

# SERENDIB LAND PLC

QUARTERLY FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED DECEMBER 31, 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 31ST DECEMBER 2019

	Unaudited 3 months period ended 31.12.2019 Rs.	Unaudited 3 months period ended 31.12.2018 Rs.	Variance %	Unaudited 9 months period ended 31.12.2019 Rs.	Unaudited 9 months period ended 31.12.2018 Rs.	Variance %
Revenue	6,593,508	6,593,508	-	19,780,524	19,780,524	-
Direct Operating Expenses	(272,929)	(4,789,415)	(94.30)	(798,786)	(14,015,009)	(94.30)
<b>Gross profit/(Loss)</b>	<b>6,320,579</b>	<b>1,804,093</b>	<b>250.35</b>	<b>18,981,738</b>	<b>5,765,515</b>	<b>229.23</b>
Other Income	375,230	313,758	19.59	1,514,906	991,617	52.77
Administrative expenses	(664,620)	(919,224)	(27.70)	(3,151,185)	(3,738,007)	(15.70)
<b>Profit/(Loss) from operations</b>	<b>6,031,189</b>	<b>1,198,627</b>	<b>403.17</b>	<b>17,345,459</b>	<b>3,019,125</b>	<b>474.52</b>
<b>Profit/(Loss) Before taxation</b>	<b>6,031,189</b>	<b>1,198,627</b>	<b>403.17</b>	<b>17,345,459</b>	<b>3,019,125</b>	<b>474.52</b>
Income Tax Expenses	(844,366)	(186,221)	353.42	(2,261,273)	(897,885)	151.84
<b>Net profit/(Loss) for the period</b>	<b>5,186,823</b>	<b>1,012,406</b>	<b>412.33</b>	<b>15,084,186</b>	<b>2,121,240</b>	<b>611.10</b>
<b>Other Comprehensive income (OCI)</b>						
<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	103,339	420,575		474,339	(8,984)	
<b>Total comprehensive income net of tax</b>	<b>5,290,161</b>	<b>1,432,980</b>		<b>15,558,525</b>	<b>2,112,256</b>	
<b>Earnings per share (Rs.)</b>	<b>14.41</b>	<b>2.81</b>		<b>41.90</b>	<b>5.89</b>	

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

**SERENDIB LAND PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST DECEMBER 2019**

	Unaudited As at 31.12.2019 Rs	Unaudited As at 31.12.2018 Rs	Audited As at 31.03.2019 Rs
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investment Property	526,375,000	526,375,000	526,375,000
<b>CURRENT ASSETS</b>			
Trade & Other Receivable	11,523,584	8,223,550	6,653,179
Short Term Investment	15,143,305	10,890,499	16,717,806
Investment in Equity Securities	4,727,631	4,357,871	4,253,292
Income Tax Receivable	-	-	1,600,583
Cash & Cash Equivalents	5,782,728	2,136,118	839,455
	<u>37,177,247</u>	<u>25,608,039</u>	<u>30,064,315</u>
<b>TOTAL ASSETS</b>	<u><u>563,552,247</u></u>	<u><u>551,983,039</u></u>	<u><u>556,439,315</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL &amp; RESERVES</b>			
Stated Capital	36,000,000	36,000,000	36,000,000
Retained Earnings	161,959,146	150,884,846	155,874,960
Fair Value reserves of Financial Assets at FVOCI	665,510	295,750	191,171
Other Reserves	316,727,700	316,727,700	316,727,700
<b>Shareholders' fund</b>	<u>515,352,356</u>	<u>503,908,296</u>	<u>508,793,831</u>
<b>NON-CURRENT LIABILITIES</b>			
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>
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables	12,248,200	12,408,828	12,158,774
Dividend Payable	928,012	958,940	958,940
Income Tax Payable	660,690	458,690	-
Bank over draft	209,587	94,883	374,368
	<u>14,046,489</u>	<u>13,921,341</u>	<u>13,492,082</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>563,552,247</u></u>	<u><u>551,983,039</u></u>	<u><u>556,439,315</u></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.*

  
A.R. Walpita  
Chief Financial Officer

*Approved and signed for and on behalf of the Board.*

  
T. Someswaran  
Audit Committee Chairman

  
S. Nagendra  
Chairman

**13th February, 2020**

Colombo,

**SERENDIB LAND PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**THREE MONTHS ENDED 31ST DECEMBER 2019**

	Stated Capital	Other Reserve	Fair Value reserves 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	-	-	-	2,121,240	2,121,240
Final Dividend	-	-	-	(3,600,000)	(3,600,000)
Other Comprehensive Income	-	-	(8,984)	-	(8,984)
<b>Balance as at December 31, 2018 (Un-audited)</b>	<b>36,000,000</b>	<b>316,727,700</b>	<b>295,750</b>	<b>150,884,846</b>	<b>503,908,296</b>
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	-	-	-	15,084,186	15,084,186
Final Dividend	-	-	-	(9,000,000)	(9,000,000)
Other Comprehensive Income	-	-	474,339	-	474,339
<b>Balance as at December 31, 2019 (Un-audited)</b>	<b>36,000,000</b>	<b>316,727,700</b>	<b>665,510</b>	<b>161,959,146</b>	<b>515,352,356</b>

*Figures in brackets indicate deductions.*

**SERENDIB LAND PLC**  
**CASH FLOW STATEMENT**  
**THREE MONTHS ENDED 31ST DECEMBER 2019**

	Cumulative Cash Flows			
	Unaudited 3 Months ended Rs. 31.12.2019	Unaudited 3 Months ended Rs. 31.12.2018	Unaudited 9 months period ended Rs. 31.12.2019	Unaudited 9 months period ended Rs. 31.12.2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before Taxation	6,031,189	1,198,627	17,345,459	3,019,125
<b>Adjustments for:</b>				
Scrap sale	-	-	-	(17,391)
Dividend Income	(19,147)	(27,914)	(33,104)	(55,828)
Change in fair value of investment property	-	-	-	-
Interest Income	(356,083)	(285,844)	(1,481,802)	(918,398)
Impairment loss on financial assets - available for sale	-	-	-	-
Operating Cash flows before working capital changes	<u>5,655,959</u>	<u>884,870</u>	<u>15,830,553</u>	<u>2,027,508</u>
(Increase) / Decrease in receivables	(1,369,044)	(939,211)	(4,870,405)	(3,664,908)
Increase / (Decrease) in payables	<u>(51,222)</u>	<u>(3,687,468)</u>	<u>58,498</u>	<u>11,055,117</u>
<b>Cash generated from operating activities</b>	<u>4,235,693</u>	<u>(3,741,810)</u>	<u>11,018,646</u>	<u>9,417,717</u>
Income tax paid	-	-	-	-
<b>Net cash generated from operating activities</b>	<u>4,235,693</u>	<u>(3,741,810)</u>	<u>11,018,646</u>	<u>9,417,717</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Received	469,561	315,983	1,483,468	780,965
Scrap sale	-	-	-	17,391
Dividend Income	19,147	27,914	33,104	55,828
Withdrawal / (Investment) in Short Term Investment	7,997,231	1,664,966	1,572,836	(5,607,630)
<b>Net cash flow used in investing activities</b>	<u>8,485,938</u>	<u>2,008,862</u>	<u>3,089,407</u>	<u>(4,753,446)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend Paid	(9,000,000)	-	(9,000,000)	(3,600,000)
<b>Net cash flow used in finance activities</b>	<u>(9,000,000)</u>	<u>-</u>	<u>(9,000,000)</u>	<u>(3,600,000)</u>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	3,721,632	(1,732,948)	5,108,054	1,064,271
Cash and cash equivalents at the beginning of the period	1,851,509	3,774,184	465,087	976,965
	<u>5,573,141</u>	<u>2,041,236</u>	<u>5,573,141</u>	<u>2,041,236</u>
<i>Figures in brackets indicate deductions.</i>				
<b>Cash and cash equivalents at the end of the period</b>				
Cash & Cash Equivalents	<u>5,782,728</u>	<u>2,136,118</u>	<u>5,782,728</u>	<u>2,136,118</u>
Bank Overdraft	<u>(209,587)</u>	<u>(94,883)</u>	<u>(209,587)</u>	<u>(94,883)</u>
	<u>5,573,141</u>	<u>2,041,236</u>	<u>5,573,141</u>	<u>2,041,236</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 31 December 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 31.12.2019	Un-audited 31.12.2018
Earnings per Ordinary Share (Rs.)	41.90	5.89
Net Assets per Share (Rs.)	1431.53	1399.75
Debt/Equity Ratio (%)	-	-
Current Ratio (Times)	2.65	1.84

### SERENDIB LAND PLC

#### ADDITIONAL INFORMATION FOR THE QUARTERLY STATEMENTS

##### THREE MONTHS ENDED 31ST DECEMBER 2019

#### 1. Share Information

Information pertaining to the shares traded during the Quarter ended 31 December 2019 extracted from the website of the Colombo Stock Exchange, is set out below:

Period	2019-4	2018-4
Date High	4-Oct-19	8-Oct-18
High Rs.	1,350.00	1,500.00
Date Low	15-Oct-19	28-Dec-18
Low Rs.	1,150.30	1,150.20
Close Rs.	1,300.00	1,481.70
Trade Vol.	11	8
Share Vol.	110	54
Turn Over Rs.	141,760.20	47,650.20
Last traded Date	27-Dec-19	28-Dec-18
Days Traded	8	3

#### Directors' Shareholding

	As at 31.12.2019	As at 31.12.2018
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	-	-
<b>Total Number of Shareholders</b>	<b>275</b>	<b>273</b>
<b>Total number of shares of the company</b>	<b>360,000</b>	<b>360,000</b>
<b>Number of Public Shareholders As at 31 December 2019</b>	<b>269</b>	<b>267</b>

### The Public Holding Percentage

As at 31 December, 2019, the public holding of the Company was 17.16% .  
The float adjusted market capitalisation as at 31 December 2019 was Rs.387,691,200/=

### Minimum Public Holding Requirement:

The Colombo Stock Exchange (the CSE) has revised the Listing Rules *w.e.f* 17<sup>th</sup> 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 Diri 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 Diri Savi Board of CSE. Accordingly, the Company is seeking to make an application to CSE requesting a transfer from the Main Board to the Diri 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 31 DECEMBER 2019

2. 20 Largest Shareholders

20 Major Shareholders		31.12.2019	
		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	AlA 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	0.15
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