

SERENDIB LAND PLC

QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 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 31 MARCH 2018

	Unaudited 3 months period ended 31.03.2018 Rs.	Unaudited 3 months period ended 31.03.2017 Rs.	Variance %	Unaudited Year ended 31.03.2018 Rs.	Audited year ended 31.03.2017 Rs.	Variance %
Revenue	3,129,275	3,938,850	(20.55)	12,131,975	16,172,850	(24.99)
Direct Operating Expenses	(3,128,709)	(262,929)	1,089.94	(4,501,471)	(1,051,715)	328.01
Gross profit/(Loss)	<u>566</u>	<u>3,675,921</u>	(99.98)	<u>7,630,504</u>	<u>15,121,135</u>	(49.54)
Other Income	234,680	404,709	(42.01)	1,603,169	1,405,627	14.05
Changes in fair value of Investment Property	221,080,000	-	100.00	221,080,000	-	100.00
Administrative expenses	(1,388,861)	(471,237)	194.73	(3,542,151)	(2,539,751)	39.47
Profit/(Loss) from operations	<u>219,926,385</u>	<u>3,609,393</u>	5,993.17	<u>226,771,522</u>	<u>13,987,011</u>	1,521.30
Profit/(Loss) Before taxation	219,926,385	3,609,393	5,993.17	226,771,522	13,987,011	1,521.30
Income Tax Expenses	(123,966,376)	(416,916)	29,634.14	(125,117,642)	(1,613,649)	7,653.71
Net profit/(Loss) for the period	<u>95,960,009</u>	<u>3,192,476</u>	2,905.82	<u>101,653,880</u>	<u>12,373,362</u>	721.55
Other Comprehensive income (OCI)						
(Losses) / gains arising on re-measuring available for sale financial assets	109,251	(304,619)		(258,691)	(930,257)	
Total comprehensive income net of tax	<u>96,069,259</u>	<u>2,887,858</u>		<u>101,395,189</u>	<u>11,443,105</u>	
Earnings per share (Rs.)	<u>266.56</u>	<u>8.87</u>		<u>282.37</u>	<u>34.37</u>	

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

SERENDIB LAND PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31st MARCH 2018

	Unaudited As at 31.03.2018 Rs	Audited As at 31.03.2017 Rs
ASSETS		
NON-CURRENT ASSETS		
Investment Property	526,375,000	305,295,000
CURRENT ASSETS		
Trade & Other Receivable	3,956,832	875,226
Short Term Investment	5,145,436	11,148,289
Financial assets - Available for sale	4,366,855	4,625,546
Income Tax Receivable	453,274	-
Cash & Cash Equivalents	1,027,141	3,558,652
	14,949,538	20,207,713
TOTAL ASSETS	541,324,538	325,502,713
EQUITY AND LIABILITIES		
CAPITAL & RESERVES		
Stated Capital	36,000,000	36,000,000
Retained Earnings	261,298,903	168,645,022
Available for Sales Reserves/(Loss)	(1,340,848)	(1,082,157)
Other Reserves	95,647,700	95,647,700
Shareholders' fund	391,605,754	299,210,565
NON-CURRENT LIABILITIES		
Deferred Tax Liability	147,385,000	23,184,000
	147,385,000	23,184,000
CURRENT LIABILITIES		
Trade & Other Payables	1,325,265	260,100
Dividend Payable	958,343	2,036,137
Income Tax Payable	-	565,295
Bank over draft	50,176	246,616
	2,333,784	3,108,148
TOTAL EQUITY AND LIABILITIES	541,324,538	325,502,713

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

30 May 2018
Colombo,

SERENDIB LAND PLC
STATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDED 31 MARCH 2018

	Stated Capital	Other Reserve	Available for Sale Assets Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at April 1, 2016	36,000,000	95,647,700	(151,900)	165,271,660	296,767,460
Net Profit for the Period	-	-	-	12,373,362	12,373,362
Final Dividend	-	-	-	(9,000,000)	(9,000,000)
Other Comprehensive Income	-	-	(930,257.00)	-	(930,257)
Balance as at March 31, 2017	<u>36,000,000</u>	<u>95,647,700</u>	<u>(1,082,157)</u>	<u>168,645,022</u>	<u>299,210,565</u>
Balance as at April 1, 2017	36,000,000	95,647,700	(1,082,157)	168,645,022	299,210,565
Net Profit for the Period	-	-	-	101,653,880	101,653,880
Final Dividend	-	-	-	(9,000,000)	(9,000,000)
Other Comprehensive Income	-	-	(258,691)	-	(258,691)
Balance as at March 31, 2018 (Unaudited)	<u>36,000,000</u>	<u>95,647,700</u>	<u>(1,340,848)</u>	<u>261,298,902</u>	<u>391,605,754</u>

Figures in brackets indicate deductions.

SERENDIB LAND PLC
CASH FLOW STATEMENT
THREE MONTHS ENDED 31 MARCH 2018

	Cumulative Cash Flows			
	Unaudited 3 Months ended Rs. 31.03.2018	Unaudited 3 Months ended Rs. 31.03.2017	Unaudited Year ended Rs. 31.03.2018	Audited Year ended Rs. 31.03.2017
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) before Taxation	219,926,385	3,609,393	226,771,522	13,987,011
Adjustments for:				
Dividend Income	(27,914)	(27,914)	(83,742)	(75,230)
Change in fair value of investment property	(221,080,000)	-	(221,080,000)	-
Interest Income	(206,766)	(376,795)	(1,519,427)	(1,330,397)
Operating Cash flows before working capital changes	(1,388,295)	3,204,684	4,088,354	12,581,384
(Increase)/ Decrease in receivables	(2,001,105)	(876,154)	(3,081,606)	(86,440)
Increase / (Decrease) in payables	51,763	1,397,391	(12,629)	(438,309)
Cash generated from operating activities	(3,337,637)	3,725,921	994,118	12,056,635
Income tax paid	(571,166)	(110,691)	(1,935,211)	(1,476,268)
Net cash generated from operating activities	(3,908,804)	3,615,230	(941,093)	10,580,367
CASH FLOW FROM INVESTING ACTIVITIES				
Interest Received	87,189	164,255	1,645,457	1,156,759
Dividend Income	27,914	27,914	83,742	75,230
Withdrawal /(Investment)in Short Term Investment	1,054,881	(1,084,884)	5,876,823	660,977
(Investment)/Disposal of Shares	-	-	-	(1,922,803)
Net cash flow used in investing activities	1,169,984	(892,715)	7,606,022	(29,838)
CASH FLOW FROM FINANCING ACTIVITIES				
Dividend Paid	-	-	(9,000,000)	(9,000,000)
Net cash flow used in finance activities	-	-	(9,000,000)	(9,000,000)
Net Increase / (Decrease) in cash and cash equivalents	(2,738,820)	2,722,514	(2,335,070)	1,550,529
Cash and cash equivalents at the beginning of the period	3,715,785	589,522	3,312,036	1,761,507
	976,965	3,312,036	976,966	3,312,036
<i>Figures in brackets indicate deductions.</i>				
Cash and cash equivalents at the end of the period				
Cash & Cash Equivalents	1,027,141	3,558,652	1,027,141	3,558,652
Bank Overdraft	(50,176)	(246,616)	(50,176)	(246,616)
	976,965	3,312,036	976,965	3,312,036

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 March 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 30th September 2017; as such the building had to be refurbished and new tenant occupy the building on 15th February 2018.

SHAREHOLDERS' INFORMATION

	Unaudited 31.03.2018	Audited 31.03.2017
Earnings per Ordinary Share (Rs.)	282.37	34.37
Net Assets per Share (Rs.)	1087.79	831.14
Debt/Equity Ratio (%)	-	-
Current Ratio (Times)	6.41	6.50

SERENDIB LAND PLC

ADDITIONAL INFORMATION FOR THE QUARTERLY STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018

1. Share Information

Information pertaining to the shares traded during the Quarter ended 31 March 2018, extracted from the website of the Colombo Stock Exchange, is set out below:

Period	2018-1	2017-1
Date High	9-Mar-18	8-Mar-17
High Rs.	1,444.00	1,650.00
Date Low	26-Feb-18	11-Jan-17
Low Rs.	-	1,246.00
Close Rs.	1,481.70	1,661.20
Trade Vol.	30	29
Share Vol.	55,145	107
Turn Over Rs.	81,694,242.00	146,647.90
Last traded Date	28-Mar-18	31-Mar-17
Days Traded	16	14

Directors' Shareholding

	As at 31.03.2018	As at 31.03.2017
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	-	-
Total Number of Shareholders	278	279
Total number of shares of the company	360,000	360,000
Number of Public Shareholders As at 31 March 2018	272	255

The Public Holding Percentage

As at 31st March, 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* 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 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 1st July, 2017, and any entity which remains noncompliant with the said Rules on 1st July, 2017 shall be transferred to the Watch List of the CSE on 1st 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	31.03.2018	
	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