

Ceylon Guardian Investment Trust PLC

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The report can be accessed online at
<http://www.carsoncumberbatch.com>

Ceylon Guardian Investment Trust PLC

Ceylon Guardian Investment Trust PLC is the holding company of the investment business of the Carson Cumberbatch Group. As an investment house it is managing portfolios of multiple asset classes for differing groups of investors, maintaining a high quality of investments and wealth creation.

The Guardian Group holds an investment portfolio worth approximately Rs. 22.48 billion as at the end of March 2023.

This portfolio builds equity stakes in some of Sri Lanka's most promising and successfully run companies that show great potential for value creation.

The environment in which the company operated for the financial year was challenging. We are pleased to set out the review and performance of the business during the year in this report.

Financial Highlights

In Rupees Thousands

For the year ended / As at 31st March	2023	2022	Change %
Revenue	1,114,610	1,168,979	(5)
Profit/(loss) from operations	1,709,903	(828,659)	306
Profit/ (loss) before taxation	1,575,783	(835,052)	289
Profit/(loss) for the year from continuing operations	1,428,470	(920,008)	255
Profit / (loss) for the year	1,429,199	(1,065,632)	234
Profit/(loss) attributable to equity holders of the parent company	1,207,073	(897,627)	234
Other comprehensive income for the year	1,530,420	1,075,220	42
Total comprehensive income for the year	2,959,619	9,588	30,768
Total comprehensive income / (expense) attributable to equity holders of the parent	2,477,231	(4,709)	52,706
Net cash generated from / (used in) operating activities	(2,658,616)	518,706	(613)
Net decrease in cash and cash equivalents	(2,493,413)	(32,979)	7,461
Total equity attributable to equity holders of the parent	18,734,602	16,501,330	14
Total equity	22,324,486	19,650,067	14
Total assets	23,053,549	19,944,920	16
Return on ordinary shareholders funds (%)	6.44	(5.44)	218
Earnings / (loss) per share (Rs)	13.67	(10.17)	234
Dividend per share (Rs) *	2.20	2.00	10
Net assets per share (Rs)	212.20	185.87	14
Guardian actively managed Portfolio **	13,706,990	12,254,381	12
Guardian fund value **	22,475,000	19,647,919	14
Stock market data			
All Share Price Index (points)	9,301	8,904	4
S&P SL 20 Index (points)	2,683	3,031	(11)
Market capitalisation	5,611,215	6,513,841	(14)
Share price (Rs.)			
Year end	68.00	78.50	(13)
High	85.00	136.75	(38)
Low	50.00	74.00	(32)

* Based on proposed / interim dividends

** Based on fair value of portfolio after adjusting for cash and cash equivalents. Total Fund value include actively managed portfolio and investment in Bukit Darah PLC.

Chairperson's Message

I am happy to present the Annual Report of Ceylon Guardian Investment Trust PLC (CGIT) for the financial year ended 31st March 2023.

The year under review proved to be one of the most challenging in our history with the unfolding of the economic crisis. We experienced interest rates on Government securities and deposits surpassing 30%, the national consumer price index measuring inflation at highs of 74%, shortages in essential items, soaring food prices, power cuts and social unrest. I am proud to say that despite these unprecedented headwinds we forged ahead with our objectives of safeguarding the CGIT portfolio and positioning it for future growth.

The All Share Price Index (ASPI) experienced significant volatility, but managed to maintain a flat performance of 4.46%. Drastic reductions in disposable incomes and a high inflationary environment led the operating environment of all listed companies to be considerably challenged. Investor participation in the CSE was moderate; however, uncertainty and anxiety amongst investors persisted due to the ambiguous direction of the economy and equity market. Meanwhile, the increase of interest rates provided an opportunity for locking-in on higher interest rates, thereby ensuring a steady stream of interest income. I am pleased to say that the management team took this opportunity and allocated a portion of the portfolio into higher interest rates with strong credit quality institutions.

Ceylon Guardian Group's total portfolio recorded a buoyant performance of 15.39% (dividend adjusted performance) and reported a consolidated profit after tax of Rs. 1,429 Mn for the financial year 2023. The resilient financial performance was largely attributable to the gain of Rs. 896 Mn from fair value through the profit or loss of financial assets due to the upward movement of equity holdings of the portfolio.

The country has made considerable progress in steadying the crisis-hit economy by gaining approval for the IMF EFF facility, moderating inflation, stabilising the exchange rate and initiating reforms. However, considerable work remains, in order to shift the economy back to a phase of growth, with more immediate challenges centering on debt sustainability.

However, considerable work is required to shift the economy back to a phase of growth, with more immediate challenges centering on debt sustainability. Sri Lankans have endured significant hardship amid this time of crisis and we are deeply inspired by the unity and perseverance that has been displayed to move forward in the right direction.

During the month of June 2023, CGIT resolved to repurchase shares from shareholders of the company at its prevailing net asset value (NAV) at the time of the buy-back of Rs. 212.20 per share, at a cost of Rs. 104 Mn. As the share price of the company was trading at a significant discount to its net asset value the repurchase would provide an opportunity for shareholders to realize the intrinsic value for a portion of their investment, and thereby minimize the gap between the market price per share and the NAV of the company.

In closing, I would like to extend my gratitude to the staff for their unwavering commitment towards managing the company in these unprecedented times. Furthermore, I would like to thank our loyal clients, investors and shareholders who continue to place their trust in our team. I also thank the regulators, and service providers for their steadfast support. Mr. William Knight resigned from the board in March 2023 and I would like to take this opportunity to thank him for his substantial contributions to the company and wish him every success in his future endeavours. I express my heartfelt appreciation to my fellow Board Members and the members of the Audit Committee, Remuneration Committee, Nomination Committee and Related Party Transactions Review Committee for their guidance and support amid these challenging times.

(Sgd.)

M. A. R. C. Cooray (Mrs.)
Chairperson

Colombo
26th June 2023

Management Discussion and Analysis

Guardian Group Portfolio Performance

The financial year ending March 2023 started with the economic crisis continuing to unfold leading to an extremely challenging operating environment for all businesses. Our key priority was to navigate the crisis, and ensure that the company's operations and portfolio were safeguarded at all times. Ceylon Guardian's discretionary portfolio was able to grow by Rs. 1.65 Bn to Rs. 13.90 Bn (dividend adjusted) during this extremely challenging period. This was largely achieved by taking a deeper look

into asset allocation strategy, which focused on investing in fundamentally strong equity positions and timely investments in higher interest rate instruments. The discretionary portfolio's growth of 13.46% (dividend-adjusted performance) stood at a significantly higher rate than that of the All Share Price Index which was recorded at 4.46%. The total portfolio, which includes the strategic stake in Bukit Darah PLC, grew by 15.39% to reach Rs. 22.67 Bn (dividend adjusted).

	As at			As at 31st March 2023 (Dividend adjusted)	Dividend adjusted performance
	31-Mar-2023	31-Mar-2022	Change %		
Discretionary portfolio (Rs. '000)	13,706,990	12,254,381	11.85%	13,903,580	13.46%
Total Portfolio (Rs. '000)*	22,475,000	19,647,919	14.39%	22,671,590	15.39%
ASPI (Points)	9,301	8,904	4.46%		4.46%
S&P 20 (Points)	2,683	3,031	-11.49%		-11.49%

**After the addition of the total cash outflow from the distribution of dividend by the Group which was Rs.196.6 Mn during the period under review.

Despite the ASPI providing a flat performance of 4.46% for the year ending March 2023, the CSE experienced a great deal of volatility as it weathered the crisis. The unprecedented policy rate increase of 700 basis points implemented by the Central Bank in April-2022, large exchange rate depreciation and domestic supply disruptions led to the ASPI declining by 17.54% for the first quarter. However, despite macroeconomic headwinds, some sectors and companies within the CSE provided strong earnings in the second quarter, resulting in optimistic market sentiment and participation. This led the ASPI to rise by 35.26% for the quarter ending September 2022. During the second half of the financial year, the economic challenges became more prevalent as sharp tax rate adjustments, delays in the IMF board-level approval and weaker outlooks for company earnings resulted in the ASPI experiencing a negative 6.34% return.

Interest rates experienced a sharp rise due to increase in policy rates, systematic stress and reduced liquidity in the interbank markets. Government security rates adjusting to over 30% and fixed deposit rates from banks increasing to similar levels served as a shock to the system. Subsiding demand dynamics and progress made on the IMF facility saw fixed deposit rates and lending rates declining towards the end of the financial year; however, government securities remained somewhat elevated due to ongoing discussion on domestic debt restructuring (DDR).

Leading up to IMF board level approval for the Extended Fund Facility (EFF), Sri Lanka had already enacted part of the corrective measures required. However, the road to recovery will take time and a difficult period of consolidation is expected in the years ahead. With this in mind, we expect the operating environment for companies listed on the CSE to be onerous, with share prices potentially taking time to provide suitable returns. With these dynamics in mind, we deployed Rs. 3.4 billion into long-term fixed deposits to sustain the company with higher streams of interest income during the economic recovery phase. The remaining funds remain focused on picking primarily strong stocks, which are able to sustain the challenging environment and enable recovery at a relatively faster pace, thus providing long-term return potential. The importance of selecting good businesses that are well-managed for investment has never been more vital. Companies and institutions with unwavering demand for their products and services leading to good cash flows and strong balance sheets are essential to endure the economic recovery period ahead.

With Domestic Debt Restructuring (DDR) discussions still underway, uncertainty still looms amongst the financial institutions as they have significant exposure to government debt in varying forms. Should a DDR be announced, and in the event that it is deeper than expected, the cost to financial institutions will vary from mild to significant, which would in turn require further capital being raised on the part of these institutions. However, as stated by the IMF and echoed amongst all stakeholders, the domestic financial system needs stability in order

to ensure the foundation for recovery. We are also mindful of the fact that with reduced disposable incomes and business hardships there may be a significant increase in loan defaults. We have reduced exposure to financial institutions as a precaution. Despite reducing exposure, we still maintain Central Finance PLC as the highest single company weight in the portfolio, due to its share price trading at a large discount to its prevailing book value. Furthermore, its cautious growth strategy and high capital adequacy will help the company to navigate the stressful environment ahead. We will continue to monitor the company and overall financial sector as developments occur and take appropriate action.

The table below shows the top holdings of the Guardian discretionary portfolio.

Top Ten Holdings

Company	Market Value of the holding (Rs. '000)	Holding as a % discretionary holding
Central Finance Company PLC	1,059,114	7.77%
Hemas Holdings PLC	911,881	6.69%
Distilleries Company Of Sri Lanka PLC	633,070	4.65%
John Keells Holdings PLC	613,704	4.50%
HNB Assurance PLC	502,394	3.69%
Cargills (Ceylon) PLC	470,844	3.46%
Dialog Axiata PLC	355,669	2.61%
Aitken Spence Hotel Holdings PLC	348,470	2.56%
Ceylinco Insurance PLC	342,668	2.51%
Peoples Leasing and Finance PLC	309,940	2.27%

We divested approximately Rs. 349 Mn from Hemas Holdings during the year as part of the re-allocation from equity to fixed income. Hemas Holdings has a strong personal care portfolio as well as a presence in the healthcare sector with a large market share in the pharmaceutical business. Despite the company trading at attractive long-term valuations, we anticipate dampened consumer demand and cost pressures to play on the company's profitability in the short term. We already see declines in sales volumes across most consumer-oriented companies and we anticipate it will take some time for a recovery to take place.

However, as we still see long-term potential in the company we still continued to retain a significant portion of our reduced equity portfolio to Hemas Holdings with an exposure of Rs. 911mn as at 31st March 2023.

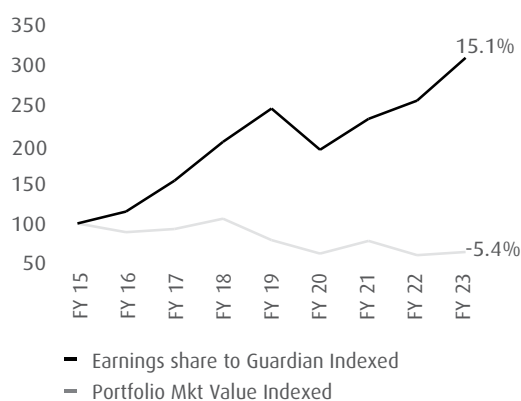
We were able to identify some short-term opportunities in the CSE in stocks such as Lanka IOC, which saw growth in its profitability due to the sharp upward revision of fuel prices, which led to significant margin improvement. As we anticipated, this share price grew to reflect the abnormal profits and we were able to take advantage of this short-term movement. As fuel prices were eventually reduced and margins contracted, we saw quarter-on-quarter reduction in profitability, and the share price corrected accordingly. As part of the SOE reforms, the government is looking to bring in additional international players for fuel distribution and reduce the government's role in this sector. We view this measure as one of the many important steps for the overall reform agenda to take place.

Additionally, the company holds position in Teejay Lanka, which is one of Sri Lanka's leading fabric manufacturing companies. We see this stock as a good long-term investment, however, it is currently enduring a very challenging period. The apparel industry in Sri Lanka is experiencing weaker orders due to slowing demand from its export destination economies being the USA and Europe. Orders have reduced due to weak consumption patterns from end-consumers and overstocking from earlier quarters during global supply disruptions. As these end-consumer economies achieve gradual recovery, we anticipate that the current state of affairs will improve over the medium-term, and the share price will reflect this change.

We maintain a position in Distilleries Company of Sri Lanka of Rs. 633 million due to the company maintaining the highest market share in the core arrack segment. Its long-standing success with 'extra special arrack' and a strong distribution network brings in robust cash flows into the company. However, we are also mindful that higher taxation and reduced disposable incomes will find consumers moving into the illicit market. The liquor business also carries with it a larger amount of political and regulatory risk, which we also continue to monitor.

The chart below illustrates the share of earnings from Guardian's top holdings as at 31st March 2023 compared to the movement in market capitalisation of those holdings over time. This illustrates that the growth in the capitalisation of these companies has not kept pace with earnings growth and shows potential value in the companies held.

Earnings share to Guardian Portfolio Indexed vs Portfolio Mkt Value Indexed



We continue to hold a relatively smaller component of our portfolio in investments overseas. The investment climate at a global scale has been volatile with Central Banks globally increasing policy rates and geo-political concerns playing out with an extended Russia-Ukraine conflict taking place. However, we remain consistent with our investment philosophy of cautiously seeking out long-term opportunities through both equity and fixed income asset classes.

We expect the year ahead to be challenging and we anticipate even companies with strong business models to continue trading cheap despite reasonably good earnings which may influence the portfolio negatively.

Financial Review

Group's Consolidated Revenue stood at Rs.1,115 Mn as at 31st March 2023, which is a 5% decline from previous year. However, interest income earned for the year was Rs.695 Mn, which is an increase of 405%, compared to the previous year. The increase in interest income was a result of higher investments in bank fixed deposits.

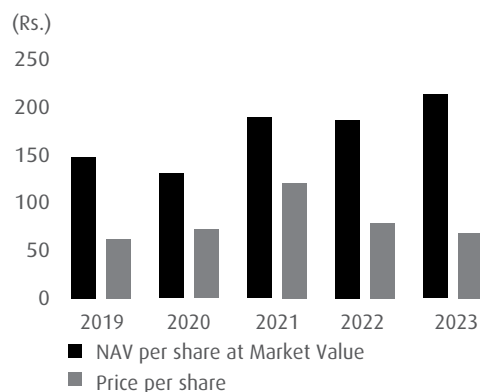
Ceylon Guardian Investment Trust PLC reported a consolidated profit after tax of Rs. 1,429 Mn for the year ended 31st March 2023 compared to a loss of Rs. 1,065 Mn recorded in the previous year. As highlighted in the chairperson's statement, the positive financial performance was driven by the gain of Rs. 896 Mn

from 'financial assets fair value through profit or loss' due to the upward movement in the prices of equity stocks. Furthermore, the reported profit after tax was achieved despite an increase of 38% in 'Administrative and operating expenses' and 73% increase in income tax compared to the previous year.

In the year ended 31st March 2023 the Group's Net Asset Value (NAV) per share increased by 14.17% to Rs. 212.20. The market price of Rs. 68.00 for the Group's share indicated a discount of 68% compared to the NAV per share.

During the month of June 2023, CGIT resolved to repurchase shares from shareholders of the company at its prevailing net asset value (NAV) at the time of the buy-back of Rs. 212.20 per share, at a cost of Rs. 104 Mn. As the share price of the company was trading at a significant discount to its net asset value the repurchase would provide an opportunity for shareholders to realize the intrinsic value for a portion of their investment, and thereby minimize the gap between the market price per share and the NAV of the company.

NAV per share (Market value) vs Share price



As at 31st March	2023	2022	Change %
ASPI	9,301	8,904	4.46
NAV per share (Rs.)	212.20	185.87	14.17
Market price per share (Rs.)	68.00	78.50	(13.38)
Discount of NAV to market price per share	68%	58%	

Guardian Fund Management Limited
Investment Managers

26th June 2023

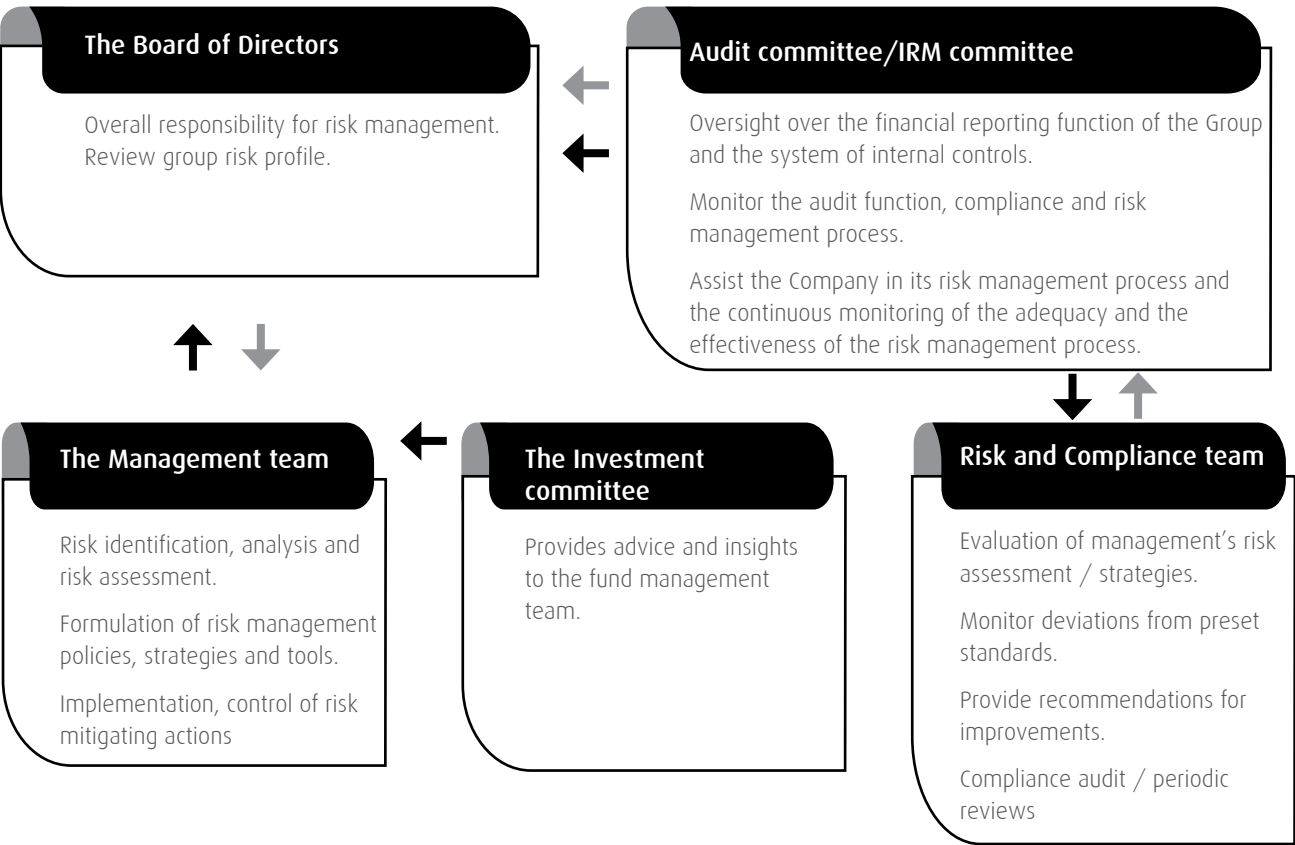
Risk Management

Overview of Risk Management

Risk management is the process of identification and assessment of risks arising due to factors which are internal and external to the entity, and implementation of identified, mitigating actions to address such risks. Management of risk helps to avoid or minimise unanticipated losses being incurred. It is not a one-time or periodic assessment, rather it is a continuous process, which is also an integral part of normal business operations and the management of the entity.

Risk Management Structure at Ceylon Guardian

The risk management structure established at Ceylon Guardian Group is applicable across the parent company and all other entities of the Group. The Board of Directors has delegated oversight of risk management to the Integrated Risk Management (IRM) Committee which is a subcommittee of the Board. The purpose of the IRM Committee is to assist the Board in its oversight of the Group risk identification, risk assessment and risk management and the continuous monitoring of the adequacy and the effectiveness of the risk management process.



The Ceylon Guardian Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee of the Company has oversight over the financial reporting function of the Company, the system of internal controls as well as the audit and compliance. Group Internal Audit and Compliance Department conduct periodic compliance audits/reviews and reports to the IRM Committee as well as Audit Committee, as appropriate. Further, an Investment Committee provides advice and insights to the fund management team to further sharpen and refine their decision making process. This organisation structure determines the objectives and policies of our risk management framework and promotes a culture of risk awareness and balanced risk-taking within the Company.

Risk categories

Ceylon Guardian Group operates the portfolio and asset management sector of the Carson's Group. The Group business operations include management of the Ceylon Guardian Group portfolio which consists of listed equities, private equities and fixed income securities and providing portfolio management services to external customers. The Group faces various types of risks, some of which are applicable across all the asset classes under management, and some are applicable to specific business operations or an asset category. The key risks are monitored and managed as a continuous process.

A comprehensive risk management framework already exists for Guardian but with the economic crisis unfolding, particular risks have become heightened. Particular risks related to investments that have increased include market risk, credit risk and interest rate risk. Upon identifying the implications of such risks, mitigation activities have been conducted to reduce / contain such impacts on the business and investment portfolios.

Risk Category	Impact and mitigating strategies
Macro environmental risks	
The overall macro-economic landscape and political environment affects the risk profile of the Company. Changes in macro-economic variables such as Gross Domestic Product (GDP) growth, interest rates, inflation, exchange rates and changes in the political environment and government policies affect the achievement of Company's business and financial objectives.	
Country risks	<ul style="list-style-type: none"> This is a risk area for which we have strengthened the framework as the Group intends to explore new overseas markets in the future. Guardian Value Fund LLC and Guardian Fund Management LLC which are domiciled in Mauritius are subject to foreign and global economic, social and political risks.
Currency risks	<ul style="list-style-type: none"> Guardian Value Fund LLC and Guardian Fund Management LLC of which the reporting currency is US Dollars, are exposed to risk of currency impact on translation.

Risk Category	Impact and mitigating strategies
<p>Market risk - domestic</p> <p>The exposure to adverse movements in both equity / fixed income securities market, which can result in value loss as well as variations in the anticipated returns from those securities. This is mainly caused by systematic risk factors such as interest rates, currency parity, inflation and availability of credit which affect both capital and money markets, and the value of securities.</p>	<ul style="list-style-type: none"> Market risks are inherent in every security and are thus collectively considered at the portfolio level to take into account the asset allocation decisions of the portfolio. The risks affecting a particular class of security are mitigated by switching to asset classes that are assessed to be less risky in a particular scenario. The sectoral and security exposure is continuously monitored. A sound research base to determine changing economic fundamentals of the country, determine the impact on equity vs fixed income investments and the prompt shifting of funds between asset classes. The sensitivity of stock valuations to changes in economic indicators are continuously monitored.
<p>Market risk - international and external</p> <p>The risk that the domestic market will have an indirect impact from other markets, international trade and capital inflows / outflows, changing economic indicators and policies in the global context. The entry and exit of foreign investors from the local market is also determined by the macro economic trends prevailing in foreign markets and relative valuations of our market versus developed and other comparative Asian markets.</p>	<ul style="list-style-type: none"> Commodity risk is somewhat high for the domestic economy, since Sri Lanka is import dependent for vital commodities. We continuously monitor global developments in capital markets which is vital to assess and mitigate this risk. Building of expertise in foreign markets has begun, as we invest overseas gradually. In mitigating the risk, we would tie up or collaborate with foreign entities that have expertise in such markets in order to gain knowledge.
<p>Portfolio risks</p> <p>The risk arising due to investment strategy, factors inherent to investment instruments and composition of the portfolio which affect the return of the portfolio.</p>	
<p>General securities risk</p> <p>Inherent investment risks associated with the particular investment instrument or issuing entity of the security. The price or value of any security may fluctuate, resulting in possible loss not only of returns and profits, but even all or part of the principal sums.</p>	<ul style="list-style-type: none"> General securities risk is applicable, regardless of whether the instrument is equity listed / unlisted or fixed income, but the magnitude of risk will vary with the type of the instrument. Portfolio management and investment selection process which is a bottom up approach, is designed to optimise the risk / return trade off. Risk mitigating methodology is based on the internal research process, and prospective investments are selected from fundamental analysis and contact with corporate management of the issuing company through company visits. A continuous process of monitoring the performance of investee companies is adopted, after the investment is made.

Risk Category	Impact and mitigating strategies
<p>Concentration risk</p> <p>This is the risk that the portfolio is over exposed to a particular sector / sectors or a security / securities resulting in the risk and return of the portfolio being over dependent on the performances / risk profiles of those sectors or securities.</p>	<ul style="list-style-type: none"> Monitoring sector exposure and single company / group exposure of the portfolio as a diversification and a mitigation strategy. Loss limits are set to monitor stocks performing below their cost of acquisition to determine whether temporary capital erosion is a concern. Monitoring by the compliance team takes place as a routine process.
<p>Liquidity risk</p> <p>Liquidity is the tradeability of the securities in the market or the ability to realise cash with minimum loss of capital.</p> <p>The risk is that if the investment instruments of the portfolio are less liquid, execution of fund management decisions are affected.</p>	<ul style="list-style-type: none"> Lower liquidity of securities could affect the fund manager's ability to transact, which in turn, could affect the fund's overall performance. This might be due to poor market sentiment of a security, or low levels of publicly traded quantities. On acquisition of shares, we consider on the factors like size of free float, tradeability of the stock, market turnover, major shareholders etc.
<p>Regulatory and compliance risk</p> <p>The Company is operating in an industry under the supervision and monitoring of several regulatory authorities, especially Securities and Exchange Commission of Sri Lanka (SEC) and provisions of other regulatory requirements like the Companies Act, Listing Rules of the Colombo Stock Exchange, and the Central Bank of Sri Lanka.</p> <p>The conduct of operations of the Group should be in compliance with the legal and regulatory provisions and financial requirements applicable under these regulatory benchmarks.</p>	<ul style="list-style-type: none"> The management together with the Carson Group's legal division pro-actively identify and set up appropriate systems and processes for legal and regulatory compliance in respect of the Company's operations. Periodic training programmes for staff to improve the awareness of changes in applicable laws and regulations. Guardian Value Fund LLC and Guardian Fund Management LLC which are domiciled in Mauritius are subject to laws and regulations imposed by regulatory authorities there. Changes in regulatory environment in the context of these funds are continuously monitored with the assistance of the Fund's Lawyers who have the necessary expertise Reviews on regular basis by the compliance team and the management certification of compliance with relevant laws and regulations on a periodic basis. Compliance team regularly monitors compliance with all regulatory provisions and internal operational procedures.
<p>Operational Risks</p> <p>This is the risk of losses being incurred resulting from disruptions, disturbance of business operations caused by events due to inadequate or failed internal processes, people and systems within the organisation. The management of operational risk is a continuous process which includes identification, assessment of risk and implementation of measures to address such risk, which specifically covers the following key areas which are significant in the context of investment and asset management operations.</p>	

Risk Category	Impact and mitigating strategies
<p>Systems and process risks</p> <p>The Company's business operations are structured in a way that, they are performed as interconnected / interdependent processes. The divisions of the company, either separately or collectively are responsible for the functions of these process which utilise human / physical resources and information systems.</p>	<ul style="list-style-type: none"> • The management of systems and process risk consist of identifying risks and formulating plans promoting best practices, implementing internal controls / systems and monitoring compliance with these internal guidelines. • The processes are continuously monitored to identify the areas of weakness and to implement improvements. • Correct application of recommended practices where back up procedures are followed on a routine basis to ensure data and information security. Our accounting systems and portfolio management systems are regularly backed up to prevent loss of data. • Business continuity plan which describes how to resume business after a disruption occurs in business process, location and the system. A Disaster Recovery Plan is available at the Carson Group level which deals with recovering Information Technology infrastructure, facilitating of critical operations to be active in an alternate location etc. after a disastrous interruption. • Systems support and the maintenance agreements for the portfolio management software is made available through an annual maintenance agreement with the software vendor which ensures online support for system issues and queries. • The internal audit function and compliance team of the Carson Group ensures the safeguarding of Company's assets, recommends process improvements in areas where process control failures are noted and compliance with regulatory requirements etc.
<p>Reputation risk</p> <p>This is a critical risk in that as a financial entity any loss / theft or misappropriation of cash / financial assets can cause permanent and long-term loss of business.</p>	<ul style="list-style-type: none"> • A sound system of internal controls and regular reviews are carried out by the compliance department. • A Code of Ethics signed by all staff and constant education and awareness of the code. • Regular staff communication.

Risk Category	Impact and mitigating strategies
Staff risks A fund management operational unit requires qualified professionals with experience in the fund management industry. Knowledge of the operating mechanism of the market as well as its norms and ethics are of importance.	<ul style="list-style-type: none">• Having diversity in the team, developing a strong second level, providing training and development opportunities, are standard practices of the industry with which we benchmark ourselves. A performance related incentive scheme for the staff is in place and is being reviewed regularly. The networking ability of key staff to source clients and deals is important in running a successful fund management operation by being shown important deals by market intermediaries.• The staff of the Group are all professionally qualified with a track record of experience in the industry. A strong research team has been developed to complement the fund management operation and raise the standard of the investment decision making process. Staff training and development is identified as an important area of concern, while retention is managed through a comprehensive reward structure and incentive scheme, opportunities for career progression and a culture of being HR oriented. Collectively these steps help us to work towards having an effective succession plan in place.

Profiles of the Directors

MRS. ROSE COORAY (Chairperson)

Rose Cooray is the Chairperson of Ceylon Investment PLC, Ceylon Guardian Investment Trust PLC, HNB Assurance PLC and HNB General Insurance Limited. She functions as the Chairperson of the Integrated Risk Committees of the Guardian Group of companies and other Board sub-committees in companies where she is a Director.

She is a retired Deputy Governor of the Central Bank of Sri Lanka where she served for over 35 years. She counts over 48 years of experience in working in the financial sector holding a number of positions.

On release from the Central Bank, she had served the Ministry of Finance in the capacity of Director General Fiscal Policy and Economic Affairs Department for nearly 6 years, represented the Government on the Boards of DFCC Bank, Sri Lanka Institute of Information Technology, Sri Lanka Telecom, Ceylon Electricity Board, De La Rue Currency and Security Print (Pvt) Ltd, Export Development Board, National Housing Development Authority and represented the Monetary Board on West Coast Power (Pvt) Ltd.

She has functioned as the Vice Chairperson of the Institute of Bankers of Sri Lanka for 5 years and has served on a number of Committees at national level covering a variety of subjects representing the Ministry of Finance and the Central Bank. She has also presented papers/been the resource person representing the Central Bank and the Ministry of Finance at various international meetings/seminars.

Mrs. Cooray has been involved extensively in policy making and implementing projects and programmes, especially in the area of regional development and microfinance. She has wide experience in negotiating loans with multilateral and other donors, as well as bilateral trade agreements on behalf of the Government. Her articles/papers have been published in professional journals.

CHANDIMA GUNAWARDENA

Chandima Gunawardena serves as a Non-Independent, Non-Executive Director of most of the Carsons Group Companies in Sri Lanka and overseas. He is also a Director of Bukit Darah PLC. Since assuming Non-Executive status in the Group, he serves as an advisor to the Group's Strategic Planning and Management forums in Sri Lanka and serves on Board Committees, including the Audit Committees of the Group in Sri Lanka and overseas covering all operating sectors of the Group.

Mr. Gunawardena has over five decades of experience in varied fields of business and commercial activities and has held senior positions in Corporate, Mercantile and State Institutions. He was appointed to the Carsons Group Directorate in 1990.

He continues to serve on advisory Boards of private sector initiatives in Sri Lanka and not for profit initiatives locally and at global level.

He has served in the Management Committee of The Ceylon Chamber of Commerce for over 10 years and was a Founder Council member of the Sri Lanka Institute of Directors (SLID) and continued to serve in the council for over 10 years.

He is a Fellow of the Chartered Institute of Management Accountants, UK.

MANILAL FERNANDO

Vernon Manilal Fernando is a Director of Ceylon Investment PLC, Ceylon Guardian Investment Trust PLC, Ariyana Investment (Pvt) Ltd is currently the Chairman of Dynamic AV Technologies (Pvt) Ltd, Shipping Cargo Logistics (Pvt) Ltd, Hyundai Lanka (Pvt) Ltd, Stallion Holdings (Pvt) Ltd, Ortho Lanka (Pvt)Ltd, Serdaka Global (Pvt) Ltd and Swiss Ceylon Associates (Pvt.) Ltd. He is also the President of the Chamber of Construction Industries of Sri Lanka and a Management Trustee of The Joseph Fraser Memorial Hospital, Also an Attorney-at Law.

KRISHNA SELVANATHAN

Krishna Selvanathan serves as a Director of Carsons Management Services (Private) Limited and is the CEO of Guardian Fund Management Limited. He also serves as a Director of Lion Brewery (Ceylon) PLC and Pegasus Hotels of Ceylon PLC and is an Alternate Director on the Boards of Carson Cumberbatch PLC and Bukit Darah PLC. He holds a BA Degree in Accounting & Finance and Business Administration from the University of Kent, U.K.

DIRK PEREIRA

Dirk Pereira was appointed as Non-Executive/Independent Director to the Board of Ceylon Guardian Investment Trust PLC w.e.f. 21st October 2021.

Dirk served as Director / CEO of Union Assurance PLC, which is the 4th largest life insurance company in Sri Lanka, and a subsidiary of John Keells Holdings PLC. He has more than 25 years of finance and general managerial experience serving both local and multinational companies including Union Assurance, British American Tobacco / Eagle Star, Zurich Financial Services and Ernst & Young. He is a Fellow Member of the Chartered Institute of Management Accountants (CIMA) UK and the Institute of Chartered Accountants of Sri Lanka (ICASL) and holds an MBA from the Postgraduate Institute of Management (PIM) - University of Sri Jayewardenepura, Sri Lanka.

WILLIAM KNIGHT

(Resigned w.e.f.31-03-2023)

William Knight is a Board/ Advisory Board member of various investment businesses investing in Asian economies. Originally, he specialized in financing major capital projects in the Middle East, Far East and North Africa while at Lazard Brothers. He later spent 18 years in various senior positions within the Lloyds Bank group where, among his various responsibilities, he established and directed the bank's first merchant banking office outside London based in Hong Kong to cover the Indian sub-continent and East Asia and he directed the Bank's long established Portuguese operations based in Lisbon. On returning to London, he created a number of the early investment funds for Asian, African and emerging European economies.

Since 1991, he has held a wide range of non-executive positions as an independent Director/Adviser primarily for Asia-oriented investment companies. He was Chairman of the JP Morgan Chinese Investment Trust PLC, the Senior Independent Director of Fidelity Asian Values Trust PLC and, as a co-founder of Emerisque Brands, an East/West management buy-in company, he chaired its three Shanghai-located Chinese joint ventures. William Knight recently resigned from the Chairmanship of Earth Capital Asia Limited.

Among his many firsts in a career dedicated to developing frontier and emerging markets, he originated, created and chaired listed investment funds for Portugal, Thailand and Russia East of the Ural mountains; he also originated funds for Vietnam and Mauritius and served on the Board of the first private equity fund of funds for India and a Korean fund dedicated to investing in Korean initiatives in China. He is a frequent visitor to China and is on the advisory Board of China Resolutions Ltd, a company established to assist Chinese companies listed overseas to meet international standards of good corporate governance.

Management Team

KRISHNA SELVANATHAN

(BA, Accounting & finance and Business Administration)

Director / CEO of Guardian Fund Management Limited. He is also a Director of Ceylon Guardian Investment Trust PLC. Refer page 14 for his detailed profile.

SUMITH PERERA

(B.Sc (Hons) Economics & Business Finance, ACMA)

Director / Head of Portfolio Management, Guardian Fund Management Ltd. and Director of Ceylon Investment PLC. He has over 18 years of experience in the field of Asset Management working as a Fund Manager for CAAM Saudi Fransi LLC (Kingdom of Saudi Arabia), Investment Analyst for Eagle NDB Fund Management (Sri Lanka) and as a Financial Analyst for John Keells Stockbrokers. He holds a BSc (Hons) in Economics and Business Finance from Brunel University, UK and is an Associate Member of the Chartered Institute of Management Accountants.

ASANKA JAYASEKERA

(CFA, B.Sc. Finance (Hons), ACMA)

Asanka Jayasekera currently serves as the Director of Guardian Fund Management Ltd and Guardian Value Fund LLC, and heads the research department. He is an experienced professional in the field of asset management and investment research, with over 16 years of experience. Prior to joining the Ceylon Guardian group, he worked as a research analyst at JB Securities (Pvt) Ltd. Asanka holds a B.Sc. Finance (Hons) degree from the University of Sri Jayewardenepura, Sri Lanka. He is a Chartered Financial Analyst (CFA) and an associate member of the Chartered Institute of Management Accountants (CIMA), UK. He has also served as a visiting lecturer at the Department of Finance at the University of Sri Jayewardenepura.

PRABATH EKANAYAKE

(BBA, Business Administration (Sp), FCA)

Finance Manager, Guardian Fund Management Limited, commenced career at KPMG Sri Lanka and then worked at Ernst & Young and Qatar Alpha Beton Ready-mix Company in State of Qatar.

He has over 12 years of overseas and local experience in the fields of accounting and auditing. He is a fellow member of the Institute of Chartered Accountants of Sri Lanka and holds a Bachelor's degree specialized in Business Administration from the University of Colombo, Sri Lanka.

PRIYAN DE MEL

(ACCA, CISI, ACMA)

Manager – Operations Guardian Fund Management Ltd. Has over 10 years of experience in Portfolio Operations. Associate member of the Association of Chartered Certified Accountants (ACCA UK), member of Chartered Institute of Securities and Investment (CISI UK) and Associate member of Certified Management Accountants of Sri Lanka (ACMA).

CRISHANI PERERA

(B.Sc. Finance (Special), ACMA)

Fund Manager. She began her career as a financial analyst and holds over 10 years of experience in the fields of asset management and investment research. Crishani holds a BSc degree in Finance from the University of Sri Jayewardenepura and is also an Associate member of CIMA (UK).

Portfolio Operations Team

Indramali Samarasinghe, Shewantha Peiris, Thanuja Wijesundara

Finance Team

Omesha Piyumi, Prabhath Dissanayake, Sandun Balasooriya

Research Team

Harindi Hettigamage, Pasan Ilangaratne, Shahan De Silva, Hiruni Perera, Dushan Ekanayake, Tharushi Egodahewage, Winura Wijekulasooriya

Annual Report of the Board of Directors on the Affairs of the Company

The Board of Directors of Ceylon Guardian Investment Trust PLC have pleasure in presenting to the shareholders this Report together with the Audited Financial Statements for the year ended 31st March 2023.

The details set out herein provide the pertinent information required by the Companies Act, No. 07 of 2007, Listing Rules of the Colombo Stock Exchange and are guided by recommended best Accounting Practices.

The Annual Report was approved by the Board of Directors on 26th June 2023.

1. GENERAL

Ceylon Guardian Investment Trust PLC (the "Company"), is a public limited liability Company incorporated in Sri Lanka in 1951.

2. THE PRINCIPAL ACTIVITIES OF THE COMPANY AND ITS SUBSIDIARIES

The principal activities of the Company and its subsidiaries are to act as specialised investment vehicles within the investment business to undertake listed equity, private equity and fixed income investments and engage in fund management activities.

There were no significant changes in the nature of the principal activities of the Company during the financial year under review.

A list of subsidiaries and jointly controlled entities are provided in note 37.2 to these financial statements.

3. REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

The Chairperson's Statement and Management Discussion & Analysis on pages 03 to 06 provide an overall assessment of the business performance of the Company and the Group and its future developments. These reports together with the audited consolidated financial statements reflect the state of affairs of the Company and the Group.

4. FINANCIAL STATEMENTS

The consolidated financial statements which comprise of the Statement of Profit or Loss and other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and Notes to the financial statements of the Company and the Group for the year ended 31st March 2023 are set out on pages 36 to 108. These financial statements do comply with the requirements of the Companies Act, No. 07 of 2007.

4.1. Revenue

A detailed analysis of revenue of the Company and the Group is given in note 11 to the Financial Statements.

4.2. Financial results and appropriation

An abridgement of the financial performance of the Company and the Group is presented in the table below:

In Rupees Thousands For the year ended 31st March	Group		Company	
	2023	2022	2023	2022
Retained earnings brought forward from previous year	8,502,126	9,631,436	4,742,410	5,045,031
Surcharge tax for the year of assessment 2020/21	(73,194)	-	(25,609)	-
Balance as at 1st April 2022 (adjusted)	8,428,932	9,631,436	4,716,801	5,045,031
Profit /(Loss) for the year	1,207,073	(897,627)	645,550	(63,817)
Other comprehensive income / (expense) for the year	1,682	4,408	-	-
Cash dividend	(176,574)	(142,049)	(176,574)	(142,049)
Re-purchase of Shares	-	(100,623)	-	(100,623)
Forfeiture of unclaimed dividends	5,809	6,581	4,005	3,868
Transfers	290	-	-	-
Retained earnings carried forward	9,467,212	8,502,126	5,189,782	4,742,410

4.3. Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are given on pages 41 to 58.

4.4. Investment

Investments represents, investment in subsidiaries, investment in equity accounted investees, investment in equity and debt securities, Investment in fair value through other comprehensive income securities, and investments in unit trusts.

Details of investments in subsidiaries are given in note 22.

Details of investments in equity accounted investees are given in note 23.

Details of investments in equity and debt securities are given in note 27.

Details of investment in fair value through other comprehensive income securities are given in Note 24.

Details of investments in unit trusts are given in note 28.

Investments in fixed income instruments include investment in fixed deposits, placements with banking and financial institutions and securities purchased under resale agreements.

4.5. Reserves

The movements of reserves are set out in the Statement of Changes in Equity, note 31 and note 32 to the financial statements.

5. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The responsibilities of the Directors, in relation to the Financial Statements are detailed in the following paragraphs, whilst the responsibilities of the Auditors are set out in the Independent Auditors' Report.

According to the Companies Act, No. 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995, the Directors are required to prepare financial statements for each financial year, giving a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the performance for the said period.

The financial statements comprise of inter alia:

- Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year,
- Statement of Profit or Loss and Other Comprehensive Income of the Company, which presents a true and fair view of the Profit and Loss and Other Comprehensive Income of the Company and the Group for the financial year.

In preparing these financial statements, the Directors are required to ensure that:

- appropriate accounting policies have been selected and applied consistently, while material departures, if any, have been disclosed and explained;
- all applicable Accounting Standards have been complied with;
- reasonable and prudent judgments and estimates have been made; and
- provides the information required by and otherwise comply with the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

The Directors are responsible for ensuring that the Company and the Group maintain sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company and the Group in order to ensure that its Financial Statements have been prepared and presented in accordance with Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and meet with the requirements of the Companies Act No. 07 of 2007.

They are also responsible for taking reasonable measures to safeguard the assets of the Company and the Group and in this regard to give proper consideration to the establishment and effective operation of appropriate systems of internal control with a view to prevent, detect and rectify fraud and other irregularities.

These financial statements have been prepared on a going concern basis since the Directors are of the view that the Company has adequate resources to continue in operation in the foreseeable future from the date of approving these financial statements.

The Directors are also of the view that they have discharged their responsibilities as set out in this statement.

6. OUTSTANDING LITIGATION

There is no litigation currently pending against the Company.

7. INTERESTS REGISTER

The Company maintains an Interests Register conforming to the provisions of the Companies Act No. 07 of 2007.

All Directors have made declarations as provided for in Section 192 (2) of the Companies Act aforesaid.

The relevant details as required by the Companies Act No. 07 of 2007 have been entered in the Interests Register during the year under review.

The Interests Register is available for inspection as required under the Companies Act.

7.1. Remuneration of Directors

Directors' Remuneration for the financial year ended 31st March 2023 is given in note 12 to the financial statements.

7.2. Directors' Interest in Contracts and Shares

Directors' interests in contracts of the Company have been declared at Meetings of the Directors. The Directors have had no direct or indirect interest in any other contracts or proposed contracts in relation to the business of the Company except for the following;

Name of the Company	Common directors	Nature of transactions	Value of the transactions ('000)
Carson Cumberbatch PLC	D. C. R. Gunawardena	Dividends paid	122,367
Ceylon Investment PLC	D. C. R. Gunawardena Mrs. M. A. R. C. Cooray V. M. Fernando K. Selvanathan	Dividends received	49,625
Rubber Investment Trust Limited	D. C. R. Gunawardena	Dividends received	27,689
Guardian Fund Management Limited (GFM)	K. Selvanathan	Portfolio management fees paid	57,570
Carsons Management Services (Private) Limited (CMSL)	K. Selvanathan	Support service fees paid Computer fees paid Secretarial fees paid	19,991 420 533

The Directors had the following interests in the ordinary shares of the Company as shown in the table below.

Directors	No. of shares as at	
	31st March 2023	1st April 2022
Mrs. M.A.R.C. Cooray (Chairperson)	-	-
Mr. D.C.R. Gunawardena	257	257
Mr. V.M. Fernando	-	-
Mr. K. Selvanathan	-	-
Mr. C.W. Knight (Resigned w.e.f.31/03/2023)	-	-
Mr. A. D. Pereira	-	-

8. DIRECTORS

The names of the Directors who served during the year are given under Corporate Information provided in the inner back cover of the Annual Report.

8.1. Directors to retire by rotation

In terms of Articles 72, 73 and 74 of the Articles of Association of the Company, Mr. K. Selvanathan retires by rotation and being eligible offers himself for re-election.

8.2. Reappointment of Directors who are over 70 years of age

Mr. V. M. Fernando - Independent Non-Executive Director, Mr. D. C. R. Gunawardena - Non-Executive Director and Mrs. M. A. R. C. Cooray Independent Non-Executive Director who were over 70 years of age were appointed as Directors of the Company in terms of Section 210 of the Companies Act, No.07 of 2007 at the AGM held on 09th August 2022 for a period of one year commencing from the conclusion of the said AGM, i.e. till 08th August 2023.

As per the recommendation of the Nomination Committee of the Company and the Board, it is recommended that Mrs. M. A. R. C. Cooray, Mr. V. M. Fernando and Mr. D. C. R. Gunawardena who are over 70 years of age be re-appointed as Directors of the Company for a further period of one year from the conclusion of the Annual General Meeting and the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not be applicable to the said Directors.

8.3. Resignation of a Director

Mr. C.W.Knight - Non-Executive/Independent Director resigned from the Board w.e.f. 31st March 2023.

9. AUDITORS

Company's Auditors during the year under review were Messrs. KPMG, Chartered Accountants.

A sum of Rs. 655,000/- and Rs. 6,199,405/- was paid to them by the Company and the Group respectively, as audit fees for the year ended 31st March 2023 (2022 - Rs. 560,000/- and Rs. 3,846,100/-). In addition to the above Rs 70,000/- and Rs. 210,000/- (2022 - Rs. 242,000/- and 507,000/-) was paid as professional fees for non-audit services for the Company and Group respectively.

The retiring Auditors have expressed their willingness to continue in office. A resolution to re-appoint them as Auditors of the Company and authorising the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

The Audit Committee reviewed the appointment of the Auditors, its effectiveness and its relationship with the Company and its subsidiaries, including the level of audit and non-audit fees paid to the Auditors.

9.1. Auditors' relationship or any interest with the Company

The Directors are satisfied that, based on written representations made by the Independent Auditors to the Board, the Auditors do not have any interest with the Company and its subsidiaries that would impair their independence.

9.2. Independent Auditors' Report

The Independent Auditors' Report on the financial statements is given on pages 32 to 35 of the Annual Report.

10. SIGNIFICANT EVENTS DURING THE YEAR

10.1. Company

Disposal of Entire Holding in Guardian Acuity Asset Management Limited (GAAM) by Ceylon Guardian Investment Trust PLC

The Company disposed of its entire holding of 3,500,000 Ordinary Shares held in Guardian Acuity Asset Management Limited ("GAAM") on 13th January 2023, being 50% of the Issued shares of GAAM held by the Company as a joint venture to CT CLSA Holdings Limited (the "Buyer"), who is a non-related party to the Company, at a consideration of Rs.50,762,922/50 which was based on the Net Asset Value and the Assets Under Management of GAAM at the time of share transfer, i.e. 13th January 2023.

There were no significant events during the year except for the details given above.

11. COMPLIANCE WITH RULES OF THE COLOMBO STOCK EXCHANGE

The Board has ensured that the Company has complied with the Rules pertaining to Corporate Governance and Related Party Transactions as per the Listing Rules of the Colombo Stock Exchange (CSE).

11.1. Regulatory Benchmarks

The Company's activities are regulated and are governed by the;

- Companies Act No. 07 of 2007
- Listing Rules of the Colombo Stock Exchange
- Rules of the Securities and Exchange Commission of Sri Lanka (SEC)
- Central Bank of Sri Lanka

11.2. Board of Directors

The following Directors held office during the period under review and their brief profiles are given on pages 13 to 14 of the Annual Report.

Directors	Executive / Non-Executive / Independent
Mrs. M. A. R. C. Cooray (Chairperson)*	Non-Executive /Independent
Mr. D. C. R. Gunawardena	Non-Executive
Mr. V. M. Fernando **	Non-Executive /Independent
Mr. K. Selvanathan	Executive
Mr. A. D. Pereira ***	Non-Executive /Independent
Mr. C. W. Knight (resigned w.e.f. 31/03/2023)	Non-Executive /Independent

Each of the Non-Executive Directors of the Company have submitted a signed declaration on Independence/Non-Independence as per Rule 7.10.2.(b) of the Listing Rules of the Colombo Stock Exchange (CSE). The said declarations were tabled at a Board Meeting held on 14th June 2023 in order to enable the Board of Directors to determine the Independence/Non-Independence of each of the Non-Executive Directors, in terms of Rule 7.10.3.(a) of the Listing Rules of the CSE.

* The Board has determined that Mrs. M. A. R. C. Cooray is an Independent Director in spite of being on the Board for more than nine years and being a Director of Ceylon Investment PLC, in which a majority of the other Directors of the Board are also Directors, since she is not directly involved in the management of the Company.

** The Board has also determined that Mr. V. M. Fernando is an Independent Director in spite of being on the Board for more than nine years and being a Director of Ceylon Investment PLC, in which a majority of the other Directors of the Board are also Directors, since he is not directly involved in the management of the Company.

11.3. Directors' Attendance at Board Meetings

As permitted by Article 80(b) of the Articles of Association of the Company, the Board of Directors had three (03) virtual Board Meetings and one (01) physical Board Meeting during the financial year.

Directors	Meetings Attended
Mrs. M. A. R. C. Cooray	4/4
Mr. D. C. R. Gunawardena	4/4
Mr. V. M. Fernando	4/4
Mr. K. Selvanathan	4/4
Mr. A. D. Pereira	4/4
Mr. C. W. Knight (Resigned w. e. f. 31/03/2023)	4/4

11.4. Board Evaluation

Each Director individually appraises the Board's performance to ensure discharging its responsibilities satisfactorily. This process takes in to account and evaluates all aspects in relation to Board responsibilities.

Independent observations made by the Directors are collated and addressed by the Nomination Committee of the Company and recommended as relevant to the Board of Directors for consideration.

11.5. Audit Committee

As per Rule 7.10.6 of the Listing Rules of the Colombo Stock Exchange, the Audit Committee of Carson Cumberbatch PLC (CCPLC), the parent Company, functions as the Audit Committee of the Company and comprises of the following members;

Audit Committee Members	Executive / Non-Executive / Independent
Mr. A. S. Amaratunga (Chairman)	Non-Executive/Independent Director of CCPLC
Mr. D. C. R. Gunawardena	Non-Executive Director of CCPLC
Mr. Y. H. Ong	Non-Executive/Independent Director of CCPLC

The Audit Committee Report is given on pages 27 to 28 of this Annual Report.

11.6. Remuneration Committee

As per Rule 7.10.5 of the Listing Rules of the Colombo Stock Exchange, the Remuneration Committee of Carson Cumberbatch PLC (CCPLC), the Parent Company, functions as the Remuneration Committee of the Company and comprises of the following members;

Remuneration Committee Members	Executive / Non-Executive / Independent
Mr. T. de Zoysa (Chairman)	Non-Executive/ Independent Director of CCPLC
Mr. D. C. R. Gunawardena	Non-Executive Director of CCPLC
Mr. R. Theagarajah	Non-Executive/ Independent Director of CCPLC
Mr. W. M. R. S. Dias	Non-Executive/ Independent Director of CCPLC

Scope and Objective

The Remuneration Committee has established a formal and transparent procedure for the development of a remuneration policy which will be reviewed by the Committee when deemed necessary.

The remuneration policy has been formulated based on market and industry factors with appropriate incentives to encourage enhanced performance and also in a fair and responsible manner for all group companies.

Functions and Proceedings

The Remuneration Committee recommends to the Board the remuneration to be paid to the Chief Executive Officer, Executive Directors and Non-Executive Directors. Based on the recommendation of the Remuneration Committee, the Board approves remuneration to the respective Directors.

The Chief Executive Officer, Director-in-charge and other members of senior management may be invited to attend meetings to discuss the performance of the Executive Directors and make proposals as necessary. Neither Executive nor Non-Executive Directors are involved in Remuneration Committee meetings when determinations are made in relation to the remuneration of the respective Director. The Committee is authorised by the Board to seek appropriate professional advice internally and externally as and when it is considered necessary.

The Remuneration Committee Charter requires the Committee to meet at least twice a year. As allowed by the Remuneration

Committee Charter, the Committee held one (01) virtual meeting and one (01) physical meeting during the period under review.

Remuneration Committee Members	Meetings Attended (Out of two)
Mr. T. de Zoysa (Chairman)	2/2
Mr. D.C.R. Gunawardena	2/2
Mr. R. Theagarajah	2/2
Mr. W. M. R. S. Dias	2/2

Reporting and Responsibilities

The Committee Chairman reports to the Board on its proceedings on all matters within its duties and responsibilities. The Committee makes recommendations to the Board as deemed appropriate on any area within its limit where action or improvements are needed.

Aggregated remuneration paid to the Non-Executive Directors of the Company are disclosed under note 12 on page 59 of the Annual Report. Executive Directors are not compensated for their role on the Board.

11.7. Nomination Committee

The Nomination Committee of the Company comprises of the following members.

Nomination Committee Members	Executive/ Non-Executive/ Independent
Mrs. M. A.R. C. Cooray (Chairperson)	Non-Executive/ Independent Director
Mr. D. C. R. Gunawardena	Non-Executive Director
Mr. V. M. Fernando	Non-Executive/Independent Director

The Nomination Committee of the Company being the Parent Company functions as the Nomination Committee of Ceylon Investment PLC.

Scope and Objective

The primary objective of the Nomination Committee is to lead the process for Board appointments of new Directors within group Companies and the nominations of members to represent the Company in group Companies/investee Companies.

Functions and Proceedings

The Nomination Committee recommends new appointments to the Board. Based on the recommendation of the Nomination Committee, the Board approves the new appointments of Executive and Non-Executive Directors to the Board.

Any Director of the Board and the Chief Executive Officer/Director-in-Charge and other members of senior management may be invited to attend Meetings of the Nomination Committee. The Committee may also invite appointed external consultants to aid the Committee in discharging its duties.

The Committee is authorised by the Board to seek appropriate professional advice internally and externally as and when considered necessary.

The Nomination Committee Charter requires the Committee to meet at least twice a year. As allowed by the Nomination Committee Charter, the Committee held one (01) virtual meeting and one (01) physical meeting during the period under review.

Nomination Committee Members	Meetings Attended (Out of two)
Mrs. M. A. R. C. Cooray (Chairperson)	2/2
Mr. D. C. R. Gunawardena	2/2
Mr. V. M. Fernando	2/2

11.8 Related Party Transactions Review Committee

As per Rule 9.2.3 of the Listing Rules of the Colombo Stock Exchange, the Related Party Transactions Review Committee of Carson Cumberbatch PLC (CCPLC), the parent Company, functions as the Related Party Transactions Review Committee (RPTRC) of the Company.

Related Party Transactions Review Committee Members	Executive/ Non-Executive / Independent
Mr. W. M. R. S. Dias (Chairman)	Non-Executive/ Independent Director of CCPLC
Mr. R. Theagarajah	Non-Executive/ Independent Director of CCPLC
Mr. D. C. R. Gunawardena	Non-Executive Director of CCPLC
Mr. S. K. Shah	Non -Executive Director of CCPLC
Mr. H. Selvanathan	Executive Director of CCPLC
Mr. M. Selvanathan	Executive Director of CCPLC

The Related Party Transactions Review Committee Report is given on pages 29 to 30 of this Annual Report.

Declaration

The Directors have made self-declarations for the purpose of identifying parties related to them. The said declarations were noted at the Related Party Transactions Review Committee Meetings.

The Company is in compliance with Rule 9 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the financial year.

11.8.1 Related Party Transactions Exceeding 10% of the Equity or 5% of the Total Assets of the Company

The Directors declare in terms of the requirements of the Listing Rules of the Colombo Stock Exchange that the transactions carried out by the Company with its Related Parties during the year ended 31st March 2023, did not exceed 10% of Equity or 5% of the Total Assets of the Company as at 31st March 2023.

The details of the Related Party Transactions are given in Note 37 to the Financial Statements.

Non-Recurrent Related Party Transactions

There were no Non-Recurrent Related Party Transactions entered into by the Company, where the aggregate value of the Non-Recurrent Related Party Transactions exceeds 10% of the Shareholders' equity or 5% of the total assets, whichever is lower, of the Company as at 31st March 2023.

Recurrent Related Party Transactions

Information pertaining to Recurrent Related Party Transactions where the aggregate value of the Recurrent Related Party Transactions that exceeded 10% of the Gross Revenue / Income of the Company, as per the Audited Financial Statements are disclosed below;

Description	Information
Name of the Related Party	Guardian Fund Management Limited
Relationship	Fellow subsidiary
Nature of the Transaction	Management fee income
Aggregate value of Related Party Transactions entered into during the financial year	Rs. 57,570,443.68
Aggregate value of Related Party Transactions as a % of Net Revenue/ Income	12.33%
Terms and Conditions of the Related Party Transactions	Based on the Management fees agreement entered into between the companies
Aggregate value of all Related Party Transactions entered into during the financial year with the same related party*	Rs. 57,570,443.68
Aggregate value of all Related Party Transactions entered during the financial year with the same related party as a % of Net Revenue	12.33%

* Details of the transactions are given in note 37.4

11.9. Integrated Risk Committee

The Integrated Risk Committee consists of the following members;

Integrated Risk Committee Members	Executive/ Non-Executive / Independent
Mrs. M. A. R. C. Cooray (Chairperson)	Non-Executive/Independent Director
Mr. A. P. Weeratunge	Executive Director of CINV until 31 March 2023, Non-Executive Director w.e.f. 01/04/2023
Mr. A. D. Pereira	Non-Executive/Independent Director

Scope and objectives

To assist the Company in its oversight of risk identification, risk assessment and risk management and the continuous monitoring of the adequacy and the effectiveness of the risk management process.

During the period under review, the Committee had two (02) virtual meetings and one (01) physical meeting.

Integrated Risk Committee Members	Meetings Attended (Out of three)
Mrs. M. A. R. C. Cooray (Chairperson)	3/3
Mr. A. P. Weeratunge	3/3
Mr. A. D. Pereira – Appointed as Member w.e.f. 1/1/2022	3/3

Reporting and Responsibilities

- To advise the Boards of Companies in the Guardian group on the Company's overall risk exposure and effectiveness of mitigation measures, taking into account the current and prospective macroeconomic and financial environment
- To review and assess adequacy of risk mitigation practices and procedures of the Company.
- To review the Investment Sector risk matrix to oversee and advice the Board, on the current risk exposures and future risk strategy
- To set standards, assess and monitor the principle risks faced by the Company and the companies of the investment sector
- To monitor operational risks from failed or inadequate processes relating to portfolio operations, client servicing and on-boarding, launching of new products and services, investment research, third party vendor relationships
- To review the group's capability to identify and manage new risk types in conjunction with the Audit Committee
- To report to the Boards of Companies in the Guardian group as applicable on its proceedings after each meeting on all matters within its duties and responsibilities
- To make recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is needed
- To develop a robust process to update the knowledge of new risks continuously in the industry and understand how such risk is applicable to the company

12. INTERNAL CONTROL AND RISK MANAGEMENT

The ultimate responsibility to establish, monitor and review a company-wide internal control system rests with the Board of Directors. The intensity, depth and the tolerance limits for each component of the internal control system would be based on the weight of the elements of risk imposed on the sustenance of the business by the respective area of operation. Whilst a strong internal control system would mitigate the crystallisation of risk elements to a greater extent, employment of external support structures would also be necessary based on the risk assessments made thereon.

Effective maintenance of internal controls and risk identification and mitigation is handed down to the respective members of senior management within the guidelines of benchmark policies, procedures and authority limits clearly laid down.

Group internal Audit, whose scope of scrutiny is entirely driven by grading of the risk involved, will be monitoring and providing feedback to the Management and the Audit Committee. Regular submission of compliance and internal solvency certificates vouched by the Heads of the respective divisions as a mandatory agenda item keeps the Directors abreast of the position of the Company's resource base and governance requirements.

This allows the Board to have total control of the fulfilment of governance requirements by providing opportunity to take timely preventive action in case of potential deterioration of status quo. A comprehensive description of the risk management strategies of the Company are given on pages 07 to 12 in the Annual Report.

13. HUMAN RESOURCES

The management of the Group's investments is undertaken by Guardian Fund Management Limited (GFM) and management support services are provided by Carsons Management Services (Private) Limited (CMSL).

GFM continued to invest in human capital development and implement effective human resource practices and policies to develop and build an efficient and effective workforce aligned around new business priorities of the Group and to ensure that its employees are developing the skills and knowledge required for the future success of the Group, centered around the core competencies required by an investment house.

The number of persons employed by GFM as at 31st March 2023 was 21 (31st March 2022 -23).

14. EQUITABLE TREATMENT TO SHAREHOLDERS

The Company endeavours at all times to ensure equitable treatment to all shareholders.

15. DIVIDEND

1. First Interim Dividend of Rs.2/- per ordinary share for the financial year ended 31st March 2022 was announced on 02nd June 2022. Shareholders of the Company who had provided accurate bank account details were paid on 21st June 2022 and to the Shareholders who have not provided accurate bank account details or have not provided any bank account details, the dividends was paid on 04th July 2022.

2. First Interim Dividend of Rs.2.20 per ordinary share for the financial year ended 31st March 2023 was announced on 23rd June 2023. Shareholders of the Company who have provided accurate bank account details will be paid on 14th July 2023 and to the Shareholders who have not provided accurate bank account details or have not provide any bank account details, the dividends will be paid on 27th July 2023.

The details of the said Dividend payment is given on page 66 of the Annual Report.

The Board of Directors have not recommended a final Dividend for the year ended 31st March 2023.

16. SOLVENCY TEST

At the time of approving the above distributions, the Directors were satisfied that the Company would meet the Solvency Test requirement under Section 56(2) of the Companies Act, No. 07 of 2007 immediately after the said distributions.

The Company's Auditors, KPMG, Chartered Accountants have issued Certificates of Solvency for the dividends mentioned above, confirming same.

17. STATED CAPITAL

Stated Capital of the Company amounted to Rs.1,128,726,009/- which consists of 82,517,874 Ordinary Shares and 5,769,257 fully paid Deferred Shares as at 31st March 2023.

The Company announced a Repurchase of Shares on 23rd June 2023 at a ratio of 01 share for every 180 shares held and accordingly, the Company would repurchase a maximum 458,433 ordinary shares and 32,052 deferred shares from the Shareholders at a price of Rs.212/20 per share.

18. CAPITAL EXPENDITURE

The details of capital additions of the Group are as follows.

In Rupees Thousands	Group 2023	2022
Property plant & equipment	1,280	1,532
Intangible assets	-	-

19. STATUTORY PAYMENTS

The Directors to the best of their knowledge and belief were satisfied that all statutory dues have been paid up to date or have been provided for in the financial statements.

20. GOING CONCERN

The Board of Directors is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the financial statements are prepared based on the going concern concept.

21. EVENTS AFTER THE REPORTING DATE

Details of events after the reporting date are given in note 40 to the financial statements.

22. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The contingent liabilities and commitments made on account of capital expenditure as at 31st March 2023 are given in note 43 to the Financial Statements, if any.

23. SHARE INFORMATION

The details relating to earnings, net assets, market value per share and information on share trading are given on pages 117 to 118 of the Annual Report.

24. TWENTY MAJOR SHAREHOLDERS WITH COMPARATIVES

The parent company, Carson Cumberbatch PLC holds 67.53% of the total ordinary shares in issue of the Company.

Name of shareholders		31st March 2023		31st March 2022	
		No. of shares	%	No. of shares	%
1	Carson Cumberbatch PLC A/C No.2	55,414,060	67.15	55,414,060	66.78
	Carson Cumberbatch PLC A/C No.1	309,575	0.38	-	0.00
2	Employee's Provident Fund	2,953,018	3.58	2,953,018	3.56
3	Thurston Investments Limited	1,936,128	2.35	2,278,783	2.75
4	GF Capital Global Limited	1,608,591	1.95	1,608,591	1.94
5	Mr. G.J.W. De Silva	881,655	1.07	881,655	1.06
6	Mr. L.H.S Peiris	879,313	1.07	879,313	1.06
7	Mrs. M.L. De Silva	866,845	1.05	866,845	1.04
8	SSBT-Sunsuper Pty. Ltd. as trustee for Sunsuper Superannuation Fund	813,967	0.99	485,710	0.59
9	Citibank Hong Kong S/A Hostplus Pooled Superannuation Trust	708,195	0.86	385,898	0.47
10	Mr. K.C. Vignarajah	702,501	0.85	666,843	0.80
11	Miss A. Radhakrishnan	686,026	0.83	686,026	0.83
12	Miss M.P. Radhakrishnan	686,026	0.83	686,026	0.83
13	Mr. R. Maheswaran (Deceased)	685,016	0.83	685,016	0.83
14	Peoples Leasing & Finance PLC/Mr.M.A.N.Yoosufali	562,700	0.68	509,381	0.61
15	Mr. S. Vasudevan	539,035	0.65	306,968	0.37
16	Northern Trust Company S/A Hosking Global Fund PLC	503,380	0.61	471,107	0.57
17	Employees Trust Fund Board	490,998	0.60	490,998	0.59
18	Miss R.H. Abdulhussein	462,931	0.56	409,457	0.49
19	J.B. Cocoshell (Pvt) Ltd	421,507	0.51	207,716	0.25
20	Confab Steel (Private) Limited	392,940	0.48	387,257	0.47

25. ANNUAL REPORT

The information provided herein is in pursuance of the requirements of the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

The Board of Directors have approved the Financial Statements of the Company together with the Reviews which form part of the Annual Report on 26th June 2023.

The appropriate number of copies of the Annual Report will be submitted to the Colombo Stock Exchange, the Sri Lanka Accounting and Auditing Standards Monitoring Board and the Registrar General of Companies, within applicable time frames.

26. ANNUAL GENERAL MEETING

The 71st Annual General Meeting of the Company will be held on **Tuesday, 25th July 2023 at 11.00 a.m.** at the Auditorium of The Institute of Chartered Accountants of Sri Lanka (Ground Floor), No. 30A, Malalasekera Mawatha, Colombo 7, Sri Lanka.

The Notice of the Annual General Meeting, setting out the business which will be transacted thereat is on page 121 of the Annual Report.

Signed on behalf of the Board,

(Sgd.)

M. A. R. C. Cooray (Mrs)

Chairperson

(Sgd.)

D. C. R. Gunawardena

Director

(Sgd.)

K. D. De Silva (Mrs.)

Director

Carsons Management Services (Private) Limited
Secretaries

Colombo
26th June 2023

Audit

Committee Report

The Parent Company of Ceylon Guardian Investment Trust PLC is Carson Cumberbatch PLC (CCPLC). As provided by the Colombo Stock Exchange Listing Rules, the Audit Committee of CCPLC functions as the Audit Committee of the Company.

The Members of the Audit Committee are as follows:

1. Mr.A.S. Amaratunga (Chairman)
A Non-Executive, Independent Director of CCPLC, is also a Non-Executive, Independent Director of Hemas Holdings PLC, Chairman of Hemas Holdings PLC-Audit Committee, Member of MAS Holdings Audit Committee and a Commissioner of PT Agro Indomas, Indonesia, a subsidiary of CCPLC.
2. Mr.D.C.R. Gunawardena
A Non-Executive Director of CCPLC and in most of its Group Companies. Mr.Gunawardena is a Fellow of the Chartered Institute of Management Accountants, U.K.
3. Mr.Y.H. Ong
A Non-Executive, Independent Director of CCPLC. He is also an Independent Non-Executive Director, Chairman of the Audit Committee and Member of the Nominating Committee of Singapore Power Ltd. and Capitaland Group Pte Ltd. He has served as an Independent Director of United Overseas Bank Ltd., Singapore. Mr.Ong had also served at Ernst & Young, Singapore for 30 years and was involved in audit and financial advisory work.

Meetings of the Audit Committee

The audit aspects of Ceylon Guardian Investment Trust PLC are conducted within the Agenda of CCPLC-Audit Committee.

As allowed by the CCPLC-Audit Committee Charter, CCPLC-Audit Committee held seven (07) virtual Meetings during the financial year to discuss matters relating to the Company.

The attendance of the Members at Committee Meetings were as follows:

Audit Committee Members	Meetings attended
Mr.A.S. Amaratunga (Chairman)	7/7
Mr.D.C.R. Gunawardena	7/7
Mr.Y.H. Ong	7/7

Director-Finance-Carsons Management Services (Private) Limited-Managers, internal auditors and senior management staff members of the Investment Sector also attended the Audit Committee Meetings by invitation.

The Audit Committee met the External Auditors, Messrs. KPMG, twice during the year to discuss the audit plan, scope and outcomes from the review, including Key Audit Matters and to deliberate the draft Financial Report and Accounts at the completion stage of the audit. Committee also provides the opportunity to the External Auditors to provide matters of importance via a private audience.

Following the Audit Committee Meetings, the Chairman-Audit Committee issues a written update for circulation to the Board, as relevant, indicating the important matters discussed and decisions taken in respect of the Company. In addition, Minutes/extracts of the Minutes of Audit Committee Meetings are circulated to the Board of Directors.

Purpose of the Audit Committee

To assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process and the Company's process for monitoring compliance with laws and regulations, Company policies and procedures and the code of conduct.

To ensure that the internal audit activity is well managed, so that it adds value to the organization by being objective in providing relevant assurance, contributing to the effectiveness and efficiency of governance, risk management and control processes. Also, to select the Company's External Auditors and implement a direct reporting relationship with them and ensuring their independence.

Financial Statements

The interim financial statements of Ceylon Guardian Investment Trust PLC have been reviewed by the Audit Committee Members at Audit Committee Meetings, prior to approval by the Board of Directors and release of same to the Regulatory Authorities and to the shareholders.

Audit Committee Report

Based on the audit reporting requirements, the Audit Committee discussed Audit Matters tabled by Messrs. KPMG for inclusion in the audit report.

The financial statements of Ceylon Guardian Investment Trust PLC for the year ended 31st March 2023 were reviewed at a Meeting of the Audit Committee, together with the External Auditors, Messrs. KPMG, prior to release of same to the Regulatory Authorities and to the shareholders. The Audit Committee was provided with confirmations and declarations as required by management that the said financial statements were prepared in accordance with the Sri Lanka Accounting Standards and the information required by the Companies Act No. 7 of 2007 therein and presented a true and fair view of the Company's state of affairs as at that date and the Company's activities during the year under review.

Internal Audit

The objectives of Group Internal Audit work is to have an independent review of the system of internal controls as established by the management, its adequacy and integrity vis-a-vis objectives served and to determine the extent of adherence to the controls by staff responsible for the function and to take corrective/preventive action where necessary.

The Audit Committee approved the audit plan for the financial year 2022/2023 and Group Internal Audit carried out audits on the Investment Sector companies based on the plan.

The findings and contents of Group Internal Audit reports have been discussed with relevant management staff and subsequently the audit reports were circulated to the Audit Committee and to senior management.

During the year Group Internal Audit conducted an analysis to benchmark its People, Processes and Systems with the standards of Institute of Internal Auditors (IIA). Based on the outcomes, a roadmap was established to improve its functions, activities and the role.

External Audit

The External Auditors' Letter of Engagement was reviewed and discussed by the Committee with them and management prior to the commencement of the audit, and the Committee followed up on the issues raised by the External Auditors.

The Members of the Audit Committee have determined that the independence of Messrs.KPMG, Chartered Accountants has not been impaired by any event or service that gives rise to a conflict of interest. The Committee also reviewed arrangements made by the Auditors to maintain their independence and confirmation has been received from the Auditors of their compliance with the guidance on independence given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

The Members of the Audit Committee have concurred to recommend to the Board of Directors the re-appointment of Messrs. KPMG, Chartered Accountants, as Auditors for the financial year ending 31st March 2024, subject to the approval of the shareholders of Ceylon Guardian Investment Trust PLC at the Annual General Meeting.

(Sgd.)

A.S. Amaratunga

Chairman – Audit Committee

Carson Cumberbatch PLC

26th June 2023

Related Party Transactions

Review Committee Report

The Parent Company of Ceylon Guardian Investment Trust PLC is Carson Cumberbatch PLC (CCPLC). As provided by the Colombo Stock Exchange Listing Rules, the Related Party Transactions Review Committee (RPTRC) of CCPLC functions as the RPTRC of the Company.

Composition of the Committee

The Members of the RPTRC are as follows :

RPTRC Members	Executive/Non-Executive/Independent
Mr.W.M.R.S. Dias (Chairman)	Non-Executive, Independent (CCPLC)
Mr.D.C.R. Gunawardena	Non-Executive (CCPLC)
Mr.H. Selvanathan	Executive (CCPLC)
Mr.M. Selvanathan	Executive (CCPLC)
Mr.S.K. Shah	Non-Executive (CCPLC)
Mr.R. Theagarajah	Non-Executive, Independent (CCPLC)

Meetings of the Related Party Transactions Review Committee

CCPLC-RPTRC held One (01) Meeting in each calendar quarter and a total of Four (04) RPTRC Meetings were held during the financial year (02 virtual meetings and 02 physical meetings). In addition, the approval of the RPTRC Members were sought via 16 Circular Resolutions during the financial year.

The attendance of the Members at Committee Meetings were as follows:

RPTRC Members	Meetings attended
Mr.W.M.R.S. Dias (Chairman)	4/4
Mr.D.C.R. Gunawardena	4/4
Mr.H. Selvanathan	4/4
Mr.M. Selvanathan	3/4
Mr.S.K. Shah	4/4
Mr.R. Theagarajah	4/4

Purpose of the Committee

The objective of the RPTRC is to review all Related Party Transactions (RPTs) of the Listed Companies of the Carsons Group, other than those exempted by the Carsons Group RPT Code, prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.

Policies and procedures

- The RPTRC reviews the relevant Related Party Transactions of the Listed Companies of the Carsons Group and where the Committee decides that the approval of the Board of Directors of the respective Companies are necessary to approve a Related Party Transaction, such Board approval is obtained prior to entering into the relevant Related Party Transaction.
- When reviewing a transaction, the RPTRC would decide whether the proposed transaction is carried out on an arm's length basis irrespective of whether it is recurrent or non-recurrent in nature.
- Reviewing and approval would be either by meeting of members (subject to quorum being present) or by circulation.
- In determining whether to obtain the approval of the Board of Directors for a Related Party Transaction, the RPTRC will take into account, among other factors it deems appropriate, whether the proposed RPTs pose a conflict of interest to the Directors.

The self-declarations from the Directors and Key Management Personnel are obtained for the purpose of identifying parties related to them. Further, the guidelines which senior management must follow in routing Related Party Transactions to the relevant forum, including transaction threshold values and pricing where applicable have been documented even in the case of once approved recurrent transactions which are of operational nature, which as per the Carsons Group RPT Code need not be repeatedly approved, if within the broad thresholds.

Related Party Transactions Review Committee Report

The RPTRC in discharging its function endeavours to ensure that :

- there is compliance with the Carsons Group RPT Code;
- shareholder interests are protected; and
- fairness and transparency are maintained.

The Committee has a criteria for designating Carsons Group Key Management Personnel (KMP) and quarterly disclosures are made by the KMPs so designated, as relevant.

The Related Party Transactions of the Company for the period 1st April 2022 to 31st March 2023 have been reviewed by the Members of the RPTRC and the comments and observations of the Committee have been communicated to the Board of Directors of the Company.

(Sgd.)

W.M.R.S. Dias

Chairman – Related Party Transactions Review Committee
Carson Cumberbatch PLC

Colombo
26th June 2023

Financial Calendar

Financial Year end

31st March 2023

71st Annual General Meeting

25th July 2023

ANNOUNCEMENT OF RESULTS

Interim Financial Statements published in terms of the Listing Rules of the Colombo Stock Exchange

1st Quarter ended 30th June 2022

12th August 2022

2nd Quarter ended 30th September 2022

14th November 2022

3rd Quarter ended 31st December 2022

14th February 2023

4th Quarter ended 31st March 2023

31st May 2023

Independent Auditor's Report



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

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TO THE SHAREHOLDERS OF CEYLON GUARDIAN INVESTMENT TRUST PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ceylon Guardian Investment Trust PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31st March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information as set out on pages 36 to 108.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31st March 2023, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company financial statements and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company financial statements and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

C. P. Jayatilake FCA	T. J. S. Rajakarier FCA	W. W. J. C. Perera FCA
Ms. S. Joseph FCA	Ms. S.M.B. Jayasekara FCA	W. K. D. C. Abeyrathne FCA
S. T. D. L. Perera FCA	G. A. U. Karunaratne FCA	R.M.D.B. Rajapakse FCA
Ms. B.K.D.T.N. Rodrigo FCA	R. H. Rajan FCA	M.N.M. Shameel FCA
Ms. C.T.K.N. Perera ACA	A.M.R.P. Alahakoon ACA	Ms. P.M.K. Sumanasekara FCA

Principals - S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA,
Ms. F.R. Ziyad FCMA (UK), FTII



1. 1.Valuation of financial investments classified as Fair Value through Profit or Loss (FVTPL) and Fair Value through Other Comprehensive Income (FVOCI)

Refer notes 3 (d), 24, 27, 28 and 38 (pages 46, 73, 76, 84, and 94) to these financial statements

Risk Description	Our Response
<p>The financial investments of the Group as at 31st March 2023 comprise of FVTPL financial assets amounting to Rs. 8,928 Mn and FVOCI financial assets amounting to Rs. 8,768 Mn which represents 77% of the total assets. As at the reporting date, the Group's FVTPL portfolio is made up of listed equity investments and bonds amounting to Rs. 8,649 Mn and unit trust investments amounting to Rs. 230 Mn.</p> <p>Due to the prevailing uncertain and volatile macro-economic environment, there is uncertainty with regard to market conditions when compared to prior years.</p> <p>Due to the materiality of FVTPL and FVOCI financial instruments in the context of the financial statements and measurement uncertainty created due to the economic downturn, we considered valuation of FVTPL and FVOCI financial instruments as a Key Audit Matter.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> • Checking the CDS statements to verify the existence, completeness and accuracy of the number of quoted shares and agreeing the market price as of 31st March 2023 with the CSE prices; • Checking the number of units and the unit price as at 31st March 2023 with the external confirmations received from the Unit Trust Management Company to verify the existence, accuracy and completeness; • Recomputing the fair value gain/loss arise from revaluing the FVTPL investment. • Assessing the adequacy of disclosure in the financial statements in relation to the fair valuation of the financial investments as required by the accounting standards.



Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is FCA 3272.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

26th June 2023

Statement of Profit or Loss and Other Comprehensive Income

In Rupees Thousands

For the year ended 31st March	Note	Group 2023	2022	Company 2023	2022
Continuing operations					
Revenue	11	1,114,610	1,168,979	466,842	409,624
Reversal of impairment on investment in a subsidiary	22.4	-	-	33,229	-
Net change in fair value through profit or loss financial assets		896,359	(1,779,992)	376,552	(439,430)
Profit / (loss) on investment activities		2,010,969	(611,013)	876,623	(29,806)
Administrative and other operating expenses		(301,066)	(217,646)	(118,177)	(89,696)
Profit / (loss) from operations	12	1,709,903	(828,659)	758,446	(119,502)
Profit from disposal of investment in subsidiary	22.7	-	-	-	37,218
Profit from disposal of investment in joint venture	23.5	-	-	15,763	-
Other income	13	-	-	-	53,498
Net finance income / (expense)	14	(134,120)	(6,393)	(62,964)	(5,646)
Profit / (loss) before taxation		1,575,783	(835,052)	711,245	(34,432)
Income tax expense	15	(147,313)	(84,956)	(65,695)	(29,385)
Profit / (loss) for the year from continuing operations		1,428,470	(920,008)	645,550	(63,817)
Discontinued operations					
Profit / (loss) after tax for the period from discontinued operations	16	729	(145,624)	-	-
Profit / (loss) for the year		1,429,199	(1,065,632)	645,550	(63,817)
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Actuarial gain / (loss) on employee benefit obligation	33.3	2,403	5,801	-	-
Related tax on employee benefits	25.1	(721)	(1,392)	-	-
Net change in fair value through other comprehensive income financial assets	24.2	1,374,472	654,024	-	-
Items that are or may be reclassified to profit or loss					
Share of other comprehensive income / (expense) of equity accounted investee, net of tax		-	127	-	-
Net exchange differences on translation of foreign operations		154,266	416,660	-	-
Other comprehensive income / (expense) for the year		1,530,420	1,075,220	-	-
Total comprehensive income / (expense) for the year		2,959,619	9,588	645,550	(63,817)
Profit attributable to:					
Equity holders of the parent		1,207,073	(897,627)	645,550	(63,817)
Non-controlling interest		222,126	(168,005)	-	-
		1,429,199	(1,065,632)	645,550	(63,817)
Total comprehensive expense attributable to:					
Equity holders of the parent		2,477,231	(4,709)	645,550	(63,817)
Non-controlling interest		482,388	14,297	-	-
		2,959,619	9,588	645,550	(63,817)
Earnings / (loss) per share (Rs.)					
Earnings / (loss) per share (Rs.)	17	13.67	(10.17)	7.31	(0.72)
Earnings / (loss) per share (Rs.) - Continuing operations	17	13.66	(8.78)	7.31	(0.72)
Dividend per share	18	2.20	2.00	2.20	2.00

The notes to the financial statements from pages 41 to 108 form an integral part of these financial statements. Figures in brackets indicate deductions.

Statement of Financial Position

In Rupees Thousands

As at 31st March	Note	Group 2023	2022	Company 2023	2022
ASSETS					
Non-current assets					
Property, plant and equipment	19	2,683	2,747	-	-
Intangible assets	20	-	2,594	-	-
Right-of-use assets	21	10,947	7,703	-	-
Investments in subsidiaries	22	-	-	1,822,198	1,785,546
Investments in fair value through other comprehensive income	24	8,768,010	7,393,538	-	-
Deferred tax asset	25	2,345	1,360	-	-
Investment in fixed deposits	38.3.1	3,770,560	-	1,786,841	-
Total non-current assets		12,554,545	7,407,942	3,609,039	1,785,546
Current assets					
Trade and other receivables	26	49,614	174,034	5,795	102,841
Investments in equity and debt securities	27	8,698,235	8,194,740	2,645,150	2,812,613
Investments in unit trusts	28	230,843	363,961	92,290	162,908
Investments in fixed deposits	38.3.1	1,088,204	982,954	346,942	360,028
Cash and cash equivalents	29	432,108	2,771,255	49,447	1,006,130
Total current assets		10,499,004	12,486,944	3,139,624	4,444,520
Asset held for sales	16	-	50,034	-	35,000
Total assets		23,053,549	19,944,920	6,748,663	6,265,066
EQUITY AND LIABILITIES					
Equity					
Stated capital	30	1,128,726	1,128,726	1,128,726	1,128,726
Capital reserves	31	324,546	324,836	208,660	208,660
Revenue reserves	32	17,281,330	15,047,768	5,204,743	4,757,371
Total equity attributable to equity holders of the parent		18,734,602	16,501,330	6,542,129	6,094,757
Non controlling interest		3,589,884	3,148,737	-	-
Total equity		22,324,486	19,650,067	6,542,129	6,094,757
Non-current liabilities					
Employee benefits	33	7,891	8,382	-	-
Lease liabilities	35	5,474	-	-	-
Total non-current liabilities		13,365	8,382	-	-
Current liabilities					
Trade and other payables	34	153,561	187,739	27,208	98,896
Lease liabilities	35	5,472	7,998	-	-
Current tax liabilities		43,705	32,205	19,404	12,884
Short term borrowings	36	512,960	58,529	159,922	58,529
Total current liabilities		715,698	286,471	206,534	170,309
Total liabilities		729,063	294,853	206,534	170,309
Total equity and liabilities		23,053,549	19,944,920	6,748,663	6,265,066
Net assets per ordinary / deferred share (Rs.)		212.20	185.87	74.10	68.65

The notes to the financial statements from pages 41 to 108 form an integral part of these financial statements.

I certify that these financial statements comply with the requirements of the Companies Act No. 07 of 2007.

(Sgd).

P.C. Ekanayake

Finance Manager

Guardian Fund Management Limited

The board of directors is responsible for the preparation and presentation of these financial statements.

Approved & Signed on behalf of the Managers,

Approved & Signed on behalf of the Board,

(Sgd).

K. Selvanathan

Director

Carsons Management Services (Private) Limited

(Sgd).

M. A. R. C. Cooray (Mrs.)

Chairperson

(Sgd).

D.C.R. Gunawardena

Director

Colombo

26th June 2023

Statement of Changes In Equity

In Rupees Thousands

Group	Stated capital	Capital reserves				Revenue reserves			Attributable to equity holders of parent	Non controlling interest	Total equity
		Investment reserve	Other capital reserve	Jointly controlled entity's capital reserve	Currency translation reserve	General reserve	Fair value through OCI financial assets	Retained earnings			
Balance as at 1st April 2021	1,128,726	7,805	316,741	163	67,168	32,668	5,557,423	9,631,436	16,742,130	3,319,563	20,061,693
Loss for the year	-	-	-	-	-	-	-	(897,627)	(897,627)	(168,005)	(1,065,632)
Other comprehensive income for the year	-	-	-	127	345,704	-	542,679	4,408	892,918	182,302	1,075,220
Total comprehensive income / (expense) for the year	-	-	-	127	345,704	-	542,679	(893,219)	(4,709)	14,297	9,588
Cash dividend	-	-	-	-	-	-	-	(142,049)	(142,049)	(24,172)	(166,221)
Re-purchase of shares (note 30)	-	-	-	-	-	-	-	(100,623)	(100,623)	(34,754)	(135,377)
Forfeiture of unclaimed dividends	-	-	-	-	-	-	-	6,581	6,581	1,401	7,982
Elimination of Non-controlling interest on disposal of Guardian Capital Partners PLC	-	-	-	-	-	-	-	-	-	(127,598)	(127,598)
Balance as at 31st March 2022	1,128,726	7,805	316,741	290	412,872	32,668	6,100,102	8,502,126	16,501,330	3,148,737	19,650,067
Balance as at 1st April 2022	1,128,726	7,805	316,741	290	412,872	32,668	6,100,102	8,502,126	16,501,330	3,148,737	19,650,067
Surcharge tax for the year of assessment 2020/21 (note 15.5)	-	-	-	-	-	-	-	(73,194)	(73,194)	(16,533)	(89,727)
Balance as at 1st April 2022 (adjusted)	1,128,726	7,805	316,741	290	412,872	32,668	6,100,102	8,428,932	16,428,136	3,132,204	19,560,340
Profit for the year	-	-	-	-	-	-	-	1,207,073	1,207,073	222,126	1,429,199
Other comprehensive income / (expense) for the year	-	-	-	-	127,996	-	1,140,480	1,682	1,270,158	260,262	1,530,420
Total comprehensive income / (expense) for the year	-	-	-	-	127,996	-	1,140,480	1,208,755	2,477,231	482,388	2,959,619
Cash dividend	-	-	-	-	-	-	-	(176,574)	(176,574)	(25,640)	(202,214)
Forfeiture of unclaimed dividends	-	-	-	-	-	-	-	5,809	5,809	932	6,741
Transfers	-	-	-	(290)	-	-	-	290	-	-	-
Balance as at 31st March 2023	1,128,726	7,805	316,741	-	540,868	32,668	7,240,582	9,467,212	18,734,602	3,589,884	22,324,486

The notes from pages 41 to 108 form an integral part of these financial statements.
Figures in brackets indicate deductions.

Company	Stated capital	Capital reserves		Revenue reserves		Total equity
		Investment reserve	Other capital reserve	General reserve	Retained earnings	
Balance as at 1st April 2021	1,128,726	7,805	200,855	14,961	5,045,031	6,397,378
Loss for the year	-	-	-	-	(63,817)	(63,817)
Other comprehensive income / (expense) for the year	-	-	-	-	-	-
Total comprehensive income / (expense) for the year	-	-	-	-	(63,817)	(63,817)
Cash dividend	-	-	-	-	(142,049)	(142,049)
Re-purchase of shares (Note 30)	-	-	-	-	(100,623)	(100,623)
Forfeiture of unclaimed dividends	-	-	-	-	3,868	3,868
Balance as at 31st March 2022	1,128,726	7,805	200,855	14,961	4,742,410	6,094,757
Balance as at 1st April 2022	1,128,726	7,805	200,855	14,961	4,742,410	6,094,757
Surcharge tax for the year of assessment 2020/21 (note 15.5)	-	-	-	-	(25,609)	(25,609)
Balance as at 1st April 2022 (adjusted)	1,128,726	7,805	200,855	14,961	4,716,801	6,069,148
Profit for the year	-	-	-	-	645,550	645,550
Other comprehensive income / (expense) for the year	-	-	-	-	-	-
Total comprehensive income / (expense) for the year	-	-	-	-	645,550	645,550
Cash dividend	-	-	-	-	(176,574)	(176,574)
Forfeiture of unclaimed dividends	-	-	-	-	4,005	4,005
Balance as at 31st March 2023	1,128,726	7,805	200,855	14,961	5,189,782	6,542,129

The notes from pages 41 to 108 form an integral part of these financial statements.
Figures in brackets indicate deductions.

Statement of Cash Flows

In Rupees Thousands

For the year ended 31st March	Note	Group		Company	
		2023	2022	2023	2022
Cash flows from operating activities					
Profit / (loss) before taxation		1,576,512	(835,857)	711,245	(34,432)
Adjustments for:					
Share of (profit) / loss of equity accounted investee, net of tax		4,271	805	-	-
Depreciation on property, plant & equipment	19	1,344	1,326	-	-
Amortisation of intangible assets	20	2,594	4,445	-	-
Amortisation of right-of-use assets	21	7,704	7,704	-	-
Provision for employee benefits	33	2,441	1,568	-	-
Net finance (income) / expense	14	134,120	6,393	62,964	5,646
Reversal of impairment in investments in a subsidiary	22.4	-	-	(33,229)	-
Disposal (gain)/loss on investment in subsidiary	22.7	-	-	-	(37,218)
Disposal (gain)/loss on investment in equity accounted investee	23.5	(5,000)	-	(15,763)	-
Profit from repurchase of shares	13	-	-	-	(53,498)
Net charge in fair value through profit or loss financial assets		(896,359)	1,779,992	(376,552)	439,430
Operating profit before working capital changes					
(Increase) / decrease in trade and other receivables		827,627	966,376	348,665	319,928
(Increase) / decrease in investments		124,420	46,294	97,046	39,417
(Increase) / decrease in investment in fixed deposits		525,981	(490,288)	614,633	122,859
Increase / (decrease) in trade and other payables		(3,875,810)	(52,016)	(1,773,755)	(175,650)
		(33,058)	97,620	(71,224)	64,358
Cash generated from / (used in) operations					
Employee benefit paid	33	(2,430,840)	567,986	(784,635)	370,912
Income tax paid		(529)	-	-	-
Surcharge tax paid	15.5	(137,520)	(49,280)	(59,175)	(6,500)
		(89,727)	-	(25,609)	-
Net cash generated from / (used in) operating activities					
		(2,658,616)	518,706	(869,419)	364,412
Cash flows from investing activities					
Acquisition of property, plant & equipment	19	(1,280)	(1,532)	-	-
Net investments in subsidiaries		-	-	(3,423)	(1,899)
Dividend received from jointly controlled entity		-	1,400	-	-
Finance income received		527	178	-	-
Net cash generated from / (used in) investing activities					
		(753)	46	(3,423)	(1,899)
Cash flows from financing activities					
Dividend paid		(173,033)	(139,246)	(173,033)	(139,246)
Dividend paid to non-controlling interest		(23,557)	(22,337)	-	-
Re-purchase of shares	30	-	(100,623)	-	(100,623)
Re-purchase of shares held by minority shareholders		-	(34,754)	-	-
Short term borrowings obtained / (paid), net	36	449,756	(153,755)	99,756	(153,755)
Payment of lease liabilities	35	(8,281)	(8,280)	-	-
Disposal of a subsidiary/joint venture, net of cash	23.5 / 22.7	50,763	(87,280)	50,763	695,878
Finance expense paid		(129,692)	(5,456)	(61,327)	(5,403)
Net cash generated from / (used) in financing activities					
		165,956	(551,731)	(83,841)	296,851
Net increase / (decrease) in cash and cash equivalents					
Cash and cash equivalents at the beginning of the year		(2,493,413)	(32,979)	(956,683)	659,364
Net exchange differences on translation of foreign operations		2,771,255	2,387,574	1,006,130	346,766
		154,266	416,660	-	-
Cash and cash equivalents at the end of the year	29	432,108	2,771,255	49,447	1,006,130

The notes from pages 41 to 108 form an integral part of these financial statements.
Figures in brackets indicate deductions.

Notes to the Financial Statements

1 REPORTING ENTITY

(a) Domicile and Legal form

Ceylon Guardian Investment Trust PLC (the "Company") is a limited liability company which is incorporated in Sri Lanka. The shares of the Company have a primary listing on the Colombo Stock Exchange.

The registered office and principal place of business of the Company, its subsidiaries, and jointly controlled entities are located at No. 61, Janadhipathi Mawatha, Colombo 01.

The consolidated financial statements of the Company as at and for the year ended 31st March 2023 comprise of the financial information of the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in the jointly controlled entity.

The Group has five subsidiaries out of which one subsidiary is listed on the Colombo Stock Exchange the details of which are set out in the note 22 to the financial statements.

(b) Principal activities and nature of operations

The principal activities of the Company and its subsidiaries are to act as specialised investment vehicles to undertake investments in listed equity securities, private equity securities, investments in unit trusts and fixed income investments as well as to engage in fund management activities.

There were no significant changes in the nature of the principal activities of the Company and the Group during the financial year under review.

The investment activities of the Group are managed by Guardian Fund Management Limited (the investment manager) and Carsons Management Services (Private) Limited functions as Managers and Secretaries of the Group.

(c) Parent entity and Ultimate parent entity

Carson Cumberbatch PLC is the parent company of Ceylon Guardian Investment Trust PLC and Bukit Darah PLC is the ultimate parent and controlling entity of Ceylon Guardian Investment Trust PLC.

(d) Number of employees

The Group had 21 (2022 – 23) employees at the end of the financial year. The Company had no employees as at the reporting date (2022 - Nil) and the relevant services are received from Carsons Management Services (Private) Limited and Guardian Fund Management Limited.

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Company and Group comprise of the statement of financial position, statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows together with the notes to the financial statements.

The consolidated financial statements have been prepared in accordance with Sri Lanka Accounting Standards (LKAS / SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of Companies Act No. 07 of 2007.

The consolidated financial statements were authorised for issue by the Board of Directors on 26th June 2023.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the financial statements, except for the following material items in the statement of financial position;

Non-derivative financial instruments classified as fair value through profit or loss which are measured at fair value;

Fair value through other comprehensive income financial assets; and

Defined benefit obligations are measured at its present value, based on an actuarial valuation.

(c) Going concern basis of accounting

These financial statements have been prepared on the basis that the Company and the Group would continue as a going concern for the foreseeable future.

(d) Materiality and aggregation

Each material class of similar items is presented in aggregate in the financial statements. Items of dissimilar nature or function are presented separately unless immaterial.

(e) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities operate (the 'functional currency'). The consolidated financial statements are presented in Sri Lankan Rupees, which is the Company's functional and presentation currency.

(f) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with LKAS / SLFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Further, the tax liability arising from the Surcharge Tax Act No: 14 of 2022 has been accounted as recommended by the Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka as disclosed under the note 15.5 on Income Taxes.

Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

i. Assessment of impairment - Key assumptions used in discounted cash flow projections

The Group assesses at each reporting date whether there is objective evidence that an asset or portfolio of assets is impaired. The recoverable amount of an asset or Cash

Generating Unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to present value using appropriate discount rates that reflects the current market assessments of the time value of money and risks specific to the asset. The carrying value of goodwill is reviewed at each reporting date and is written down to the extent that it is no longer supported by probable future benefits. Goodwill is allocated to CGU for the purpose of impairment testing.

ii. Deferred taxation – utilization of tax losses

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the level of future taxable profits together with future tax planning strategies.

iii. Defined benefit plans

The assessment of the liability of defined benefit obligations involves a significant element of assumptions; including discount rates, future salary increases, mortality rates and future pension increases and due to the long-term nature of these plans, such estimates are subject to uncertainty.

iv. Current taxation

Current tax liabilities arise to the Group from various jurisdictions. These liabilities are provided for in the financial statements applying the relevant tax statutes and regulations which the management believes reflect the actual liability. There can be instances where the stand taken by the Group on transactions is contested by Inland Revenue Department. Any additional costs on account of these issues are accounted for as a tax expense at the point the liability is confirmed on any Group entity.

v. Measurement of fair values – Fair value of financial instruments

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's audit committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in the fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the note 38.

A. Equity securities

The fair values of investments in equity securities are determined with reference to their quoted closing bid price at the measurement date, or if unquoted, determined using a valuation technique. Valuation techniques employed include market multiples and discounted cash flow analysis using expected future cash flows and a market-related discount rate.

B. Trade and other receivables

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

C. Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date.

(g) Comparative figures

Where necessary, comparative figures have been rearranged to conform to the current year's presentation.

3 SIGNIFICANT ACCOUNTING POLICIES

Following accounting policies have been applied consistently to all periods presented in these financial statements of the Group and Company unless otherwise indicated.

(a) Basis of consolidation

The consolidated financial statements comprise of the financial statements of the Group and its subsidiaries as at and for the year ended 31st March 2023. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Group controls an investee if and only if the investor has all of the following:

Power over the investee

- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect the amount of the investor's returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

Contractual arrangement with the other vote holders of the investee;

- Rights arising from other contracts and arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (refer (iii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the acquisition date as: the fair value of the consideration transferred; plus the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a gain on bargain purchase is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) Non-controlling interest

For each business combination, the Group elects to measure any non-controlling interest in the acquiree either: at fair value; or at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interest are based on a proportionate amount of the net assets of the subsidiary.

No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Adjustments required to the accounting policies of subsidiaries have been changed wherever necessary to align them with the policies adopted by the Group.

In the Company's financial statements, investments in subsidiaries are carried at cost less impairment if any, in net recoverable value.

The consolidated financial statements are prepared to a common financial year end of 31st March.

(iv) Loss of control

On the loss of control, the Group de-recognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

Subsequently that retained interest is accounted for as an equity-accounted investee or as a fair value through other comprehensive income financial asset depending on the level of influence retained.

(v) Investments in associates and jointly controlled entities (equity-accounted investees)

Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in jointly controlled entities are accounted for under the equity method and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that the joint control commences until the date that the joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part

thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

On 13th January 2023, the Group fully disposed its investment in Guardian Acuity Asset Management Limited. Refer notes 23.5 and 42 for details.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Financial year end

All companies in the Group have a common financial year which ends on 31st March, except for the jointly controlled entity, Guardian Acuity Asset Management Limited, whose financial year ends on 31st December.

Effects of significant transactions or events that occur between the date of above financial statements and the date of consolidated financial statements are reviewed and adjusted if any. However, such significant transactions are not available for the above company for the period under review.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates as at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate as at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognised in the statement of profit or loss. However, foreign currency differences arising from the retranslation of the following items are recognised in other comprehensive income:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is; and
- qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Sri Lankan Rupees at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Sri Lankan Rupees at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is not a fully owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of such control, significant influence or joint control, the cumulative amount in the translation reserve related to that

foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such items are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

(c) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

(d) Financial Instruments

(i) Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial assets

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) - debt investment; fair value through other comprehensive income (FVOCI) - equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Group financial assets classified and measured at amortized cost are limited to trade and other receivables, related party receivables, short term investments, securities purchased under the resale agreements and cash and cash equivalents.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

The Group's unit trust investments are classified as at fair value through profit or loss and equity instruments are classified in both fair value through profit or loss and fair value through other comprehensive income.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

how the performance of the portfolio is evaluated and reported to the Group's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered as sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount

substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Any gain or loss on derecognition is recognised in statement of profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.
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(iii) Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and gains and losses, including any interest expense, are recognised in the statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss. Any gain or loss on de-recognition is also recognised in statement of profit or loss.

(iv) De-recognition

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the financial asset. Any interest in such de-recognised financial assets that is created or retained by the Group is recognised as a separate asset or liability. The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not de-recognised.

The Group de-recognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also de-recognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(e) Impairment

(i) Financial assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired'

when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of an active market or a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to the statement profit or loss and is recognised in the statement of profit or loss and other comprehensive income.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 360 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recover the amounts due.

(ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(f) Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment are initially recorded at cost.

Subsequent to the initial recognition property, plant and equipment are carried at cost less accumulated depreciation thereon and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

the cost of materials and direct labour;

any other costs directly attributable to bringing the assets to a working condition for their intended use.

When the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located are recognised into the cost of acquisition of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows;

Class of asset	No. of years
Motor vehicles	4-5
Furniture and fittings	5-10
Computer equipment	3-5
Office equipment	5-10

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Disposal

The gains or losses arising on disposal or retirement of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment are recognised net within other income in the statement of profit or loss.

(g) Intangible assets and goodwill

(i) Recognition and measurement

Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented within intangible assets for the measurement of goodwill at initial recognition.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity accounted investee as a whole.

Software

All computer software costs incurred for license for use by the Group, which are not integrally related to associated hardware, which can be clearly identified, reliably measured and it is probable that they will lead to future economic benefits, are included in the statement of financial position

under the category intangible assets and carried at cost less accumulated amortization and any accumulated impairment losses. These costs are amortised to the statement of profit or loss using the straight-line method over 3 to 10 years.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of profit or loss as incurred.

(iii) Impairment

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable.

(h) Asset held-for-sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to financial assets, deferred tax assets, employee benefit assets, which continue to be measured in accordance with the Group's other accounting policies.

Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on re-measurement are recognised in profit or loss. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

(i) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SLFRS 16.

This policy is applied to contracts entered into, on or after 1st April 2019.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative standalone prices. However, for the lease of office building the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease

or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities as separate line items in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

(j) Stated capital

Ordinary shares and deferred shares are classified as equity. Costs attributable to the issue of ordinary shares and deferred are recognised as an expense.

(k) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The liability recognised in the financial statements in respect of defined benefit plans is the present value of the defined benefit obligation as at the reporting date. The defined benefit obligation is calculated by a qualified actuary as at the reporting date using the Projected Unit Credit (PUC) method as recommended by LKAS 19 - 'Employee Benefits'.

Such actuarial valuations will be carried out once a year.

The liability is not externally funded. Under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

All Actuarial gains or losses are recognised immediately in other comprehensive income.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on settlement of a defined benefit plan when the settlement occurs.

(l) Liabilities and provisions

(i) Liabilities

Liabilities classified as current liabilities in the statement of financial position are those obligations payable on demand or within one year from the reporting date. Items classified as non-current liabilities are those obligations, which expire beyond a period of one year from the reporting date.

All known liabilities have been accounted for in preparing the financial statements. Provisions and liabilities are recognised when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

(ii) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(m) Contingent liabilities and contingent assets

(i) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

In such an event, the Group does not recognise a contingent liability but discloses its existence in the financial statements.

(ii) Contingent assets

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets in the statement of financial position but discloses its existence where inflows of economic benefits are probable, but not virtually certain. In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

(n) Revenue

Performance obligations and revenue recognition policies

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised.

As per the standard, revenue is measured based on the consideration specified in a contract with a customer. The Group revenue comprises of the portfolio management fee income for the portfolio management service provided to external clients and Group recognises revenue when it provides the service at a point in time.

Accordingly, the Group recognises the revenue based on the following criteria.

(i) Interest income and expense

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

(ii) Gain / (loss) on sale of financial investments measured at fair value through profit or loss

Gain / (loss) on sale of financial investments measured at fair value through profit or loss comprise of the realised trading gains on disposal of government securities, quoted shares, unquoted shares and listed debentures, are presented in direct income as sale of financial investments at fair value through profit or loss in the statement of profit or loss and other comprehensive income.

(iii) Gain / (loss) on redemption of units

Gain / (loss) on redemption of units comprise of the realised trading gain / (loss) on disposal of investment in unit trust, is presented in direct income as sale of financial investments at fair value through profit or loss in the statement of profit or loss and other comprehensive income.

(iv) Gain / (loss) on disposal of financial investments – fair value through other comprehensive income

Gain / (loss) on disposal of financial investments measured at fair value through other comprehensive income comprise of the realised capital gain / (loss) on disposal of investment in equity securities classified as financial assets measured at fair value through other comprehensive income, is presented in other comprehensive income.

(v) Gain / (loss) on fair valuation of financial investments – fair value through profit or loss

Gain / (loss) on fair valuation of financial investments is the unrealised gain / (loss) on fair valuation (marked to market valuation) of government securities, quoted shares, unquoted shares, investment in units and listed debentures. The fair valuation gain / (loss) is presented in profit or loss in the statement of profit or loss and other comprehensive income.

(vi) Dividend income

Dividend income from financial investments held for trading is recognised in profit or loss on an accrual basis when the Group's right to receive the dividend is established. This is usually on the ex-dividend date for equity securities.

Dividends are presented in net trading income or net gain / (loss) from financial investments based on the underlying classification of the equity investment.

(o) Expenditure recognition

(i) Operating expenses

All expenses incurred in day-to-day operations of the business have been charged to profit or loss account in arriving at the profit or loss for the year. A provision has also been made for impaired receivables, all known liabilities and depreciation on property, plant and equipment.

(ii) Finance income and finance costs

Finance costs comprise interest expense on borrowings and bank overdrafts, unwinding of the discount on provisions and deferred consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(iii) Fee and commission expenses

Fee and commission expenses are recognised in statement of profit or loss when the related services are performed.

(p) Income tax expense

Income tax expense comprise of current and deferred tax. Current tax and deferred tax is recognised in the statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent liabilities and Contingent assets.

(i) Current taxation

Current tax comprise the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

(ii) Deferred taxation

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

- The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.
- Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if there is any.
- Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, based on the level of future taxable profit forecasts and tax planning strategies.

(iii) Tax exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(q) Related party transactions

A disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policy

decisions of the other, irrespective of whether a price is charged.

(r) Earnings per Share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

(s) Events after the reporting period

All material and important events which occur after the reporting period have been considered and disclosed in notes to the financial statements.

4 DIVIDENDS ON ORDINARY SHARES

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Group's shareholders. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Group.

5 SEGMENT REPORTING

Segment results that are reported to the Board of Directors include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis.

6 STATEMENT OF CASH FLOWS

The statement of cash flows has been prepared using the indirect method of preparing cash flows in accordance with the Sri Lanka Accounting Standard (LKAS) 7, "Statement of Cash Flows".

Cash and cash equivalents as referred to in the statement of cash flows are comprised of those items as explained in note 29 to the financial statements.

For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.

7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances that are subject to insignificant risk of changes in fair value and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

8 PRESENTATION

Assets and liabilities are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

(i) Offsetting income and expenses

Income and expenses are not offset unless required or permitted by accounting standards.

(ii) Offsetting assets and liabilities

Assets and liabilities are offset and the net amount reported in the statement of financial position only where there is;

- a current enforceable legal right to offset the asset and the liability; and
- an intention to settle the liability simultaneously.

9 DIRECTORS' RESPONSIBILITY

The Board of Directors is responsible for the preparation and presentation of the financial statements. This is more fully described under the relevant clause in the Directors' Report.

10 NEW ACCOUNTING STANDARDS ISSUED

New accounting standards issued but not effective as at reporting date.

A number of new standards and amendments to standards are effective for annual periods beginning after 1st April 2023 and earlier application is permitted; however, the Group has not early adopted the new and amended standards in preparing these consolidated financial statements.

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12)
- Classification of Liability as Current or Non-current (Amendments to LKAS 1)
- Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to LKAS 8)
- Lease Liability in a Sale and Leaseback (Amendments to SLFRS 16)

11. REVENUE

For the year ended 31st March	Group		Company	
	2023	2022	2023	2022
Dividend income	579,718	694,063	226,957	255,406
Interest income on financial assets carried at amortised cost (note 11.1)	694,333	137,386	306,791	45,517
Management fees	166,347	135,130	-	-
Net gain /(loss) from disposal of investment in equity and debt securities	(88,583)	448,744	(75,159)	105,892
Net gain from disposal of investment in unit trusts	23,098	7,798	8,253	2,809
	1,374,913	1,423,121	466,842	409,624
Intra-group transactions	(260,303)	(254,142)	-	-
	1,114,610	1,168,979	466,842	409,624
11.1 Interest income on financial assets carried at amortised cost				
Placements with banking and financial institutions	513,114	95,031	245,536	35,056
Saving deposits	124,853	12,981	59,779	5,052
Securities purchased under resale agreements	3,835	8,740	1,476	3,271
Interest income from treasury bills, bonds and corporate bonds	52,531	20,634	-	2,138
	694,333	137,386	306,791	45,517

12. PROFIT/(LOSS) FROM OPERATIONS

Profit / (loss) from operations is stated after charging all expenses including the following:

For the year ended 31st March	Group		Company	
	2023	2022	2023	2022
Auditors' remuneration & expenses				
- Audit and audit related fees	6,199	3,846	655	560
- Non audit services	210	507	70	242
Directors' fees	22,148	18,106	19,592	14,771
Support service fees*	43,847	36,850	19,991	15,563
Depreciation (note 19)	1,344	1,326	-	-
Amortisation	10,298	12,149	-	-
Professional services (note 12.a)	10,022	11,153	2,336	8,312
Personnel cost (note 12.b)	103,175	80,159	-	-

*Support service fees are paid to Carsons Management Services (Private) Limited, a related company, which acts as the Managers and Secretaries of the Group.

Notes to the Financial Statements

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For the year ended 31st March		Group		Company	
		2023	2022	2023	2022
12.a	Professional services				
	Legal services	2,160	4,942	2,160	4,015
	Valuation services	816	533	-	260
	Other professional services	7,046	5,678	176	4,037
		10,022	11,153	2,336	8,312
12.b	Personnel cost				
	Salaries, wages and other related expenses	92,532	70,917	-	-
	Defined benefit plan cost (note 33.2)	2,441	1,568	-	-
	Defined contribution plan cost	8,202	7,674	-	-
		103,175	80,159	-	-
	The above include:				
	Directors' emoluments	28,257	14,257	-	-
		28,257	14,257	-	-

13 OTHER INCOME

For the year ended 31st March		Group		Company	
		2023	2022	2023	2022
	Proceeds received from share repurchase	-	-	-	67,281
	Cost of the repurchased shares	-	-	-	(13,783)
		-	-	-	53,498

Ceylon Investment PLC, subsidiary of Ceylon Guardian Investment Trust PLC, made a share repurchase offer, via an offer document dated 11th February 2022. Accordingly, the Company accepted its full entitlement of 655,119 Ceylon Investment PLC shares at a consideration of Rs.102.70 per share at a total consideration of Rs. 67.28 Mn, which resulted in a profit of 53.50 Mn for the year ended 31 March 2022.

14 NET FINANCE INCOME / (EXPENSE)

For the year ended 31st March	Group		Company	
	2023	2022	2023	2022
Finance income				
Interest income	527	178	-	-
Exchange gain	551	57	-	-
	1,078	235	-	-
Finance expense				
On bank overdraft	-	161	-	84
On short-term borrowings	134,915	5,596	62,964	5,562
Lease interest (note 35)	283	871	-	-
	135,198	6,628	62,964	5,646
Net finance income / (expense)	(134,120)	(6,393)	(62,964)	(5,646)

15 INCOME TAX EXPENSE

For the year ended 31st March	Group		Company	
	2023	2022	2023	2022
15.1 Current tax expense				
Provision for the year (note 15.3)	150,266	78,570	66,361	23,554
Over provision for previous year	(1,247)	185	(666)	(99)
ESC write-off	-	6,506	-	5,930
Current tax expense for the year	149,019	85,261	65,695	29,385
15.2 Deferred taxation				
On origination and reversal of temporary differences (note 25.1)	(1,706)	(305)	-	-
Deferred tax expense / (reversal) for the year	(1,706)	(305)	-	-
Total income tax expense for the year	147,313	84,956	65,695	29,385

Notes to the Financial Statements

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15.3 Reconciliation between accounting profit and taxable profit

For the year ended 31st March	Group		Company	
	2023	2022	2023	2022
Accounting profit / (loss) before taxation	1,575,785	(835,857)	711,245	(34,432)
Adjustments :				
Exempt (profits) / loss on sale of quoted public shares	41,927	(448,744)	75,159	(143,110)
Dividend income (Exempt)	(312,613)	(375,863)	(141,240)	(210,322)
Allowable claims	(44,904)	(29,366)	-	-
Impairment on goodwill / investment in subsidiary	-	-	(33,229)	-
Net change in fair value through profit or loss financial assets	(896,359)	1,779,992	(376,552)	439,430
Unit Trust - Interest income unrealised	13,863	11,501	6,028	5,110
Disallowable expenses	263,502	223,835	39,558	66,866
Adjustment - Tax treatment difference	(4,768)	13,783	(4,768)	13,783
Transactions adjusted on consolidation	23,196	128,374	-	-
Share of profit of equity accounted investees net of tax	-	805	-	-
Operating losses incurred during the year	807	2,003	-	-
Utilisation of tax losses (note 15.4)	(7,019)	(7,291)	-	-
Adjusted profit for taxation	653,417	463,172	276,201	137,325
Current tax expense of the Company (note 15.5 i)				
Tax at 24%	52,642	32,941	23,939	10,389
Tax at 30%	69,101	-	33,222	-
Taxable dividend at 14%	28,523	45,629	9,200	13,165
	150,266	78,570	66,361	23,554

Income tax expense for the Group is based on the taxable profit of individual companies within the Group. At present, the tax laws in Sri Lanka do not provide for Group taxation.

15.4 Movement in tax losses

For the year ended 31st March	Group		Company	
	2023	2022	2023	2022
Tax losses brought forward	4,299	7,920	-	-
Adjustment on losses (Finalization/write-off/conversions)	3,556	1,667	-	-
Tax losses incurred during the year	807	2,003	-	-
Utilisation of tax losses during the year	(7,019)	(7,291)	-	-
Tax losses carried forward	1,643	4,299	-	-

As per section 19 of the Inland Revenue Act No. 24 of 2017 and amendments thereto, any unclaimed tax losses incurred during the year could be carried forward for further six years. Such losses can be set off against profits without any limitation but subject to source of income as provided in the Act. As specified above, some companies in the Group have carried forward tax losses which are available to be set off against the future tax profits of the companies. Adjustment for taxation on the losses from overseas operations are made in accordance with the provisions of the relevant statutes in those countries.

15.5 Summary of provision applicable under relevant tax legislation

(i) Current Tax in Sri Lanka

- (a) The income tax provision of Ceylon Guardian Investment Trust PLC, its subsidiaries and equity accounted investee which are resident in Sri Lanka is calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and its amendments thereto. In terms of above, the income tax provisions of companies have been calculated on their adjusted profits at the standard rate of 24% up to 30th September 2022 and 30% thereafter (2022 - 24%) except for companies with specified sources which are exempt from tax or subject to concessionary tax rates as set out below. Dividend income received by the company is liable to income tax at 14% for first six months and 15% for the second six months.

As per the Inland Revenue (Amendment) Act No.45 of 2022, 15% withholding tax is deducted from the dividend distribution by the paying company. Dividend paid by a resident company to a member to the extent that dividend payment is attributable to, or derived from, another dividend received by that resident company or another resident company exempt from income tax for the respective recipient.

(ii) Current tax on overseas operations

Guardian Value Fund LLC and Guardian Fund Management LLC are incorporated under the laws of Mauritius in accordance with the Mauritius Companies Act and has been granted a Global Business License by the Financial Services Commission of Republic of Mauritius (the "FSC"). The Companies are liable for income tax in Mauritius on its chargeable income at 15% (The companies may claim a tax credit equivalent to the higher of the foreign tax paid or 80% of the Mauritius tax on its foreign-source income).

(iii) Specified sources exempt from income tax which applicable for companies within the Group

In terms of item (h) of third schedule of the Inland Revenue Act No. 24 of 2017, gains made on the realization of an asset consisting of shares quoted in any official list published by any stock exchange licensed by the Securities and Exchange Commission of Sri Lanka are exempt from income tax.

(iv) Surcharge tax

As per the provisions of Surcharge Tax Act No. 14 of 2022, although the Group / Company did not become liable to pay surcharge tax as a stand-alone entity, the Company and the Group were liable for surcharge tax on the basis that the Company and the Group were part of the Carson Cumberbatch PLC Group, of which the aggregate taxable income exceeded the threshold as stipulated in the aforesaid Act. Accordingly, the Company was liable for a surcharge tax of Rs. 25,608,612/- out of the taxable income of Rs. 102,434,449/- pertaining to the year of assessment 2020/21 and the Group was liable for a surcharge tax of Rs. 89,727,650/- out of the taxable income of Rs. 358,910,600/-. The Company/ Group paid the surcharge tax liability in two equal installments on 18th April 2022 and 10th July 2022.

The expense of surcharge tax is accounted in accordance with the "Addendum to Statement of Alternative Treatment on Accounting for Surcharge Tax levied under the Surcharge Tax Act No. 14 of 2022" issued by the Institute of Chartered Accountants of Sri Lanka on 10th August 2022.

The impact of the surcharge tax under the Surcharge Tax Act on the year ended 31st March 2021 would have been as given below:

	Group	Company
Profit After Tax for the year ended 31st March 2021	3,243,951	1,274,965
Surcharge tax levied under Surcharge Tax Act	(89,728)	(25,609)
Comparable Profit for the year ended 31st March 2021	3,154,223	1,249,356

Notes to the Financial Statements

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16 DISCONTINUED OPERATIONS / ASSET HELD FOR SALE

16.1 Discontinued operations

During the year ended 31st March 2023, Guardian Acuity Asset Management Limited (GAAM) (2022: Capital Partners PLC (GCP)) was classified as an Asset held-for-sale and its profit for the year was recognised under discontinued operations in accordance with Sri Lanka Financial Reporting Standard (SLFRS 5) - "Non-current Assets Held for Sale and Discontinued Operations". As disclosed in note 42, on 13th January 2023, Ceylon Guardian Investment Trust PLC (CGIT) disposed its entire holding in GAAM and profit up to the disposal date, along with the disposal profit arising from the said transaction has been presented under discontinued operations below.

A. Results of discontinued operations for the group

For the year ended 31st March	2023	2022
Revenue	-	14,367
Share of profit / (loss) and other comprehensive income / (expenses) of equity accounted investee, net of tax	(4,271)	(805)
Administrative and other operating expenses	-	290
Income tax expense	-	(3,455)
Results from operating activities, net of tax	(4,271)	10,397
Profit/loss on sale of discontinued operation (note 23.5 and 22.7)	5,000	(156,021)
Profit / (loss) from discontinued operations, net of tax	729	(145,624)

B. Cash flows from discontinued operations for the group

For the year ended 31st March	2023	2022
Net cash from operating activities	-	11,202
Net cash from investing activities	-	786,613
Net cash flows for the year	-	797,815

C. Effect of disposal on the financial position of the group

For the year ended 31st March	Note	2023	2022
Cash and cash equivalents		-	797,815
Trade and other payable		-	(334)
Tax payable		-	(1,456)
Net assets and liabilities		-	796,025
Consideration received	22.7	-	695,878
Net cash outflows on disposal	22.7	-	87,280

16.2 Asset held for sale

Guardian Acuity Asset Management Limited was disposed on 13th January 2023, which has been classified as asset held for sale.

For the year ended 31st March	Group		Company	
	2023	2022	2023	2022
Investment in an equity accounted investee	-	50,034	-	35,000
Net assets directly associated with assets held for sale	-	50,034	-	35,000

17 EARNINGS/ (LOSS) PER SHARE

Earnings / (loss) per share is calculated on the profit / (loss) attributable to the shareholders of Ceylon Guardian Investment Trust PLC over the weighted average number of ordinary shares outstanding, as required by the Sri Lanka Accounting Standard (LKAS 33) - "Earnings per share".

Group

For the year ended 31st March	2023			2022		
	Continued operations	Discontinued operations	Total	Continued operations	Discontinued operations	Total
Amount used as the numerator						
Profit/(loss) for the year attributable to the shareholders of the parent	1,206,346	727	1,207,073	(775,217)	(122,410)	(897,627)
Amount used as denominator						
Weighted average number of ordinary/deferred shares outstanding during the year*	88,287,131	88,287,131	88,287,131	88,287,131	88,287,131	88,287,131
Basic earnings / (loss) per share (Rs.)	13.66	0.01	13.67	(8.78)	(1.39)	(10.17)

Company

For the year ended 31st March	2023	2022
Amount used as the numerator		
Profit/(loss) for the year attributable to the shareholders of the parent	645,550	(63,817)
Amount used as the denominator		
Weighted average number of ordinary/deferred shares outstanding during the year*	88,287,131	88,287,131
Basic earnings / (loss) per share (Rs.)	7.31	(0.72)

*One deferred share is considered to be equivalent to one ordinary share in calculating the weighted average number of shares outstanding during the year for the purpose of earnings per share calculation.

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18 DIVIDEND PER SHARE

18.1 Dividend paid during the year

For the year ended 31st March	2023	2022
Final dividend - cash		
Cash dividend - ordinary / deferred shares	-	142,048
	-	142,048
First interim dividend - cash		
Cash dividend - ordinary / deferred shares	176,574	-
	176,574	-
Total Dividend per share (Rs.)	2.00	-

18.2 Dividend proposed during the year

Proposed First interim dividend - cash*		
-On ordinary shares	181,539	165,036
-On deferred shares	12,692	11,538
Total proposed dividend	194,231	176,574
Dividend per share (Rs.)	2.20	2.00

After satisfying the Solvency Test in accordance with section 57 of the Companies Act No. 07 of 2007, on 23rd June 2023 the Board of Directors have approved the payment of a first interim dividend of Rs. 2.20 per ordinary share and deferred share for the year ended 31st March 2023 amounting to Rs. 194,231,688.20.

The entitlement / record date for the above first interim dividend will be 11th July 2023. In accordance with Sri Lanka Accounting Standard (LKAS 10) - "Events after the reporting period" this proposed first interim dividend has not been recognised as a liability as at 31st March 2022.

19 PROPERTY, PLANT AND EQUIPMENT - GROUP

	Office equipment	Computer equipment	Furniture and fittings	Total 2023	Total 2022
Cost					
Balance as at the beginning of the year	258	9,684	5,094	15,036	13,504
Additions during the year	-	150	1,130	1,280	1,532
Disposals during the year	-	-	-	-	-
Balance as at the end of the year	258	9,834	6,224	16,316	15,036
Accumulated depreciation					
Balance as at the beginning of the year	258	7,713	4,318	12,289	10,963
Charge for the year	-	1,054	290	1,344	1,326
Disposals during the year	-	-	-	-	-
Balance as at the end of the year	258	8,767	4,608	13,633	12,289
Carrying value as at end of the year	-	1,067	1,616	2,683	2,747

19.1 Details of fully depreciated assets in property, plant and equipment are as follows;

As at 31st March	2023	2022
Office equipment	258	258
Furniture and fittings	2,861	2,340
Computer equipment	6,770	6,206
	9,889	8,804

19.2 No borrowing costs were capitalized for property, plant and equipment during the year (2022 - Nil).

19.3 Property, plant and equipment were not pledged as security as at the reporting date.

Notes to the Financial Statements

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20 INTANGIBLE ASSETS - GROUP

	Computer software	Total 2023	Total 2022
Cost			
Balance as at the beginning of the year	37,577	37,577	269,494
Additions during the year	-	-	-
Disposal of Guardian Capital Partners PLC	-	-	(231,917)
Balance as at the end of the year	37,577	37,577	37,577
Amortisation and impairment			
Balance as at the beginning of the year	34,983	34,983	78,983
On disposal of Guardian Capital Partners PLC	-	-	(48,445)
Charge for the year	2,594	2,594	4,445
Balance as at the end of the year	37,577	37,577	34,983
Carrying value as at the end of the year	-	-	2,594

As at 31st March	2023	2022
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20.1 Details of fully amortised intangible assets are as follows:

Computer software	37,577	15,350
	37,577	15,350

As at 31st March	2023	2022
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21 RIGHT-OF-USE ASSETS - GROUP

Carrying value at the beginning of the year	7,703	15,407
Additions during the year	10,948	-
Amortisation for the year	(7,704)	(7,704)
Carrying value at the end of the year	10,947	7,703

Right-of-use assets and related lease liability (given in note 35) are recognised in relation to the lease contract entered by the subsidiary, Guardian Fund Management Limited, for leasing of office premises to carry out the operations of the said subsidiary Company. As per Sri Lanka Financial Reporting Standard (SLFRS 16) - "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate.

22 INVESTMENTS IN SUBSIDIARIES

As at 31st March	Group		No. of shares	Company		No. of shares	2022	
	2023	2022		2023			Cost	Fair value
	Effective holdings %			Cost	Fair value			
22.1 Quoted investments								
Ceylon Investment PLC	65.94	65.94	66,167,066	1,392,009	2,216,597	66,167,066	1,392,009	2,454,798
				1,392,009	2,216,597		1,392,009	2,454,798
22.2 Unquoted investments								
Rubber Investment Trust Limited	82.98	82.98	3,955,609	316	6,359,840	3,955,609	316	5,414,443
Guardian Fund Management Limited	100.00	100.00	2,848,678	73,321	61,051	2,848,678	73,321	54,271
Guardian Fund Management LLC	82.97	82.97	53,452	11,684	11,371	44,250	8,261	9,221
Guardian Value Fund LLC	82.97	82.97	1,965,000	357,139	598,629	1,965,000	357,139	569,010
				442,460	7,030,891		439,037	6,046,945
				1,834,469	9,247,488		1,831,046	8,501,743
Provision for impairments (note 22.4)				(12,271)	-		(45,500)	-
Total investment in subsidiaries				1,822,198	9,247,488		1,785,546	8,501,743

The fair value of quoted investments are based on the last traded prices as at 31st March, published by the Colombo Stock Exchange, whilst fair values of Rubber Investment Trust Limited, Guardian Fund Management Limited, Guardian Value Fund LLC and Guardian Fund Management LLC are based on the net asset values of those companies as at the reporting date.

22.3 Investments in overseas fund structure

In 2020, the Company, and its subsidiaries, Ceylon Investment PLC and Rubber Investment Trust Limited invested USD 2 Mn, USD 2 Mn and USD 0.5 Mn respectively to commence its overseas investment initiative. In order to facilitate the venture, a fund structure was set up in Republic of Mauritius. The Structure is fully regulated by the Financial Service Commission of Mauritius, the regulatory authority responsible for the regulation, supervision and inspection of all financial services other than banking institutions and global business in Mauritius. As at 31st March 2023, value of the total fund structure amounted to USD 4.12 Mn (2022: USD 4.43 Mn).

22.4 Impairment of investment in subsidiaries

During the year ended 31 March 2023, the Company has reversed an impairment provision of Rs.33.2 Mn for its investment in subsidiary Company Guardian Fund Management Ltd taking in to the consideration the net assets value of the said Company. Accordingly, the total impairment provision on investment in subsidiaries as at 31st March 2023 stood at Rs.12.3 Mn.

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22.5 Non-controlling interest

The following subsidiaries have material Non-Controlling Interest (NCI).

As at 31st March	Nature of the business	Ownership interest held by NCI - %	
		2023	2022
Ceylon Investment PLC	Investment holding	34.06	34.06
Rubber Investment Trust Limited	Investment holding	17.02	17.02
Guardian Value Fund LLC	Investment holding	17.03	17.03

22.6 Given below are the summarised financial information of the above subsidiaries.

For the year ended / As at 31st March	Ceylon Investment PLC		Rubber Investment Trust Limited		Guardian Value Fund LLC	
	2023	2022	2023	2022	2023	2022
Revenue	314,925	338,754	380,539	475,820	13,926	20,751
Net change in fair value through profit or loss financial assets	255,740	(568,280)	333,945	(755,395)	(70,817)	(17,101)
Profit / (loss) for the year	656,802	(497,777)	593,779	(358,883)	(85,870)	(11,228)
Total other comprehensive income / (expense) for the year	758,823	534,355	1,382,009	699,122	-	-
Total comprehensive income / (expense) for the year	1,415,625	36,578	1,975,788	340,239	(85,870)	(11,228)
Non-current assets	8,214,229	5,982,936	9,633,922	7,538,325	-	-
Current assets	2,644,136	3,424,507	3,185,090	3,305,104	1,437,682	1,286,735
Total assets	10,858,365	9,407,443	12,819,012	10,843,429	1,437,682	1,286,735
Current liabilities	(286,158)	(129,808)	(109,328)	(23,053)	(88,101)	(3,928)
Net assets	10,572,207	9,277,635	12,709,684	10,820,376	1,349,581	1,282,807
Net cash generated from / (used in) operating activities	(835,060)	410,956	(393,062)	322,497	(10,496)	(192,277)
Net cash generated from/(used in) investing activities	24,216	(62,475)	-	-	-	-
Net cash generated from/ (used in) financing activities	128,340	(68,871)	24,240	(83,011)	-	-
Net increase / (decrease) in cash and cash equivalents	(682,504)	279,610	(368,822)	239,486	(10,496)	(192,277)

22.7 Disposal of Subsidiary Company - Guardian Capital Partners PLC

For the year ended 31st March	Group		Company	
	2023	2022	2023	2022
Net assets directly associated with disposal entity / Cost of the investment	-	(796,025)	-	(658,660)
Carrying amount of the non-controlling interest as at disposal date	-	127,598	-	-
Cash consideration received from disposal of Group shares/ units	-	695,878	-	695,878
Reversal of Goodwill	-	(183,472)	-	-
Profit / (loss) from disposal	-	(156,021)*	-	37,218
Consideration paid for Non-controlling interest				
Cash and cash equivalents as at 1st April	-	787,938	-	-
Net cash consideration received from disposal of Group shares / units	-	(695,878)	-	695,878
Net expenses paid / exchange difference	-	(4,780)	-	-
Net cash outflow on disposal	-	87,280	-	-

Ceylon Guardian Investment Trust PLC (CGIT), on 28th October 2021, disposed its entire holding in Guardian Capital Partners PLC (GCP / Subsidiary), amounting to 21,692,800 ordinary shares or 83.97% equity stake of the Subsidiary held by CGIT to a non-related party, for a purchase consideration of Rs. 32.30 per share through the trading floor of the Colombo Stock Exchange. The total consideration of the transaction was Rs. 700,677,440.

*Disposal loss from this transaction has been presented under discontinued operations in note 16.1.A

Impairment assessment on goodwill

Goodwill arising on business combinations - Guardian Capital Partners PLC

Goodwill is allocated to Guardian Capital Partners PLC (GCP / Subsidiary) a Cash-Generating Unit (CGU) operating within the Group. When testing for impairment on the goodwill of GCP in the previous financial year, the recoverable amount of a cash-generating unit was determined on the basis of fair value less cost to sell and value-in-use, whichever is higher.

Ceylon Guardian Investment Trust PLC (CGIT) disposed its entire holding in GCP. Along with the disposal, goodwill allocated to GCP was derecognised.

23 INVESTMENT IN EQUITY ACCOUNTED INVESTEE

23.1 Group

As at 31st March	2023		2022	
	Cost	Carrying value	Cost	Carrying value
Investment in jointly controlled entity (note 23.3)	-	-	35,000	50,034
	-	-	35,000	50,034

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23.2 Company

As at 31st March	2023		2022	
	Cost	Carrying value	Cost	Carrying value
Investment in jointly controlled entity				
Guardian Acuity Asset Management Limited	-	-	3,500,000	35,000
		-		35,000

Guardian Acuity Asset Management Limited is a company incorporated in Sri Lanka, to set up and carry out unit trust management activities licensed by the Securities and Exchange Commission of Sri Lanka, and governed by a Joint Venture agreement between Acuity Partners (Private) Limited and Ceylon Guardian Investment Trust PLC. On 13th January 2023, Ceylon Guardian Investment Trust PLC and Acuity Partners (Pvt) Limited disposed its entire holding in GAAM to CT CLSA Holding Limited.

23.3 Movement of investment in jointly controlled entity

For the year ended 31st March	2023	2022
	Carrying value	Carrying value
Percentage of holding	50%	50%
Investment at cost	35,000	35,000
Investors' share of net assets		
As at the beginning of the year	15,034	17,112
Share of profit / (loss) of equity accounted investee, net of tax	(4,271)	(805)
Dividend received from equity accounted investee	-	(1,400)
Share of other comprehensive income/(expense) net of taxation	-	127
As at the end of the year /as at date of disposal	10,763	15,034
Value of the net assets disposed	(45,763)	-
Carrying value of total investment in jointly controlled entity on equity method	-	50,034

23.4 Summarised financial information of the jointly controlled entity

For the year ended 31st March / As at 31st March	2023	2022
Revenue	15,544	26,011
Profit / (loss) for the year	(8,542)	(1,610)
Total other comprehensive income / (expense) for the year	-	254
Total comprehensive income / (expense) for the year	(8,542)	(1,356)
Applicable to the group (50%)	(4,271)	(678)
Total non-current assets	-	1,090
Total current assets	92,290	110,600
Total assets	92,290	111,690
Total non-current liabilities	-	(1,424)
Total current liabilities	(764)	(10,198)
Net assets	91,526	100,068
Applicable to the group (50%)	45,763	50,034

23.5 Disposal of investment in jointly controlled entity - Guardian Acuity Asset Management Limited

For the year ended 31st March	Group		Company	
	2023	2022	2023	2022
Net assets directly associated with disposal entity / Cost of the investment	(45,763)	-	(35,000)	-
Cash consideration received from disposal of Group shares/ units	50,763	-	50,763	-
Profit / (loss) from disposal / liquidation	5,000	-	15,763	-

Ceylon Guardian Investment Trust PLC (CGIT/Company) disposed its entire holding of 3,500,000 ordinary shares in Guardian Acuity Asset Management Limited (GAAM/Joint Venture) on 13th January 2023, being 50% of the issued shares of GAAM held by CGIT to CT CLSA Holdings Limited, which is a non-related party to CGIT, at a consideration of Rs.50,762,922/50 is based on the Net Asset Value and the Asset Under Management of GAAM at the time of share transfer.

24 INVESTMENTS IN FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME- GROUP

24.1 Summary

As at 31st March	2023	2022
	Fair value	Fair value
Investment in Equity Securities- Quoted Shares	8,768,010	7,393,538
Total investments in fair value through other comprehensive income	8,768,010	7,393,538

Notes to the Financial Statements

In Rupees Thousands

24.2 Movement in investments in fair value through other comprehensive income

	Fair value as at the beginning of the year	Additions	Disposals / write off	Transfers	Fair value adjustment	Fair value as at the end of the year
For the year ended 31st March 2023						
Investment in equity securities	7,393,538	-	-	-	1,374,472	8,768,010
	7,393,538	-	-	-	1,374,472	8,768,010
For the year ended 31st March 2022					-	-
Investment in equity securities	6,739,514	-	-	-	654,024	7,393,538
	6,739,514	-	-	-	654,024	7,393,538

24.3 Investment in equity securities

	2023		2022	
	No. of shares	Fair value	No. of shares	Fair value
Food, Beverage & Tobacco				
Bukit Darah PLC	20,438,250	8,768,009	20,438,250	7,393,537
Bukit Darah PLC - Preference Shares - 8% participative cumulative	31,875	1	31,875	1
		8,768,010		7,393,538

Valuation of Listed Equity Investments

The fair value of Bukit Darah PLC is based on the last traded volume weighted average price as at 31st March, published by the Colombo Stock Exchange.

The Group designated the investment shown above as equity securities at FVOCI because these equity securities represents investment that the Group intends to hold for the long term strategic purpose.

No strategic investments were disposed during the year and there were no transfers of any cumulative gain or loss within equity relating to these investments.

25 DEFERRED TAX ASSET - GROUP

As at 31st March	2023	2022
Balance as at the beginning of the year	1,360	2,447
Charge / (reversal) for the year (note 25.1)	985	(1,087)
Balance as at the end of year	2,345	1,360
25.1 Charge / (reversal) for the year		
The amounts recognised in the statement of profit or loss are as follows;		
Property, plant and equipment	700	1,206
Right-of-use assets	(1,435)	1,849
Employee benefits	1,076	376
Lease creditor on right-of-use assets	1,365	(1,778)
Tax losses	-	(1,348)
	1,706	305
The amounts recognised in the statement of other comprehensive income are as follows;		
Employee benefits	(721)	(1,392)
	(721)	(1,392)
Charge / (reversal) for the year	985	(1,087)
25.2 Deferred tax assets		
Employee benefits	2,367	2,011
Lease creditor on right of use assets	3,284	1,919
Total deferred tax asset	5,651	3,930
25.3 Deferred tax liability		
Property , plant and equipment	22	722
Right-of-use Assets	3,284	1,848
Total deferred tax liabilities	3,306	2,570
Net deferred tax asset	2,345	1,360

25.4 The deferred tax effect on undistributed reserves of the subsidiary companies have not been recognised since the Company has the ability to control the timing of the reversal of those temporary differences.

25.5 Deferred tax has been computed using a tax rate of 30% (2022 – 24%), which is substantively enacted as at the reporting date.

The group applied the revised income tax rate of 30% in line with the Inland Revenue Amendment Act No. 45 of 2022 to calculate the deferred tax assets/liabilities as at 31 March 2023. Accordingly, the net deferred tax asset as at 31 March 2023 includes an increase of Rs. 3,319,960/- which resulted a net reversal to the income statement of Rs.688,015/-and reversal to the other comprehensive income of Rs.348,056/- respectively.

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26 TRADE AND OTHER RECEIVABLES

As at 31st March	Group		Company	
	2023	2022	2023	2022
Financial				
Trade receivables	23,322	56,606	-	-
Dividend receivable	17,715	111,910	4,862	34,851
Amounts due from a related company (note 37.5)	-	-	-	67,281
Other receivable	67	-	-	-
	41,104	168,516	4,862	102,132
Non financial				
Advances and prepaid expenses	8,510	5,518	933	709
	8,510	5,518	933	709
	49,614	174,034	5,795	102,841

27 INVESTMENTS IN EQUITY AND DEBT SECURITIES

27.1 Summary

As at 31st March	Note	Group		Note	Company	
		2023	2022		2023	2022
Fair value through profit or loss (FVTPL)						
Investment in Equity Securities - Quoted Shares (FVTPL)	27.2	8,229,169	7,855,156	27.7	2,596,096	2,770,227
Investment in Equity Securities- Unquoted Shares (FVTPL)	27.3	48,761	42,093	27.8	48,751	42,083
Investment in Equity Securities- Private Equity (Unlisted) (FVTPL)	27.4	303	303	27.9	303	303
Investment in Debt Securities- Bonds (FVTPL)	27.5	420,002	297,188		-	-
Total Investments in equity and debt securities		8,698,235	8,194,740		2,645,150	2,812,613

Information about the Group's exposure to credit and market risks and fair value measurement are included in note 38.

The fair value of the Group's listed investment portfolio is based on the last traded volume weighted average price as at 31st March, published by the Colombo Stock Exchange.

The fair value of the Group's unlisted investment portfolio is based on the valuation carried out by the investment managers, Guardian Fund Management Limited.

27.1.1 Movement in Investments in equity and debt securities - Group

	Fair value as at the beginning of the year	Additions	Disposals / write off	Amortised interest	Effect of currency translation	Fair value adjustment	Fair value as at the end of the year
For the year ended 31st March 2023							
Investment in equity securities	7,897,552	2,825,591	(3,377,363)	-	54,291	878,162	8,278,233
Investment in bonds	297,188	1,065,028	(963,014)	(13,690)	33,646	844	420,002
	8,194,740	3,890,619	(4,340,377)	(13,690)	87,937	879,006	8,698,235
For the year ended 31st March 2022							
Investment in equity securities	9,439,509	3,659,711	(3,557,017)	-	139,334	(1,783,985)	7,897,552
Investment in bonds	246,833	228,329	(269,397)	1,938	96,279	(6,794)	297,188
	9,686,342	3,888,040	(3,826,414)	1,938	235,613	(1,790,779)	8,194,740

The fair value adjustment represents the net unrealised gains / (losses) on fair value adjustment of investment portfolios including any adjustment on impairment losses.

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27.2 Investment in equity securities - quoted shares- Group

As at 31st March	2023		2022	
	No. of shares	Fair value	No. of shares	Fair value
Banks				
Commercial Bank of Ceylon PLC	-	-	7,348,275	460,737
Hatton National Bank PLC	1,199,927	155,391	3,419,974	373,632
Nations Trust Bank PLC	12,594	806	-	-
National Development Bank PLC	-	-	421,971	23,504
Sampath Bank PLC	4,902,325	257,372	6,907,851	316,380
Seylan Bank PLC	-	-	514,858	16,269
		413,569		1,190,522
Capital goods				
ACL Cables PLC	902,835	74,303	-	-
Hemas Holdings PLC	14,028,943	911,881	19,857,024	917,395
Hayleys PLC	410,000	29,520	-	-
John Keells Holdings PLC	4,383,597	613,704	2,379,916	345,088
Richard Pieris and Company PLC	1,461,008	30,243	461,008	6,131
Royal Ceramics Lanka PLC	184,468	5,090	252,500	10,276
		1,664,741		1,278,890
Consumer Durables & Apparel				
Dankotuwa Porcelain PLC	198,820	4,076	-	-
Hayleys Fabric PLC	586,827	14,788	-	-
Teejay Lanka PLC	4,907,389	157,036	4,697,389	186,956
		175,900		186,956
Consumer service				
Aitken Spence Hotel Holdings PLC	5,817,524	348,470	5,153,438	182,947
John Keells Hotels PLC	5,036,213	95,184	-	-
		443,654		182,947
Diversified Financials				
Central Finance Company PLC	14,628,648	1,059,114	19,278,648	1,312,876
People's Leasing & Finance PLC	39,232,901	309,940	33,916,185	274,721
		1,369,054		1,587,597
Food, Beverage & Tobacco				
Ceylon Cold Stores PLC	4,162,219	166,489	1,150,780	44,765
Ceylon Grain Elevators PLC	1,776,345	149,035	214,928	13,111
Ceylon Tobacco Company PLC	397,042	270,286	-	-
Distilleries Company of Sri Lanka PLC	32,299,478	633,070	33,719,352	458,583
Melstacorp PLC	2,873,415	157,750	624,687	25,675
Sunshine Holdings PLC	4,221,584	189,971	1,294,419	47,376
Nestle Lanka PLC	149,400	159,709	149,400	140,249
Watawala Plantations PLC	-	-	106,821	9,966
		1,726,310		739,725
Food & Staples Retailing				
Cargills (Ceylon) PLC	2,020,788	470,844	2,020,788	368,794
		470,844		368,794

As at 31st March	2023		2022	
	No. of shares	Fair value	No. of shares	Fair value
Insurance				
Ceylinco Insurance PLC - Non voting	325,266	342,668	325,266	393,408
HNB Assurance PLC	10,068,026	502,394	8,703,922	376,880
Union Assurance PLC	-	-	197,763	59,973
		845,062		830,261
Materials				
Alumex PLC	-	-	1,570,000	11,461
Chevron Lubricants Lanka PLC	619,104	56,710	844,944	73,595
Ex-Pack Corrugated Cartons PLC	1,352,918	19,753	-	-
Tokyo Cement Company (Lanka) PLC	2,829,095	141,454	775,000	26,272
		217,917		111,328
Retailing				
Diesel & Motor Engineering PLC	42,131	19,633	-	-
RIL Property PLC	5,722,359	31,473	-	-
United Motors Lanka PLC	389,427	23,327	-	-
		74,433		-
Software and services				
hSenid Business Solutions PLC	-	-	17,976,090	323,570
		-		323,570
Telecommunication Services				
Dialog Axiata PLC	34,198,911	355,674	59,212,359	592,124
		355,674		592,124
Utilities				
LVL Energy Fund PLC	1,257,100	8,423	1,257,100	10,684
		8,423		10,684
Foreign equity investments - Guardian Value Fund LLC				
Anheuser-Busch Inbev SA	-	-	3,540	63,305
British American Tobacco PLC	16,400	188,786	7,550	92,922
CK Hutchison Holdings Limited	45,700	93,530	29,200	63,598
FedEx Corporation	-	-	700	47,599
PayPal Holdings Inc	2,107	52,344	2,940	99,919
Reckitt Benckiser Group PLC	-	-	2,000	44,938
Thai Beverage Public Company Limited	825,500	128,928	253,500	39,477
		463,588		451,758
Total Investment in equity securities - Quoted Shares		8,229,169		7,855,156

The fair value of the Group's listed investment portfolio is based on the volume weighted average price as at 31st March, published by the Colombo Stock Exchange.

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27.3 Investment in equity securities - Unquoted Shares - Group

As at 31st March	2023			2022		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
Equity Investments Lanka (Private) Limited	22,500	2	2	22,500	2	2
Kandy Private Hospitals Limited	1,200	18	18	1,200	18	18
Lanka Communications Limited	1,428,496	15,714	48,741	1,428,496	15,714	42,073
Total Investment in Equity Securities - Unquoted Shares		15,734	48,761		15,734	42,093

Valuation of Lanka Communications Limited

Valuation is performed using the net asset method. The investment value of Lanka Communications Limited was revalued up by Rs. 6.6 Mn to Rs. 48.7 Mn from the previous year's valuation of Rs. 42.1 Mn.

27.4 Investment in equity securities - Private Equity (Unlisted) - Group

As at 31st March	2023			2022		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
Findmyfare (Pvt) Ltd	302,791	51,751	303	302,791	51,751	303
Swiss Institute For Service Industry Development (Private) Limited						
- Ordinary shares	847	-	-	847	-	-
- 10% cumulative preference shares	1,273	-	-	1,273	-	-
Total investment in equity securities - Private Equity (Unlisted)		51,751	303		51,751	303

Valuation of Private Equity Investments

The fair value of the Group's unlisted investment portfolio is based on the valuations carried out by the investment manager, Guardian Fund Management Limited. Information about the valuation techniques and significant unobservable inputs used in the said valuations are given in note 38.6.

Valuation of Findmyfare (Pvt) Ltd (FMF)

The COVID-19 situation and the economic crisis have significantly influenced the business operations of FMF. Despite the Company's gradual recovery from the decline precipitated by the pandemic, its financial condition has yet to show signs of improvement. Accordingly, as of 31st March, 2023, the investment value of FMF was recorded at Rs. 0.3 Mn.

Swiss Institute For Service Industry Development (Private) Limited

During the year ended 31st March 2021, the Company had written off its investment in Swiss Institute for Service Industry Development (Private) Limited, which was fully impaired during the financial year 2017/2018, due to the discontinuation of operations arising from the conduct of the Managing Director / Promoter of Swiss Institute for Service Industry Development (Private) Limited. The Criminal Investigations Department instituted action in the Colombo Magistrates Court (Case No. B 74469/1/17) against the alleged criminal misappropriation of funds and criminal breach of trust by the said Managing Director / Promoter, based on a complaint made by two directors of Swiss Institute for Service Industry Development (Private) Limited. The case is presently ongoing.

27.5 Investment in debt securities-Group

27.5.1 Investment in Bonds

As at 31st March	Maturity date	Coupon Rate	2023		2022	
			Face value	Fair value	Face value	Fair value
BAT International Finance PLC	08/09/2021	3.95%	USD 200,000	64,806	-	-
Michael Kors USA INC	01/11/2024	4.00%	USD 100,000	32,364	-	-
Shriram Transport Finance Co Ltd	13/03/2024	4.40%	USD 200,000	63,341	-	-
State Bank of India/London	28/09/2023	4.50%	USD 400,000	130,449	USD 400,000	119,838
US Treasury Bill	05/07/2023	4.14%	USD 250,000	80,800	-	-
US Treasury Bill	10/08/2023	4.58%	USD 150,000	48,242	-	-
ICIC Bank Ltd/Dubai	09/09/2022	3.25%	-	-	USD 400,000	117,805
IOI Investment L Bhd	27/06/2022	4.375%	-	-	USD 200,000	59,545
Total investment in bonds				420,002		297,188

27.6 Movement in Investments in equity and debt securities - Company

	Fair value as at the beginning of the year	Additions	Disposals / Write-off	Fair value adjustment	Fair value as at the end of the year
For the year ended 31st March 2023					
Investment in equity securities	2,812,613	504,093	(1,040,804)	369,248	2,645,150
	2,812,613	504,093	(1,040,804)	369,248	2,645,150
For the year ended 31st March 2022					
Investment in equity securities	3,487,056	842,512	(1,072,880)	(444,075)	2,812,613
	3,487,056	842,512	(1,072,880)	(444,075)	2,812,613

The fair value adjustment represents the net unrealised gains / (losses) on fair value adjustment of investment portfolios including any adjustment on impairment losses.

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27.7 Investment in equity securities - Quoted Shares - Company

As at 31st March	2023		2022	
	No. of shares	Fair value	No. of shares	Fair value
Banks				
Commercial Bank of Ceylon PLC	-	-	1,923,794	120,621
Hatton National Bank PLC	107,220	13,885	1,437,108	157,004
Nations Trust Bank PLC	12,594	806	-	-
Seylan Bank PLC	-	-	237	7
Sampath Bank PLC	1,602,691	84,141	2,756,725	126,259
		98,832		403,891
Capital goods				
Hemas Holdings PLC	2,983,216	193,909	5,863,483	270,892
John Keells Holdings PLC	1,379,787	193,170	367,151	53,238
		387,079		324,130
Consumer service				
Aitken Spence Hotel Holdings PLC	2,557,315	153,183	2,557,315	90,785
		153,183		90,785
Diversified Financials				
Central Finance Company PLC	5,570,801	403,326	6,070,801	413,423
People's Leasing & Finance PLC	6,993,040	55,245	4,303,576	34,858
		458,571		448,281
Food Beverage & Tobacco				
Ceylon Cold Stores PLC	1,325,463	53,019	541,780	21,075
Ceylon Grain Elevators PLC	97,691	8,196	-	-
Ceylon Tobacco Company PLC	48,908	33,294	-	-
Distilleries Company Of Sri Lanka PLC	7,169,799	140,528	6,991,460	95,084
Melstacorp PLC	1,430,972	78,560	166,595	6,847
Nestle Lanka PLC	60,400	64,568	60,400	56,701
Sunshine Holdings PLC	1,494,277	67,242	594,277	21,750
		445,407		201,457

As at 31st March	2023		2022	
	No. of shares	Fair value	No. of shares	Fair value
Food & Staples Retailing				
Cargills (Ceylon) PLC	1,807,002	421,031	1,807,002	329,778
		421,031		329,778
Insurance				
Ceylinco Insurance PLC - Non voting	115,256	121,422	115,256	139,402
HNB Assurance PLC	7,018,794	350,240	6,945,224	300,732
		471,662		440,134
Materials				
Tokyo Cement Company (Lanka) PLC	446,350	22,318	-	-
		22,318		-
Software and services				
hSenid Business Solutions PLC	-	-	17,976,090	323,568
		-		323,568
Telecommunication				
Dialog Axiata PLC	13,270,454	138,013	20,820,454	208,203
		138,013		208,203
Total investment in equity securities - Quoted Shares		2,596,096		2,770,227

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27.8 Investment in equity securities - Unquoted Shares - Company

As at 31st March	2023			2022		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
Equity Investments Lanka (Private) Limited	11,250	1	1	11,250	1	1
Kandy Private Hospitals Limited	600	9	9	600	9	9
Lanka Communications Limited	1,428,496	15,714	48,741	1,428,496	15,714	42,073
Total investment in equity Securities - Unquoted Shares		15,724	48,751		15,724	42,083

27.9 Investment in equity securities - Private Equity (Unlisted) - Company

As at 31st March	2023			2022		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
Findmyfare (Pvt) Ltd	302,791	28,948	303	302,791	28,948	303
Swiss Institute For Service Industry Development (Private) Limited						
- Ordinary shares	847	-	-	847	-	-
- 10% cumulative preference shares	1,273	-	-	1,273	-	-
Total investment in equity securities - Private Equity (Unlisted)		28,948	303		28,948	303

28 INVESTMENTS IN UNIT TRUSTS

28.1 Movement in investments in unit trusts

As at 31st March	Group		Company	
	2023	2022	2023	2022
Balance as at the beginning of the year	363,961	162,063	162,908	50,754
Investments during the year	365,033	2,224,858	98,528	832,643
Disposals during the year	(515,504)	(2,033,747)	(176,450)	(725,134)
Fair value adjustment	17,353	10,787	7,304	4,645
	230,843	363,961	92,290	162,908

28.2 Investment in unit trusts

As at 31st March	Group				Company			
	2023		2022		2023		2022	
	No. of Units	Fair value	No. of Units	Fair value	No. of Units	Fair value	No. of Units	Fair value
Investment in unit trusts								
Guardian Acuity Equity fund	620,159	12,826	620,159	10,274	310,079	6,413	310,079	5,137
Guardian Acuity Money Market Fund	8,610,891	218,017	6,730,185	145,557	3,391,827	85,877	3,926,724	84,925
Guardian Acuity Income Fund	-	-	20,000,000	208,130	-	-	7,000,000	72,846
Total Investment in unit trusts		230,843		363,961		92,290		162,908

Valuation of unit trusts are based on the unit prices published by the unit trust managers, Guardian Acuity Asset Management Limited as at 31st March.

29 CASH AND CASH EQUIVALENTS

As at 31st March	Group		Company	
	2023	2022	2023	2022
Cash at bank and cash in hand	432,108	1,315,353	49,447	407,391
Placements with banking and financial institutions	-	1,455,902	-	598,739
Net cash and cash equivalents for the purpose of cash flow statement	432,108	2,771,255	49,447	1,006,130

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In Rupees Thousands

30 STATED CAPITAL

As at 31st March	2023		2022	
	No. of shares	Value	No. of shares	Value
Ordinary Shares				
Issued and fully paid	82,517,874	1,043,687	82,978,868	1,043,687
Deferred Shares				
Issued and fully paid (note 30.1)	5,769,257	85,039	5,801,487	85,039
	88,287,131	1,128,726	88,780,355	1,128,726

Movement of Ordinary/Deferred shares

As at 31st March	Ordinary Shares		Deferred Shares	
	2023	2022	2023	2022
Balance as at beginning of the year	82,978,868	82,978,868	5,801,487	5,801,487
Re-purchase of shares	(460,994)	-	(32,230)	-
	82,517,874	82,978,868	5,769,257	5,801,487

The stated capital of the Company as at 31 March 2023 was amounted to Rs.1,128,726,009.00 which consist of 82,517,874 ordinary shares and 5,769,257 deferred shares.

30.1 Share repurchase

- A On 23rd June 2023, the Company announced a Repurchase of Shares at a ratio of 01 share for every 180 shares held and accordingly, the Company would repurchase a maximum 458,433 ordinary shares and 32,052 deferred shares from the Shareholders at a price of Rs.212.20 per share and total value of the share repurchase transaction amount would be Rs.104 Mn.
- B On 11th February 2022, the Company made a Repurchase Offer whereby, 460,994 Ordinary Shares and 32,230 Deferred Shares were repurchased by the Company at a price of Rs. 204.01 per share. The said offer was closed on 17th March 2022. The share repurchase transaction amounting to Rs.100.6 Mn was accounted through retained earnings and repurchased shares were cancelled on 12th May 2022.

30.2 Superior voting rights attached to the deferred shares

The Company has in issue 5,769,257 fully paid shares titled "Deferred Shares". The Deferred Shares are subordinated to the ordinary shares in respect of dividend entitlement wherein, right to a dividend does not arise unless and until a minimum specified dividend has been declared on the ordinary shares. The Deferred Shares confer on the holders present in person, by proxy or by attorney at any General Meeting of the Company the right to as many votes as the number of votes conferred by all other shares for the time being issued and each holder as aforesaid present in person, by proxy or by attorney or by an authorized representative in the case of a corporation at any such meeting shall be entitled to such proportion of the votes conferred by the Deferred Shares collectively as the number of his Deferred Shares bears to the full number of the Deferred Shares. The Deferred Shares rank equally and pari passu for all other purposes including capitalisation of reserves or profits and participation in the surplus assets of the Company in a winding up with the ordinary shares of the Company and as aforesaid except for voting rights and dividend rights.

31 CAPITAL RESERVES

As at 31st March	Group		Company	
	2023	2022	2023	2022
Investment reserve (note 31.1)	7,805	7,805	7,805	7,805
Other capital reserve (note 31.1)	316,741	316,741	200,855	200,855
Jointly controlled entity's capital reserve (note 31.2)	-	290	-	-
	324,546	324,836	208,660	208,660

31.1 Investment reserve and other capital reserve

This represents the amounts set aside by the Directors to meet any contingencies.

31.2 Jointly controlled entity's capital reserve

Jointly controlled entity's capital reserve recognises the investor's share of the other comprehensive income / (expense) of the jointly controlled entity after the date of formation.

The movement of the above reserves are given in the statement of changes in equity.

32 REVENUE RESERVES

As at 31st March	Group		Company	
	2023	2022	2023	2022
Currency translation reserve (note 32.1)	540,868	412,872	-	-
Fair value through OCI financial asset reserve (note 32.2)	7,240,582	6,100,102	-	-
General reserve (note 32.3)	32,668	32,668	14,961	14,961
Retained earnings	9,467,212	8,502,126	5,189,782	4,742,410
	17,281,330	15,047,768	5,204,743	4,757,371

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32.1 Currency translation Reserve

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

32.2 Fair value through OCI financial asset reserve

This consists of accumulated net unrealised gains arising from fair valuation of fair value through OCI financial assets, excluding the impact arising from impairment of such assets.

32.3 General reserve

This represents the amounts set aside by the Directors to meet any contingencies.

The movement of the above reserves are given in the statement of changes in equity.

33 EMPLOYEE BENEFITS - GROUP

33.1 Employee benefits

As at 31st March	2023	2022
Balance as at the beginning of the year	8,382	12,615
Payments made during the year	(529)	-
Provision for the year (note 33.3)	38	(4,233)
Balance as at the end of the year	7,891	8,382

33.2 The amounts recognised in the statement of profit or loss are as follows:

Interest cost	1,275	948
Current service cost	1,166	1,090
Past service cost	-	(470)
Charged for the year	2,441	1,568

33.3 The amounts recognised in other comprehensive income are as follows;

Actuarial gain / (loss)	(2,403)	(5,801)
Recognised for the year	(2,403)	(5,801)
Provision for the year	38	(4,233)

The gratuity liability as at 31st March 2023 amounting to Rs. 7,891,389/- (2022 - Rs. 8,381,512/-) for the Group is made based on an actuarial valuation carried out by Mr. M. Poopalanathan (AIA) of Messrs Actuarial & Management Consultants (Pvt) Ltd. As recommended by Sri Lanka Accounting Standards (LKAS - 19) - "Employee benefits", the "Projected Unit Credit (PUC)" method has been used in this valuation.

Under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service. The obligation is not externally funded.

The principal assumptions made are given below :

Rate of discount	18.5% p.a. (2022 - 15.2%)
Rate of pay increase	10% p.a. (2022 - 10%)
Retirement age	60 years (2022: 60 years)
Mortality	A 1967/70 Mortality Table, issued by the Institute of Actuaries, London was used.
Withdrawal rate	5% for age up to 54 and Zero thereafter (2022 - 5% for age up to 54 and Zero thereafter)

The Group is a going concern.

As a result of the change in retirement age as per 'Minimum Retirement Age of Workers Act, No. 28 of 2021', past service credit was recognised for the year ended 31st March 2022.

The escalation in the rate of discount is due to the escalation in similar yield of the matching Government bonds for the given duration of the liability as at March 31, 2023.

33.4 Sensitivity analysis

Reasonably possible changes as at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

As at 31st March	2023	2022
1% increase in discount rate	(519)	(673)
1% decrease in discount rate	590	778
1% increase in salary escalation rate	666	845
1% decrease in salary escalation rate	(590)	(738)

33.5 Maturity analysis of the payments

The following payments are expected on employee benefit plan in future years:

As at 31st March	2023	2022
Less than one year	800	668
One to two years	1,423	1,228
Two to five years	1,626	1,526
Five to ten years	1,688	1,771
More than ten years	2,354	3,189
	7,891	8,382
Weighted average duration of the defined benefit obligation	8.29	9.91

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34 TRADE AND OTHER PAYABLES

As at 31st March	Group		Company	
	2023	2022	2023	2022
Financial				
Trade payables	82,057	11,026	-	-
Amounts due to a related company (note 37.6)	-	69,733	-	69,733
Other payables	40,695	81,591	22,423	24,698
	122,752	162,350	22,423	94,431
Non financial				
Accruals and provisions	30,809	25,389	4,785	4,465
	30,809	25,389	4,785	4,465
	153,561	187,739	27,208	98,896

35 LEASE LIABILITIES

35.1 Movement of lease creditor

	Group	
	2023	2022
Balance as at the beginning of the year	7,998	15,407
Additions on new lease contracts	10,946	-
Interest expense charged to the income statement	283	871
Payment of lease liabilities	(8,281)	(8,280)
Balance as at the end of the year	10,946	7,998
Due within one year	5,472	7,998
Due after one year	5,474	-
	10,946	7,998

35.2 Lease commitments - Contractual undiscounted cash flows

	Group	
	2023	2022
Lease rentals payable within one year	6,833	8,280
Lease rentals payable within one to two years	6,833	-
	13,666	8,280

35.3 Amounts recognised in profit or loss

	Group	
	2023	2022
Amortisation	7,704	7,704
Interest on lease liabilities	283	871
	7,987	8,575

35.4 Amounts recognised in the statement of cash flows

	Group	
	2023	2022
Total cash outflow on leases	(8,281)	(8,280)

36 SHORT TERM BORROWINGS

	Group		Company	
As at 31st March	2023	2022	2023	2022
Balance as at the beginning of the year	58,529	212,040	58,529	212,040
Loans obtained during the year	1,200,000	398,285	500,000	298,285
Accrued interest	4,675	244	1,637	244
Payments made during the year	(750,244)	(552,040)	(400,244)	(452,040)
Balance as at the end of the year	512,960	58,529	159,922	58,529

Details of the short term borrowings

As at 31st March				2023	2022
	Currency	Facility amount	Year of maturity	Carrying amount	Carrying amount
Commercial Bank	LKR	308,285	N/A	310,941	58,529
Hatton National Bank	LKR	200,000	N/A	202,019	-
		508,285		512,960	58,529

The interest rate on above unsecured short term loans are determined based on AWPLR plus margin agreed with banks.

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37 RELATED PARTY TRANSACTIONS

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24) - "Related Party Disclosures", the details of which are reported below.

37.1 Parent and ultimate controlling party

Carson Cumberbatch PLC is the parent company and Bukit Darah PLC is the ultimate controlling entity of Ceylon Guardian Investment Trust PLC.

37.2 Group entities

As at 31st March	Ownership interest %	
	2023	2022
Subsidiaries		
Ceylon Investment PLC	65.94	65.94
Rubber Investment Trust Limited	82.98	82.98
Guardian Fund Management Limited	100.00	100.00
Guardian Fund Management LLC	82.97	82.97
Guardian Value Fund LLC	82.97	82.97
Jointly controlled entity		
Guardian Acuity Asset Management Limited	-	50.00

37.3 Transactions with Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard (LKAS 24) - "Related party disclosures", Key Management Personnel (KMP) are those having authority and responsibility for planning and controlling the activities of the entity directly or indirectly. Accordingly, the Directors of the Company, Directors of Guardian Fund Management Limited, Director - Finance and a Director of Carsons Management Services (Private) Limited, are classified as Key Management Personnel of the Company.

Compensation paid to the Key Management Personnel of the Company and the Group comprise the following;

For the year ended 31st March	Group		Company	
	2023	2022	2023	2022
Short-term employee benefits	48,907	31,829	19,592	14,771
Post-employment benefits	689	350	-	-
Termination benefits paid	-	-	-	-
Other long-term benefits	-	-	-	-
Non cash benefits	810	184	-	-
	50,406	32,363	19,592	14,771

No transactions have taken place during the year between the Company / Group and its KMP other than those disclosed above.

37.4 Transactions with related companies

Name of the Company	Relationship	Nature of the transactions	Group		Company	
			2023	2022	2023	2022
Carson Cumberbatch PLC	Parent Company	Dividends paid	122,367	98,440	122,367	98,440
		Share repurchases	-	69,733	-	69,733
Ceylon Investment PLC	Subsidiary	Dividends received	-	-	49,625	46,776
		Sale proceeds from repurchase of shares	-	-	-	67,281
Guardian Fund Management Limited (GFM)	Subsidiary	Portfolio management fees paid*	-	-	57,570	42,528
Rubber Investment Trust Limited	Subsidiary	Dividends received	-	-	27,689	41,534
Guardian Acuity Asset Management Limited	Jointly controlled entity	Portfolio management fees received*	4,694	6,000	-	-
		Dividends received	-	-	-	1,400
Bukit Darah PLC	Ultimate Controlling entity	Dividends received on ordinary shares	22,482	20,438	-	-
		Dividends received on 8% participative cumulative preference shares	281	256	-	-
Carsons Management Services (Private) Limited (CMSL)	Affiliate entity	Support Service Fees paid**	43,847	36,850	19,991	15,563
		Computer fees paid	1,290	1,290	420	420
		Secretarial fees paid	1,565	1,302	533	444
Equity Two PLC	Affiliate entity	Rental charges paid	8,281	8,280	-	-

*Portfolio management fee is based on portfolio value of the Company.

**Support service fee is based on the services provided by CMSL.

37.5 Amounts due from a related party - on share repurchase

Name of the Company	Relationship	Group		Company	
		2023	2022	2023	2022
Ceylon Investment PLC	Subsidiary	-	-	-	67,281

37.6 Amounts due to a related party - on share repurchase

Name of the Company	Relationship	Group		Company	
		2023	2022	2023	2022
Carson Cumberbatch PLC	Parent Company	-	69,733	-	69,733
		-	69,733	-	69,733

In Rupees Thousands

38 FINANCIAL INSTRUMENTS

Financial risk management - Overview

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing such risks, and the Group's management of capital. Pages 07 to 12 also carry a review of risks faced by the Group and the approach of managing such risks.

Risk management framework

The Company's Board of Directors has the overall responsibility for the establishment and monitoring the Company's risk management framework. The Board of Directors has delegated this function to the management of Guardian Fund Management Limited, the Investment Managers and Carsons Management Services (Private) Limited, the managers; who are responsible for developing and monitoring the Group's risk management policies and reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to such limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's investment portfolio mainly comprises of investments in listed / unlisted equity securities and fixed income securities. The Group's investment manager has been given discretionary authority to manage the assets, in line with the Group's investment policies and objectives.

Further, an Investment Committee provides advice and insights to the fund management team to further sharpen and refine their decision making process. This comprehensive management structure determines the objectives and policies of the Group's risk management framework and promotes a culture of risk awareness and balanced risk-taking within the Group.

38.1 Credit risk

Credit risk is the risk of financial loss to the Group, if a customer or a counter-party to a financial instrument or an obliged party to a receivable fails to meet their contractual obligations, and arises primarily on the Group's investments in fixed income earning securities, placements with banking and financial institutions, receivables from market intermediaries and other counter-parties the Group has dealings with.

38.1.1 Credit risk exposure and managing the risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows.

As at 31st March	Note	Group		Company	
		Carrying Amount		Carrying Amount	
		2023	2022	2023	2022
Investments in debt securities	27	420,002	297,188	-	-
Investment in unit trusts	28	230,843	363,961	92,290	162,908
Trade and other receivables*	26	41,104	168,516	4,862	102,132
Investment in fixed deposits		4,858,764	982,954	2,133,783	360,028
Cash and cash equivalents - Cash at bank	29	432,048	1,315,293	49,447	407,391
Cash and cash equivalents - Placements with banking and financial institutions	29	-	1,455,902	-	598,739
		5,982,761	4,583,814	2,280,382	1,631,198

*Advances and prepaid expense which are non financial assets are excluded.

Investment in debt securities

These represents investment in corporate bonds, which yields interest income on a continuing basis. The Group continuously monitors the stability, creditworthiness and credit ratings of these institutions in order to assess and mitigate the credit risk.

Investment in unit trusts

Name of the fund	Fund category	Fund's investment instruments
Guardian Acuity Money Market Fund	Money market fund	Fixed income securities within the maturity period less than 365 days to provide short term returns
Guardian Acuity Income Fund	Income fund	Fixed income securities that focus on providing medium term returns
Guardian Acuity Equity Fund	Equity fund	Listed equity securities

The Group continuously monitors the performance, asset allocation, credit quality and maturity profiles of these funds in order to assess and mitigate the credit risk.

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Trade and other receivables

A significant portion of the trade and other receivables comprise of proceeds receivable on disposal of quoted securities, dividend receivables and portfolio management fee receivables from clients external to the Group.

Settlement procedures surrounding the equity markets are highly structured and regulated. "T+3" settlement cycle is in place with the involvement of a custodian bank, which is being duly monitored by the regulator, hence provides an assurance on the realisation of the balances. Further, a due evaluation process, including a continuous assessment mechanism is in place when selecting the market intermediaries that the Group transacts with, which involves prior approval from the Board of Directors.

Dividend receivable is accounted for when the right to receive the dividend is established. The balances are settled within a maximum period of twelve (12) market days and no risk of default, based on past experience in the industry.

Fee receivable from the clients external to the group are mostly the corporates to whom the Group provides portfolio management services. The terms and conditions which determine the fees have been agreed with the parties, in the form of a bi-lateral agreements, such that the risk of a dispute is minimum. The Group has encountered no defaults to date on the fees receivable from these clients.

Age profile of trade and other receivables

As at 31st March	Group Carrying Amount		Company Carrying Amount	
	2023	2022	2023	2022
Less than 30 days	39,909	168,289	4,862	102,132
30 – 60 days	175	191	-	-
61 – 90 days	1,020	12	-	-
91 – 120 days	-	-	-	-
More than 120 days	-	24	-	-
	41,104	168,516	4,862	102,132

The Group has neither recognised an impairment loss nor an allowance for impairment of its trade and other receivables over the past 5 year period

Investment in fixed deposits

The Group has invested in fixed deposits with both banking and non-banking financial institutions. The Group continuously monitors the stability and creditworthiness including credit ratings of these financial institutions in order to assess and mitigate the credit risk.

Cash and cash equivalents

The Group held cash and equivalents in the form of demand deposits with commercial banks, placements with banking and financial institutions and securities purchased under resale agreements. Hence, the Group is exposed to the risk of such counter-parties failing to meet their contractual obligations.

The Group minimizes the credit risk by monitoring the credit worthiness of the underlying counterparties periodically.

A credit rating analysis of banking / financial institutional counter-parties with whom the balances were held at the end of the reporting period is presented below. This includes balances held as cash and cash equivalents, investment in fixed deposits and bonds.

As at 31st March	Group Carrying Amount		Company Carrying Amount	
	2023	2022	2023	2022
Credit rating				
AAA	769	19,481	282	17,805
AA-	-	1,338,738	-	605,169
A+	-	1,675,184	-	618,345
A	4,447,115	194,454	2,056,399	123,287
A-	262,247	-	124,846	-
BBB+	3,353	3,142	1,673	1,552
BBB-	90	-	30	-
A1*	196,726	151,840	-	-
Baa2*	64,806	59,545	-	-
Baa3*	735,708	608,953	-	-
Unrated	60	60	-	-
	5,710,874	4,051,397	2,183,230	1,366,158

Above ratings are obtained based on the ratings published by Fitch Ratings Lanka Ltd and Moody's investors service, Inc.

38.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are required to be settled by delivering cash or another financial asset.

38.2.1 Exposure to credit risk

The following are the contractual maturities of financial liabilities at the end of the reporting period

Group

As at 31st March 2023	Carrying amount	Total undiscounted cash flows	Contractual cash flows		
			up to 3 months	3-12 months	More than a year
Non derivative financial liabilities					
Trade and other payables *	122,752	122,752	122,752	-	-
Short term loans	512,960	518,957	518,957	-	-
Lease liabilities	10,946	13,666	1,708	5,124	6,834
	646,658	655,375	643,417	5,124	6,834

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In Rupees Thousands

38.2.1 Exposure to credit risk Contd.

Group

As at 31st March 2022	Carrying amount	Total undiscounted cash flows	Contractual cash flows		
			up to 3 months	3-12 months	More than a year
Non derivative financial liabilities					
Trade and other payables *	162,350	162,350	162,350	-	-
Short term loans	58,529	58,731	58,731	-	-
Lease liabilities	7,998	8,280	2,070	6,210	-
	228,877	229,361	223,151	6,210	-

Company

As at 31st March 2023	Carrying amount	Total	Contractual cash flows		
			up to 3 months	3-12 months	More than a year
Non derivative financial liabilities					
Trade and other payables *	22,423	22,423	22,423	-	-
Short term loans	159,922	161,585	161,585	-	-
	182,345	184,008	184,008	-	-

As at 31st March 2022	Carrying amount	Total	Contractual cash flows		
			up to 3 months	3-12 months	More than a year
Non derivative financial liabilities					
Trade and other payables	94,431	94,431	94,431	-	-
Short term loans	58,529	58,731	58,731	-	-
	152,960	153,162	153,162	-	-

* Provisions and accrued expenses which are non financial liabilities are excluded.

The ratio of liquid assets with a very short expected liquidation period to total net assets is set out below.

As at 31st March	Group		Company	
	2023	2022	2023	2022
Cash and cash equivalents	432,108	2,771,255	49,447	1,006,130
Investment in unit trusts	230,843	363,961	92,290	162,908
Total liquid assets	662,951	3,135,216	141,737	1,169,038
Liquid assets as a % of the total net assets	3%	16%	2%	19%

38.2.2 Management of liquidity risk

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking the Group's reputation.

The Group maintains a portion of its assets in highly liquid form; demand deposits with commercial banks, placements with banking and financial institutions, securities purchased under resale agreements and short term investment in money market funds, in order to capitalise the market opportunities and to meet its contractual obligations in the normal course of its operations.

A significant portion of the Group's investment portfolio comprises of listed equity investments which provides the Group with exposure to adequate liquidity, given the ability to convert in to cash and cash equivalents within a very short period of time if required.

In addition, the Group has access to approved financing arrangements, an analysis of which as at the end of reporting period is given below.

As at 31st March	Group		Company	
	2023	2022	2023	2022
Unutilised overdraft facilities	541,715	991,715	541,715	991,715
	541,715	991,715	541,715	991,715

38.3 Market risk

Market risk is the exposure to adverse movements in the security markets for both equity and fixed income investments, which can result variations in the anticipated returns from those securities. All financial institutions face market risks, created by changes in the macro environment related to political factors, national security, economic management and globalisation influences which have an impact on systematic risk factors such as interest rates, currency parity, inflation and availability of credit etc.

38.3.1 Interest rate risk

The Group is exposed to interest rate risk, arising from its securities purchased under resale agreements, placements with banking and financial institutions, unit trusts, short-term borrowings and overdraft facilities in the event such have been utilised.

Notes to the Financial Statements

In Rupees Thousands

Exposure and management of interest rate risk

At the end of the reporting period, the interest rate profile of the Group's interest-bearing financial instruments was as follows.

As at 31st March	Group Carrying Amount		Company Carrying Amount	
	2023	2022	2023	2022
Variable rate instruments				
Financial assets - Investment in unit trusts	218,017	353,687	85,877	157,771
- Cash at bank	432,108	1,315,353	49,447	407,391
	650,125	1,669,040	135,324	565,162
Fixed rate instruments				
Financial assets - Placement with banking and financial institutions	-	1,455,902	-	598,739
- Investment in fixed deposits - Non-current	3,770,560	-	1,786,841	-
- Investment in fixed deposits - current	1,088,204	982,954	346,942	360,028
- Investment in bonds	420,002	297,188	-	-
Financial liabilities - Short term borrowings	(512,960)	(58,529)	(159,922)	(58,529)
	4,765,806	2,677,515	1,973,861	900,238

The Group/Company invested in fixed deposits in licensed commercial banks in Sri Lanka for period of 1 - 5 years and at interest rates between 19% -26%.

The average base interest rates applied for the above financial instruments are as follows;

As at 31st March	2023	2022
Commercial Banks Averaged Weighted Prime Lending Rate (AWPLR) *	22.42%	9.47%
Commercial Banks Averaged Weighted Deposit Rate (AWDR) *	15.06%	5.17%

* Monthly averaged rate as at reporting date.

Sensitivity Analysis

A change of 100 basis points in interest rates at the end of the reporting period would have increased / (decreased) profit or loss by the amounts shown below.

Movement in interest rate	Group Profit or Loss		Company Profit or Loss	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
As at 31st March 2023				
- Variable rate instruments	6,501	(6,501)	1,353	(1,353)
	6,501	(6,501)	1,353	(1,353)
As at 31st March 2022				
- Variable rate instruments	16,690	(16,690)	5,652	(5,652)
	16,690	(16,690)	5,652	(5,652)

38.3.2 Exposure and management of other market price risks

Equity price risk

The Group is holding an investment portfolio which includes both listed equity investments and private equity (unlisted) investments.

Listed equity investments

Having a substantial portion of 60% (2022 - 65%) of its discretionary portfolio as equity investments designated as listed investments in the Colombo Stock Exchange, market volatilities bring in substantial variations to the Group's earnings and value of its asset base at the reporting dates. The Group monitors its investment portfolio based on market indices, where decisions concerned with the timing of buy / sell are well supported with structured in-house research recommendations. Transactions of a major magnitude within the portfolio are subject to review and approval by the Investment Committee.

Private equity investments

Detailed evaluations are carried out prior to investing on both financial and operational feasibilities of the private equity projects that the Group ventures in to, with a view to ascertain the Group's investment decisions and the risks involved.

Continuous monitoring of the financial and operational results against the investee's business plans and the industry standards ensure that the projects meet the desired outcome and thereby the expected returns. Further, the Group generally enters in to investment agreements with the parties concerned, which carry specific 'exit clauses' to private equity projects such as 'Initial Public Offering', 'Buyout' etc.

As at 31st March	Note	Group Carrying Amount		Company Carrying Amount	
		2023	2022	2023	2022
Investments in equity securities	24,27.2-27.4,27.7-27.9	17,046,243	15,291,090	2,645,150	2,812,613
Investment in unit trusts - Guardian Acuity Equity Fund	28	12,826	10,274	6,413	5,137
		17,059,069	15,301,364	2,651,563	2,817,750

A broad analysis of the investments made by the Company based on the industry / sector is given in note 27.

Sensitivity Analysis

An increasing / (decreasing) of the equity market prices would have increased / (decreased) the investment as at the end of the periods by the amounts shown below. The analysis assumes that all other variables, remain constant and ignores any impact of further investments or withdrawals.

Movement in equity market prices	Group		Company	
	Increasing	Decreasing	Increasing	Decreasing
As at 31 March 2023				
- Equity market price (10% movement)	1,705,907	(1,705,907)	265,156	(265,156)
	1,705,907	(1,705,907)	265,156	(265,156)
As at 31st March 2022				
- Equity market price (10% movement)	1,530,136	(1,530,136)	281,775	(281,775)
	1,530,136	(1,530,136)	281,775	(281,775)

Notes to the Financial Statements

In Rupees Thousands

38.3.3 Currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate, due to changes in foreign exchange rates. The Group is exposed to currency risk, through its subsidiaries, Guardian Fund Management LLC and Guardian Value Fund LLC (incorporated in Mauritius), which is denominated in a currency other than the Group's functional currency, which is the prime factor that exposes the Group to currency risk.

Following are the exchange rates that were used to translate the assets and liabilities of foreign operations, to Sri Lankan Rupees at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Sri Lankan Rupees at the average exchange rates for the reporting period.

For the year ended	Conversion rate	
	2023	2022
LKR/USD		
Assets and liabilities	327.14	293.87
Income and expenses	358.05	205.10

The net exposure to currency risk, as at the reporting date is as follows.

As at 31st March	Group			
	Carrying Amount		Carrying Amount	
	2023		2022	
	LKR (000')	USD	LKR (000')	USD
Investments in equity and debt securities	883,590	2,700,957	748,946	2,548,549
Receivables	5,627	17,201	33,787	114,986
Cash and cash equivalents	577,238	1,764,499	523,151	1,780,212
Payables	(94,134)	(287,750)	(4,304)	(14,646)
Net exposure	1,372,321	4,194,907	1,301,580	4,429,101

Sensitivity Analysis

A strengthening / (weakening) of the USD against the Sri Lankan Rupee would have increased / (decreased) the balances as at the end of the periods by the amounts shown below. The analysis assumes that all other variables, remain constant and ignores any impact of further investments or withdrawals.

	Strengthening LKR (000')	Weakening LKR (000')
Movement in exchange rate		
As at 31 March 2023		
- United State Dollars (15% movement)	205,848	(205,848)
	205,848	(205,848)
As at 31st March 2022		
- United State Dollars (15% movement)		
	195,237	(195,237)
	195,237	(195,237)

38.4 Accounting classification and Fair values

The following table shows the carrying amounts and the fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value, if the carrying value is a reasonable approximation for fair value.

Group

As at 31st March 2023	Fair value through profit or loss financial assets	Financial assets at amortised cost	Fair value through other comprehensive income financial assets	Other financial liabilities	Total carrying amount	Fair value
Financial assets measured at fair value						
Investments in equity and debt securities	8,698,235	-	8,768,010	-	17,466,245	17,466,245
Investments in unit trusts	230,843	-	-	-	230,843	230,843
Financial assets not measured at fair value						
Trade and other receivables	-	41,104	-	-	41,104	
Investment in fixed deposits	-	4,858,764	-	-	4,858,764	
Cash and cash equivalents	-	432,108	-	-	432,108	
Total financial assets	8,929,078	5,331,976	8,768,010	-	23,029,064	
Financial liabilities not measured at fair value						
Trade and other payables	-	-	-	122,752	122,752	
Short term borrowings	-	-	-	512,960	512,960	
Lease liabilities	-	-	-	10,946	10,946	
Total financial liabilities	-	-	-	646,658	646,658	

Notes to the Financial Statements

In Rupees Thousands

38.4 Accounting classification and Fair values Contd.

As at 31st March 2022	Fair value through profit or loss financial assets	Financial assets at amortised cost	Fair value through other comprehensive income financial assets	Other financial liabilities	Total carrying amount	Fair value
Financial assets measured at fair value						
Investments in equity and debt securities	8,194,740	-	7,393,538	-	15,588,278	15,588,278
Investments in unit trusts	363,961	-	-	-	363,961	363,961
Financial assets not measured at fair value						
Trade and other receivables	-	168,516	-	-	168,516	
Investment in fixed deposits	-	982,954	-	-	982,954	
Cash and cash equivalents	-	2,771,255	-	-	2,771,255	
Total financial assets	8,558,701	3,922,725	7,393,538	-	19,874,964	
Financial liabilities not measured at fair value						
Trade and other payables	-	-	-	162,350	162,350	
Short term borrowings	-	-	-	58,529	58,529	
Lease liabilities	-	-	-	7,998	7,998	
Total financial liabilities	-	-	-	228,877	228,877	

Company

As at 31st March 2023	Fair value through profit or loss financial assets	Financial assets at amortised cost	Fair value through other comprehensive income financial assets	Other financial liabilities	Total carrying amount	Fair value
Financial assets measured at fair value						
Investments in equity and debt securities	2,645,150	-	-	-	2,645,150	2,645,150
Investments in unit trusts	92,290	-	-	-	92,290	92,290
Financial assets not measured at fair value						
Trade and other receivables	-	4,862	-	-	4,862	
Investment in fixed deposits	-	2,133,783	-	-	2,133,783	
Cash and cash equivalents	-	49,447	-	-	49,447	
Total financial assets	2,737,440	2,188,092	-	-	4,925,532	
Financial liabilities not measured at fair value						
Trade and other payables	-	-	-	22,423	22,423	
Short term borrowings	-	-	-	159,922	159,922	
Total financial liabilities	-	-	-	182,345	182,345	

In Rupees Thousands

38.4 Accounting classification and Fair values Contd.

As at 31st March 2022	Fair value through profit or loss financial assets	Financial assets at amortised cost	Fair value through other comprehensive income financial assets	Other financial liabilities	Total carrying amount	Fair value
Financial assets measured at fair value						
Investments in equity and debt securities	2,812,613	-	-	-	2,812,613	2,812,613
Investments in unit trusts	162,908	-	-	-	162,908	162,908
Financial assets not measured at fair value						
Trade and other receivables	-	102,132	-	-	102,132	
Investment in fixed deposits	-	360,028	-	-	360,028	
Cash and cash equivalents	-	1,006,130	-	-	1,006,130	
Total financial assets	2,975,521	1,468,290	-	-	4,443,811	
Financial liabilities not measured at fair value						
Trade and other payables	-	-	-	94,431	94,431	
Short term borrowings	-	-	-	58,529	58,529	
Total financial liabilities	-	-	-	152,960	152,960	

38.5 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by the levels in the fair value hierarchy. The different levels have been defined as follows.

Level 1:	Availability of quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2:	Use of inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3:	Use of inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group

	Level 1	Level 2	Level 3	Total
As at 31st March 2023				
Investments in equity and debt securities	16,997,179	420,002	49,064	17,466,245
Investments in unit trusts	-	230,843	-	230,843
	16,997,179	650,845	49,064	17,697,088

As at 31st March 2022

Investments in equity and debt securities	15,248,694	297,188	42,396	15,588,278
Investments in unit trusts	-	363,961	-	363,961
	15,248,694	661,149	42,396	15,952,239

Company

	Level 1	Level 2	Level 3	Total
As at 31st March 2023				
Investments in equity and debt securities	2,596,096	-	49,054	2,645,150
Investments in unit trusts	-	92,290	-	92,290
	2,596,096	92,290	49,054	2,737,440

As at 31st March 2022

Investments in equity and debt securities	2,770,227	-	42,386	2,812,613
Investments in unit trusts	-	162,908	-	162,908
	2,770,227	162,908	42,386	2,975,521

On 21st December 2021, investment in hSenid Business Solutions (Private) Ltd was listed on the Colombo Stock Exchange, accordingly, it has been classified under 'equity securities-quoted shares' and transferred to Level 1 of the fair value hierarchy.

	Group		Company	
For the year ended 31st March	2023	2022	2023	2022
Opening balance	42,396	163,678	42,386	163,668
Change in fair value	6,668	5,080	6,668	5,080
Transfer to level 1	-	(126,362)	-	(126,362)
Additions	-	-	-	-
Disposal / written off of investments	-	-	-	-
Closing balance	49,064	42,396	49,054	42,386

Notes to the Financial Statements

In Rupees Thousands

38.6 Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used:

Company	Valuation Technique	Assumptions / unobservable inputs	Values / percentages	Inter-relationship between significant Unobservable inputs and fair value measurement
Findmyfare (Pvt) Ltd	Based on the recently announced right issue price - Rs. 1	Not Applicable	Not Applicable	Not Applicable

39 SEGMENTAL REPORTING

The Group's Chief Operating Decision Maker (CODM) monitors the operating results of the entity as a whole considering the operations as a single segment Investment holding and asset management operating as a single segment to make decisions about resource allocation and performance. Therefore no disclosure is made on operating segments.

40 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, no circumstances have arisen which would require adjustments to or disclosures in the financial statements, other than those disclosed in notes 18.2 and 30.1.A.

41 GOING CONCERN

The Board of Directors is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the financial statements are prepared on a going concern basis.

42 SALE OF SHARES OF GUARDIAN ACUITY ASSET MANAGEMENT LIMITED HELD BY CEYLON GUARDIAN INVESTMENT TRUST PLC

Ceylon Guardian Investment Trust PLC (CGIT/Company) disposed its entire holding of 3,500,000 ordinary shares in Guardian Acuity Asset Management Limited (GAAM/Joint Venture) on 13th January 2023, being 50% of the issued shares of GAAM held by CGIT to CT CLSA Holdings Limited, which is a non-related party to CGIT, at a consideration of Rs.50,762,922/50 is based on the Net Asset Value and the Asset Under Management of GAAM at the time of share transfer.

43 COMMITMENTS AND CONTINGENCIES

43.1 Commitments

There were no commitments or contracts for capital expenditure of a material amount as at the reporting date.

43.2 Contingencies

There were no material contingent liabilities as at the reporting date.

43.3 Litigation and claims

There have been no material litigation and claims against the company that require adjustments or disclosures in the financial statements.

44 COMPARATIVE FIGURES

Previous years' figures and phrases have been rearranged wherever necessary to conform to the current year's presentations.

45 RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and presentation of the financial statements. This is more fully described under the relevant clause in the Directors' report.

Five Year Summary

In Rupees Thousands

For the year ended / As at 31st March	2023	2022	2021	2020	2019
Statement of profit or loss and other comprehensive income					
Revenue					
Dividend income	579,718	694,063	571,392	397,791	433,707
Net gain on disposal of investments	(65,485)	456,542	1,000,480	175,602	(65,396)
Interest income	694,333	137,386	122,002	112,565	230,191
Management fee	166,347	135,130	126,075	128,341	115,250
	1,374,913	1,423,121	1,819,949	814,299	713,752
Less: Inter-group transactions	(260,303)	(254,142)	(215,286)	(112,967)	(195,470)
	1,114,610	1,168,979	1,604,663	701,332	518,282
Fair value adjustment - unrealised	896,359	(1,779,992)	1,869,267	(1,828,266)	(2,539,648)
Impairment on goodwill	-	-	-	(48,445)	-
Profit/(Loss) on investment activities	2,010,969	(611,013)	3,473,930	(1,175,379)	(2,021,366)
Profit/(Loss) before taxation	1,575,783	(835,052)	3,221,390	(1,424,364)	(2,285,381)
Income tax expense	(147,313)	(84,956)	(56,652)	(35,021)	(58,288)
Profit/(Loss) for the year from continuing operations	1,428,470	(920,008)	3,164,738	(1,459,385)	(2,343,669)
Profit/(Loss) for the year	1,429,199	(1,065,632)	3,243,951	(1,472,613)	(2,343,669)
Non controlling interest	(222,126)	168,005	(522,930)	227,737	422,017
Profit/(Loss) attributable to the equity holders of the parent	1,207,073	(897,627)	2,721,021	(1,244,876)	(1,921,652)
Statement of Financial Position					
Capital employed					
Stated capital	1,128,726	1,128,726	1,128,726	1,128,726	1,128,726
Reserves	17,605,876	15,372,604	15,613,404	10,406,752	11,959,216
Total equity attributable to equity holders of the parent	18,734,602	16,501,330	16,742,130	11,535,478	13,087,942
Non controlling interest	3,589,884	3,148,737	3,319,563	2,332,108	2,629,463
Total equity	22,324,486	19,650,067	20,061,693	13,867,586	15,717,405
Assets employed					
Current assets	10,499,004	12,536,978	13,398,628	11,091,812	11,413,584
Current liabilities	(715,698)	(286,471)	(319,791)	(1,152,006)	(334,324)
Net current assets	9,783,306	12,250,507	13,078,837	9,939,806	11,079,260
Non-current assets	12,554,545	7,407,942	7,002,532	3,938,614	4,645,903
Non-current liabilities	(13,365)	(8,382)	(19,676)	(10,834)	(7,758)
Net assets	22,324,486	19,650,067	20,061,693	13,867,586	15,717,405
Statement of cash flows					
Net cash generated from / (used in) operating activities	(2,658,616)	518,706	1,025,567	1,372,857	(416,756)
Net cash generated from / (used in) investing activities	(753)	46	2,440	(160)	(59,465)
Net cash generated from / (used in) financing activities	165,956	(551,731)	(1,065,338)	823,726	(24,194)
Net increase / (decrease) in cash & cash equivalents	(2,493,413)	(32,979)	(37,331)	2,196,423	(500,415)

Five Year Summary

In Rupees Thousands

For the year ended / As at 31st March	2023	2022	2021	2020	2019
Ratios & statistics					
Operational ratio					
Return on ordinary shareholders funds (%)	6.44	(5.44)	16.25	(10.79)	-14.68
Liquidity ratio					
Current ratio (times)	14.67	43.76	41.90	9.63	34.14
Investor ratio					
Earnings/(loss) per share (Rs)	13.67	(10.17)	30.65	(14.02)	(21.65)
Dividend per share (Rs.) *	2.20	2.00	1.60	1.15	0.75
Dividend cover (times)	6.21	(5.09)	19.16	-	-
Dividend growth (%)	0.10	25	39	53	(75)
Dividend yield (%)	3.24	2.55	1.33	1.60	1.21
Dividend payout ratio (%)	16.09	(19.67)	5.22	N/A	N/A
Net assets value per share - (Rs.)	212.20	185.87	188.58	129.93	147.42
Market value per share (Rs.) **	68.00	78.50	120.00	71.80	61.80
Price earning ratio (times)	4.97	(7.72)	3.92	(5.12)	(2.85)
Price to book value ratio (times)	0.32	0.42	0.64	0.55	0.42
Market capitalisation	5,611,215	6,513,841	9,957,464	5,957,883	5,128,094
Fair value of investments	22,475,000	19,647,919	19,694,391	13,665,962	15,510,443
All Share Price Index (points)	9,301	8,904	7,121	4,572	5,557
S&P SL 20 Index (points)	2,683	3,031	2,850	1,947	2,739

* Based on proposed / interim dividends.

** As at 31st March.

US\$ Financials

Preparation of US Dollar Financial Statements

The Financial Statements of the presented in Sri Lankan Rupees.

The translation of Sri Lankan Rupee amounts into US Dollar amounts is included solely for the convenience of Shareholders, Investors, Bankers and other users of these Financial Statements.

US Dollar Financials do not form part of the audited Financial Statements of the Group.

Key Highlights

In United States Dollars

For the year ended / As at 31st March	2023	2022	Change %
Revenue	3,113,001	5,699,556	(45)
Profit / (loss) from operations	4,775,604	(4,040,268)	(218)
Profit / (loss) before taxation	4,401,019	(4,071,438)	(208)
Profit / (loss) for the year from continuing operations	3,989,588	(4,485,655)	(189)
Profit / (loss) for the year	3,991,618	(5,195,670)	(189)
Other comprehensive income/ (expense) for the year	4,274,320	5,242,418	(18)
Total comprehensive income / (expense) for the year	8,265,938	46,748	17,582
Net cash generated from operating activities	(7,425,265)	2,529,039	(394)
Total equity attributable to equity holders of the parent	57,267,842	56,151,801	2
Earnings / (loss) per share	0.04	(0.05)	(177)
Dividend per share *	-	0.01	(100)
Net assets per share	0.77	0.63	23
Ceylon Guardian - Fund value **	68,701,473	66,859,220	3

* Based on proposed / interim dividends

** Based on fair value of portfolio after adjusting for cash and cash equivalents. Total Fund value include actively managed portfolio and investment in Bukit Darah PLC.

Statement of Profit or Loss and Other Comprehensive Income

In United States Dollars

For the year ended 31st March	Group	
	2023	2022
Continuing operations		
Revenue	3,113,001	5,699,556
Net change in fair value through profit or loss financial assets	2,503,446	(8,678,654)
Profit / (loss) on investment activities	5,616,447	(2,979,098)
Administrative and other operating expenses	(840,843)	(1,061,170)
Profit / (loss) from operations	4,775,604	(4,040,268)
Net finance income / (expense)	(374,585)	(31,170)
Profit / (loss) before taxation	4,401,019	(4,071,438)
Income tax expense	(411,431)	(414,217)
Profit / (loss) for the year from continuing operations	3,989,588	(4,485,655)
Discontinued operations		
Profit / (loss) after tax for the period from discontinued operations	2,030	(710,015)
Profit / (loss) for the year	3,991,618	(5,195,670)
Other comprehensive income		
Items that will never be reclassified to profit or loss		
Actuarial gain / (loss) on employee benefit obligation	6,711	28,284
Related tax on employee benefits	(2,014)	(6,787)
Net change in fair value through other comprehensive income financial assets	3,838,773	3,188,805
Items that are or may be reclassified to profit or loss		
Share of other comprehensive income / (expense) of equity accounted investee, net of tax	-	619
Net exchange differences on translation of foreign operations	430,850	2,031,497
Other comprehensive income / (expense) for the year	4,274,320	5,242,418
Total comprehensive income / (expense) for the year	8,265,938	46,748
Profit / (loss) attributable to:		
Equity holders of the parent	3,371,241	(4,376,533)
Non controlling interest	620,377	(819,137)
	3,991,618	(5,195,670)
Total comprehensive income / (expense) attributable to:		
Equity holders of the parent	6,918,674	(22,959)
Non controlling interest	1,347,264	69,707
	8,265,938	46,748
Earnings / (loss) per share (USD)	0.04	(0.05)

Statement of Financial Position

In United States Dollars

As at 31st March	Group	
	2023	2022
Non-current assets		
Property, plant and equipment	8,201	9,348
Intangible assets	-	8,827
Right of use assets	33,463	26,212
Investments in fair value through other comprehensive income	26,802,012	25,159,213
Deferred tax asset	7,168	4,628
Investment in fixed deposits	11,525,830	-
Total non-current assets	38,376,674	25,208,228
Current assets		
Trade and other receivables	151,660	592,214
Investments in equity and debt securities	26,588,722	27,885,596
Investments in unit trusts	705,640	1,238,510
Investment in fixed deposits	3,326,417	3,344,860
Cash and cash equivalents	1,320,866	9,430,207
Total current assets	32,093,305	42,491,387
Asset held for sale	-	170,259
Total assets	70,469,979	67,869,874
EQUITY AND LIABILITIES		
Equity		
Stated capital	8,834,775	8,834,775
Capital reserves	754,423	754,423
Revenue reserves	47,678,644	46,562,603
Total equity attributable to equity holders of the parent	57,267,842	56,151,801
Non controlling interest	10,973,540	10,714,728
Total equity	68,241,382	66,866,529
Non-Current Liabilities		
Employee benefits	24,121	28,523
Lease liabilities	16,733	-
Total non-current liabilities	40,854	28,523
Current liabilities		
Trade and other payables	469,405	638,851
Lease liabilities	16,727	27,216
Current tax liabilities	133,597	109,589
Short term borrowings	1,568,014	199,166
Total current liabilities	2,187,743	974,822
Total liabilities	2,228,597	1,003,345
Total equity and liabilities	70,469,979	67,869,874
Net assets per ordinary / deferred share (USD)	0.77	0.63

Five Year Summary

In United States Dollars

For the year ended /As at 31st March	2023	2022	2021	2020	2019
Statement of income					
Revenue					
Dividend income	1,619,098	3,384,022	3,029,329	2,219,073	2,616,633
Net gain on disposal of investments	(182,893)	2,225,948	5,304,210	979,594	(394,546)
Interest income	1,939,207	669,849	646,814	627,943	1,388,784
Management fee	464,592	658,849	668,407	715,949	695,324
	3,840,004	6,938,668	9,648,760	4,542,559	4,306,195
Less: Inter-group transactions	(727,002)	(1,239,112)	(1,141,375)	(630,185)	(1,179,306)
	3,113,002	5,699,556	8,507,385	3,912,374	3,126,889
Profit / (loss) before taxation	4,401,019	(4,071,438)	17,078,729	(7,945,799)	(13,788,121)
Income tax expenses	(411,431)	(414,217)	(300,350)	(195,364)	(351,662)
Profit / (loss) for the year from continuing operations	3,989,588	(4,485,655)	16,778,379	(8,141,163)	(14,139,783)
Profit / (loss) for the year	3,991,618	(5,195,670)	17,198,340	(8,214,955)	(14,139,783)
Non controlling interest	(620,377)	819,137	(2,772,400)	1,270,428	2,546,106
Profit / (loss) attributable to the equity holders of the parent	3,371,241	(4,376,533)	14,425,940	(6,944,527)	(11,593,677)
Statement of Financial position					
Capital employed					
Stated capital	8,834,775	8,834,775	8,834,775	8,834,775	8,834,775
Reserves	48,433,067	47,317,026	74,947,088	51,907,039	65,490,524
Total equity attributable to equity holders of the parent	57,267,842	56,151,801	83,781,863	60,741,814	74,325,299
Non controlling interest	10,973,540	10,714,728	16,611,935	12,280,070	14,932,495
Total equity	68,241,382	66,866,529	100,393,798	73,021,884	89,257,794
Assets employed					
Current assets	32,093,305	42,661,646	67,050,132	58,405,624	64,816,764
Current liabilities	(2,187,743)	(974,822)	(1,600,316)	(6,066,062)	(1,898,597)
Net current assets	29,905,562	41,686,824	65,449,816	52,339,562	62,918,167
Non-current assets	38,376,674	25,208,228	35,042,446	20,739,370	26,383,684
Non-current liabilities	(40,854)	(28,523)	(98,464)	(57,048)	(44,057)
Net assets	68,241,382	66,866,529	100,393,798	73,021,884	89,257,794
Cash Flow Statements					
Net cash generated from / (used in) operating activities	(7,425,265)	2,529,039	5,437,212	7,658,468	(2,514,365)
Net cash generated from / (used in) investing activities	(2,103)	224	12,936	(893)	(358,763)
Net cash generated from / (used in) financing activities	463,500	(2,690,059)	(5,648,065)	4,595,147	(145,967)
Net increase/ (decrease) in cash & cash equivalents	(6,963,868)	(160,796)	(197,917)	12,252,722	(3,019,095)

Notes to the Financial Statements

In United States Dollars

1 Basis of conversion

The translation of Sri Lankan Rupee amounts in to US Dollar amounts is solely for the convenience of the shareholders, investors, bankers and other users of these financial statements.

The translation of the financial statements in to US Dollar were effected based on the following exchange rates.

For the year ended / As at 31st March	2023	2022
Statement of profit or loss and other comprehensive income - average rate	358.05	205.10
Monetary assets and liabilities - closing rate	327.14	293.87
Non-monetary assets and liabilities - closing rate	327.14	293.87
Ordinary share capital - historical rate		

Gains or losses on conversion are accounted for in the revenue reserve.

2 REVENUE RESERVE

For the year ended 31st March	2023	2022
Beginning of the year	46,562,603	74,193,284
Net movement during the year	6,085,072	(2,860,219)
	52,647,675	71,333,065
Currency fluctuations	(4,969,031)	(24,770,462)
As at the end of the year	47,678,644	46,562,603

Information to Shareholders and Investors

1. STOCK EXCHANGE LISTING

Ceylon Guardian Investment Trust PLC is a Public Quoted Company, the Ordinary Shares of which are listed on the Main Board of the Colombo Stock Exchange.

Stock Exchange code for Ceylon Guardian Investment Trust PLC shares is "GUAR".

2. SHARE VALUATION

The market price of the Company's shares as at 31st March 2023 was Rs.68.00 per share (2022 – Rs.78.50)

3. ORDINARY SHAREHOLDERS

As at 31st March	2023	2022
Number of Shareholders	1,618	1,548

The number of ordinary shares held by non-residents as at 31st March 2023 was 6,929,636 (2022 – 7,175,645) which amounts to 8.40% (2022 – 8.65%) of the total number of Ordinary Shares in issue.

Distribution of Shares	Residents			Non-Residents			Total		
	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%
1-1,000	1,067	193,196	0.23	10	2,623	0.00	1,077	195,819	0.24
1,001-10,000	336	1,149,966	1.40	14	51,761	0.06	350	1,201,727	1.46
10,001-100,000	123	3,452,999	4.18	21	621,195	0.75	144	4,074,194	4.94
100,001-1,000,000	36	12,424,999	15.06	7	2,709,338	3.30	43	15,134,337	18.34
Above 1,000,000	2	58,367,078	70.73	2	3,544,719	4.29	4	61,911,797	75.02
Total	1,564	75,588,238	91.60	54	6,929,636	8.40	1,618	82,517,874	100.00

Categorization of Shareholders as at 31st March 2023

Categories of Shareholders	No. of Shareholders	No. of Shares	%
Individuals	1,448	12,946,692	15.69
Institutions	170	69,571,182	84.31
Total	1,618	82,517,874	100.00

4. PUBLIC SHAREHOLDING

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Main Board as per Rule 7.14.1(a) of the Listing Rules of the Colombo Stock Exchange, under Option 5, i.e. Float-Adjusted Market Capitalization of less than Rs.2.5 Billion with 500 Public Shareholders and a Public Holding percentage of 20%.

The Company's Public Holding as at 31st March 2023

Market Capitalization of the Public Holding	Rs.1.81 Billion
Percentage of Public Holding	32.34%
Number of Public Shareholders	1,606

5. MARKET PERFORMANCE - ORDINARY SHARES

For the year ended 31st March	2023	2022
Share price as at 31st March (Rs.)	68.00	78.50
Highest (Rs.)	85.00	136.75
Lowest (Rs.)	50.00	74.00
Value of the shares traded (Rs.)	132,551,597	327,147,195
No. of shares traded	1,929,528	3,003,325
Volume of transactions (Nos.)	1,736	5,240
Market Capitalisation (Rs.)	5,611,215,432	6,513,841,138
No of shares	82,517,874.00	82,978,868.00

6. DIVIDENDS

1. First Interim Dividend of Rs.2/- per ordinary share for the financial year ended 31st March 2022 was announced on 02nd June 2022. Shareholders of the Company who had provided accurate bank account details were paid on 21st June 2022 and to the Shareholders who had not provided accurate bank account details or had not provided any bank account details, the dividends was paid on 04th July 2022.

2. First Interim Dividend of Rs.2.20 per ordinary share for the financial year ended 31st March 2023 was announced on 23rd June 2023. Shareholders of the Company who have provided accurate bank account details will be paid on 14th July 2023 and to the Shareholders who had not provided accurate bank account details or had not provide any bank account details, the dividends will be paid on 27th July 2023.

7. RECORD OF BONUS ISSUES, RIGHT ISSUES REPURCHASE AND SUBDIVISION OF SHARES

The undermentioned share issues / repurchases have been made by the Company to date, in relation to its ordinary shares.

Year ended	Issue	Basis	No. of shares	Cumulative No. of shares
1951	-	Initial Capital	-	757,525
1990	-	Bonus	1:01	757,525
1992	-	Bonus	1:08	189,381
1999	-	Bonus	1:04	426,108
2000	-	Bonus	1:04	532,634
2002	- April	Rights	1:07	380,453
	- May	Bonus	1:04	760,906
2003	- July	Rights	1:05	760,906
	- August	Bonus	1:06	760,906
2004	- July	Rights	1:02	2,663,172
2004	- September	Bonus	1:03	2,663,172
2005	- March	Rights	1:03	3,550,896
	- June	Bonus	1:03	4,734,528
2009	- October	Repurchase	3:2	(2,840,716)
2010	- November	Subdivision	5:01	64,389,584
		Capitalisation of Reserves	1:50	1,609,739
2015	- August	Scrip	1:93	882,149
2022	- May	Repurchase	1:180	(460,994)

8. MAJOR SHAREHOLDERS

A list of major shareholders of the Company as at 31st March 2023 is provided in the Annual Report of the Board of Directors, on page 25.

Notes

Notice of Meeting

NOTICE IS HEREBY GIVEN that the 71st Annual General Meeting of **Ceylon Guardian Investment Trust PLC** will be held on **Tuesday, 25th July 2023 at 11.00 a.m.** at the Auditorium of The Institute of Chartered Accountants of Sri Lanka (Ground Floor), 30A, Malalasekera Mawatha, Colombo 07, Sri Lanka for the following purposes :

1. To consider the Annual Report of the Board of Directors including the Financial Statements of the Company for the financial year ended 31st March 2023, together with the Report of the Auditors thereon.
2. To re-elect Mr. K. Selvanathan who retires by rotation in terms of Articles 72, 73, and 74 of the Articles of Association of the Company.
3. To re-appoint Mrs. M. A. R. C. Cooray as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:

“**IT IS HEREBY RESOLVED** that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mrs. M. A. R. C. Cooray who is 74 years of age and that she be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year.”
4. To re-appoint Mr. V. M. Fernando as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:

“**IT IS HEREBY RESOLVED** that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. V. M. Fernando who is 73 years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year.”
5. To re-appoint Mr. D. C. R. Gunawardena as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:

“**IT IS HEREBY RESOLVED** that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. D. C. R. Gunawardena who is 72 years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year.”
6. To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154(1) of the Companies Act, No. 07 of 2007 and to authorize the Directors to determine their remuneration.

By Order of the Board

(Sgd).

K. D. De Silva (Mrs.)

Director

Carsons Management Services (Private) Limited

Secretaries

Colombo

26th June 2023

Notice of Meeting

Notes

1. The Annual Report 2022/23 will be made available on the Colombo Stock Exchange website www.cse.lk and on the Group's website www.carsoncumberbatch.com
2. A shareholder is entitled to appoint a proxy to attend and vote instead of him/herself. A proxy need not be a member of the Company. A Form of Proxy accompanies this Notice.
3. The completed **Form of Proxy** must be submitted to the Company not later than 4.45 p.m. on 23rd July 2023,
 - via email to CGITAGM2023@carcumb.com, or
 - via WhatsApp or Viber to mobile no. +94 764 765 463 or +94 712 791 246, or
 - by hand or post to the registered office of the Company, No. 61, Janadhipathi Mawatha, Colombo 1.
4. A person representing a Corporation is required to submit a certified copy of the resolution authorizing him/her to act as the representative of the Corporation. A representative need not be a member.
5. The transfer books of the Company will remain open.
6. Security Check -

We shall be obliged if the shareholders/proxies attending the Annual General Meeting, produce their National Identity Card to the security personnel stationed at the entrance lobby

Form of Proxy

*I/We.....
of.....
being *a Shareholder / Shareholders of **CEYLON GUARDIAN INVESTMENT TRUST PLC** hereby appoint
of..... bearing NIC No./
Passport No..... or failing him/her
Mirihana Arachchige Rose Chandralatha Cooray(Mrs) or failing her,
Don Chandima Rajakaruna Gunawardena or failing him,
Vernon Manilal Fernando or failing him,
Krishna Selvanathan or failing him,
Anthony Dirk Pereira

as *my/our proxy to attend at the 71st Annual General Meeting of the Company to be held on **Tuesday, 25th July 2023 at 11.00 a.m.**, at the Auditorium of The Institute of Chartered Accountants of Sri Lanka (Ground Floor), 30A, Malalasekera Mawatha, Colombo 07, Sri Lanka and at any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To re-elect Mr. K. Selvanathan who retires by rotation in terms of Articles 72, 73, and 74 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-appoint Mrs. M. A. R. C. Cooray who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-appoint Mr. V. M. Fernando who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-appoint Mr. D. C. R. Gunawardena who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act, No. 07 of 2007 and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this.....day of Two Thousand and Twenty Three.

.....
Signature /s

Note:

- * Please delete the inappropriate words.
- A shareholder entitled to attend and vote at a General Meeting of the Company, is entitled to appoint a proxy to attend and vote instead of him/her and the proxy need not be a shareholder of the Company.
A proxy so appointed shall have the right to vote on a show of hands or on a poll and to speak at the General Meeting of the shareholders.
- A shareholder is not entitled to appoint more than one proxy to attend on the same occasion.
- Instructions are noted on the reverse hereof.

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the form of proxy after filling in legibly your full name and address, by signing in the space provided. Please fill in the date of signature.
2. If you wish to appoint a person other than the Directors as your proxy, please insert the relevant details in the space provided overleaf. Shareholders could also appoint a member of the Board to act as their proxy if they so choose.
3. In terms of Article 54 of the Articles of Association of the Company:
 - (1) Any Shareholder entitled to attend and vote at a meeting shall be entitled to appoint another person (whether a Shareholder or not) as his proxy to attend and vote instead of him. A proxy so appointed shall have the same right as the Shareholder to vote on a show of hands or on a poll and to speak at the meeting.
 - (2) An instrument appointing a proxy shall be in writing and:
 - (i) in the case of an individual shall be signed by the appointer or by his attorney;
and
 - (ii) in the case of a corporation shall be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.

The Directors may, but shall not be bound to, require evidence of the authority of any such attorney or officer.
4. In terms of Article 50 of the Articles of Association of the Company:

In the case of joint-holders of a share, the senior who tenders a vote, whether in person or by proxy or by attorney or by representative, shall be accepted to the exclusion of the votes of the other joint- holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.
5. To be valid the completed **Form of Proxy** should be submitted to the Registered Office of the Company **not later than 4.45 p.m. on 23rd July 2023**,
 - via email to CGITAGM2023@carcumb.com, or
 - via WhatsApp or Viber to mobile no. +94 764 765 463 or +94 712 791 246, or
 - by hand or post to the registered office of the Company, No. 61, Janadhipathi Mawatha, Colombo 1.

Please fill in the following details

Name :

Address :

Jointly with :

Share folio no :

Corporate Information

NAME OF COMPANY

Ceylon Guardian Investment Trust PLC (A Carson Cumberbatch Company)

COMPANY REGISTRATION NO.

PQ 52

DOMICILE AND LEGAL FORM

Ceylon Guardian Investment Trust PLC is a Public Quoted Company with limited liability, domiciled in Sri Lanka.

The Company was incorporated in Sri Lanka in 1951.

PRINCIPAL ACTIVITY AND NATURE OF OPERATIONS

During the year, the principal activity of the Company was holding and managing of an investment portfolio.

PARENT COMPANY

Carson Cumberbatch PLC is the Parent Company of Ceylon Guardian Investment Trust PLC and Bukit Darah PLC is the ultimate Parent and Controlling entity of Ceylon Guardian Investment Trust PLC.

SUBSIDIARY COMPANIES

Ceylon Investment PLC
Guardian Fund Management Limited
Rubber Investment Trust Limited
Guardian Fund Management LLC, Mauritius
Guardian Value Fund LLC, Mauritius

DIRECTORS

Mrs. M.A.R.C. Cooray (Chairperson)
Mr. D.C.R. Gunawardena
Mr. V.M. Fernando
Mr. K. Selvanathan
Mr. A.D. Pereira
Mr. C. W. Knight (Resigned 31/03/2023)

NUMBER OF EMPLOYEES

The Company did not have any employees of its own as at the end of the year.

BANKERS

Standard Chartered Bank
Commercial Bank of Ceylon PLC
Deutsche Bank AG Colombo
Hatton National Bank PLC
DFCC Bank PLC
National Development Bank PLC
Sampath Bank PLC
SBI Sri Lanka
Nations Trust Bank PLC

AUDITORS

Messrs. KPMG Chartered Accountants,
No. 32A, Sir Mohamed Macan Markar Mawatha, Colombo 3.

INVESTMENT MANAGERS

Guardian Fund Management Limited
No. 61, Janadhipathi Mawatha, Colombo 1, Sri Lanka.
Tele: +94-11-2039200
Fax: +94-11-2039385

MANAGERS & SECRETARIES

Carsons Management Services (Private) Limited
No. 61, Janadhipathi Mawatha,
Colombo 1.
Tele: +94-11-2039200 Fax: +94-11-2039300

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

No. 61, Janadhipathi Mawatha, Colombo 1.
Tele: +94-11-2039200 Fax: +94-11-2039300

CORPORATE WEBSITE

www.carsoncumberbatch.com
The Company is a member of the Carson Cumberbatch Group of companies

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