

SERENDIB LAND PLC

QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

Registered Office

NO.9/5, THAMBIAH AVENUE
COLOMBO 07.

SERENDIB LAND PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

THREE MONTHS ENDED 30 SEPTEMBER 2019

	Unaudited 3 months period ended	Unaudited 3 months period ended	Variance %	Unaudited 6 months period ended	Unaudited 6 months period ended	Variance %
	30.09.2019 Rs.	30.09.2018 Rs.		30.09.2019 Rs.	30.09.2018 Rs.	
Revenue	6,593,508	6,593,508	-	13,187,016	13,187,016	-
Direct Operating Expenses	(262,929)	(6,933,916)	(96.21)	(525,857)	(9,225,594)	(94.30)
Gross profit/(Loss)	6,330,579	(340,408)	(1,959.70)	12,661,159	3,961,422	219.61
Other Income	591,367	451,537	30.97	1,139,676	677,859	68.13
Administrative expenses	(1,812,206)	(2,478,298)	(26.88)	(2,486,565)	(2,818,782)	(11.79)
Profit/(Loss) from operations	5,109,740	(2,367,170)	(315.86)	11,314,270	1,820,499	521.49
Profit/(Loss) Before taxation	5,109,740	(2,367,170)	(315.86)	11,314,270	1,820,499	521.49
Income Tax Expenses	(715,364)	(118,614)	503.10	(1,416,907)	(711,664)	99.10
Net profit/(Loss) for the period	4,394,376	(2,485,784)	(276.78)	9,897,363	1,108,834	792.59
Other Comprehensive income (OCI)						
<u>Items that are or may be reclassified to profit or loss</u>						
- Reclassification of AFS reserve to profit or loss	-	-		-	-	
- Net change in fair value of financial assets - available for sale	266,422	(222,273)		371,000	(429,560)	
Total comprehensive income net of tax	4,660,798	(2,708,058)		10,268,363	679,274	
Earnings per share (Rs.)	12.21	(6.90)		27.49	3.08	

The above figures are provisional & subject to audit
Figures in brackets indicate deductions.

SERENDIB LAND PLC
STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2019

	Unaudited As at 30.09.2019 Rs	Unaudited As at 30.09.2018 Rs	Audited As at 31.03.2019 Rs
ASSETS			
NON-CURRENT ASSETS			
Investment Property	526,375,000	526,375,000	526,375,000
CURRENT ASSETS			
Trade & Other Receivable	10,154,540	7,284,339	6,653,179
Short Term Investment	23,254,013	12,585,604	16,717,806
Investment in Equity Securities	4,624,293	3,937,296	4,253,292
Income Tax Receivable	183,677	-	1,600,583
Cash & Cash Equivalents	2,703,251	5,345,069	839,455
	<u>40,919,773</u>	<u>29,152,307</u>	<u>30,064,315</u>
TOTAL ASSETS	<u>567,294,773</u>	<u>555,527,307</u>	<u>556,439,315</u>
EQUITY AND LIABILITIES			
CAPITAL & RESERVES			
Stated Capital	36,000,000	36,000,000	36,000,000
Retained Earnings	156,772,323	149,872,440	155,874,960
Fair Value reserves of Financial Assets at FVOCI	562,171	(124,826)	191,171
Other Reserves	316,727,700	316,727,700	316,727,700
Shareholders' fund	<u>510,062,195</u>	<u>502,475,314</u>	<u>508,793,831</u>
NON-CURRENT LIABILITIES			
Deferred Tax Liability	34,153,402	34,153,402	34,153,403
	<u>34,153,402</u>	<u>34,153,402</u>	<u>34,153,403</u>
CURRENT LIABILITIES			
Trade & Other Payables	12,299,873	16,097,207	12,158,774
Dividend Payable	9,927,561	958,028	958,940
Income Tax Payable	-	272,470	-
Bank over draft	851,742	1,570,885	374,368
	<u>23,079,176</u>	<u>18,898,590</u>	<u>13,492,082</u>
TOTAL EQUITY AND LIABILITIES	<u>567,294,773</u>	<u>555,527,307</u>	<u>556,439,315</u>

The above figures are provisional & subject to audit.

These financial statements are in compliance with the requirements of the Companies Act No.07 of 2007.

(Sgd.) A.R.Walpita
Chief Financial Officer

Approved and signed for and on behalf of the Board.

(Sgd.) J.M. Swaminathan
Director

(Sgd.) S.Nagendra
Chairman

06 October 2019
Colombo,

SERENDIB LAND PLC
STATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDED 30 TH SEPTEMBER 2019

	Stated Capital	Other Reserve	Fair Value reseves of Financial Assets at FVOCI	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at April 1, 2018	36,000,000	316,727,700	304,734	152,363,606	505,396,040
Net Profit for the Period	-	-	-	1,108,834	1,108,834
Final Dividend	-	-	-	(3,600,000)	(3,600,000)
Other Comprehensive Income	-	-	(429,560)	-	(429,560)
Balance as at September 30, 2018 (Un-audited)	36,000,000	316,727,700	(124,826)	149,872,440	502,475,314
Balance as at April 1, 2019	36,000,000	316,727,700	191,171	155,874,960	508,793,831
Net Profit for the Period	-	-	-	9,897,363	9,897,363
Final Dividend	-	-	-	(9,000,000)	(9,000,000)
Other Comprehensive Income	-	-	371,000	-	371,000
Balance as at September 30, 2019 (Un-audited)	36,000,000	316,727,700	562,171	156,772,323	510,062,195

Figures in brackets indicate deductions.

SERENDIB LAND PLC
CASH FLOW STATEMENT
THREE MONTHS ENDED 30 TH SEPTEMBER 2019

	Cumulative Cash Flows			
	Unaudited 3 Months ended Rs. 30.09.2019	Unaudited 3 Months ended Rs. 30.09.2018	Unaudited 6 months period ended Rs. 30.09.2019	Unaudited 6 months period ended Rs. 30.09.2018
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) before Taxation	5,109,740	(2,367,170)	11,314,270	1,820,499
Adjustments for:				
Scrap sale	-	(17,391)	-	(17,391)
Dividend Income	-	(27,914)	(13,957)	(27,914)
Change in fair value of investment property	-	-	-	-
Interest Income	(591,367)	(406,232)	(1,125,719)	(632,554)
Impairment loss on financial assets - available for sale	-	-	-	-
Operating Cash flows before working capital changes	<u>4,518,374</u>	<u>(2,818,706)</u>	<u>10,174,594</u>	<u>1,142,640</u>
(Increase)/ Decrease in receivables	(2,036,078)	508,748	(3,501,361)	(2,725,697)
Increase / (Decrease) in payables	<u>(255,574)</u>	<u>4,007,139</u>	<u>109,720</u>	<u>14,742,585</u>
Cash generated from operating activities	<u>2,226,722</u>	<u>1,697,181</u>	<u>6,782,953</u>	<u>13,159,527</u>
Income tax paid	-	-	-	-
Net cash generated from operating activities	<u>2,226,722</u>	<u>1,697,181</u>	<u>6,782,953</u>	<u>13,159,527</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Interest Received	798,885	108,626	1,013,907	464,982
Scrap sale	-	17,391	-	17,391
Dividend Income	-	27,914	13,957	27,914
Withdrawal /(Investment)in Short Term Investment	<u>(3,740,471)</u>	<u>(6,000,000)</u>	<u>(6,424,395)</u>	<u>(7,272,596)</u>
Net cash flow used in investing activities	<u>(2,941,587)</u>	<u>(5,846,068)</u>	<u>(5,396,531)</u>	<u>(6,762,309)</u>
CASH FLOW FROM FINANCING ACTIVITIES				
Dividend Paid	-	(3,600,000)	-	(3,600,000)
Net cash flow used in finance activities	<u>-</u>	<u>(3,600,000)</u>	<u>-</u>	<u>(3,600,000)</u>
Net Increase / (Decrease) in cash and cash equivalents	(714,865)	(7,748,888)	1,386,422	2,797,219
Cash and cash equivalents at the beginning of the period	2,566,374	11,523,071	465,087	976,965
	<u>1,851,509</u>	<u>3,774,184</u>	<u>1,851,509</u>	<u>3,774,184</u>
<i>Figures in brackets indicate deductions.</i>				
Cash and cash equivalents at the end of the period				
Cash & Cash Equivalents	<u>2,703,251</u>	<u>5,345,069</u>	<u>2,703,251</u>	<u>5,345,069</u>
Bank Overdraft	<u>(851,742)</u>	<u>(1,570,885)</u>	<u>(851,742)</u>	<u>(1,570,885)</u>
	<u>1,851,509</u>	<u>3,774,184</u>	<u>1,851,509</u>	<u>3,774,184</u>

SERENDIB LAND PLC

NOTES TO THE FINANCIAL STATEMENTS

01. Corporate information

Serendib Land PLC is a limited liability company listed in the Colombo Stock Exchange and domiciled in Sri Lanka. The Registered Office of the Company is located at No.9/5, Thambiah Avenue, Colombo 07.

02. Basis of Preparation

The interim financial statements have been prepared in accordance with Sri Lanka Accounting Standard-LKAS 34 Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31st March 2019. The financial statements provide information as required in terms of Rule 7.4 of the Colombo Stock Exchange.

The financial statements are provisional and subject to audit.

The interim financial statements have been prepared on a historical cost basis except for financial instruments.

The interim financial statements are presented in Sri Lankan rupees and all values are rounded to the nearest thousand except when otherwise indicated.

03. Significant Accounting Policies

The accounting policies adopted for the current interim period are consistent with those of the previous financial year (2018/2019) except as described below.

4. Financial Instruments

Sri Lanka Accounting Standard - SLFRS 9 on "Financial Instruments

The Sri Lanka Accounting Standard – SLFRS 9 on "Financial Instruments", which replaces the existing guidance on LKAS 39 on "Financial Instruments: Recognition and Measurement" has become effective for annual reporting periods beginning on or after January 01, 2018. SLFRS 9 replaces the "Incurred Loss Model" in LKAS 39 with forward looking "Expected Loss Model ("ECL") which requires considerable judgement over how changes in economic factors affect ECL, which in turn is to be determined on a probability weighted basis. SLFRS 9 also contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed based on their cash flow characteristics.

Based on the "Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements" issued by The Institute of Chartered Accountants of Sri Lanka entities are granted with the option to prepare Interim Financial Statements continuing the application of LKAS 39 with disclosures on impact to the Income Statement and Statement of Profit or Loss and Other Comprehensive Income for the period if SLFRS 9 has been applied.

05. Contingent liabilities

There were no material contingent liabilities as at 30 September 2019.

06. Subsequent event

No circumstances have arisen since the Balance Sheet date, Which would require adjustments or disclosure in the financial statements.

SHAREHOLDERS' INFORMATION

	Un-audited 30.09.2019	Un-audited 30.09.2018
Earnings per Ordinary Share (Rs.)	27.49	3.08
Net Assets per Share (Rs.)	1416.84	1395.76
Debt/Equity Ratio (%)	-	-
Current Ratio (Times)	1.77	1.54

SERENDIB LAND PLC

ADDITIONAL INFORMATION FOR THE QUARTERLY STATEMENTS

THREE MONTHS ENDED 30 TH SEPTEMBER 2019

1. Share Information

Information pertaining to the shares traded during the Quarter ended 30 September 2019 extracted from the website of the Colombo Stock Exchange, is set out below:

Period	2019-3	2018-3
Date High	22-Aug-19	26-Jun-18
High Rs.	1,454.50	1,852.10
Date Low	7-Sep-19	7-Aug-18
Low Rs.	1,165.00	1,225.00
Close Rs.	1,300.00	1,481.70
Trade Vol.	15	22
Share Vol.	68	127
Turn Over Rs.	89,909.90	174,627.40
Last traded Date	20-Sep-19	27-Sep-18
Days Traded	8	13

Directors' Shareholding

	As at 30.09.2019	As at 30.09.2018
Mr. S. Nagendra	257	257
Dr. (Ms.) Y. Ponnambalam	-	-
Mr. Gajendrakumar G. Ponnambalam	-	-
Dr. (Ms.) M.Ponnambalam	-	-
Dr. B. Sivaprakasapillai	-	-
Ms. D. Sivaprakasapillai	30,267	30,267
Mr. Ramesh Schaffter - (Nominee Director)	-	-
Dr. J. M. Swaminathan	-	-
Mr. T Someswaran	-	-
Total Number of Shareholders	277	273
Total number of shares of the company	360,000	360,000
Number of Public Shareholders As at 30 September 2019	271	272

The Public Holding Percentage

As at 30 September, 2019, the public holding of the Company was 17.16% .
The float adjusted market capitalisation as at 30th September 2019 was Rs.387,691,200/=

Minimum Public Holding Requirement:

The Colombo Stock Exchange (the CSE) has revised the Listing Rules *w.e.f* 17th January 2018 as such an Entity listed on the Main Board is required to maintain its Minimum Public Holding in compliance with any one (01) of the options set out below:

OPTION	MINIMUM PUBLIC HOLDING REQUIREMENT		
	FLOAT ADJUSTED MARKET CAPITALISATION	PUBLIC HOLDING PERCENTAGE	NUMBER OF PUBLIC SHAREHOLDERS
1	Rs. 10.0Bn	no minimum % required	500
2	Rs. 7.5 Bn	5%	500
3	Rs. 5.0Bn	7.5%	500
4	Rs.2.5Bn	10%	500
5	less than Rs.2.5 Bn	20%	500

The Company which is listed on the Main Board of the Colombo Stock Exchange (CSE) is not in compliance with the requirements pertaining to the Minimum Public Holding (MPH) criteria applicable to companies listed on the Main Board, as prescribed under the Listing Rules of CSE. Accordingly, the Company having noted the said non-compliance has taken steps to obtain an extension from the CSE and continued to comply with the requirement of providing the CSE with a monthly statement regarding such non-compliance, since 21st August, 2017..

Via a letter dated 25th June, 2018 the Company was informed by the CSE, that its securities would be transferred to the “Watch List” w.e.f. 2nd July, 2018, by application of Rule 7.13.2 (b) of the Listing Rules of the CSE and accordingly as at date the securities of the Company remain on the “Watch List” of CSE.

As required under the Listing Rules of the CSE, the Company notified its Shareholders at their 37th Annual General Meeting (AGM) held on 28th September, 2018 (being the next General Meeting which was held immediately subsequent to the securities of Company being transferred to the Watch List), that its securities have been transferred to the Watch List, as a consequence of being non-compliant with the MPH criteria set out under the provisions of Rule 7.13 of the Listing Rules of the CSE.

At the said General Meeting the Board also informed the Shareholders, details pertaining to the proposed rectification plan and the means to comply with the MPH Requirement and that the Company anticipates rectifying the aforementioned non-compliance by migrating to the Diru Savi Board of the CSE. As required under Rule 7.13.2. (i) of the Listing Rules of the CSE, the Company has notified the outcome of the said General Meeting to the CSE and investors via the CSE, on 2nd October, 2018.

Pursuant to a recent divestment of shares made by one of its Non-Public Shareholders, the Company is now in compliance with the MPH criteria required to be maintained by companies listed on the Diru Savi Board of CSE. Accordingly, the Company is seeking to make an application to CSE requesting a transfer from the Main Board to the Diru Savi Board. However, in order to effect the proposed transfer, the Company should under the Listing Rules of the CSE increase its Stated Capital upto Rs.100,000,000/- from its current Stated Capital of Rs.36,000,000/-. The Board of Directors of the Company are currently deliberating on the best course of action to achieve the aforementioned Stated Capital, for which purpose the Company notes that it has time till February, 2020.

SERENDIB LAND PLC

ADDITIONAL INFORMATION FOR THE QUARTERLY STATEMENTS

THREE MONTHS ENDED 30 SEPTEMBER 2019

2. 20 Largest Shareholders

20 Major Shareholders		30.09.2019	
		Shares	%
1	Gee Gees Properties (Pvt) Ltd.	76,735	21.32
2	Gitanjali Gajaluckshmi (Pvt) Ltd.	76,697	21.3
3	Gitanjali Group (Pvt) Ltd.	67,992	18.89
4	Janashakthi Insurance PLC - Shareholders	46,254	12.85
5	Miss D. Sivaprakasapillai	30,267	8.41
6	AIA Insurance Lanka PLC – A/C No.3	25,714	7.14
7	Suktam Holdings (Pvt) Ltd	8,800	2.44
8	Mr. O. D. Liyanage	4,033	1.12
9	Mrs. S. Z. Ossman	2,200	0.61
10	Mr. A. Saverimuttu	2,000	0.56
11	Ossman Associates (Pvt) Ltd	1,779	0.49
12	Ms. N. Gunatilleke	1,499	0.42
13	Mr. G.C.W. De Silva (Deceased)	1,212	0.34
14	Mr. K. T. Wickremaratne	750	0.21
15	Colombo Investment Trust PLC	642	0.18
16	Mr. G. C. Goonetilleke	565	0.16
17	Dr. M.S.P. Wijenayake	555	0.15
18	Mr. A. L. Weerasinghe	534	0.15
19	Mrs. A. N. De Mel	534	0.15
20	Mrs. E. Shinya	514	0.14