



INTERIM FINANCIAL STATEMENTS
For the three months ended March 31, 2021

COMMERCIAL DEVELOPMENT COMPANY PLC

STATEMENT OF COMPREHENSIVE INCOME

02

For the three months ended March 31,	2021 Rs. 000	2020 Rs. 000	Change %
Revenue	153,555	110,711	38.7
Cost of Sales	<u>(78,786)</u>	<u>(60,898)</u>	29.4
Gross Profit	74,769	49,813	50.1
Other Income	<u>5</u>	<u>45</u>	(88.9)
	74,774	49,858	50.0
Administrative Expenses	<u>(8,664)</u>	<u>(8,661)</u>	0.0
Operating Profit	66,110	41,197	60.5
Net Finance Income	6,510	1,952	233.5
Share of Profit of Equity Accounted Investee, Net of Tax	<u>-</u>	<u>539</u>	(100.0)
Profit before Tax	72,620	43,688	66.2
Income Tax (Expense)/Reversal	<u>34,933</u>	<u>(12,243)</u>	(385.3)
Profit for the period attributable to Owners of the Company	107,553	31,445	242.0
Other Comprehensive Income, Net of Tax			
Net change in fair value of Debt investments at FVOCI	-	(57)	(100.0)
Related Tax	<u>-</u>	<u>16</u>	(100.0)
Other Comprehensive Income for the year, Net of Tax	-	(41)	(100.0)
Total Comprehensive Income for the year, Net of Tax	107,553	31,404	242.5
Earnings per Share (Rs.)	8.96	2.62	242.0

The above figures are provisional and subject to audit unless indicated as audited.

Explanatory Notes

- 1 There were no changes in the Accounting Policies and methods of computation since the publication of the Annual Report for the year ended December 31, 2020.
- 2 These Interim Financial Statements are presented in accordance with the requirements of the Sri Lanka Accounting Standard - LKAS - 34 on Interim Financial Reporting and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.
- 3 During the quarter, there were no material changes in the composition of assets and liabilities.
- 4 Related Party Transactions
 - (a) Mr.S.Renganathan, Managing Director of the Company is also the Managing Director/Chief Executive Officer of Commercial Bank of Ceylon PLC, the major tenant and the parent of the Company. Mr.U.I.S.Tillakawardana, Director of the Company functions as the Deputy General Manager - Human Resource Management of Commercial Bank of Ceylon PLC. During the quarter ended March 31, 2021, the Company received Rs. 150,361,868/- as rental, income from outsourcing services, vehicle hiring charges and other utility services from Commercial Bank of Ceylon PLC (Rs.110,146,599/- during the quarter ended March 31, 2020).
 - (b) Mr.U.I.S.Tillakawardana, a Director of the Company is also a Director of Commercial Insurance Brokers (Pvt) Ltd, a subsidiary of the parent Company which acts as one of the insurance advisers to the Company. During the quarter, the Company paid Rs.2,746,419/- as Insurance premium to Insurance Companies through Commercial Insurance Brokers (Pvt) Ltd (No payments were made during the quarter ended March 31,2020). The above insurance premium of Rs. 2,746,419/- was paid to Continental Insurance Lanka Ltd, wherein Mr.A.L.Gooneratne, a Director of the Company functions as a Director.
- 5 All known expenses have been provided for in these Interim Financial Statements.
- 6 There were no material events that took place since March 31, 2021, that require disclosure in these Interim Financial Statements.
- 7 There were no contingent assets, contingent liabilities or capital commitments outstanding as at the Reporting date except that a case was filed against the Company by an employee at the Labour Tribunal, Negombo. The Labour Tribunal ordered that the former employee be compensated with Rs. 2,034,000/- . The Company has appealed against this order to the High Court.

However, no provision is made in these Interim Financial Statements as the lawyers are of the opinion that the outcome of the potential liability on this case cannot be assessed with reasonable certainty at this stage.

8 The credit balance in the income tax expense was due to reversal of income tax consequent to reduction in income tax rate from 28% to 24% as announced in the Government Budget Proposals . Accordingly, current tax reversal for the year ended December 31, 2020 amounting to Rs.7,921,015/- and deferred tax reversal as at December 31, 2020 amounting to Rs. 44,547,695/- have been recognized in the income tax expense for the quarter ended March 31,2021.

9 **Impact of Covid-19 Pandemic to the Financial Statements**

It is pertinent to mention that the Company is permitted to provide its services only to Commercial Bank of Ceylon PLC, the parent of the Company. As a result of COVID-19 pandemic, the direct impact on our business operations is expected to be at a minimal level. However, any adverse impact on operations of Commercial Bank of Ceylon PLC could have impact on our operations. Therefore, our response to the impact can be varied, which largely depends on operational decisions of Commercial Bank of Ceylon PLC.

STATEMENT OF FINANCIAL POSITION

04

	As at March 31, 2021	As at December 31, 2020 (Audited)	Change
	Rs.'000	Rs.'000	%
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	111,558	97,482	14.44
Investment Property	2,876,679	2,876,679	-
Deposits Receivable	11,237	11,181	0.50
	<u>2,999,474</u>	<u>2,985,342</u>	0.47
Current Assets			
Inventories	18	18	-
Trade and Other Receivables	54,582	47,429	15.08
Financial Investments	362,477	206,288	75.71
Cash and Cash Equivalents	134,681	210,433	(36.00)
	<u>551,758</u>	<u>464,168</u>	18.87
Total Assets	<u><u>3,551,232</u></u>	<u><u>3,449,510</u></u>	2.95
EQUITY AND LIABILITIES			
Equity			
Stated Capital	120,000	120,000	-
Other Reserves	2,325,842	2,287,444	-
Retained Earnings	614,816	587,661	4.62
Total Equity	<u><u>3,060,658</u></u>	<u><u>2,995,105</u></u>	2.19
Non-Current Liabilities			
Deposits Payables	52,628	37,796	39.24
Employee Benefits	54,508	51,776	5.28
Lease Creditors - Long Term	1,405	1,626	(13.59)
Deferred Taxation	266,345	311,652	(14.54)
	<u>374,886</u>	<u>402,850</u>	(6.94)
Current Liabilities			
Trade and Other Payables	72,455	16,609	336.24
Lease Creditors - Short Term	3,092	4,347	(28.87)
Deferred Revenue	12,890	1,841	600.16
Current Tax Liabilities	27,251	28,758	(5.24)
	<u>115,688</u>	<u>51,555</u>	124.40
Total Equity and Liabilities	<u><u>3,551,232</u></u>	<u><u>3,449,510</u></u>	2.95
Net Assets Value Per Ordinary Share (Rs.)	<u><u>255.05</u></u>	<u><u>249.59</u></u>	2.19

The above figures are provisional and subject to audit unless indicated as audited.

I certify that these Financial Statements have been prepared in accordance with the requirements of the Companies Act No.07 of 2007 and amendments thereto.

(Sgd.) W.H. Wijesekara

Accountant

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

(Sgd.) B.R.L. FERNANDO
CHAIRMAN

May 10, 2021

(Sgd.) S.RENGANATHAN
MANAGING DIRECTOR

May 10, 2021

STATEMENT OF CHANGES IN EQUITY

05

	Stated Capital	Other Reserves		Retained Earnings	Total Equity
		Fair Value Reserve - Investment Property	Fair Value Reserve - Financial Assets		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at January 1, 2020	120,000	2,327,172	(71)	453,609	2,900,710
Total Comprehensive Income for the three months ended March 31, 2020					
Profit for the three months ended March 31, 2020	-	-	-	31,445	31,445
Other Comprehensive Income for the three months ended March 31, 2020	-	-	(41)	-	(41)
	-	-	(41)	31,445	31,404
Balance as at March 31, 2020	120,000	2,327,172	(112)	485,054	2,932,114
Total Comprehensive Income for the nine months ended December 31, 2020					
Profit for the nine months ended December 31, 2020	-	-	-	91,137	91,137
Other Comprehensive Income for the nine months ended December 31, 2020	-	-	112	43,504	43,616
	-	-	112	134,641	134,753
Transaction with equity holders, recognized directly in equity					
Final Dividend for 2019	-	-	-	(48,000)	(48,000)
Interim Dividend for 2020	-	-	-	(24,000)	(24,000)
Write back of Unclaimed Dividends	-	-	-	238	238
Transfer of Fair Value Loss on Investment Property	-	(39,728)	-	39,728	-
Balance as at December 31, 2020 - Audited	120,000	2,287,444	-	587,661	2,995,105
Total Comprehensive Income for the three months ended March 31 2021					
Profit for the three months ended March 31, 2021	-	-	-	107,553	107,553
Other Comprehensive Income for the three months ended March 31, 2021	-	-	-	-	-
	-	-	-	107,553	107,553
Transaction with equity holders, recognized directly in equity					
Final Dividend for 2020	-	-	-	(42,000)	(42,000)
Transfer of Deferred Tax reversal consequent to change in the Income Tax rate	-	38,398	-	(38,398)	-
Balance as at March 31, 2021	120,000	2,325,842	-	614,816	3,060,658

The above figures are provisional and subject to audit unless indicated as audited.

STATEMENT OF CASH FLOWS

06

For the three months Ended March 31,	2021	2020
	Rs.'000	Rs.'000
Cash Flows from Operating Activities		
Profit before Tax	72,620	43,688
Non-cash adjustments to reconcile Profit before Tax to Net Cash Flows		
Depreciation/Amortization	10,759	11,206
Share of Profit of Equity Accounted Investee, Net of Tax	-	(539)
Interest Income	(7,419)	(3,115)
Provision for Employee Benefits	2,869	2,454
Interest Expenses	821	1,148
	79,650	54,842
Changes in;		
Trade & Other Receivables	(7,208)	(15,631)
Deposits Payables	14,832	888
Deferred Revenue	11,049	(2,790)
Trade and Other Payables	14,041	(626)
	112,364	36,683
Interest Paid	(821)	(1,148)
Employee Benefits paid	(137)	(139)
Current Tax paid	(11,881)	(4,843)
	99,525	30,553
Net Cash Flow Generated from Operating Activities		
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(24,836)	(91)
Interest Received	7,419	3,115
Net Change in Financial Investments	(156,189)	(1,334)
	(173,606)	1,690
Net Cash Flow (Used in)/Generated from Investing Activities		
Cash Flows from Financing Activities		
Payment of Lease Liabilities	(1,476)	(1,268)
Dividend Paid	(195)	(3,406)
	(1,671)	(4,674)
Net Cash Flow Used in Financing Activities		
Net Increase in Cash and Cash Equivalents	(75,752)	27,569
Cash and Cash Equivalent at the Beginning of the Period	210,433	119,282
Cash and Cash Equivalent at the End of the Period	134,681	146,851
Analysis of Cash and Cash Equivalents		
Cash at Bank	134,641	146,827
Cash in Hand	40	24
	134,681	146,851

The above figures are provisional and subject to audit unless indicated as audited.

TWENTY LARGEST SHAREHOLDERS AS AT MARCH 31, 2021**07**

Name of the Shareholder	No. of Shares	%
01 Commercial Bank of Ceylon PLC	10,800,000	90.00
02 Hatton National Bank PLC/Kandaiah Kanapathipillai Shujeevan	80,416	0.67
03 Assetline Leasing Co.LTD/British American Technologies (Pvt) Ltd	56,100	0.47
04 People's Merchant Finance PLC/K.Laveendrakumar	48,371	0.40
05 Amirally Lukmanjee	44,168	0.37
06 Seylan Bank PLC/Riyansi Kenat Dickman	40,700	0.34
07 Seylan Bank PLC/Arrc Capital (Pvt) Ltd	38,322	0.32
08 Binanthi Shamani Rasanayagam	36,000	0.30
09 People's Leasing and Finance PLC/K.Laveendrakumar	30,228	0.25
10 Gajath Chrysantha Goonetilleke	30,077	0.25
11 Hettiarachchige Mano Jerome De Silva	30,000	0.25
12 Surendra Wickramasinghe	27,200	0.23
13 Sampath Bank PLC/Abishek Sithampalam	26,000	0.22
14 Sithamparapillai Gowrisangar	25,500	0.21
15 Zoebaly Gulamabass Carimjee	25,000	0.21
16 Manel Senanayake	24,000	0.20
17 Gunendra Rasitha Sellaheewa	20,100	0.17
18 Wijewickrama Pathinayakage Asanka Dinunuwan Gunathilaka	20,000	0.17
19 Piere Lanka Exports Private Limited	16,477	0.14
20 Sithampalam Durga	16,000	0.13
	<u>11,434,659</u>	<u>95.30</u>
Other shareholders	<u>565,341</u>	<u>4.70</u>
Total	<u>12,000,000</u>	<u>100.00</u>

Percentage of public holding in the Stated Capital of the Company as at March 31, 2021 was 10%. There were 903 shareholders representing the public holding percentage stated above.

The Float Adjusted Market Capitalisation of the Company as at March 31, 2021 was Rs.127,200,000/-.

The Company complies with the minimum public holding as a continuous listing requirement as per the Option 2 of the Listing Rule No. 7.13.1 (b) of of the Colombo Stock Exchange.

None of the Directors held shares of the Company as at March 31, 2021.

Name of the Company

Commercial Development Company PLC

Legal Form

A public limited liability company incorporated in Sri Lanka on March 14, 1980 under the Companies Ordinance No. 51 of 1938 and quoted in the Colombo Stock Exchange in March 1983. The Company was re-registered, under the Companies Act No. 07 of 2007 on January 17, 2008.

Registered Office

No. 8 - 4/2, York Arcade Building,
Leyden Bastian Road,
Colombo 01, Sri Lanka.
Telephone/Facsimile : 011 - 2447300
Email : cdccompany@combank.net

Company Registration No.

PQ 114

Tax Payer Identification No. (TIN)

124010578

Accounting Year - end

December 31

Board of Directors

Mr.B.R.L. Fernando - Chairman
Mr.S.Renganathan - Managing Director
Mr.A.L. Gooneratne
Mr.A.T.P. Edirisinghe
Mr.L.D.A. Jayasinghe
Mr.U.I.S. Tillakawardana

Company Secretary

Mr.L.W.P. Indrajith

Auditors

KPMG
Chartered Accountants
32A, Sir Mohamed Macan Markar Mawatha
Colombo 03, Sri Lanka.

Registrars

SSP Corporate Services (Private) Limited
101, Inner Flower Road,
Colombo 03,
Sri Lanka.

Lawyers

Julius & Creasy
No 371, R.A.De Mel Mawatha,
Colombo 03,
Sri Lanka.

Audit Committee

Mr.B.R.L. Fernando - Chairman
Mr.A.L. Gooneratne
Mr.A.T.P. Edirisinghe
Mr.L.D.A. Jayasinghe

Principal Banker

Commercial Bank of Ceylon PLC

Information on Shares

	2021 Rs.	2020 Rs.
Market Value of a Share <i>As at March 31,</i>	106.00	66.20
Highest price during the <i>quarter ended March 31,</i>	155.00	84.90
Lowest price during the <i>quarter ended March 31,</i>	98.00	65.90
Number of Ordinary Shares in issue	12,000,000	12,000,000

Financial Ratios

As at March 31,	2021	2020
Interest Cover (times)	72.73	35.42
Quick Assets Ratio (times)	4.77	6.34
Net Assets Value Per Share (Rs.)	255.05	244.34