

SERENDIB LAND PLC

QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED JUNE 30, 2020

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 2020

	Unaudited 3 months Period ended 30.06.2020 Rs.	Unaudited 3 months Period ended 30.06.2019 Rs.	Variance %
Revenue	7,413,508	6,593,508	12.44
Direct Operating Expenses	(262,929)	(262,929)	(0.00)
Gross profit/(Loss)	7,150,579	6,330,579	12.95
Other Income	433,253	548,310	(20.98)
Administrative expenses	(583,060)	(674,359)	(13.54)
Profit/(Loss) from operations	7,000,773	6,204,530	12.83
Profit/(Loss) Before taxation	7,000,773	6,204,530	12.83
Income Tax Expenses	(980,108)	(701,543)	39.71
Net profit/(Loss) for the period	6,020,665	5,502,987	9.41
Other Comprehensive income (OCI)			
<u>Items that are or may be reclassified to profit or loss</u>			
- Net change in fair value of financial assets - available for sale	30,587	(240,418)	
Total comprehensive income net of tax	6,051,252	5,262,568	
Earnings per share (Rs.)	16.72	15.29	

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

SERENDIB LAND PLC
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2020

	Unaudited As at 30.06.2020 Rs	Unaudited As at 30.06.2019 Rs	Unaudited (Restated) As at 31.03.2020 Rs
ASSETS			
NON-CURRENT ASSETS			
Investment Property	589,630,000	526,375,000	589,630,000
CURRENT ASSETS			
Trade & Other Receivable	14,356,076	8,118,462	13,381,170
Short Term Investment	25,840,789	19,721,060	15,489,736
Investment in Equity Securities	3,509,625	4,012,874	3,479,038
Income Tax Receivable	-	899,040	442,646
Cash & Cash Equivalents	2,040,248	2,577,952	6,387,615
	<u>45,746,738</u>	<u>35,329,388</u>	<u>39,180,205</u>
TOTAL ASSETS	<u>635,376,738</u>	<u>561,704,388</u>	<u>628,810,205</u>
EQUITY AND LIABILITIES			
CAPITAL & RESERVES			
Stated Capital	36,000,000	36,000,000	36,000,000
Retained Earnings	166,530,108	161,377,947	160,509,443
Fair Value reserve of Financial Assets at FVOCI	(552,497)	(49,247)	(583,084)
Other Reserves	379,982,700	316,727,700	379,982,700
Shareholders' fund	<u>581,960,311</u>	<u>514,056,399</u>	<u>575,909,060</u>
NON-CURRENT LIABILITIES			
Deferred Tax Liability	39,352,302	34,153,402	39,352,302
	<u>39,352,302</u>	<u>34,153,402</u>	<u>39,352,302</u>
CURRENT LIABILITIES			
Trade & Other Payables	12,285,993	12,460,093	12,310,273
Dividend Payable	1,141,077	1,022,915	927,561
Income Tax Payable	537,462	-	-
Bank over draft	99,592	11,578	311,008
	<u>14,064,124</u>	<u>13,494,586</u>	<u>13,548,843</u>
TOTAL EQUITY AND LIABILITIES	<u>635,376,738</u>	<u>561,704,388</u>	<u>628,810,205</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.) 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

11 August 2020
Colombo,

SERENDIB LAND PLC
STATEMENT OF CHANGES IN EQUITY
THREE MONTHS ENDED 30TH JUNE 2020

	Stated Capital	Other Reserve	Fair Value reserves of Financial Assets at FVOCI	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at April 1, 2019	36,000,000	316,727,700	191,171	155,874,960	508,793,831
Net Profit for the Period	-	-	-	5,502,987	5,502,987
Final Dividend	-	-	-	-	-
Other Comprehensive Income	-	-	(240,418)	-	(240,418)
Balance as at June 30, 2019 (Un-audited)	36,000,000	316,727,700	(49,247)	161,377,947	514,056,399
Balance as at April 1, 2020 (Restated)*	36,000,000	379,982,700	(583,084)	160,509,443	575,909,060
Net Profit for the Period	-	-	-	6,020,665	6,020,665
Final Dividend	-	-	-	-	-
Other Comprehensive Income	-	-	30,587	-	30,587
Balance as at June 30, 2020 (Un-audited)	36,000,000	379,982,700	(552,497)	166,530,108	581,960,311

Figures in brackets indicate deductions.

** The balances as at 31 March 2020 were restated where necessary to accommodate the revaluation of investment property & other proposed year end accrual journal entries that took place after submission of quarterly financial statements for the quarter ended 31 March 2020.*

SERENDIB LAND PLC
CASH FLOW STATEMENT
THREE MONTHS ENDED 30TH JUNE 2020

	Cumulative Cash Flows			
	Unaudited 3 Months ended Rs. 30.06.2020	Unaudited 3 Months ended Rs. 30.06.2019	Unaudited 3 months Period ended Rs. 30.06.2020	Unaudited 3 months Period ended Rs. 30.06.2019
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) before Taxation	7,000,773	6,204,530	7,000,773	6,204,530
Adjustments for:				
Dividend Income	-	(13,957)	-	(13,957)
Change in fair value of investment property	-	-	-	-
Interest Income	(433,253)	(534,353)	(433,253)	(534,353)
Impairment loss on financial assets - available for sale	-	-	-	-
Operating Cash flows before working capital changes	6,567,520	5,656,220	6,567,520	5,656,220
(Increase)/ Decrease in receivables	(974,906)	(1,465,283)	(974,906)	(1,465,283)
Increase / (Decrease) in payables	189,236	365,295	189,236	365,295
Cash generated from operating activities	5,781,849	4,556,231	5,781,849	4,556,232
Income tax paid	-	-	-	-
Net cash generated from operating activities	5,781,849	4,556,232	5,781,849	4,556,232
CASH FLOW FROM INVESTING ACTIVITIES				
Interest Received	381,543	215,022	381,543	215,022
Scrap sale	-	-	-	-
Dividend Income	-	13,957	-	13,957
Withdrawal /(Investment)in Short Term Investment	(10,299,343)	(2,683,924)	(10,299,343)	(2,683,924)
Net cash flow used in investing activities	(9,917,799)	(2,454,945)	(9,917,799)	(2,454,945)
CASH FLOW FROM FINANCING ACTIVITIES				
Dividend Paid	-	-	-	-
Net cash flow used in finance activities	-	-	-	-
Net Increase / (Decrease) in cash and cash equivalents	(4,135,950)	2,101,287	(4,135,950)	2,101,287
Cash and cash equivalents at the beginning of the period	6,076,607	465,087	6,076,607	465,087
	1,940,656	2,566,374	1,940,657	2,566,374
<i>Figures in brackets indicate deductions.</i>				
Cash and cash equivalents at the end of the period				
Cash & Cash Equivalents	2,040,248	2,577,952	2,040,248	2,577,952
Bank Overdraft	(99,592)	(11,578)	(99,592)	(11,578)
	1,940,657	2,566,374	1,940,657	2,566,374

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 30th June 2020.

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 30.06.2020	Un-audited 30.06.2019
Earnings per Ordinary Share (Rs.)	16.72	15.29
Net Assets per Share (Rs.)	1616.56	1427.93
Debt/Equity Ratio (%)	-	-
Current Ratio (Times)	3.25	2.62

SERENDIB LAND PLC

ADDITIONAL INFORMATION FOR THE QUARTERLY STATEMENTS

THREE MONTHS ENDED 30TH JUNE 2020

1. Share Information

Information pertaining to the shares traded during the Quarter ended 30 June 2020 extracted from the website of the Colombo Stock Exchange, is set out below:

Period	2020-2	2019-2
Date High	12-Jun-20	24-May-19
High Rs.	1,297.00	1,550.00
Date Low	26-May-20	29-May-19
Low Rs.	1,050.00	1,052.00
Close Rs.	1,177.00	1,300.00
Trade Vol.	19	5
Share Vol.	116	20
Turn Over Rs.	129,573.40	22,533.20
Last traded Date	25-Jun-20	29-May-19
Days Traded	8	3

Directors' Shareholding

	As at 30.06.2020	As at 30.06.2019
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	277
Total number of shares of the company	360,000	360,000
Number of Public Shareholders As at 30 June 2020	270	271

The Public Holding Percentage

As at 30 June, 2020, the public holding of the Company was 17.17% .

The float adjusted market capitalization as at 30 June 2020 was Rs.350,967,276/=

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 Company which is listed on the Main Board of the Colombo Stock Exchange (CSE) is not in compliance with the requirements pertaining to the Minimum Public Holding (MPH) criteria applicable to companies listed on the Main Board, as prescribed under the Listing Rules of CSE. Accordingly, the Company having noted the said non-compliance has taken steps to obtain an extension from the CSE and continued to comply with the requirement of providing the CSE with a monthly statement regarding such non-compliance, 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 CSE.

As required under 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, 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. As required under Rule 7.13.2. (i) of the Listing Rules of the CSE, the Company has notified the outcome of the said General Meeting to the CSE and investors via the CSE, on 2nd October, 2018.

Pursuant to a recent divestment of shares made by one of its Non-Public Shareholders, the Company is now in compliance with the MPH criteria required to be maintained by companies listed on the Diri Savi Board of CSE. Accordingly, the Company is seeking to make an application to CSE requesting a transfer from the Main Board to the Diri Savi Board. However, in order to effect the proposed transfer, the Company should under the Listing Rules of the CSE increase its Stated Capital upto Rs.100,000,000/- from its current Stated Capital of Rs.36,000,000/-. The Board of Directors of the Company are currently deliberating on the best course of action to achieve the aforementioned Stated Capital, for which purpose the Company notes that it has time till February, 2020.

SERENDIB LAND PLC

ADDITIONAL INFORMATION FOR THE QUARTERLY STATEMENTS

THREE MONTHS ENDED 30TH JUNE 2020

2. 20 Largest Shareholders

20 Major Shareholders		30.06.2020	
		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 Insurance PLC - Shareholders	46,254	12.85
5	Miss D. Sivaprakasapillai	30,267	8.41
6	AIA Insurance Lanka Ltd – A/C No.3	25,714	7.14
7	Suktam Holdings (Pvt) Ltd	8,800	2.44
8	Mr. O. D. Liyanage	4,033	1.12
9	Mrs. S. Z. Ossman	2,200	0.61
10	Mr. A. Saverimuttu	2,000	0.56
11	Ossman Associates (Pvt) Ltd	1,779	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	Mr. G. C. Goonetilleke	565	0.16
17	Dr. M.S.P. Wijenayake	555	0.15
18	Mrs. A. N. De Mel	534	0.15
19	Mr. A. L. Weerasinghe	534	0.15
20	Mrs. E. Shinya	514	0.14