

# **SERENDIB LAND PLC**

**QUARTERLY FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED JUNE 30, 2018**

## **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 JUNE 2018**

	Unaudited 3 months period ended 30.06.2018 Rs.	Unaudited 3 months period ended 30.06.2017 Rs.	Variance %
Revenue	6,593,508	4,388,850	50.23
Direct Operating Expenses	(2,291,678)	(262,929)	771.60
<b>Gross profit/(Loss)</b>	<u>4,301,830</u>	<u>4,125,921</u>	4.26
Other Income	226,322	464,315	(51.26)
Changes in fair value of Investment Property	-	-	-
Administrative expenses	(340,484)	(502,901)	(32.30)
<b>Profit/(Loss) from operations</b>	<u>4,187,668</u>	<u>4,087,336</u>	2.45
<b>Profit/(Loss) Before taxation</b>	4,187,668	4,087,336	2.45
Income Tax Expenses	(593,050)	(565,597)	4.85
<b>Net profit/(Loss) for the period</b>	<u>3,594,618</u>	<u>3,521,739</u>	2.07
<b>Other Comprehensive income (OCI)</b>			
(Losses) / gains arising on re-measuring available for sale financial assets	(207,286)	528,283	
<b>Total comprehensive income net of tax</b>	<u>3,387,332</u>	<u>4,050,022</u>	
<b>Earnings per share (Rs.)</b>	<u>9.99</u>	<u>9.78</u>	

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

**SERENDIB LAND PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30th JUNE 2018**

	Unaudited As at 31.03.2018 Rs	Unaudited As at 30.06.2017 Rs	Unaudited As at 31.03.2018 Rs
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investment Property	526,375,000	305,295,000	526,375,000
<b>CURRENT ASSETS</b>			
Trade & Other Receivable	7,793,087	630,665	4,558,642
Short Term Investment	6,287,998	16,602,908	5,145,436
Financial assets - Available for sale	4,159,570	5,153,830	4,366,855
Income Tax Receivable	-	-	439,195
Cash & Cash Equivalents	13,859,246	1,849,618	1,027,141
	<u>31,946,046</u>	<u>24,237,021</u>	<u>15,537,269</u>
<b>TOTAL ASSETS</b>	<b><u>558,321,046</u></b>	<b><u>329,532,020</u></b>	<b><u>541,912,269</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL &amp; RESERVES</b>			
Stated Capital	36,000,000	36,000,000	36,000,000
Retained Earnings	121,804,821	172,226,851	118,210,203
Available for Sales Reserves/(Loss)	97,448	(553,874)	304,734
Other Reserves	316,727,700	95,647,700	316,727,700
<b>Shareholders' fund</b>	<b><u>474,629,969</u></b>	<b><u>303,320,677</u></b>	<b><u>471,242,637</u></b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Tax Liability	68,306,806	23,184,000	68,306,806
	<u>68,306,806</u>	<u>23,184,000</u>	<u>68,306,806</u>
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables	12,089,753	321,252	1,354,307
Dividend Payable	958,343	2,036,026	958,343
Income Tax Payable	153,855	670,066	-
Bank over draft	2,336,175	-	50,176
	<u>15,384,271</u>	<u>3,027,343</u>	<u>2,362,826</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>558,321,046</u></b>	<b><u>329,532,020</u></b>	<b><u>541,912,269</u></b>

*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**

06 August 2018  
Colombo,

**SERENDIB LAND PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**THREE MONTHS ENDED 30 JUNE 2018**

	Stated Capital	Other Reserve	Available for Sale Assets Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Balance as at April 1, 2017 (Un-audited)</b>	36,000,000	95,647,700	(1,082,157)	168,705,112	299,270,655
Net Profit for the Period	-	-	-	3,521,738	3,521,738
Final Dividend	-	-	-	-	-
Other Comprehensive Income	-	-	528,283.00	-	528,283
<b>Balance as at June 30, 2017 (Un-audited)</b>	<u>36,000,000</u>	<u>95,647,700</u>	<u>(553,874)</u>	<u>172,226,850</u>	<u>303,320,676</u>
<b>Balance as at April 1, 2018 (Un-audited)</b>	36,000,000	316,727,700	304,734	118,210,203	471,242,637
Net Profit for the Period	-	-	-	3,594,618	3,594,618
Final Dividend	-	-	-	-	-
Other Comprehensive Income	-	-	(207,286)	-	(207,286)
<b>Balance as at June 30, 2018 (Unaudited)</b>	<u>36,000,000</u>	<u>316,727,700</u>	<u>97,448</u>	<u>121,804,821</u>	<u>474,629,969</u>

*Figures in brackets indicate deductions.*

**SERENDIB LAND PLC**  
**CASH FLOW STATEMENT**  
**THREE MONTHS ENDED 30 JUNE 2018**

	Cumulative Cash Flows			
	Unaudited 3 Months ended Rs. 30.06.2018	Unaudited 3 Months ended Rs. 30.06.2017	Unaudited 3 Months ended Rs. 30.06.2018	Audited 3 Months ended Rs. 30.06.2017
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before Taxation	4,187,668	4,087,336	4,187,668	4,087,335
<b>Adjustments for:</b>				
Dividend Income	-	(27,914)	-	(27,914)
Change in fair value of investment property	-	-	-	-
Interest Income	(226,322)	(436,401)	(226,322)	(436,401)
Operating Cash flows before working capital changes	3,961,346	3,623,020	3,961,346	3,623,020
(Increase )/ Decrease in receivables	(3,234,445)	244,561	(3,234,445)	244,561
Increase / (Decrease) in payables	10,735,446	91,037	10,735,446	91,037
<b>Cash generated from operating activities</b>	11,462,347	3,958,618	11,462,347	3,958,618
Income tax paid	-	(430,733)	-	(430,733)
<b>Net cash generated from operating activities</b>	11,462,347	3,527,886	11,462,347	3,527,885
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Received	356,354	528,892	356,354	528,892
Dividend Income	-	27,914	-	27,914
Withdrawal /(Investment )in Short Term Investment (Investment)/Disposal of Shares	(1,272,595)	(5,547,109)	(1,272,595)	(5,547,109)
<b>Net cash flow used in investing activities</b>	(916,241)	(4,990,304)	(916,241)	(4,990,304)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend Paid	-	-	-	-
<b>Net cash flow used in finance activities</b>	-	-	-	-
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	10,546,106	(1,462,418)	10,546,106	(1,462,418)
Cash and cash equivalents at the beginning of the period	976,965	3,312,036	976,965	3,312,036
	<b>11,523,071</b>	<b>1,849,618</b>	<b>11,523,071</b>	<b>1,849,618</b>
<i>Figures in brackets indicate deductions.</i>				
<b>Cash and cash equivalents at the end of the period</b>				
Cash & Cash Equivalents	13,859,246	1,849,618	13,859,246	1,849,618
Bank Overdraft	(2,336,175)	-	(2,336,175)	-
	<b>11,523,071</b>	<b>1,849,618</b>	<b>11,523,071</b>	<b>1,849,618</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 2018. 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 (2017/2018) 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.

Accordingly, as permitted by the above SoAT, the Company has prepared the Interim Financial Statements for the quarter ended March 31, 2018 based on LKAS 39.

#### 05. Contingent liabilities

There were no material contingent liabilities as at 30 June 2018.

#### 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 30.06.2018	Un-audited 30.06.2017
Earnings per Ordinary Share (Rs.)	9.99	9.78
Net Assets per Share (Rs.)	1318.42	842.56
Debt/Equity Ratio (%)	-	-
Current Ratio (Times)	2.08	8.01

### SERENDIB LAND PLC

#### ADDITIONAL INFORMATION FOR THE QUARTERLY STATEMENTS

#### FOR THE THREE MONTHS PERIOD ENDED 30 JUNE 2018

#### 1. Share Information

Information pertaining to the shares traded during the Quarter ended 30 June 2018, extracted from the website of the Colombo Stock Exchange, is set out below:

Period	2018-2	2017-2
<b>Date High</b>	19-Apr-18	15-Jun-17
<b>High Rs.</b>	1,300.00	1,849.00
<b>Date Low</b>	8-May-18	16-May-17
<b>Low Rs.</b>	1,120.00	1,300.00
<b>Close Rs.</b>	1,481.70	1,481.70
<b>Trade Vol.</b>	6	95
<b>Share Vol.</b>	23	591
<b>Turn Over Rs.</b>	29,191.00	836,977.70
<b>Last traded Date</b>	8-May-18	20-Jun-17
<b>Days Traded</b>	2	16

#### Directors' Shareholding

	As at 30.06.2018	As at 30.06.2017
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>	278	288
<b>Total number of shares of the company</b>	<b>360,000</b>	<b>360,000</b>
<b>Number of Public Shareholders As at 30 June 2018</b>	272	282

## The Public Holding Percentage

As at 30 June , 2018, the public holding of the Company was 14.72% .

### Minimum Public Holding Requirement:

The Colombo Stock Exchange (the CSE) has revised the Listing Rules *m.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 aforementioned new Listing Rules, also provide *inter alia* that, all listed entities are required to ensure compliance with the prescribed Minimum Public Holding Requirement by 1<sup>st</sup> July, 2017, and any entity which remains noncompliant with the said Rules on 1<sup>st</sup> July, 2017 shall be transferred to the Watch List of the CSE on 1<sup>st</sup> July, 2018.

As per the said new Listing Rules, all noncompliant entities are obliged to make an announcement to the Market via the CSE, on a monthly basis regarding such noncompliance in a prescribed form as stipulated in the Listing Rules of the CSE.

The Public Holding Percentage of Serendib Land PLC (the Company) as at 31st March, 2018, was 14.72%, in the hands of 272 Public Shareholders. As at 31st March, 2018, the Existing Float Adjusted Market Capitalization of the Company was Rs.78,527,136.60/-.

Accordingly, the Company having noted its noncompliance with any one of the aforementioned options pertaining to the Minimum Public Holding Requirement, took steps to obtain an extension from the CSE and is currently in the process of determining the best course of action to be adopted in order to comply with the said Rule.

In light of the above, the Company being an entity that is currently listed on the Main Board of the CSE wishes to declare that is not in compliance with the Minimum Public Holding Requirement specified in Rule 7.13.1(a) of the Listing Rules of the CSE, as at date.

### 2. 20 Largest Shareholders

20 Major Shareholders	30.06.2018	
	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. Sivaprakasapillai	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