

# **SERENDIB LAND PLC**

**QUARTERLY FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021**

**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 2021

	Unaudited 3 months period ended 31.03.2021 Rs.	Unaudited 3 months period ended 31.03.2020 Rs.	Variance %	Unaudited Year ended 31.03.2021 Rs.	Audited Year ended 31.03.2020 Rs.	Variance %
Revenue	3,727,845	6,611,508	(43.62)	<b>24,909,644</b>	26,374,032	(5.55)
Direct Operating Expenses	(360,959)	(267,929)	34.72	<b>(1,149,745)</b>	(1,066,715)	7.78
<b>Gross profit/(Loss)</b>	<b>3,366,886</b>	<b>6,343,579</b>	<b>(46.92)</b>	<b>23,759,899</b>	<b>25,307,317</b>	<b>(6.11)</b>
Other Income	365,654	439,868	(16.87)	<b>1,857,261</b>	1,956,859	(5.09)
Changes in fair value of Investment Property	-	-	-	-	63,255,000	(100.00)
Administrative expenses	(1,436,121)	(2,356,688)	(39.06)	<b>(6,150,011)</b>	(5,604,715)	9.73
<b>Profit/(Loss) Before taxation</b>	<b>2,296,419</b>	<b>4,426,759</b>	<b>(48.12)</b>	<b>19,467,148</b>	<b>84,914,461</b>	<b>(77.07)</b>
Income Tax Expenses	(354,894)	(619,746)	(42.74)	<b>(2,862,957)</b>	(8,360,766)	(65.76)
<b>Net profit/(Loss) for the period</b>	<b>1,941,524</b>	<b>3,807,013</b>	<b>(49.00)</b>	<b>16,604,191</b>	<b>76,553,695</b>	<b>(78.31)</b>
<b>Other Comprehensive income (OCI)</b>						
<u>Items that are or may be reclassified to profit or loss</u>						
- Net change in fair value of financial assets - available for sale	(218,282)	(1,248,593)		2,016,382	(774,255)	
<b>Total comprehensive income net of tax</b>	<b>1,723,243</b>	<b>2,558,420</b>		<b>18,620,573</b>	<b>75,779,440</b>	
<b>Earnings per share (Rs.)</b>	<b>5.39</b>	<b>10.58</b>		<b>46.12</b>	<b>212.65</b>	

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

**SERENDIB LAND PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST MARCH 2021**

	Unaudited	Audited
	As at 31.03.2021 Rs	As at 31.03.2020 Rs
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Investment Property	589,630,000	589,630,000
Right of use Assets	1,091,672	1,109,867
	590,721,672	590,739,867
<b>CURRENT ASSETS</b>		
Trade & Other Receivable	14,353,226	13,381,168
Short Term Investment	30,595,426	15,489,736
Investment in Equity Securities	5,495,420	3,479,038
Income Tax Receivable	-	159,253
Cash & Cash Equivalents	5,866,531	6,387,615
	56,310,603	38,896,810
<b>TOTAL ASSETS</b>	<b>647,032,275</b>	<b>629,636,677</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL &amp; RESERVES</b>		
Stated Capital	100,000,370	36,000,000
Retained Earnings	104,746,972	161,143,151
Financial Assets FVOCI Reserve	1,433,298	(583,084)
Other Reserves	379,982,700	379,982,700
<b>Shareholders' fund</b>	<b>586,163,340</b>	<b>576,542,767</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred Tax Liability	39,507,580	39,507,581
Lease liability	672	652
	39,508,252	39,508,233
<b>CURRENT LIABILITIES</b>		
Other Payables	15,335,440	12,347,020
Lease liabilities	68	88
Dividend Payable	1,141,089	927,561
Income Tax Payable	173,090	-
Bank over draft	4,710,995	311,008
	21,360,683	13,585,677
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>647,032,275</b>	<b>629,636,677</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.) 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**

12 May 2021  
Colombo,

**SERENDIB LAND PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**THREE MONTHS ENDED 31ST MARCH 2021**

	Stated Capital	Other Reserve	Financial assets-FVOCI reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Balance as at April 1, 2019</b>	36,000,000	316,727,700	191,171	156,844,456	509,763,327
Net Profit for the Period	-	-	-	76,553,695	76,553,695
Final Dividend	-	-	-	(9,000,000)	(9,000,000)
Other Comprehensive Income	-	-	(774,255)	-	(774,255)
Transfer of fair Value gains on investment property	-	63,255,000	-	(63,255,000)	-
<b>Balance as at March 31, 2020 (Audited)</b>	<b>36,000,000</b>	<b>379,982,700</b>	<b>(583,084)</b>	<b>161,143,151</b>	<b>576,542,767</b>
<b>Balance as at April 1, 2020</b>	36,000,000	379,982,700	(583,084)	161,143,151	576,542,767
Net Profit for the Period	-	-	-	16,604,191	16,604,191
Final Dividend	-	-	-	(9,000,000)	(9,000,000)
Scrip Dividend	64,000,370	-	-	(64,000,370)	-
Other Comprehensive Income	-	-	2,016,382	-	2,016,382
<b>Balance as at March 31, 2021 (Un-audited)</b>	<b>100,000,370</b>	<b>379,982,700</b>	<b>1,433,298</b>	<b>104,746,972</b>	<b>586,163,340</b>

*Figures in brackets indicate deductions.*

**SERENDIB LAND PLC**  
**CASH FLOW STATEMENT**  
**THREE MONTHS ENDED 31ST MARCH 2021**

	Cumulative Cash Flows			
	Unaudited 3 Months ended Rs. 31.03.2021	Unaudited 3 Months ended Rs. 31.03.2020	Unaudited Year ended Rs. 31.03.2021	Audited Year ended Rs. 31.03.2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before Taxation	2,296,419	4,426,759	19,467,148	84,914,461
<b>Adjustments for:</b>				
Dividend Income	(13,207)	(20,936)	(27,164)	(54,040)
Lease Interest	25	-	100	-
Amortization of Right to use asset	4,548	-	18,194	18,195
Interest Income	(352,448)	(418,932)	(1,830,097)	(1,902,819)
Change in fair value of investment property	-	-	-	(63,255,000)
Operating Cash flows before working capital changes	<u>1,935,338</u>	<u>3,986,892</u>	<u>17,628,182</u>	<u>19,720,797</u>
(Increase )/ Decrease in receivables	(699,192)	(1,677,585)	(972,058)	(6,727,989)
Increase / (Decrease) in payables	<u>3,342,012</u>	<u>1,622</u>	<u>3,201,947</u>	<u>188,246</u>
<b>Cash generated from operating activities</b>	<u>4,578,157</u>	<u>2,310,928</u>	<u>19,858,070</u>	<u>13,181,054</u>
Income tax paid	<u>(737,370)</u>	<u>(1,900,898)</u>	<u>(2,530,614)</u>	<u>(1,723,083)</u>
<b>Net cash generated from operating activities</b>	<u>3,840,787</u>	<u>410,030</u>	<u>17,327,456</u>	<u>11,457,971</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Received	390,338	438,451	1,958,261	1,924,102
Dividend Income	13,206	20,936	27,164	54,040
Withdrawal /(Investment )in Short Term Investment	<u>1,168,079</u>	<u>(365,950)</u>	<u>(15,233,852)</u>	<u>1,206,886</u>
<b>Net cash flow used in investing activities</b>	<u>1,571,623</u>	<u>93,436</u>	<u>(13,248,428)</u>	<u>3,185,028</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend Paid	(8,999,881)	-	(9,000,000)	(9,031,378)
Lease Rental Payment	<u>(100)</u>	<u>-</u>	<u>(100)</u>	<u>(100)</u>
<b>Net cash flow used in finance activities</b>	<u>(8,999,981)</u>	<u>-</u>	<u>(9,000,100)</u>	<u>(9,031,478)</u>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<u>(3,587,570)</u>	<u>503,466</u>	<u>(4,921,071)</u>	<u>5,611,520</u>
Cash and cash equivalents at the beginning of the period	<u>4,743,106</u>	<u>5,573,141</u>	<u>6,076,607</u>	<u>465,087</u>
	<u><b>1,155,536</b></u>	<u><b>6,076,607</b></u>	<u><b>1,155,536</b></u>	<u><b>6,076,607</b></u>
<i>Figures in brackets indicate deductions.</i>				
<b>Cash and cash equivalents at the end of the period</b>				
Cash & Cash Equivalents	<u>5,866,531</u>	<u>6,387,615</u>	<u>5,866,531</u>	<u>6,387,615</u>
Bank Overdraft	<u>(4,710,995)</u>	<u>(311,008)</u>	<u>(4,710,995)</u>	<u>(311,008)</u>
	<u><b>1,155,536</b></u>	<u><b>6,076,607</b></u>	<u><b>1,155,536</b></u>	<u><b>6,076,607</b></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 2020. 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 (2019/2020) 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. Fair value measurement and related fair value disclosures

As at reporting date there were no significant differences in the comparison made between fair value and carrying value of financial assets and liabilities. The fair value changes in financial instruments were properly recorded in the Statement of Profit or Loss and Other Comprehensive Income as at reporting date.

#### 06. Contingent liabilities

There were no material contingent liabilities as at 31st March 2021.

#### 07. Subsequent event

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus disease ("COVID-19") as a pandemic. The extent of COVID-19's effect on the Company's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic. As a result of the uncertainty and difficulty to predict, adverse impact to the Company's business may occur. Such potential impact is unknown for the period under consideration.

No other events have been occurred since the date of the statement of financial position which would require adjustments to or disclosure in the financial statements.

## SHAREHOLDERS' INFORMATION

	Un-audited 31.03.2021	Audited 31.03.2020
Earnings per Ordinary Share (Rs.)	46.12	212.65
Net Assets per Share (Rs.)	1628.23	1431.53
Debt/Equity Ratio (%)	-	-
Current Ratio (Times)	2.64	2.65

## SERENDIB LAND PLC

### ADDITIONAL INFORMATION FOR THE QUARTERLY STATEMENTS

#### THREE MONTHS ENDED 31ST MARCH 2021

#### 1. Share Information

Information pertaining to the shares traded during the Quarter ended 31 March 2021 extracted from the website of the Colombo Stock Exchange, is set out below:

Period	2021-1	2020-1
Date High	1-Mar-21	4-Oct-19
High Rs.	3,750.00	1,350.00
Date Low	4-Jan-21	15-Oct-19
Low Rs.	1,900.00	1,150.30
Close Rs.	2,707.40	1,300.00
Trade Vol.	283	11
Share Vol.	1,925	110
Turn Over Rs.	5,067,090.95	141,760.20
Last traded Date	31-Mar-21	27-Dec-19
Days Traded	47	8

#### Directors' Shareholding

	As at 31.03.2021	As at 31.03.2020
Mr. S. Nagendra	284	257
Dr. (Ms.) Y. Ponnambalam	-	-
Mr. Gajendrakumar G. Ponnambalam	-	-
Dr. (Ms.) M.Ponnambalam	-	-
Ms. D. Sivaprakasapillai	33,538	30,267
Mr. Ramesh Schaffter - (Nominee Director)	-	-
Dr. J. M. Swaminathan	-	-
Mr. T Someswaran	-	-
<b>Total Number of Shareholders</b>	<b>283</b>	<b>277</b>
<b>Total number of shares of the company</b>	<b>398,906</b>	<b>360,000</b>
<b>Number of Public Shareholders As at 31 March 2021</b>	<b>277</b>	<b>269</b>

## **The Public Holding Percentage**

As at 31 March, 2021, the public holding of the Company was 17.16% .  
The float adjusted market capitalization as at 31 March 2021 was Rs. 185,327,675/=

The Company is not in compliance with Option 5 of the Listing Rule 7.13.1 (a) which requires a Company with a Float Adjusted Market Capitalisation of less than Rs. 2.5 Billion. to maintain a minimum public Holding of 20% with a minimum of 500 public shareholders.

## **SERENDIB LAND PLC - TRANSFER TO THE DIRI SAVI BOARD**

Serendib Land PLC (the Company) was listed under the Main Board of the Colombo Stock Exchange (CSE), however the Company could not comply with any of the five (05) options pertaining to the Minimum Public Holding (MPH), prescribed under the Continuous Listing Requirements set out under Rule 7.13.1 (a) of the Listing Rules of CSE, which is required to be maintained on a continuous basis by all companies listed on the Main Board of the CSE and since the same had not been remedied within the stipulated period of time, the Company's securities were transferred to the "Watch List" of the CSE with effect from 2nd July, 2018, by application of Rule 7.13.2 of the Listing Rules of the CSE. Further, the Company was informed by CSE via their letter dated 15th November, 2019, that with effect from 15th November 2019, the securities of the Company have been transferred to the "Second Board" of CSE,

Having deliberated on the options available to the Company in relation to ensuring compliance with the Listing Rules of CSE, the Board decided that the best option available to the Company was to migrate to the Diri Savi Board of CSE by satisfying the criteria set out in Option 2 of Rule 2.1.2(ii)c of the Listing Rules

The said Rule prescribes that, in order to be eligible to be transferred to the Diri Savi Board of CSE, a Company must, inter alia, have a Stated Capital of not less than Rupees Hundred Million (Rs.100, 000,000/-) at the time of transfer.

The Company via the declaration of an Interim Dividend of Rs.177.78 per share for the Financial Year ended 31st March 2021, capitalised the said total dividend sum of Rs.64,000,800/- by the issue of 38,906 new fully paid ordinary shares. The issue of the aforesaid new ordinary shares accordingly increased the Company's stated capital from Rs.36,000,000/- to Rs.100,000,800/- satisfying the requisite Stated Capital requirement of Rupees Hundred Million (Rs.100,000,000/-) as stipulated in Rule 2.1.2(ii) of the Listing Rules of the CSE.

The Scrip shares were listed on the Main Board of the CSE on the 9th of April 2021.

On the 22nd of April 2021, the Company reflected a public holding of 10.02%, a float adjusted Market Capitalization of Rs.108,215,810.02 with 276 public shareholders making the entity compliant with option 2 of Rule 2.1.2(ii)c of the CSE Listing Rules of the Minimum Public Holding Requirement applicable to a Diri Savi Board entity. Accordingly, a request was forwarded to the CSE for the transfer of the entity from the Main Board to the Diri Savi Board.

At the request of the Company Serendib Land PLC was transferred to the Diri Savi Board of the Colombo Stock Exchange with effect from 10th May 2021.

**SERENDIB LAND PLC**

**ADDITIONAL INFORMATION FOR THE QUARTERLY STATEMENTS**

**THREE MONTHS ENDED 31 MARCH 2021**

**2. 20 Largest Shareholders**

20 Major Shareholders		31.03.2021	
		Shares	%
1	Gee Gees Properties (Pvt) Ltd.	85,027	21.32
2	Gitanjali Gajaluckshmi (Pvt) Ltd.	84,985	21.30
3	Gitanjali Group (Pvt) Ltd	75,340	18.89
4	Janashakthi Insurance PLC - Shareholders	51,252	12.85
5	Miss D. Sivaprakasapillai	33,538	8.41
6	AIA Insurance Lanka Ltd – A/C No.3	28,492	7.14
7	Suktam Holdings (Pvt) Ltd	9,070	2.27
8	Mr. O. D. Liyanage	4,468	1.12
9	Mrs. S. Z. Ossman	2,437	0.61
10	Mr. A. Saverimuttu	2,216	0.56
11	Ossman Associates (Pvt) Ltd	1,971	0.49
12	Mrs. N. Gunatilleke	1,661	0.42
13	Mr. G.C.W. De Silva (Deceased)	1,342	0.34
14	Mr. K. T. Wickremaratne	831	0.21
15	Colombo Investment Trust PLC	711	0.18
16	Mr. G. C. Goonetilleke	626	0.16
17	Dr. M. S. P. Wijenayake	614	0.15
18	Mr. D. N. P. Rathnayake	607	0.15
19	Mr. A. L. Weerasinghe	591	0.15
20	Mrs. A. N. De Mel	591	0.15