

SERENDIB LAND PLC

**QUARTERLY FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 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 31 MARCH 2019

	Unaudited 3 months period ended	Unaudited 3 months period ended	Variance %	Unaudited Year ended	Audited Year ended	Variance %
	31.03.2019 Rs.	31.03.2018 Rs.		31.03.2019 Rs.	31.03.2018 Rs.	
Revenue	6,593,508	3,129,275	110.70	26,374,032	12,728,729	107.20
Direct Operating Expenses	(1,062,279)	(3,128,709)	(66.05)	(16,342,288)	(4,501,471)	263.04
Gross profit/(Loss)	5,531,229	566	977,148.99	10,031,744	8,227,258	21.93
Other Income	409,546	234,680	74.51	1,401,164	1,617,182	(13.36)
Changes in fair value of Investment Property	-	221,080,000	(100.00)	-	221,080,000	(100.00)
Impairment loss on financial assets - available for sale	-	-	-	-	(1,645,582)	(100.00)
Administrative expenses	(696,696)	(1,388,861)	(49.84)	(3,169,702)	(3,580,150)	(11.46)
Profit/(Loss) from operations	5,244,080	219,926,385	(97.62)	8,263,205	225,698,708	(96.34)
Profit/(Loss) Before taxation	5,244,080	219,926,385	(97.62)	8,263,205	225,698,708	(96.34)
Income Tax Expenses	421,515	(123,966,376)	(100.34)	(476,370)	(11,900,124)	(96.00)
Net profit/(Loss) for the period	5,665,595	95,960,009	(94.10)	7,786,835	213,798,584	(96.36)
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	-	-		-	1,645,582	
- Net change in fair value of financial assets - available for sale	(104,579)	109,251		(113,563)	(258,691)	
Total comprehensive income net of tax	5,561,016	96,069,259		7,673,272	215,185,475	
Earnings per share (Rs.)	15.74	266.56		21.63	593.88	

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

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

	Unaudited As at 31.03.2019 Rs	Audited As at 31.03.2018 Rs
ASSETS		
NON-CURRENT ASSETS		
Investment Property	526,375,000	526,375,000
CURRENT ASSETS		
Trade & Other Receivable	6,653,178	4,558,642
Short Term Investment	16,717,806	5,145,436
Financial assets - Available for sale	4,253,292	4,366,855
Income Tax Receivable	2,266,076	439,195
Cash & Cash Equivalents	839,455	1,027,141
	30,729,808	15,537,269
TOTAL ASSETS	557,104,808	541,912,269
EQUITY AND LIABILITIES		
CAPITAL & RESERVES		
Stated Capital	36,000,000	36,000,000
Retained Earnings	156,550,441	152,363,606
Available for Sales Reserves/(Loss)	191,171	304,734
Other Reserves	316,727,700	316,727,700
Shareholders' fund	509,469,312	505,396,040
NON-CURRENT LIABILITIES		
Deferred Tax Liability	34,153,403	34,153,403
	34,153,403	34,153,403
CURRENT LIABILITIES		
Trade & Other Payables	12,148,786	1,354,307
Dividend Payable	958,940	958,343
Bank over draft	374,368	50,176
	13,482,094	2,362,826
TOTAL EQUITY AND LIABILITIES	557,104,808	541,912,269

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.) T.Someswaran
Audit Committee Chairman

(Sgd.) S.Nagendra
Chairman

22 May 2019
Colombo,

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

	Stated Capital	Other Reserve	Available for Sale Assets Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
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	-	-	-	213,798,584	213,798,584
Final Dividend	-	-	-	(9,000,000)	(9,000,000)
Other Comprehensive Income	-	-	1,386,891	-	1,386,891
Transfer of fair Value gains on investment property	-	221,080,000	-	(221,080,000)	-
Balance as at March 31, 2018 (Audited)	<u>36,000,000</u>	<u>316,727,700</u>	<u>304,734</u>	<u>152,363,606</u>	<u>505,396,040</u>
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	-	-	-	7,786,835	7,786,835
Final Dividend	-	-	-	(3,600,000)	(3,600,000)
Other Comprehensive Income	-	-	(113,563)	-	(113,563)
Balance as at March 31, 2019 (Unaudited)	<u>36,000,000</u>	<u>316,727,700</u>	<u>191,171</u>	<u>156,550,441</u>	<u>509,469,312</u>

Figures in brackets indicate deductions.

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

	Cumulative Cash Flows			
	Unaudited 3 Months ended Rs. 31.03.2019	Unaudited 3 Months ended Rs. 31.03.2018	Unaudited Year ended Rs. 31.03.2019	Audited Year ended Rs. 31.03.2018
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) before Taxation	5,244,080	219,926,385	8,263,205	225,698,708
Adjustments for:				
Scrap sale	-	-	(17,391)	-
Dividend Income	(35,699)	(27,914)	(91,527)	(97,755)
Change in fair value of investment property	-	(221,080,000)	-	(221,080,000)
Interest Income	(373,847)	(206,766)	(1,292,245)	(1,519,427)
Impairment loss on financial assets - available for sale	-	-	-	1,645,582
Operating Cash flows before working capital changes	4,834,534	(1,388,295)	6,862,042	4,647,108
(Increase)/ Decrease in receivables	1,578,157	(2,001,105)	(2,086,751)	(3,669,403)
Increase / (Decrease) in payables	(260,042)	51,763	10,795,076	16,413
Cash generated from operating activities	6,152,648	(3,337,637)	15,570,366	994,118
Income tax paid	(2,303,252)	(571,166)	(2,303,252)	(1,935,211)
Net cash generated from operating activities	3,849,396	(3,908,804)	13,267,114	(941,093)
CASH FLOW FROM INVESTING ACTIVITIES				
Interest Received	376,985	87,189	1,157,949	1,645,457
Scrap sale	-	-	17,391	-
Dividend Income	27,914	27,914	83,742	83,742
Withdrawal / (Investment)in Short Term Investment	(5,830,444)	1,054,881	(11,438,074)	5,876,823
Net cash flow used in investing activities	(5,425,545)	1,169,984	(10,178,992)	7,606,022
CASH FLOW FROM FINANCING ACTIVITIES				
Dividend Paid	-	-	(3,600,000)	(9,000,000)
Net cash flow used in finance activities	-	-	(3,600,000)	(9,000,000)
Net Increase / (Decrease) in cash and cash equivalents	(1,576,147)	(2,738,820)	(511,877)	(2,335,071)
Cash and cash equivalents at the beginning of the period	2,041,235	3,715,785	976,965	3,312,036
	465,088	976,965	465,088	976,965
<i>Figures in brackets indicate deductions.</i>				
Cash and cash equivalents at the end of the period				
Cash & Cash Equivalents	839,455	1,027,141	839,455	1,027,141
Bank Overdraft	(374,368)	(50,176)	(374,368)	(50,176)
	465,088	976,965	465,088	976,965

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, 2019 based on LKAS 39.

05. Contingent liabilities

There were no material contingent liabilities as at 31 March 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 31.03.2019	Audited 31.03.2018
Earnings per Ordinary Share (Rs.)	21.63	593.88
Net Assets per Share (Rs.)	1415.19	1403.88
Debt/Equity Ratio (%)	-	-
Current Ratio (Times)	2.28	6.58

SERENDIB LAND PLC

ADDITIONAL INFORMATION FOR THE QUARTERLY STATEMENTS

THREE MONTHS ENDED 31ST MARCH 2019

1. Share Information

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

Period	2019-1	2018-1
Date High	16-Jan-19	9-Mar-18
High Rs.	1,588.90	1,444.00
Date Low	14-Mar-19	26-Feb-18
Low Rs.	1,206.20	1,200.00
Close Rs.	1,300.00	1,481.70
Trade Vol.	9	30
Share Vol.	8,817	55,145
Turn Over Rs.	11,462,348.90	81,694,242.00
Last traded Date	27-Mar-19	28-Mar-18
Days Traded	6	16

Directors' Shareholding

	As at 31.03.2019	As at 31.03.2018
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	276	278
Total number of shares of the company	360,000	360,000
Number of Public Shareholders As at 31 March 2019	271	272

The Public Holding Percentage

As at 31 March, 2019, the public holding of the Company was 17.24% .

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 aforementioned new Listing Rules, also provide inter alia that, all listed entities are required to ensure compliance with the prescribed MPH Requirement by 1st July, 2017, and any entity which remains non-compliant with the said Rules on such date shall be transferred to the Watch List of the CSE. As per the aforesaid new Listing Rules, all non-compliant 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.

Accordingly, the Company having noted that, it is not in compliance with any of the aforementioned options pertaining to the MPH Requirement, took steps to obtain an extension from the CSE and continued to comply with the aforementioned requirement of providing the CSE with a monthly statement regarding such noncompliance, 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 the CSE.

Note further that, from 2nd July, 2018 (being the date of transfer to Watch List of the CSE) the Company has twenty (20) months to ensure compliance and upon being transferred to the Watch list the Company made the required announcement to the market via CSE, on 5th July, 2018.

As required under Rule 7.13.2 (g) (i) and (ii) of 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, w.e.f. 2nd July, 2018, 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, on or before 31st December, 2018. As required under Rule 7.13.2. (i) of the Listing Rules of the CSE, the Company has notified the outcome of said General Meeting to the CSE and investors via the CSE, on 2nd October, 2018.

In light of the above, the Company being an entity that was listed on the Main Board of the CSE wishes to declare that, it is not in compliance with the MPH Requirement specified in Rule 7.13.1 of the Listing Rules of the CSE and that its securities remain on the Watch List of the CSE, as at date.

Considering all above facts, the company has complied with minimum public holding requirement to be transferred to Dirisavi Board and the documentary works are being carried out for finalization purpose.

SERENDIB LAND PLC

ADDITIONAL INFORMATION FOR THE QUARTERLY STATEMENTS

THREE MONTHS ENDED 31TH MARCH 2019

2. 20 Largest Shareholders

20 Major Shareholders		31.03.2019	
		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 General Insurance Ltd. - A/C No. 3	46,254	12.85
5	Ms. D. Sivaprakasapillai	30,267	8.41
6	AIA Insurance Lanka PLC – A/C No.3	25,714	7.14
7	Mr. Sukiam Holdings (Pvt) Ltd	8,800	2.44
8	Mr.O.D Liyanage	4,033	1.12
9	Mrs. S.Z Osman	2,200	0.61
10	Mr. A. Saverimuttu	2000	0.56
11	Osman Associates (Pvt) Ltd	1779	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	DR. M.S.P. Wijenayake	555	0.15
17	Mr. G C Goonetilleke	540	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