | - |
| Total Assets | 4,872,892,976 | 4,320,029,346 |
| Liabilities | | |
| Due to Banks | 75,855,964 | 31,225,454 |
| Due to Customers | 3,563,699,800 | 3,070,417,410 |
| Other Non Financial Liabilities | 165,765,352 | 96,909,412 |
| Post Employment Benefit Liability | 20,796,934 | 16,088,241 |
| Current Tax Liabilities | - | 9,471,585 |
| Deferred Tax Liabilities | - | 10,378,342 |
| Total Liabilities | 3,826,118,050 | 3,234,490,444 |
| Shareholders' Funds | | |
| Stated Capital | 890,000,020 | 890,000,020 |
| Retained Earnings | 90,646,934 | 129,410,910 |
| Reserves | 66,127,972 | 66,127,972 |
| Total Shareholders' Fund | 1,046,774,926 | 1,085,538,902 |
| Total Liabilities and Shareholders' Fund: | 4,872,892,976 | 4,320,029,346 |

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

Deshantha de Alwis
DGM - Finance & Planning

Dharmasiri Wickramatilake
Chief Executive Officer

presentation of these Financial Statements. Signed for and on behalf of the Board of Directors by,

Channa de Silva
Chairman

Dr. Vinya Ariyaratne
Director

Channa de Silva
Chairman

Dr. Vinya Ariyaratne
Director

26 May 2017

Colombo

Statement of Profit or Loss

| Year ended 31 March | 2017 Rs. | 2016 Rs. |
|---|---------------|---------------|
| Income | 1,096,432,113 | 1,014,753,642 |
| Interest Income | 883,758,122 | 922,993,919 |
| Interest Expenses | (280,902,184) | (255,915,002) |
| Net Interest Income | 602,855,938 | 667,078,917 |
| Fee and Commission Income | 29,193,693 | 15,177,472 |
| Other Operating Income | 183,480,298 | 76,582,251 |
| Total Operating Income | 815,529,929 | 758,838,640 |
| Impairment Charges for loans and other loss: | (172,259,081) | (61,294,116) |
| Net Operating Income | 643,270,847 | 697,544,524 |
| Operating Expenses | | |
| Personnel Expenses | (361,457,648) | (314,185,138) |
| Depreciation of Property, Plant and Equipme | (40,736,446) | (34,771,373) |
| Amortisation of Intangible Assets | (6,683,064) | (10,662,306) |
| Other Operating Expenses | (230,225,116) | (212,142,771) |
| Operating Profit before Tax on Financial Services | 4,168,574 | 125,782,936 |
| Tax on Financial Services | (48,027,957) | (49,272,363) |
| Profit/(Loss) before Taxation | (43,859,383) | 76,510,573 |
| Income Tax Expenses | 9,323,911 | (30,368,790) |
| Profit/(Loss) for the Year | (34,535,473) | 46,141,783 |
| Other Comprehensive Income / (Expenses) | | |
| Actuarial Gains/(Losses) on Defined Benefit Plans | (6,311,370) | (1,768,842) |
| Gain/(Loss) due to changes in assumptions | - | 2,896,283 |
| Income Tax (Charge)/Credit Relating to Components of Other Comprehensive Income | 2,082,867 | 771,066 |
| Net other comprehensive income not to be reclassified to profit or loss | (4,228,503) | 1,898,507 |
| Other Comprehensive Income for the Year, Net of Tax | (4,228,503) | 1,898,507 |
| Total Comprehensive Income/(Expenses) for the Year | (38,763,976) | 48,040,290 |

Report on the Financial Statements

We have audited the accompanying Financial Statements of Sarvodaya Development Finance Limited ("the Company") which comprise the Statement of Financial Position as at 31 March 2017, and 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 a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2017, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

As required by Section 163(2) of the Companies Act No. 7 of 2007, we state the following:

(a) The basis of opinion and Scope and Limitations of the audit are as stated above. ;

(b) In our opinion:

We have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company,

The financial statements of the Company, comply with the requirements of Section 151 of the Companies Act No. 7 of 2007.

26 May 2017
Colombo

Renuka Fernando