

# **SERENDIB LAND PLC**

**QUARTERLY FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 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 SEPTEMBER 2018

	Unaudited 3 months period ended	Unaudited 3 months period ended	Variance %	Unaudited 6 months Period ended	Unaudited 6 months Period ended	Variance %
	30.09.2018 Rs.	30.09.2017 Rs.		30.09.2018 Rs.	30.09.2017 Rs.	
Revenue	6,593,508	4,613,850	42.91	13,187,016	9,002,700	46.48
Direct Operating Expenses	(6,933,916)	(412,929)	1,579.20	(9,225,594)	(898,857)	926.37
<b>Gross profit/(Loss)</b>	<u>(340,408)</u>	<u>4,200,921</u>	<u>(108.10)</u>	<u>3,961,422</u>	<u>8,103,843</u>	<u>(51.12)</u>
Other Income	451,537	564,028	(19.94)	677,859	1,028,344	(34.08)
Administrative expenses	(2,478,298)	(1,364,956)	81.57	(2,818,782)	(1,644,857)	71.37
<b>Profit/(Loss) from operations</b>	<u>(2,367,170)</u>	<u>3,399,994</u>	<u>(169.62)</u>	<u>1,820,499</u>	<u>7,487,330</u>	<u>(75.69)</u>
<b>Profit/(Loss) Before taxation</b>	<u>(2,367,170)</u>	<u>3,399,994</u>	<u>(169.62)</u>	<u>1,820,499</u>	<u>7,487,330</u>	<u>(75.69)</u>
Income Tax Expenses	(118,614)	(498,244)	(76.19)	(711,664)	(1,063,841)	(33.10)
<b>Net profit/(Loss) for the period</b>	<u>(2,485,784)</u>	<u>2,901,750</u>	<u>(185.67)</u>	<u>1,108,834</u>	<u>6,423,489</u>	<u>(82.74)</u>
<b>Other Comprehensive income (OCI)</b>						
(Losses) / gains arising on re-measuring available for sale financial assets	(222,273)	(735,082)		(429,560)	(206,798)	
<b>Total comprehensive income net of tax</b>	<u>(2,708,057)</u>	<u>2,166,668</u>		<u>679,274</u>	<u>6,216,691</u>	
<b>Earnings per share (Rs.)</b>	<u>(6.90)</u>	<u>8.06</u>		<u>3.08</u>	<u>17.84</u>	

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

**SERENDIB LAND PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH SEPTEMBER 2018**

	Unaudited As at 30.09.2018 Rs	Unaudited As at 30.09.2017 Rs	Audited 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	7,284,339	483,249	4,558,642
Short Term Investment	12,585,604	18,601,462	5,145,436
Financial assets - Available for sale	3,937,296	4,418,749	4,366,855
Income Tax Receivable	-	-	439,195
Cash & Cash Equivalents	5,345,069	2,668,434	1,027,141
	<u>29,152,307</u>	<u>26,171,894</u>	<u>15,537,269</u>
<b>TOTAL ASSETS</b>	<u><b>555,527,307</b></u>	<u><b>331,466,893</b></u>	<u><b>541,912,269</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL &amp; RESERVES</b>			
Stated Capital	36,000,000	36,000,000	36,000,000
Retained Earnings	149,872,440	166,068,511	152,363,606
Available for Sales Reserves/(Loss)	(124,826)	(1,288,955)	304,734
Other Reserves	316,727,700	95,647,700	316,727,700
<b>Shareholders' fund</b>	<u><b>502,475,314</b></u>	<u><b>296,427,256</b></u>	<u><b>505,396,040</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred Tax Liability	34,153,402	23,184,000	34,153,403
	<u><b>34,153,402</b></u>	<u><b>23,184,000</b></u>	<u><b>34,153,403</b></u>
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables	16,097,207	397,502	1,354,307
Dividend Payable	958,028	2,036,026	958,343
Income Tax Payable	272,470	698,856	-
Bank over draft	1,570,885	8,723,254	50,176
	<u><b>18,898,590</b></u>	<u><b>11,855,637</b></u>	<u><b>2,362,826</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>555,527,307</b></u>	<u><b>331,466,893</b></u>	<u><b>541,912,269</b></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**

07 November 2018  
Colombo,

**SERENDIB LAND PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**THREE MONTHS ENDED 30TH SEPTEMBER 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)	168,645,022	299,210,565
Net Profit for the Period	-	-	-	6,423,489	6,423,489
Final Dividend	-	-	-	(9,000,000)	(9,000,000)
Other Comprehensive Income	-	-	(206,798.00)	-	(206,798)
<b>Balance as at September 30, 2017 (Un-audited)</b>	<u>36,000,000</u>	<u>95,647,700</u>	<u>(1,288,955)</u>	<u>166,068,511</u>	<u>296,427,256</u>
<b>Balance as at April 1, 2018 (Un-audited)</b>	36,000,000	316,727,700	304,734	152,363,606	505,396,040
Net Profit for the Period	-	-	-	1,108,834	1,108,834
Final Dividend	-	-	-	(3,600,000)	(3,600,000)
Other Comprehensive Income	-	-	(429,560)	-	(429,560)
<b>Balance as at September 30, 2018 (Unaudited)</b>	<u>36,000,000</u>	<u>316,727,700</u>	<u>(124,826)</u>	<u>149,872,440</u>	<u>502,475,314</u>

*Figures in brackets indicate deductions.*

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

	Cumulative Cash Flows			
	Unaudited 3 Months ended Rs. 30.09.2018	Unaudited 3 Months ended Rs. 30.09.2017	Unaudited 6 Months ended Rs. 30.09.2018	Unaudited 6 Months ended Rs. 30.09.2017
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before Taxation	(2,367,170)	3,399,994	1,820,499	7,487,330
<b>Adjustments for:</b>				
Scrap sale	(17,391)	-	(17,391)	-
Dividend Income	(27,914)	-	(27,914)	(27,914)
Interest Income	(406,232)	(564,028)	(632,554)	(1,000,430)
Operating Cash flows before working capital changes	(2,818,706)	2,835,965	1,142,639	6,458,986
(Increase )/ Decrease in receivables	508,748	147,416	(2,725,697)	391,977
Increase / (Decrease) in payables	4,007,139	46,250	14,742,585	137,290
<b>Cash generated from operating activities</b>	1,697,181	3,029,632	13,159,527	6,988,254
Income tax paid	-	(499,548)	-	(930,281)
<b>Net cash generated from operating activities</b>	1,697,181	2,530,084	13,159,527	6,057,973
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Received	108,626	370,819	464,982	899,709
Scrap sale	17,391	-	17,391	-
Dividend Income	27,914	-	27,914	27,914
Withdrawal / (Investment )in Short Term Investment	(6,000,000)	(1,805,342)	(7,272,596)	(7,352,452)
<b>Net cash flow used in investing activities</b>	(5,846,068)	(1,434,523)	(6,762,309)	(6,424,830)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend Paid	(3,600,000)	(9,000,000)	(3,600,000)	(9,000,000)
<b>Net cash flow used in finance activities</b>	(3,600,000)	(9,000,000)	(3,600,000)	(9,000,000)
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	(7,748,888)	(7,904,438)	2,797,219	(9,366,857)
Cash and cash equivalents at the beginning of the period	11,523,071	1,849,618	976,965	3,312,036
	<b>3,774,183</b>	<b>(6,054,820)</b>	<b>3,774,184</b>	<b>(6,054,820)</b>
<i>Figures in brackets indicate deductions.</i>				
<b>Cash and cash equivalents at the end of the period</b>				
Cash & Cash Equivalents	5,345,069	2,668,434	5,345,069	2,668,434
Bank Overdraft	(1,570,885)	(8,723,254)	(1,570,885)	(8,723,254)
	<b>3,774,183</b>	<b>(6,054,820)</b>	<b>3,774,183</b>	<b>(6,054,820)</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 September 30, 2018 based on LKAS 39.

**05. Contingent liabilities**

There were no material contingent liabilities as at 30 September 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 30.09.2018	Un-audited 30.09.2017
Earnings per Ordinary Share (Rs.)	3.08	17.84
Net Assets per Share (Rs.)	1395.76	823.41
Debt/Equity Ratio (%)	-	-
Current Ratio (Times)	1.54	2.21

### SERENDIB LAND PLC

#### ADDITIONAL INFORMATION FOR THE QUARTERLY STATEMENTS

##### THREE MONTHS ENDED 30TH SEPTEMBER 2018

#### 1. Share Information

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

Period	2018-3	2017-3
Date High	26-Jul-18	6-Sep-17
High Rs.	1,852.10	1,400.00
Date Low	7-Aug-18	13-Sep-17
Low Rs.	1,225.00	1,112.00
Close Rs.	1,481.70	1,481.70
Trade Vol.	22	60
Share Vol.	127	195
Turn Over Rs.	174,627.40	237,468.40
Last traded Date	27-Sep-18	19-Sep-17
Days Traded	13	19

#### Directors' Shareholding

	As at 30.09.2018	As at 30.09.2017
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>	273	285
<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 September 2018</b>	272	279

## The Public Holding Percentage

As at 30 September, 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 *w.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 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.



**SERENDIB LAND PLC**

**ADDITIONAL INFORMATION FOR THE QUARTERLY STATEMENTS**

**THREE MONTHS ENDED 30TH SEPTEMBER 2018**

**2. 20 Largest Shareholders**

20 Major Shareholders	30.09.2018	
	Shares	%
Gee Gees Properties (Pvt) Ltd.	76,735	21.32
Gitanjali Gajaluckshmi (Pvt) Ltd.	76,697	21.3
Gitanjali Group (Pvt) Ltd.	67,992	18.89
Janashakthi Insurance PLC - Shareholders	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