

CEYLON GUARDIAN INVESTMENT TRUST PLC

INTERIM REPORT FOR THE THREE MONTHS ENDED 30TH JUNE 2019

A CARSON CUMBERBATCH COMPANY

# CEYLON GUARDIAN INVESTMENT TRUST PLC

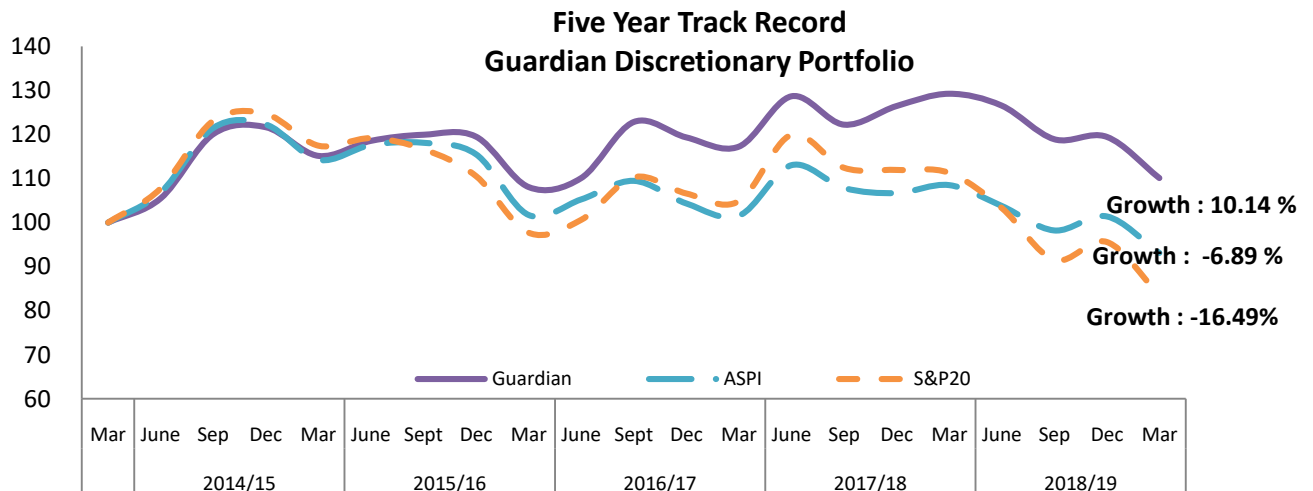
## Managers' Review

For the period ended 30th June 2019

The Ceylon Guardian portfolio is separated into a discretionary and non-discretionary portfolio. The discretionary component of the portfolio is further segregated into a longer term portfolio based on value investing and a trading portfolio to take advantage of market fluctuations both of which are actively managed. The non-discretionary component refers to the strategic holdings of the group. Accordingly, Group recorded a loss after tax of Rs. 356 Mn for the three months' period ended 30th June 2019, which is mainly due to the unrealized loss of Rs. 473.4 Mn on fair value adjustments on the Equity investments of the discretionary portfolio.

## Portfolio Performance

Guardian's investment philosophy of value investing has resulted in a strong outperformance over the ASPI benchmark by 17.03%. During the last 5-year period ending March 2019, the ASPI declined by 6.89% in comparison to the discretionary portfolio increase of 10.14%. The portfolio has also outperformed the ASPI over the last three years where it recorded a negative performance of 2.06% compared to ASPI which dropped by 8.48%.



The investment climate remained challenging throughout the quarter with the economy still performing below capacity and the tragic Easter Sunday bombings impacting economic activity negatively. As a result, market direction during the quarter continued to be on a downward trend. We continued to practice our strategy of buying value stocks which led to the portfolio being a net buyer throughout the quarter as the market declined. The portfolio deployed into long term opportunities within the finance and diversified sectors. The top stock exposures for Guardian include Central Finance, Cargills, Hatton National Bank.

	As at		Change %	As at 30-June-19 (Dividend adjusted)	Dividend adjusted performance
	30-Jun-19	31-Mar-19			
Discretionary portfolio (Rs. '000) *	11,079,992	11,422,792	-3.00%	11,107,153	-2.76%
Total Portfolio (Rs.'000)*	15,169,687	15,510,443	-2.20%	15,196,848	-2.02%
ASPI (Points)	5,372	5,557	-3.32%		-3.32%
S&P 20 (Points)	2,497	2,739	-8.85%		-8.85%

***\*After adding back the total cash outflow from the distribution of dividend by the Group which was Rs. 27.16 Mn during the period.***

The total portfolio depreciated from Rs. 15.51 Bn to Rs. 15.17 Bn during the period of review. The discretionary component also recorded a negative performance of 2.76% for the period while All Share Price Index dropped by 3.32%. At guardian we do not let ourselves be influenced by the short term fluctuations of a stock price but study the company's ability to compete sustainably and grow fundamentally.

## Financial Performance

Ceylon Guardian Investment Trust PLC reported consolidated loss after tax of Rs. 355.9 Mn for the period ended 30<sup>th</sup> June 2019, compared to a loss after tax of Rs. 351.9 Mn in the previous year. The negative financial performance was mainly due to the continuous downward movement in the equity market resulting in a fair value loss of Rs. 473.4 Mn in the fair value through profit or loss financial assets, recognized in profit or loss as per SLFRS 9.

Accordingly, the Group's net assets as at 30 June 2019, valued at market price, declined 2% from the last year to Rs. 143.89 per share. However, the trading price of Rs. 64.90 per share still indicates a steep discount of 55% to the NAV.

As at	30/06/2019	31/03/2019	Change %
ASPI	5,372	5,557	(3.3)
NAV per share (Rs.)	143.89	147.42	(2.4)
Market price per share (Rs.)	64.90	61.80	5.0
Discount of NAV to market price per share	55%	58%	

## Update on the market

The All Share Price Index declined by 3.32% for the quarter while the S&P SL 20 Index declined by 8.85%. The month of April experienced a net foreign inflow, thereafter foreign selling persisted leading to a net outflow of Rs. 234 mn for the quarter. Corporate earnings affected by the economic downturn have shown weakness in the recent quarter resulting in investors taking a cautious approach. The Monetary Policy Committee of the Central Bank cut policy rates and overall fixed deposit rates through the imposition of a ceiling rate on deposit taking institutions. The resulting lower interest rate environment is expected to drive retail investor interest into the share market in search of return. CSE valuations continue to indicate that the market valuations are attractive with a historical PER of 8.7x being recorded as at the quarter ended.

## **Private Equity and Unit Trust**

Activity in the private equity and venture capital market continued to be subdued. No new investments or divestments were carried out during the quarter.

The assets under management (AUM) of our unit trust business, Guardian Acuity Asset Management (GAAM), through our Joint Venture was at Rs. 5.5 billion as at June 2019.

## **Guardian Fund Management Limited**

Investment Managers

5<sup>th</sup> August 2019

**CEYLON GUARDIAN INVESTMENT TRUST PLC**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP**

(All figures are in Sri Lankan Rupees '000)

	Three months ended			
	30th June			
	2019	2018	Change %	31.03.2019 Audited
Revenue	187,424	223,940	(16)	518,282
Fair value change in financial assets measured at fair value through profit or loss financial assets	(473,442)	(506,270)	(6)	(2,539,648)
Profit / (loss) on investment activities	(286,018)	(282,330)	1	(2,021,366)
Administrative and other operating expenses	(58,141)	(55,770)	4	(255,978)
Profit / (loss) from operations	(344,159)	(338,100)	2	(2,277,344)
Net finance income/(expense)	(2,412)	(4,195)	(43)	(14,946)
Profit / (loss) from operations after net finance income/(expense)	(346,571)	(342,295)	1	(2,292,290)
Share of profit of equity accounted investee net of tax	1,202	1,811	(34)	6,909
Profit / (loss) before taxation	(345,369)	(340,484)	1	(2,285,381)
Income tax expense	(10,568)	(11,421)	(7)	(58,288)
Profit / (loss) for the period	(355,937)	(351,905)	1	(2,343,669)
Other comprehensive income				
Items that will never be reclassified to profit or loss				
Actuarial gain on employee benefit obligation	-	-	-	(259)
Related tax on employee benefits	-	-	-	73
Fair value change in financial assets measured at fair value through other comprehensive income financial assets	2,044	(75,622)	(103)	(124,673)
Items that are or may be reclassified to profit or loss				
Share of other comprehensive income/ (expense) of equity accounted investee net of tax	-	-	-	30
Net exchange difference on translation of foreign operations	(11,387)	5,686	(300)	59,452
Other comprehensive income / (expense) for the period	(9,343)	(69,936)	(87)	(65,377)
Total comprehensive income / (expense) for the period	(365,280)	(421,841)	(13)	(2,409,046)
Profit attributable to:				
Equity holders of the parent	(306,372)	(275,759)	11	(1,921,652)
Non controlling interest	(49,565)	(76,146)	(35)	(422,017)
	(355,937)	(351,905)	1	(2,343,669)
Total comprehensive income attributable to:				
Equity holders of the parent	(313,096)	(333,863)	(6)	(1,982,149)
Non controlling interest	(52,184)	(87,978)	(41)	(426,897)
	(365,280)	(421,841)	(13)	(2,409,046)
Earnings / (loss) per share (Rs.)	(3.45)	(3.11)		(21.65)
Dividend per share (Rs.)*	-	-		0.75

Change % represent the percentage change in current period's results compared to the comparative period of previous year.

\* Dividend per share is based on the proposed/interim dividends.

Figures in brackets indicate deductions.

**CEYLON GUARDIAN INVESTMENT TRUST PLC**
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY**

(All figures are in Sri Lankan Rupees '000)

	Three months ended 30th June			
	2019	2018	Change %	31.03.2019 Audited
Revenue	54,261	65,688	(17)	165,882
Fair value change in financial assets measured at fair value through profit or loss financial assets	(234,296)	(169,026)	39	(903,660)
Profit / (loss) on investment activities	(180,035)	(103,338)	74	(737,778)
Administrative and other operating expenses	(19,508)	(23,905)	(18)	(86,922)
Profit / (loss) from operations	(199,543)	(127,243)	57	(824,700)
Finance expense	(2,759)	1	(276,000)	(4,168)
Profit / (loss) before taxation	(202,302)	(127,242)	59	(828,868)
Income tax expense	(76)	(182)	(58)	(1,626)
Profit / (loss) for the period	(202,378)	(127,424)	59	(830,494)
Other comprehensive income				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (expense) for the period	(202,378)	(127,424)	59	(830,494)
Earnings / (loss) per share (Rs.)	(2.28)	(1.44)		(9.35)
Dividend per share (Rs.)*	-	-		0.75

Change % represent the percentage change in current period's results compared to the comparative period of previous year.

\* Dividends per share is based on the proposed / interim dividends.

*Figures in brackets indicate deductions.*

**CEYLON GUARDIAN INVESTMENT TRUST PLC**
**STATEMENT OF FINANCIAL POSITION**

(All figures are in Sri Lankan Rupees '000)

As at 30th June	Group			Company		
	2019	2018	31.03.2019 Audited	2019	2018	31.03.2019 Audited
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	2,168	2,732	2,185	-	-	-
Intangible assets	246,735	251,180	247,846	-	-	-
Investment in subsidiaries	-	-	-	2,155,687	2,096,299	2,155,687
Investment in equity accounted investee	49,328	42,997	48,125	35,000	35,000	35,000
Investment in equity and debt securities	4,089,695	4,136,702	4,087,651	-	-	-
Investment in fixed deposits	266,971	-	257,485	-	-	-
Deferred tax asset	2,611	512	2,611	-	-	-
<b>Total non-current assets</b>	<b>4,657,508</b>	<b>4,434,123</b>	<b>4,645,903</b>	<b>2,190,687</b>	<b>2,131,299</b>	<b>2,190,687</b>
<b>Current assets</b>						
Trade and other receivables	16,382	8,413	44,019	3,304	381	18,278
Current tax assets	31,018	40,638	30,738	22,916	21,629	22,116
Investment in equity and debt securities	9,099,405	10,983,191	9,642,658	3,529,865	4,436,471	3,847,122
Investment in unit trusts	860,736	673,797	188,711	109,496	27,795	5,246
Investment in fixed deposits	374,617	1,413,820	1,346,479	-	-	-
Cash and cash equivalents	796,170	420,698	160,979	26,733	90,798	33,860
<b>Total current assets</b>	<b>11,178,328</b>	<b>13,540,557</b>	<b>11,413,584</b>	<b>3,692,314</b>	<b>4,577,074</b>	<b>3,926,622</b>
<b>Total assets</b>	<b>15,835,836</b>	<b>17,974,680</b>	<b>16,059,487</b>	<b>5,883,001</b>	<b>6,708,373</b>	<b>6,117,309</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Stated capital	1,128,726	1,128,726	1,128,726	1,128,726	1,128,726	1,128,726
Capital reserves	324,751	324,721	324,751	208,660	208,660	208,660
Revenue reserves	11,321,369	13,282,360	11,634,465	4,347,289	5,317,102	4,549,667
<b>Total equity attributable to equity holders of the parent</b>	<b>12,774,846</b>	<b>14,735,807</b>	<b>13,087,942</b>	<b>5,684,675</b>	<b>6,654,488</b>	<b>5,887,053</b>
Non controlling interest	2,577,279	3,109,309	2,629,463	-	-	-
<b>Total equity</b>	<b>15,352,125</b>	<b>17,845,116</b>	<b>15,717,405</b>	<b>5,684,675</b>	<b>6,654,488</b>	<b>5,887,053</b>
<b>Non-current liabilities</b>						
Employee benefits	8,248	8,032	7,758	-	-	-
<b>Total non-current liabilities</b>	<b>8,248</b>	<b>8,032</b>	<b>7,758</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>						
Trade and other payables	140,956	103,824	147,748	33,848	52,076	62,351
Current tax liabilities	16,600	11,628	13,056	-	-	-
Short term borrowings	307,116	-	162,430	159,971	-	162,430
Bank overdraft	10,791	6,080	11,090	4,507	1,809	5,475
<b>Total current liabilities</b>	<b>475,463</b>	<b>121,532</b>	<b>334,324</b>	<b>198,326</b>	<b>53,885</b>	<b>230,256</b>
<b>Total liabilities</b>	<b>483,711</b>	<b>129,564</b>	<b>342,082</b>	<b>198,326</b>	<b>53,885</b>	<b>230,256</b>
<b>Total equity and liabilities</b>	<b>15,835,836</b>	<b>17,974,680</b>	<b>16,059,487</b>	<b>5,883,001</b>	<b>6,708,373</b>	<b>6,117,309</b>
Net assets per ordinary/deferred share - Rs.	143.89	165.98	147.42	64.03	74.95	66.31

The Statement of Financial Position as at 30th June 2019 and the related Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flow for the period then ended as disclosed in pages 4 to 8 have been drawn up from unaudited accounts.

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

(Sgd).

**V. R. Wijesinghe**

Director - Finance

Carsons Management Services (Private) Limited.

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

Approved & Signed on behalf of the Investment Managers,

Approved & Signed on behalf of the Board,

(Sgd).

(Sgd).

(Sgd).

**K. Selvanathan**

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

**D. C. R. Gunawardena**

Director

Chairperson

Director

Guardian Fund Management Limited

Colombo

05th August 2019

**CEYLON GUARDIAN INVESTMENT TRUST PLC**  
**STATEMENT OF CHANGES IN EQUITY - GROUP**

(All figures are in Sri Lankan Rupees '000)

	Stated capital	Capital reserves	Revenue reserves	Attributable to equity holders of the parent	Non controlling interest	Total equity
Balance as at 1st April 2018	1,128,726	324,721	13,616,223	15,069,670	3,197,287	18,266,957
Profit/(Loss) for the year	-	-	(1,921,652)	(1,921,652)	(422,017)	(2,343,669)
Other comprehensive income / (expense) for the year	-	30	(60,527)	(60,497)	(4,880)	(65,377)
Total comprehensive income / (expense) for the year	-	30	(1,982,179)	(1,982,149)	(426,897)	(2,409,046)
Effect due to change in shareholdings	-	-	63,517	63,517	(122,983)	(59,466)
Cash dividend	-	-	(66,585)	(66,585)	(18,599)	(85,184)
Forfeiture of unclaimed dividends	-	-	3,489	3,489	655	4,144
Balance as at 31st March 2019 (Audited)	1,128,726	324,751	11,634,465	13,087,942	2,629,463	15,717,405
<b>Balance as at 1st April 2019</b>	<b>1,128,726</b>	<b>324,751</b>	<b>11,634,465</b>	<b>13,087,942</b>	<b>2,629,463</b>	<b>15,717,405</b>
Profit/(Loss) for the year	-	-	(306,372)	(306,372)	(49,565)	(355,937)
Other comprehensive income / (expense) for the period	-	-	(6,724)	(6,724)	(2,619)	(9,343)
<b>Total comprehensive income / (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>(313,096)</b>	<b>(313,096)</b>	<b>(52,184)</b>	<b>(365,280)</b>
<b>Balance as at 30th June 2019 (Unaudited)</b>	<b>1,128,726</b>	<b>324,751</b>	<b>11,321,369</b>	<b>12,774,846</b>	<b>2,577,279</b>	<b>15,352,125</b>
Balance as at 1st April 2018	1,128,726	324,721	13,616,223	15,069,670	3,197,287	18,266,957
Profit/(Loss) for the year	-	-	(275,759)	(275,759)	(76,146)	(351,905)
Other comprehensive expense for the year	-	-	(58,104)	(58,104)	(11,832)	(69,936)
Total comprehensive expense for the period	-	-	(333,863)	(333,863)	(87,978)	(421,841)
Balance as at 30th June 2018 (Unaudited)	1,128,726	324,721	13,282,360	14,735,807	3,109,309	17,845,116

**CEYLON GUARDIAN INVESTMENT TRUST PLC**  
**STATEMENT OF CHANGES IN EQUITY - COMPANY**

(All figures are in Sri Lankan Rupees '000)

	Stated capital	Capital reserves	Revenue reserves	Total equity
Balance as at 1st April 2018	1,128,726	208,660	5,444,526	6,781,912
Profit/(Loss) for the year	-	-	(830,494)	(830,494)
Other comprehensive income for the year	-	-	-	-
Total comprehensive expenses for the year	-	-	(830,494)	(830,494)
Cash dividend	-	-	(66,585)	(66,585)
Forfeiture of unclaimed dividends	-	-	2,220	2,220
Balance as at 31st March 2019 (Audited)	1,128,726	208,660	4,549,667	5,887,053
<b>Balance as at 1st April 2019</b>	<b>1,128,726</b>	<b>208,660</b>	<b>4,549,667</b>	<b>5,887,053</b>
Profit/(Loss) for the year	-	-	(202,378)	(202,378)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive expense for the period</b>	<b>-</b>	<b>-</b>	<b>(202,378)</b>	<b>(202,378)</b>
<b>Balance as at 30th June 2019 (Unaudited)</b>	<b>1,128,726</b>	<b>208,660</b>	<b>4,347,289</b>	<b>5,684,675</b>
Balance as at 1st April 2018	1,128,726	208,660	5,444,526	6,781,912
Profit/(Loss) for the year	-	-	(127,424)	(127,424)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	(127,424)	(127,424)
Balance as at 30th June 2018 (unaudited)	1,128,726	208,660	5,317,102	6,654,488



**CEYLON GUARDIAN INVESTMENT TRUST PLC**
**STATEMENT OF CASH FLOWS**

(All figures are in Sri Lankan Rupees '000)

For the Three months ended 30th June	Group			Company		
	2019	2018	2019	2019	2018	2019
	Audited			Audited		
<b>Cash flows from operating activities</b>						
Profit / (loss) before taxation	(345,369)	(340,484)	(2,285,381)	(202,302)	(127,242)	(828,868)
<b>Adjustments for:</b>						
Share of profit of equity accounted investee net of tax	(1,202)	(1,811)	(6,909)	-	-	-
Depreciation on property, plant and equipment	158	244	912	-	-	-
Amortisation of intangible assets	1,112	1,111	4,446	-	-	-
Provision for employee benefit	489	606	1,957	-	-	-
Net finance (income) / expense	2,412	4,195	14,946	2,759	(1)	4,168
Fair value change in financial assets measured at fair value through profit or loss financial assets	473,442	506,270	2,539,648	234,296	169,026	903,660
<b>Operating profit before working capital changes</b>	<b>131,042</b>	<b>170,131</b>	<b>269,619</b>	<b>34,753</b>	<b>41,783</b>	<b>78,960</b>
Increase / (decrease) in trade and other receivables	27,637	19,350	(16,256)	14,974	5,865	(12,032)
Net (increase) / decrease in investments	(602,214)	(2,900)	(210,659)	(21,289)	(82,556)	(205,292)
Net (increase) / decrease in investment in fixed deposits	962,376	(241,683)	(431,827)	-	-	-
Increase / (decrease) in trade and other payables	20,369	5,034	28,298	(14,745)	20,309	10,314
<b>Cash generated from / (used in) operations</b>	<b>539,210</b>	<b>(50,068)</b>	<b>(360,825)</b>	<b>13,693</b>	<b>(14,599)</b>	<b>(128,050)</b>
Employee benefit paid	-	-	(1,884)	-	-	-
Income tax paid	(7,304)	(16,482)	(54,047)	(876)	(2,079)	(4,010)
<b>Net cash generated from / (used in) operating activities</b>	<b>531,906</b>	<b>(66,550)</b>	<b>(416,756)</b>	<b>12,817</b>	<b>(16,678)</b>	<b>(132,060)</b>
<b>Cash flows from investing activities</b>						
Acquisition of property, plant and equipment	(142)	(122)	(243)	-	-	-
Investments in subsidiary	-	-	(59,388)	-	-	(59,388)
Finance income received	644	21	166	-	-	-
<b>Net cash generated used in investing activities</b>	<b>502</b>	<b>(101)</b>	<b>(59,465)</b>	<b>-</b>	<b>-</b>	<b>(59,388)</b>
<b>Cash flows from financing activities</b>						
Dividend paid	(13,758)	(79,386)	(123,481)	(13,758)	(79,386)	(123,481)
Dividend paid to non-controlling interest	(13,403)	(31,667)	(47,953)	-	-	-
Short term borrowings obtained	144,686	-	162,430	(2,459)	-	162,430
Redemption of units	-	-	(78)	-	-	-
Finance expense paid	(3,056)	(4,216)	(15,112)	(2,759)	1	(4,168)
<b>Net cash generated from / (used in) financing activities</b>	<b>114,469</b>	<b>(115,269)</b>	<b>(24,194)</b>	<b>(18,976)</b>	<b>(79,385)</b>	<b>34,781</b>
Net increase / (decrease) in cash and cash equivalents	646,877	(181,920)	(500,415)	(6,159)	(96,063)	(156,667)
Cash and cash equivalents at the beginning of the period	149,889	590,852	590,852	28,385	185,052	185,052
Net exchange differences on translation of foreign operations	(11,387)	5,686	59,452	-	-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>785,379</b>	<b>414,618</b>	<b>149,889</b>	<b>22,226</b>	<b>88,989</b>	<b>28,385</b>
<b>Statement of cash and cash equivalents</b>						
Short-term deposits	716,756	390,497	34,399	20,590	90,798	-
Cash at bank	79,414	30,201	126,580	6,143	-	33,860
Total cash and cash equivalents	796,170	420,698	160,979	26,733	90,798	33,860
Bank overdrafts	(10,791)	(6,080)	(11,090)	(4,507)	(1,809)	(5,475)
<b>Net cash and cash equivalents for the purpose of statement of cash flows</b>	<b>785,379</b>	<b>414,618</b>	<b>149,889</b>	<b>22,226</b>	<b>88,989</b>	<b>28,385</b>

Figures in brackets indicate deductions.

**CEYLON GUARDIAN INVESTMENT TRUST PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
(All figures are in Sri Lankan Rupees '000 unless otherwise stated).

**1 Basis of Preparation of Interim Financial Statements**

The Interim Financial Statements of the Company and the Group have been prepared in consistence with the accounting policies and methods applied for the year ended 31st March 2019.

These Interim Financial Statements are in compliance with Sri Lanka Accounting Standard - "Interim Financial Reporting" (LKAS 34). Further, the provision of the Companies Act No. 7 of 2007 have been considered in preparing the Interim Financial Statements of the Company and the Group.

2 Revenue	Group		Company	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
<b>For the three months ended</b>				
Dividend income	149,678	117,833	54,988	41,517
Interest income	43,424	45,845	400	893
Net gain / (loss) from disposal of financial assets measured at fair value through profit or loss	(8,202)	57,564	(1,127)	23,278
Portfolio Management fees	2,524	2,698	-	-
	<b>187,424</b>	<b>223,940</b>	<b>54,261</b>	<b>65,688</b>

**3 Profit / (loss) on portfolio activities**

The Group recorded a loss of Rs. 286.02 Mn and the Company recorded a loss of Rs. 180.03 Mn on investments activities for the three months ended 30th June 2019.

**4 Valuation of investment portfolio**

4.1 Investments in equity and debt securities - Group	Fair value As at 30.06.2019	Fair value As at 30.06.2018	Fair value As at 31.03.2019
<b>Non-current assets</b>			
Investment in equity securities - Quoted shares- Fair value through other comprehensive income (FVOCI) (Note 4.1.1)	4,089,695	4,136,702	4,087,651
<b>Total investments in equity and debt securities - Non-current assets</b>	<b>4,089,695</b>	<b>4,136,702</b>	<b>4,087,651</b>
<b>Current assets</b>			
Investment in equity securities - Quoted shares- Fair value through profit or loss (FVTPL) (Note 4.1.2)	8,915,807	10,835,110	9,251,960
Investment in equity securities - Unquoted shares- Fair value through profit or loss ( FVTPL)	33,836	33,072	33,836
Investment in Equity Securities- Private Equity (Unlisted)-Fair value through profit or loss (FVTPL)	149,762	115,009	149,761
Investment in Debt Securities- Treasury bonds- Unquoted -Fair value through profit or loss (FVTPL)	-	-	207,101
<b>Total investments in equity and debt securities - Current assets</b>	<b>9,099,405</b>	<b>10,983,191</b>	<b>9,642,658</b>

The fair value of the Group's listed investment portfolio is based on the volume weighted average price as at 30th June, published by the Colombo Stock Exchange.

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

4.1.1 Investment in equity securities-quoted shares-Fair value through other comprehensive income	Fair value As at 30.06.2019	Fair value As at 30.06.2018	Fair value As at 31.03.2019
<b>Sector</b>			
Oil Palms	4,089,695	4,136,702	4,087,651
<b>Total investment in equity securities-quoted shares-Fair value through other comprehensive income</b>	<b>4,089,695</b>	<b>4,136,702</b>	<b>4,087,651</b>

**CEYLON GUARDIAN INVESTMENT TRUST PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

(All figures are in Sri Lankan Rupees '000 unless otherwise stated).

**4.1.2 Investment in equity securities-quoted shares-Fair value through profit or loss**

	Fair value As at 30.06.2019	Fair value As at 30.06.2018	Fair value As at 31.03.2019
<b>Sector</b>			
Bank	2,161,499	4,063,429	2,564,333
Finance	2,091,465	1,371,367	1,864,730
Insurance	691,992	718,956	757,008
Beverage, Food & Tobacco	1,461,158	1,295,512	1,574,046
Constructions & engineering	105,069	150,815	96,190
Diversified	1,169,053	1,192,642	1,144,860
Footwear & Textiles	141,659	169,146	149,093
Healthcare	36,333	38,339	32,469
Hotels & Travels	140,531	185,321	148,172
Land & Property	10,500	10,850	11,480
Manufacturing	286,487	417,504	263,542
Power & Energy	95,261	122,418	100,462
Telecommunications	524,800	1,098,811	545,575
<b>Total investment in equity securities-quoted shares-Fair value through profit or loss</b>	<b>8,915,807</b>	<b>10,835,110</b>	<b>9,251,960</b>

**4.2 Investment in unit trusts - Group**

	Fair value As at 30.06.2019	Fair value As at 30.06.2018	Fair value As at 31.03.2019
Guardian Acuity Equity Fund	8,871	43,568	9,095
Guardian Acuity Money Market Fund	851,865	612,600	179,616
Guardian Acuity Money Market Gilt Fund	-	17,629	-
<b>Total investment in unit trusts</b>	<b>860,736</b>	<b>673,797</b>	<b>188,711</b>

**4.3 Investments in equity and debt securities - Company**

	Fair value As at 30.06.2019	Fair value As at 30.06.2018	Fair value As at 31.03.2019
<b>Current assets</b>			
Investment in equity securities - Quoted shares- Fair value through profit or loss( FVTPL) (Note 4.3.1)	3,496,039	4,403,409	3,813,296
Investment in equity securities - Unquoted shares- Fair value through profit or loss ( FVTPL)	33,826	33,062	33,826
<b>Total investments in equity and debt securities-Current assets-Company</b>	<b>3,529,865</b>	<b>4,436,471</b>	<b>3,847,122</b>

**4.3.1 Investment in equity securities-quoted shares-Fair value through profit or loss**

	Fair value As at 30.06.2019	Fair value As at 30.06.2018	Fair value As at 31.03.2019
<b>Sector</b>			
Bank	883,009	1,663,341	1,054,999
Finance	513,231	393,086	495,157
Insurance	328,301	345,179	356,603
Beverage, Food & Tobacco	993,318	1,056,682	1,134,473
Constructions & engineering	27,832	34,344	25,480
Diversified	367,729	367,960	369,201
Footwear & Textiles	71,553	80,400	71,553
Healthcare	14,426	15,222	12,892
Hotels & Travels	63,917	83,081	66,455
Manufacturing	81,137	123,469	73,023
Power & Energy	3,352	6,765	3,578
Telecommunications	148,234	233,880	149,882
<b>Total investment in equity securities-quoted shares-Fair value through profit or loss</b>	<b>3,496,039</b>	<b>4,403,409</b>	<b>3,813,296</b>

**CEYLON GUARDIAN INVESTMENT TRUST PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

(All figures are in Sri Lankan Rupees '000 unless otherwise stated).

**4.4 Investment in unit trusts - Company**

	Fair value As at 30.06.2019	Fair value As at 30.06.2018	Fair value As at 31.03.2019
Guardian Acuity Equity Fund	4,435	21,783	4,547
Guardian Acuity Money Market Fund	105,061	6,012	699
<b>Total investment in unit trusts</b>	<b>109,496</b>	<b>27,795</b>	<b>5,246</b>

	As at 30.06.2019	As at 30.06.2018	As at 31.03.2019
<b>5 Price Index movements</b>			
All Share Price Index (points)	5,372	6,195	5,557
S&P SL 20 Index (points)	2,497	3,389	2,739

**6 Events after the reporting period**

Subsequent to the reporting period, no circumstances have arisen which would require adjustments to or disclosure in the financial statements.

**7 Commitments and contingencies**

**7.1 Capital expenditure commitments**

No material capital commitments exist as at the reporting date.

**7.2 Contingencies**

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

**8 Comparative Figures**

Comparative figures and phrases have been rearranged where necessary to conform the current period presentation.

**9 Liabilities for Expenditure**

There were no liabilities for management fees or any similar expenditure not provided for in the interim financial statements.

**10 Stated Capital**

Stated Capital of the Company amounted to Rs.1,128.7Mn which consists of 82,978,868 Ordinary Shares and 5,801,487 Fully paid Deferred Shares.

**11 Related party transactions**

	Group		Company	
	2019	2018	2019	2018
<b>Transactions with subsidiaries</b>				
Portfolio management fee paid	-	-	18,491	10,760
<b>Transactions with jointly controlled entity</b>				
Portfolio management fee received	1,500	1,500	-	-
<b>Transactions with affiliate companies</b>				
Receiving of services	6,826	9,225	3,226	4,065

**CEYLON GUARDIAN INVESTMENT TRUST PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
(All figures are in Sri Lankan Rupees '000 unless otherwise stated).

**12 Twenty Major Shareholders as at 30th June 2019 - Ordinary shares**

	<b>Name of the Shareholder</b>	<b>No. of Shares</b>	<b>%</b>
1	Carson Cumberbatch PLC A/C No.2	55,723,635	67.15
2	Employees Provident Fund	2,969,515	3.58
3	Thurston Investments Limited	2,480,581	2.99
4	Gf Capital Global Limited	1,617,666	1.95
5	Northern Trust Company S/A Hosking Global Fund PLC	954,481	1.15
6	Miss G.I.A. De Silva	877,613	1.06
7	Mr. G.J.W. De Silva	877,234	1.06
8	Mrs. M.L. De Silva	866,845	1.04
9	Mr. H.A. Van Starrex	723,234	0.87
10	Miss M.P. Radhakrishnan	686,026	0.83
11	Miss A. Radhakrishnan	686,026	0.83
12	Mr. R. Maheswaran	685,016	0.83
13	Mr. K.C. Vignarajah	628,960	0.76
14	Employees Trust Fund Board	490,998	0.59
15	Mr. S. Vasudevan	473,296	0.57
16	Miss R.H. Abdulhussein	473,023	0.57
17	People S Leasing & Finance Plc/Mr.M.A.N.Yoosufali	409,000	0.49
18	Miss G.N.A. De Silva	353,252	0.43
19	Mr. O.D. Liyanage	267,368	0.32
20	Sinharaja Hills Plantation Pvt Limited	254,861	0.31

**13 Public Holding**

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Main Board as per Rule 7.13.1.a. of the Listing Rules of 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 30th June 2019;  
Market Capitalization of the Public Holding                      Rs. 1.76 Billion  
Percentage of public holding    32.71%  
Number of public shareholders    1,606

**14 Directors Shareholding as at 30th June 2019**

	<b>No. of shares</b>
Mrs. M.A.R.C. Cooray	-
Mr. D. C. R. Gunawardena	257
Mr. V. M. Fernando	-
Mr. K. Selvanathan	-
Mr. C. W. Knight	-
Mr.T. C. M. Chia	-

**15 Investor Information**

Market Performance - Ordinary Shares

<i>For the three months ended</i>	<b>30.06.2019</b>
Market value per share (Rs.)	64.90
Highest price per share (Rs.)	69.70
Lowest price per share (Rs.)	60.00
Market capitalization (Rs. thousands)	5,385,329

## Corporate Information

### Name of Company

Ceylon Guardian Investment Trust PLC  
(A Carson Cumberbatch Company)

### 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.

### Company Registration No.

PQ 52

### Principal Activity and Nature of Operations

During the period, the principal activity of the Company was holding and managing of an investment portfolio.

### Parent and Ultimate Parent Entities

In the opinion of the Directors' 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

### Directors

Mrs.M.A.R.C. Cooray  
Mr. D. C. R. Gunawardena  
Mr.V. M. Fernando  
Mr.K. Selvanathan  
Mr. C.W. Knight  
Mr.T.C.M. Chia

### Number of Employees

The Company did not have any employees of its own during the period under review.

### Bankers

Standard Chartered Bank  
Commercial Bank of Ceylon PLC  
Deutsche Bank AG Colombo  
Hatton National 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.  
Tele: +94-11-2039200  
Fax: +94-11-2439777

### 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](http://www.carsoncumberbatch.com)