

# **SERENDIB LAND PLC**

**QUARTERLY FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED DECEMBER 31, 2017**

## **Registered Office**

NO.9/5,THAMBIAH AVENUE  
COLOMBO 07.

SERENDIB LAND PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

THREE MONTHS ENDED 31 DECEMBER 2017

	Unaudited 3 months period ended 31.12.2017 Rs.	Unaudited 3 months period ended 31.12.2016 Rs.	Variance %	Unaudited 9 months Period ended 31.12.2017 Rs.	Unaudited 9 months Period ended 31.12.2016 Rs.	Variance %
Revenue	-	4,170,000	(100.00)	9,002,700	12,234,000	(26.41)
Direct Operating Expenses	(473,905)	(262,929)	80.24	(1,372,762)	(788,786)	74.03
<b>Gross profit/(Loss)</b>	<b>(473,905)</b>	<b>3,907,071</b>	<b>(112.13)</b>	<b>7,629,938</b>	<b>11,445,214</b>	<b>(33.34)</b>
Other Income	340,145	354,180	(3.96)	1,368,489	994,497	37.61
Administrative expenses	(508,433)	(280,354)	81.35	(2,153,289)	(2,038,519)	5.63
<b>Profit/(Loss) from operations</b>	<b>(642,192)</b>	<b>3,980,898</b>	<b>(116.13)</b>	<b>6,845,137</b>	<b>10,401,193</b>	<b>(34.19)</b>
<b>Profit/(Loss) Before taxation</b>	<b>(642,192)</b>	<b>3,980,898</b>	<b>(116.13)</b>	<b>6,845,137</b>	<b>10,401,193</b>	<b>(34.19)</b>
Income Tax Expenses	(87,425)	(471,925)	(81.47)	(1,151,266)	(1,166,639)	(1.32)
<b>Net profit/(Loss) for the period</b>	<b>(729,617)</b>	<b>3,508,973</b>	<b>(120.79)</b>	<b>5,693,872</b>	<b>9,234,554</b>	<b>(38.34)</b>
<b>Other Comprehensive income (OCI)</b>						
(Losses) / gains arising on re-measuring available for sale financial assets	(161,144)	21,813		(367,942)	(625,638)	
<b>Total comprehensive income net of tax</b>	<b>(890,761)</b>	<b>3,530,786</b>		<b>5,325,930</b>	<b>8,608,916</b>	
<b>Earnings per share (Rs.)</b>	<b>(2.03)</b>	<b>9.75</b>		<b>15.82</b>	<b>25.65</b>	

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

**SERENDIB LAND PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31<sup>st</sup> DECEMBER 2017**

	Unaudited As at 31.12.2017 Rs	Unaudited As at 31.12.2016 Rs	Audited As at 31.03.2017 Rs
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investment Property	305,295,000	305,295,000	305,295,000
<b>CURRENT ASSETS</b>			
Trade & Other Receivable	1,955,727	118,029	875,226
Short Term Investment	6,080,740	9,844,441	11,148,289
Financial assets - Available for sale	4,257,605	4,930,165	4,625,546
Cash & Cash Equivalents	7,666,978	8,714,471	3,558,652
	<u>19,961,049</u>	<u>23,607,107</u>	<u>20,207,713</u>
<b>TOTAL ASSETS</b>	<u>325,256,049</u>	<u>328,902,107</u>	<u>325,502,713</u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL &amp; RESERVES</b>			
Stated Capital	36,000,000	36,000,000	36,000,000
Retained Earnings	165,338,894	165,506,215	168,645,022
Available for Sales Reserves/(Loss)	(1,450,099)	(777,538)	(1,082,157)
Other Reserves	95,647,700	95,647,700	95,647,700
<b>Shareholders' fund</b>	<u>295,536,495</u>	<u>296,376,377</u>	<u>299,210,565</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Tax Liability	23,184,000	23,184,000	23,184,000
	<u>23,184,000</u>	<u>23,184,000</u>	<u>23,184,000</u>
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables	196,247	225,753	260,100
Dividend Payable	2,035,598	643,096	2,036,137
Income Tax Payable	352,517	347,933	565,295
Bank over draft	3,951,193	8,124,948	246,616
	<u>6,535,554</u>	<u>9,341,730</u>	<u>3,108,148</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>325,256,049</u>	<u>328,902,107</u>	<u>325,502,713</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.) Prasanna Walisundara**  
**Chief Financial Officer**

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

**(Sgd.) T.Someswaran**  
**Audit Committee Chairman**

**(Sgd.) S.Nagendra**  
**Chairman**

08 February 2018  
Colombo,

**SERENDIB LAND PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**THREE MONTHS ENDED 31 DECEMBER 2017**

	Stated Capital	Other Reserve	Available for Sale Assets Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Balance as at April 1, 2016</b>	36,000,000	95,647,700	(151,900)	165,271,660	296,767,460
Net Profit for the Period	-	-	-	9,234,554	9,234,554
Final Dividend	-	-	-	(9,000,000)	(9,000,000)
Other Comprehensive Income	-	-	(625,638.00)	-	(625,638)
<b>Balance as at December 31, 2016</b>	<b><u>36,000,000</u></b>	<b><u>95,647,700</u></b>	<b><u>(777,538)</u></b>	<b><u>165,506,214</u></b>	<b><u>296,376,376</u></b>
<b>Balance as at April 1, 2017</b>	36,000,000	95,647,700	(1,082,157)	168,645,022	299,210,565
Net Profit for the Period	-	-	-	5,693,872	5,693,872
Final Dividend	-	-	-	(9,000,000)	(9,000,000)
Other Comprehensive Income	-	-	(367,942)	-	(367,942)
<b>Balance as at December 31, 2017 (Unaudited)</b>	<b><u>36,000,000</u></b>	<b><u>95,647,700</u></b>	<b><u>(1,450,099)</u></b>	<b><u>165,338,894</u></b>	<b><u>295,536,495</u></b>

*Figures in brackets indicate deductions.*

**SERENDIB LAND PLC**  
**CASH FLOW STATEMENT**  
**THREE MONTHS ENDED 31 DECEMBER 2017**

	Cumulative Cash Flows			
	Unaudited 3 Months ended 31.12.2017 Rs.	Unaudited 3 Months ended 31.12.2016 Rs.	Unaudited 9 Months ended 31.12.2017 Rs.	Unaudited 9 Months ended 31.12.2016 Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before Taxation	(642,192)	3,980,898	6,845,137	10,401,193
<b>Adjustments for:</b>				
Dividend Income	(27,914)	(38,316)	(55,828)	(47,316)
Interest Income	(312,231)	(315,865)	(1,312,661)	(947,182)
Operating Cash flows before working capital changes	(982,337)	3,626,717	5,476,649	9,406,695
(Increase)/ Decrease in receivables	(1,472,478)	283,009	(1,080,501)	670,757
Increase / (Decrease) in payables	(201,683)	58,401	(64,392)	(1,865,697)
<b>Cash generated from operating activities</b>	(2,656,499)	3,968,127	4,331,755	8,211,755
Income tax paid	(433,764)	(452,308)	(1,364,045)	(1,246,620)
<b>Net cash generated from operating activities</b>	(3,090,263)	3,515,819	2,967,710	6,965,135
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Received	658,559	389,401	1,558,268	992,508
Dividend Income	27,914	38,316	55,828	47,316
Withdrawal / (Investment) in Short Term Investment	12,174,394	(4,232,898)	4,821,942	1,745,861
(Investment)/Disposal of Shares	-	-	-	(1,922,802)
<b>Net cash flow used in investing activities</b>	12,860,867	(3,805,182)	6,436,038	862,883
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend Paid	-	-	(9,000,000)	(9,000,000)
<b>Net cash flow used in finance activities</b>	-	-	(9,000,000)	(9,000,000)
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	9,770,605	(289,363)	403,749	(1,171,983)
Cash and cash equivalents at the beginning of the period	(6,054,820)	878,888	3,312,036	1,761,508
	<b>3,715,785</b>	<b>589,525</b>	<b>3,715,785</b>	<b>589,525</b>
<i>Figures in brackets indicate deductions.</i>				
<b>Cash and cash equivalents at the end of the period</b>				
Cash & Cash Equivalents	7,666,978	8,714,473	7,666,978	8,714,473
Bank Overdraft	(3,951,193)	(8,124,948)	(3,951,193)	(8,124,948)
	<b>3,715,785</b>	<b>589,525</b>	<b>3,715,785</b>	<b>589,525</b>

## 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 2017. 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 (2016/2017) except as described below.

#### 4.1 Financial Instruments

As required by Sri Lanka Accounting Standards LKAS 39 *Financial Instruments ; Recognition and Measurements*, trade receivables, cash and cash equivalents, investments in quoted public companies, trade payables, bank borrowings and intercompany loans are recognized as financial instruments.

#### 4.1.1 Available for sale financial assets

Available for sale (AFS) financial assets are recognized at fair value ,subsequently measured at fair value ,with changes recognized in other comprehensive income (OCI) . If there is significant and prolong decline in fair value ,such decline is identified as impairment. impairment losses shall be recognized in the profit or loss. Any cumulative losses recognized in the OCI shall be recycled to the profit or loss.

According to LKAS 39, long term investments ( Investments in quoted shares ) are classified as Available for sale (AFS) financial assets.

#### 4.1.2 Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading. Financial assets at fair value through profit or loss are measured at fair value , and changes therein are recognized in profit or loss.

Short term investments are classified as FVTPL financial assets.

#### 05. Contingent liabilities

There were no material contingent liabilities as at 31 December 2017.

#### 06. Subsequent event

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

#### 07. Self explanatory Note to the Financial Statements

The building of the company has been vacated from 30<sup>th</sup> September 2017; as such the building had to be refurbished and new tenant occupy the building on 15<sup>th</sup> February 2018.

## SHAREHOLDERS' INFORMATION

	Unaudited 31.12.2017	Unaudited 31.12.2016
Earnings per Ordinary Share (Rs.)	-2.03	9.75
Net Assets per Share (Rs.)	820.93	823.27
Debt/Equity Ratio (%)	-	-
Current Ratio (Times)	3.05	2.53

### SERENDIB LAND PLC

#### ADDITIONAL INFORMATION FOR THE QUARTERLY STATEMENTS

#### FOR THE THREE MONTHS PERIOD ENDED 31 DECEMBER 2017

#### 1. Share Information

Information pertaining to the shares traded during the Quarter ended 31 December 2017, extracted from the website of the Colombo Stock Exchange, is set out below:

Period	2017-4	2016-4
Date High	24-Nov-17	3-Oct-16
High Rs.	1,309.30	1,661.00
Date Low	24-Oct-17	29-Nov-16
Low Rs.	1,125.00	1,246.00
Close Rs.	1,481.70	1,661.20
Trade Vol.	31	28
Share Vol.	132	106
Turn Over Rs.	164,688.60	146,406.20
Last traded Date	6-Dec-17	9-Dec-16
Days Traded	11	6

#### Directors' Shareholding

	As at 31.12.2017	As at 31.12.2016
Mr. S. Nagendra	257	257
Dr. (Ms.) Y. Ponnambalam	-	-
Mr. Gajendrakumar G. Ponnambalam	-	-
Dr. (Ms.) M.Ponnambalam	-	-
Dr. B. Sivaprakasapillai	-	-
Dr. (Ms.) V. Sivaprakasapillai	30,267	30,267
Mr. Ramesh Schaffter - (Nominee Director)	-	-
Dr. J. M. Swaminathan	-	-
Mr. T Someswaran	-	-
<b>Total Number of Shareholders</b>	<b>288</b>	<b>274</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 2017</b>	<b>282</b>	<b>268</b>

## The Public Holding Percentage

As at 31 December, 2017, the public holding of the Company was 14.72% .

However, as per the new Listing Rules of the Colombo Stock Exchange the Company is required to maintain;

i. a minimum public holding of 20% of its total Ordinary voting Shares in the hands of a minimum of 750 public shareholders; or

ii. a market capitalization of Rs.5,000,000,000/- of its public holding in the hands of a minimum number of 500 public shareholders whilst maintaining a minimum public holding of 10%.

As stipulated in the said Listing Rules the Company is also required to have 15% of its total Ordinary voting Shares in the hands of a minimum number of 500 public shareholders on or before 31st December, 2015 and bring the public holding to 20% on or before 31st December, 2016.(The company has obtained an extension from the Colombo Stock Exchange.)

The Company is in the process of determining the best course of action to be adopted in order to comply with the aforesaid requirement and company has obtained an extension to carryout the best course of action.

By a letter dated 20th June, 2017, Serendib Land PLC (the Company), made a formal request from the Securities and Exchange Commission of Sri Lanka (the SEC) for an extension of time to comply with Rule 7.13.6 of the Listing Rules of the Colombo Stock Exchange (CSE). In response thereto the SEC by their letter dated 30th June, 2017 formally informed the Company of having enforced the Revised Rules on Minimum Public Holding applicable to all listed entities.

Accordingly, the Company acknowledges that under and in terms of the enforcement policy approved by the SEC listed entities that are non-compliant as at 30th June, 2017 shall be transferred to “Watch List” (Default Board) of the CSE upon the expiry of 12 months (i.e.30th June 2018), unless compliance is restored prior to such date. In the interim all listed entities that are so noncompliant are obliged to make a certain market announcements on an ongoing basis.

Accordingly, Serendib Land PLC being an entity that is currently listed on the Main Board of the CSE, is not in compliance with the Minimum Public Holding Requirement specified in Rule 7.13.1(a) of the Listing Rules of the CSE.

## 2. 20 Largest Shareholders

20 Major Shareholders	29.12.2017	
	Shares	%
Gee Gees Properties (Pvt) Ltd.	76,735	21.32
Gitanjali Gajaluckshmi (Pvt) Ltd.	76,697	21.30
Gitanjali Group (Pvt) Ltd.	67,992	18.89
Janashakthi General Insurance Ltd. - A/C No. 3	55,054	15.29
Dr (Mrs) V. Sivaprasapillai	30,267	8.41
AIA Insurance Lanka PLC – A/C No.3	25,714	7.14
Mr. O. D. Liyanage	4,033	1.12
Mrs. S. Z. Ossman	2,200	0.61
Mr. A. Saverimuttu	2,000	0.56
Ossman Associates (Pvt) Ltd	1,779	0.49
Ms. N. Gunatilleke	1,499	0.42
Mr. G.C.W. De Silva (Deceased)	1,212	0.34
Mr. K. T. Wickremaratne	750	0.21
Colombo Investment Trust PLC	642	0.18
DR. M.S.P. Wijenayake	555	0.15
Mr. G C Goonetilleke	540	0.15
Mr. A. L. Weerasinghe	534	0.15
Mrs. A. N. De Mel	534	0.15
Mrs. E. Shinya	514	0.14
Dr. B. G. S. De Silva	514	0.14