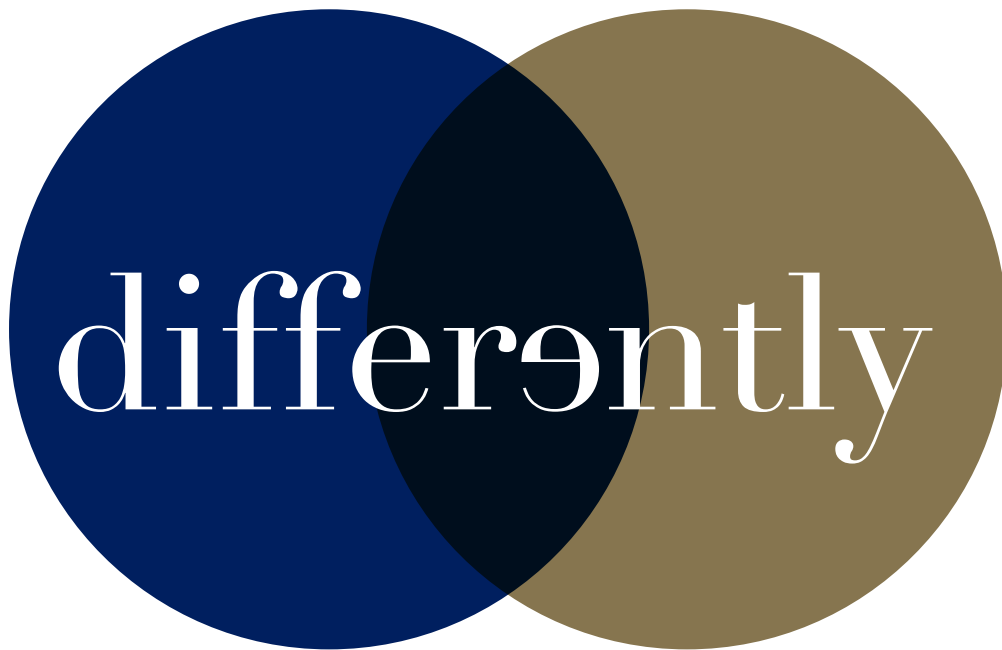


Looking at wealth creation



Ceylon Guardian Investment Trust PLC

Annual Report 2014/15

(A Carson Cumberbatch Company)



This Annual Report is available
on our website
www.carsoncumberbatch.com

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Looking at wealth creation differently

At Ceylon Guardian Investment Trust PLC,
we look at the complex business of creating
wealth in innovative and progressive ways,
helping our stakeholders discover their own
potential for expansion, diversification, growth
and enduring value.

about us

Ceylon Guardian Investment Trust PLC is the holding company of the investment business of the Carson Cumberbatch Group. As an investment house it is engaged in managing portfolios of multiple asset classes for varied groups of investors, thus providing valued investment solutions to suit their risk appetite.

The Guardian Group holds an investment portfolio worth approximately Rs. 27.3 billion as at the end of March 2015. This portfolio comprises equity stakes in some of Sri Lanka's most successfully run blue chip companies that have been built up for future value creation; as well as an actively traded portfolio to capitalize on short term market movements.

about this report

This report contains the Annual Report and the Financial Statements of Ceylon Guardian Investment Trust PLC for the financial year under review. It comprises the Management Commentary on the Financial and Operational performance of the Company, Audited Financial Statements for the year ended 31st March 2015 and other reports / information required under the Companies Act No 7 of 2007, and other industry regulations.

Chairman's message

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Management discussion & analysis

This chapter elaborates the Company's operational performance and financial results for the year under review. It also contains an analysis of the economy and market and an assessment of the future potential of the company's varied capital markets businesses.



Ceylon Guardian Group

Portfolio Performance and financial results of the Group.



Private Equity

Private Equity strategy and project highlights.



Unit Trusts

The retail and public investor services group.



Our Future View



Asset Management Capabilities



Economy & Market Review

financial highlights

In Rupees Thousands

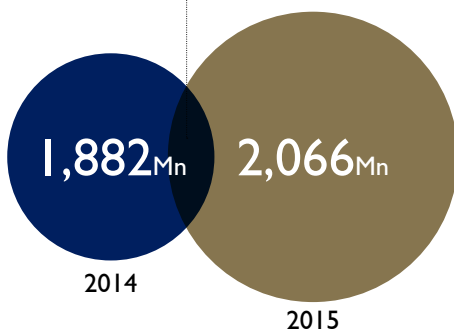
For the year ended / As at 31st March	2015	2014	Change %
Revenue	2,066,614	1,882,368	10
Profit from operations	1,983,418	1,724,246	15
Share of loss of equity accounted investee net of tax	(461)	(840)	(45)
Profit before taxation	1,983,577	1,721,756	15
Profit for the year	1,919,262	1,612,145	19
Profit attributable to equity holders of the parent company	1,510,801	1,296,603	17
Other comprehensive income / (expense) for the year	1,725,821	(3,332,743)	(152)
Total comprehensive income / (expense) for the year	3,645,083	(1,720,598)	(312)
Total comprehensive income / (expense) attributable to equity holders of the parent company	2,984,336	(1,424,690)	(309)
Net cash generated from / (used in) operating activities	(545,677)	358,525	(252)
Total equity attributable to equity holders of the parent	22,630,844	20,084,309	13
Total equity	27,458,481	24,341,157	13
Total assets	27,698,993	24,566,103	13
Return on ordinary shareholders' funds (%)	6.68	6.46	3
Earnings per share (Rs)	17.20	14.76	17
Dividend per share (Rs) *	5.00	5.00	-
Net assets per ordinary / deferred share (Rs)	257.65	228.66	13
Guardian fund value **	27,338,751	24,232,993	13
Stock market data			
All Share Price Index (points)	6,820	5,968	14
S&P SL 20 Index (points)	3,852	3,280	17
Market capitalisation (Company)	15,105,796	14,605,006	3
Share price (Rs.)			
Year end	184.00	177.90	3
High	210.00	211.50	(1)
Low	150.00	149.90	-

* Based on proposed interim and final dividends.

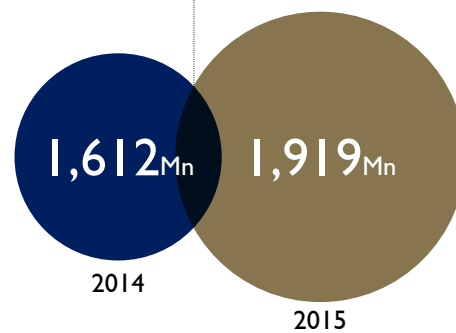
** Based on fair value of portfolio after adjusting for cash and cash equivalents.

key performance indicators

Revenue



Profit for the Year



» Group Portfolio Performance for the Year

15.16%

ASPI growth for the year 14.28%

» Total Assets Under Management

34 Bn

Listed equity, Fixed income and Private equity under the management company

» Market Capitalisation

15 Bn

Annual growth of 3%

» Market Value of Portfolio

27 Bn

Market value discount to intrinsic portfolio value 28.6%

operational highlights

- » Largest listed investment company in Sri Lanka

Holding both strategic and actively managed portfolios spread over multiple asset classes

- » Assets under management over **USD 250** million

Listed equity, private equity, fixed income

- » Valued investment solutions

Investment solutions provided: Customised portfolios (Rs. 3.5 bn), unit trusts (Rs. 4.3 bn), country fund (Rs. 300 mn) Investor base of 477





Driving Performance

“We’re focused on constantly learning and improving our management processes. We utilise innovative tools, resources and best practices to generate consistent performance for our clients.”

chairman's message

The Company recorded a profit after tax of Rs. 1.92 bn given exuberant market conditions. Our portfolio value increased to Rs. 27.34 bn, from Rs. 24.23 bn a year earlier.

Medium term performance inclusive of strategic holdings, on a five year horizon on average was 16.15% p.a. on market value basis, and 13.35% p.a. on market capitalisation, vis-à-vis an All Share Index growth of 12.86% p.a average for the same period.

Performance is encouraging

The year under review has been a memorable one with the Colombo Stock Exchange recording a strong positive growth of 14.28%, after two years of subdued activity. This came amidst a time when the Ceylon Guardian Group continued to move ahead with its growth plans to diversify its business base in its core capital market activities. Whilst the Ceylon Guardian discretionary portfolio, now valued at Rs. 13.48 bn outperformed the market this year with a growth of 14.95% against a market index appreciation of 14.28% on a longer tenure of three and five years the discretionary portfolio out-performed the market by 2.98% and 3.46% respectively, where the market annual average growth was 7.96% and 12.86% respectively. Thus the actively managed portfolio maintained consistency in its track record backed by a strong investment base.

Whilst Ceylon Guardian's own proprietary portfolio forms the anchor funds under management, the Group has now diversified its capital market activity on three fronts – namely client portfolio management, unit trust management and private equity management. Client portfolio management and unit trusts comprise our fee based business both of which are managed by SEC licensed fund management companies. They leverage our in house core investment management competencies to service customised institutional portfolios, as well as a wider base of corporate, high networth and individual

investors through the unit trust business which is carried out as a joint venture. Our fee earning assets under management currently amount to Rs.7.5 bn approx. ie, Rs. 3.5 bn in client portfolios and Rs.4 bn in mutual funds. This position can be compared with Rs. 3.2 bn we held in these two business segments last year.

The private equity business undertaken through the Ceylon Guardian Group, now has a fund allocation of Rs. 660 mn through Guardian Capital Partners, with further capital likely to be allocated to this segment when opportunities arise. Given that a significant portion of Sri Lanka's GDP growth is attributed to small and medium scale enterprises we expect this segment to drive considerable growth in future as well. Hence in this business, we would, in time to come, look at augmenting our own funds, by bringing in further capital from regional private equity operators with proven experience in managing this asset class. Further, we see value in being able to manage our PE portfolio actively as long term shareholders engaged in transformational value creation.

The Company recorded a profit after tax of Rs. 1.92 bn given exuberant market conditions. Our portfolio value increased to Rs. 27.34 bn, from Rs. 24.23 bn a year earlier; recording an appreciation of 12.82 % inclusive of the strategic portfolio. On highlighting the medium term performance inclusive of strategic holdings, five year compounded growth rate was 16.15% p.a. on market value basis and 13.35% p.a. on market capitalisation, vis-à-vis an All Share Index growth of 12.86% p.a for the same period.

Operational and management strengths underlie performance

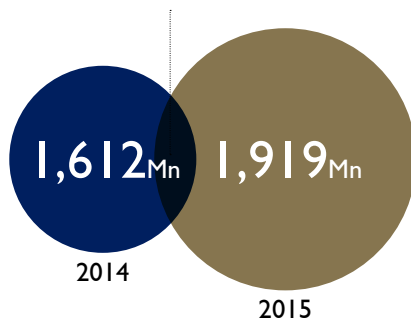
Our portfolio strategy described further in the management commentary, continued to support a selective investment process based on in depth research into the long term portfolio positions we hold. Performance highlights the long term track record of Ceylon Guardian taking into account different market cycles. Our view is that consistency and steadiness in portfolio performance is more important than intermittent superlative growth spurts since the Guardian portfolio is built for long term sustainability and continuity. Therefore, rather than getting into risky but lucrative short term positions, we believe in holding consistently good companies for continued value creation, which may mean that sometimes our cash resources can remain uninvested until such good equity opportunities are found.

As we have highlighted in previous annual reports, Group company assets have been modelled to represent divergent risk classes whereby Ceylon Guardian invests in the broader capital markets businesses, Ceylon Investment represents the listed equity risk category and Guardian Capital Partners represent the private equity risk category. This is done so that shareholders could buy into any one of the listed investment companies as per their preferences, hence giving an opportunity to identify their own risk return profiles and invest accordingly.

» chairman's message

Our teams actively manage a collective AUM of over Rs.20 bn at present. Core teams have been strengthened in each aspect of the business with specialised training to enhance the skill set and earn recognition as a pre-eminent top ranked investment company in Sri Lanka.

Profit for the Year



Our fund management company is registered with and regulated by the Securities and Exchange Commission of Sri Lanka and its competencies have spread to a wider spectrum of fund management activities covering unit trust management on the retail side, customized portfolio management on the institutional side and private equity management with a higher risk appetite. Our teams manage a collective AUM of over Rs.20 bn at present. Core teams have been strengthened in each aspect of the business with specialty training to enhance the skill set and earn recognition as a pre-eminent top ranked investment company in Sri Lanka. As an industry where the human capital base creates a distinct competitive advantage and brand image, we believe our team has the capacity to create that difference.

Our joint venture with Acuity Partners (Private) Limited (the investment banking arm of HNB and DFCC Bank) has promoted Guardian Acuity Asset Management (GAAM) to tap the broader corporate and retail segment via unit trusts, where we bring to the table fund management expertise and Acuity Partners their sales network via the bank branch networks. During the year under review a new product has been introduced to the market with the launching of a Gilt Money Market Fund, to attract corporates with a lower risk profile. The unit trust industry has seen tremendous growth over the last three years and therefore on business considerations our decision to enter this segment is justified, and we would be looking to penetrate further into our identified market segments through multiple distribution channels.

On the international front the country fund managed by us – “The Sri Lanka Fund” remains dormant in fund raising. However the performance has been excellent with fund growth of 33.33% vs a dollar adjusted index composite growth of 23.01% for the year 2014 and since re launch fund performance of 26.58% CAGR vs dollar adjusted index return of 22.75% CAGR. We will look to see the feasibility of running a single country fund against a regional fund and take a decision soon in building the international side of marketing our services.

» Discretionary Portfolio
Performance - 5 year CAGR

16.3% p.a

ASPI - 5 year CAGR 12.86% p.a

Medium to long term prospects are positive

As we have observed in the Economic and Market Commentary of the Managers Review, we at Ceylon Guardian remain confident of the long term potential of Sri Lankan equities and the sustainability of the economic development plans set in place. We believe that the long term development potential of Sri Lanka will flow through to its equity markets if we continue to adopt good policy frameworks that provide a strong foundation for economic activity and a good governance structure. Needless to say serious investor confidence will improve when policy makers as well as corporates take action to demonstrate vibrancy with stability. At national level, we reckon this would envisage stable and predictable macroeconomic indicators and a consistent policy framework governing private sector investments. At corporate level, aggressive growth strategies, investment into profitable expansion and good governance and transparent management structures would warrant serious long term investor consideration and commitment. We are encouraged that policy makers now favour a more market led approach to economic growth as opposed to an interventionist approach.

We are encouraged by the rapid developments in capital markets with opening up of corporate debt markets and the concept of unit trust investing gaining momentum. However the depth of capital markets remains a challenge as investors need a variety of companies and sectors to invest in, particularly state owned enterprises and other top private sector corporates, so that the market is more representative of the economy. We recognise the efforts that policy makers and regulators have made to strengthen capital markets over time, especially through better regulation. Strong regulatory frameworks and robust market infrastructure, coupled with broader investment opportunities would see enhanced sophistication in our capital markets. Furthermore, this would enable building strong investment houses locally to compete and co-operate with regional global giants.

It is also encouraging to see investor interest in the private equity (PE) space, since we believe that a significant value of economic activity is centred on SMEs, and this category of company require mature capital and management input to transform into large corporates. PE also builds a pipe line of potential companies coming for listing in the long term. Thus we see PE to be a necessary and complementary component of the opportunity spectrum in the capital market space, and we would look to expand our presence in this business through collaborative partnerships with international players.

The current macro challenges faced by the country are likely to ease off with the conclusion of parliamentary elections that will bring in a stable government. In the short term we see multiple concerns on the economic front in terms of meeting fiscal deficit targets, easing the pressure on exchange rates & reserves, maintaining lower interest rates, and spurring growth momentum to higher levels. We believe the medium term

» chairman's message

We are encouraged by the rapid developments in capital markets with opening up of corporate debt markets and the concept of unit trust investing gaining momentum. However the depth of capital markets remains a challenge as investors need a variety of companies and sectors to invest in, particularly state owned enterprises and other top private sector corporates, so that the market is more representative of the economy.

policies to concentrate on export led, private sector credit growth, and consumption demand increase will form a strong foundation for sustainable development. In the long cycle structural reforms, transparency and better governance will bring investor capital to the country by way of FDI and portfolio investments.

We remain indebted to Mr. Asoka Gunasekera who served on the Board for 17 years, with great distinction. Mr. Gunasekera resigned from the Board on 31st October 2014. On behalf of the Company, I wish him success. On behalf of the Company, I welcome Mr. Timothy Chia who was appointed to the Board on 1st November 2014 and look forward for his valuable insights towards the operations of the Company. In conclusion, I would like to thank the shareholders for the confidence placed in the management over the years and to the regulators for supporting our businesses. I would also like to thank the members of our staff for their untiring contribution; the Audit Committee, the Remuneration Committee and Nomination Committee for their guidance and lastly my colleagues on the Board for their input. We believe that all our stakeholders would benefit and be a part of the identified growth path of the Company and urge the investors to have confidence going forward.

(Sgd.)

I. Paulraj

Chairman

13th July 2015





Customised Solutions

“Our clients’ investment challenges get more complex every day. We focus on understanding their objectives and provide analytics, thought leadership and strategic advice to deliver customised solutions.”

management discussion & analysis



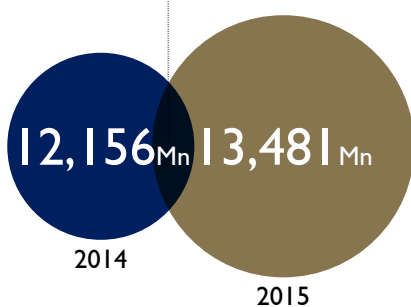
Ceylon Guardian Group



Portfolio Performance

Ceylon Guardian portfolio performance is addressed under two components, discretionary and non – discretionary, based on the ability to influence decisions with regard to fund investments. The non - discretionary component of Rs. 13.86 bn makes up the strategic holdings of the Group. The discretionary component of Rs. 13.48 bn is actively managed where decision making is solely based on a fundamental bottom up approach to investing which is very much research based. Our research models are driven by cashflow based and relative valuations, and our decisions to buy/sell would be based on whether share price is under/overvalued to its intrinsic value. Decisions are also driven by qualitative factors where the investee's business model, competitive positioning, financial strength, management capability and expansion possibilities are looked at. At the financial year end the total portfolio on market value basis is valued at Rs.27.34 bn from Rs. 24.23 bn as at 31st March 2014, an appreciation of 12.82% (without adjusting for the distribution of dividend) against the benchmark the All Share Index appreciation of 14.28% and Standard & Poor's SL 20 Index appreciation of 17.45% for the same period. The composite performance is detailed in the next page.

Discretionary Portfolio Value



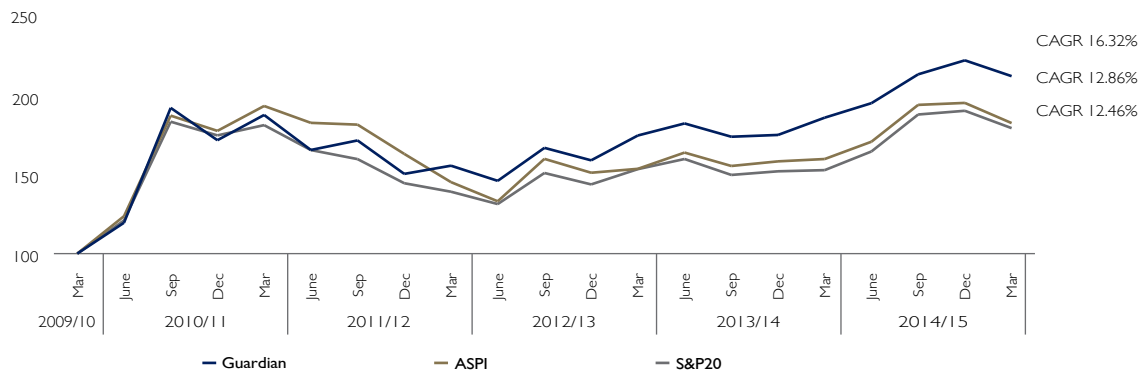
» 5 year CAGR of
Discretionary Portfolio
16.32% p.a

As at 31st March	2015	2014	Change %
Discretionary portfolio ('000)	13,481,618	12,156,030	10.90 *
Total portfolio ('000)	27,338,751	24,232,993	12.82 *
Benchmark – ASPI (Points)	6,820	5,968	14.28

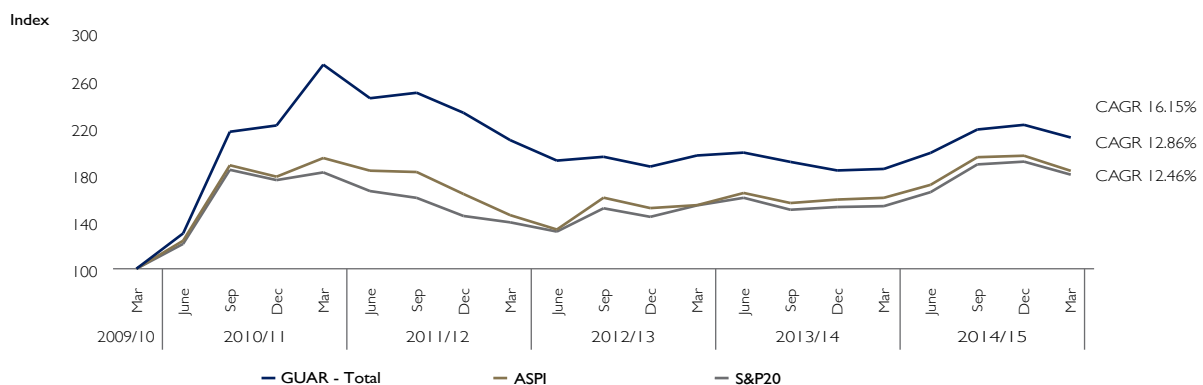
*The total cash outflow from the distribution of dividend by the Group was Rs. 518.58 mn during the period. If the impact of such distribution is factored, the performance of the discretionary portfolio and the total portfolio would be 14.95 % and 15.16 % respectively, which is slightly above the market.

» 5 year CAGR of
Total Portfolio
16.15% p.a

Five Year Track Record Guardian Discretionary Portfolio



Five Year Track Record Guardian Total Portfolio



» management discussion & analysis

» Share purchases

3.84_{Bn}

Ceylon, our largest holding in the banking sector was cut back with the superlative share price performance and we rebalanced our banking portfolio exposures by adding Hatton National Bank (HNB) which we identified as an undervalued stock both in fundamental and relative terms. HNB is one of the largest commercial banks in Sri Lanka with an asset base of Rs 624 billion and is poised for better performance in its strongest segments. However Commercial Bank continues to be one of our largest holdings as we believe that it would deliver consistent steady growth in the long term as the most efficient and highest return generating private sector bank.

» Share Disposals

3.88_{Bn}

We sold out our total holding in Hemas Holdings during the period. Hemas is a well-diversified company with exposure to FMCG, Healthcare, Transportation and Leisure. They are investing and expanding their FMCG and Healthcare businesses which are partly funded through the recent Rs 4.2bn right issue. The stock was one of the best performing on the CSE, thus reaching our valuation targets sooner than we thought.

Will continue to hold our key holdings in Sampath Bank and Cargills in view of the further value creation opportunities we see, plus the essential upside on their banking and retail business models respectively. We are closely monitoring the earnings releases to take a view going forward.

Key Investments and divestments

During the year we divested some of our holdings generating sales proceeds of Rs. 3.88 bn and added Rs. 3.84 bn in terms of purchases. Hence Ceylon Guardian has been a net seller in the market.

The divestments of the long term segment of the portfolio were focused mainly on John Keells Holdings the largest market cap company and highest allocation in our portfolio. Given its high weightage in the portfolio we have now moderated our exposure to this stock, taking advantage of the spike in share prices during mid-year. We await the outcome of its new mega real estate development project and see stable performance in its diverse sectors going forward. Commercial Bank of

The year turned out to be challenging, with changes in taxation policy in particular, having negative impacts on some companies whilst benefiting others. We aggressively cut down our positions in companies that were affected negatively while adding on to companies which benefited. One of the key beneficiaries is Distilleries Company which is the market leader in Sri Lankan hard liquor industry with over 70% market share. During the past few years it suffered volume declines due to unfair competition in the industry from cheap liquor and decline in outlet penetration. Going forward we expect this situation to ease off with fair competition among industry players. Further, Distilleries has a large equity portfolio which adds to its net worth. Also our recent exposure to the telecommunication sector with the accumulation of Dialog was sold down during the year with earnings likely to come down with the new tax levied on the prepaid segment.

We regularly re-balance our existing portfolio and transform from overvalued to undervalued stocks. Similarly, we may make calls where we totally get out of a stock and remain in cash until such time as we discover a potential undervalued company that fits our investment profile. In the above process we have generated cash of Rs. 1bn which as a pool is invested as per the treasury policy, in a mix of government securities, banks and Fixed Income & Gilt Edged unit trusts, the latter yielding a tax free return.

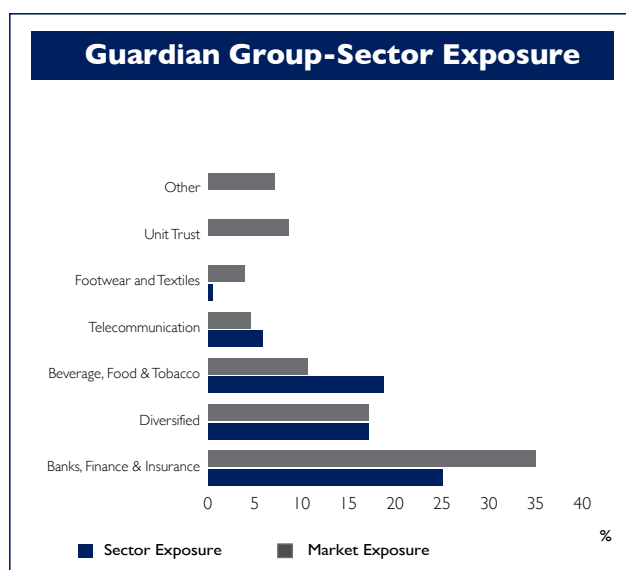
Our portfolio continues to lean heavily on the diversified sector mainly coming from John Keells Holdings and Aitken Spence. Our holding translates to indirect exposure to tourism, bank & finance, FMCG, retail, exports, food & beverage sectors. This sector covers a broad spectrum of businesses from which we get indirect exposure to a range of sectors covering some of the best growth opportunities in the Sri Lankan economy.

We continue to hold a reduced exposure to John Keells Holdings the most liquid foreign driven stock on the CSE. We are very bullish on the banking & finance sector, which we believe will yield good medium to long term returns capturing the first economic tide of the country. Our exposure to the sector mainly constitutes investments in Sampath Bank, Seylan Bank, Nations Trust Bank, Hatton National Bank and Commercial Bank of Ceylon. The mix of banks in our portfolio ranges from higher risk balance sheets to conservative; and from large size to medium size commanding varying market shares. All are currently undervalued in terms of forecast valuations.

Top 5 Holdings as at 31st March 2015

Company	Market value of the holding ('000)	Holding as a % of Discretionary portfolio
John Keells Holdings PLC	1,573,210	11.67
Hatton National Bank PLC	1,088,488	8.07
Commercial Bank of Ceylon PLC	905,145	6.71
Distilleries Company of Sri Lanka PLC	801,941	5.95
Sampath Bank PLC	757,862	5.62

We remain under weight to beverages, food & tobacco sector due to our portfolio's stance on the multinational companies represented in the sector, which were perceived to be overvalued and continue to be on forward valuations. Our portfolio concentration on a few sectors supports our philosophy of stock picking and we are not overly worried of the mismatches between ourselves and the index. However, our conviction in investing in what we know in terms of industry potential, growth, risk factors and competition would determine future selection of potential stocks and their weightings.



» management discussion & analysis

The year posed many opportunities for us to build long term holdings at attractive prices with our research team looking at many interesting companies with strong business models, where we met with management and validated our views. Our quantitative research findings have been enhanced with the qualitative findings on corporate governance, compliance and human resource management. Our learning has been extensive and our track record in the business has been enhanced with both our successes and failures. We will continue our approach of bottom up value investing as a core philosophy.

Financial Review and Shareholder Returns

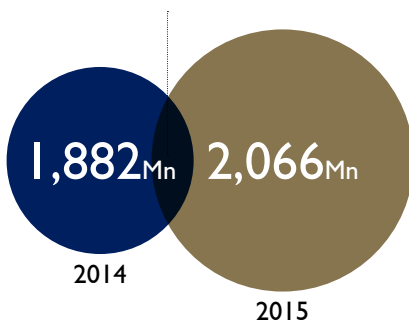
Ceylon Guardian Group reported a profit after tax of Rs. 1.92 bn for the year ended 31st March 2015 compared to Rs. 1.61 bn the previous year. This is an increase of 19 % which mainly arises from the growth in revenue from net disposal gains and net unrealised gains on fair value adjustments due to market value appreciation.

The net change in fair value of available for sale financial assets for the year under review was a gain of Rs. 2.73 bn which represents the fair value appreciation of the Group's strategic and long term portfolio. This was negative of Rs. 2.23 bn for the last year. This is mainly due to variation in market prices of the investment in Bukit Darah PLC which accounts for 51% of Group total portfolio. The share price of Bukit Darah was Rs. 678.00 as at 31st March 2015 (2014 – Rs. 590.90). With the adoption of new accounting standards, the Group is required to reclassify its' investment in Bukit Darah PLC, from investment in associate into "available for sale financial assets" category. Accordingly it has been recognised at fair value in the statement of financial position as at the reporting date and the changes in fair values have been recognised in the Other Comprehensive Income category.

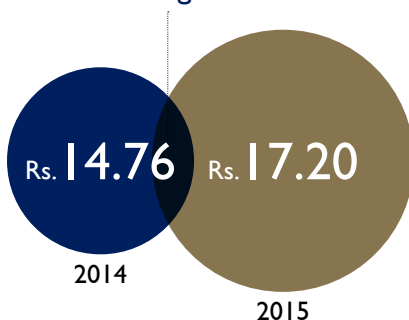
The Company's earnings per share (EPS) increased to Rs. 17.20 from Rs. 14.76, recording a growth of 17 %.

The Company proposes a first interim dividend of Rs. 2/- per share in the form of scrip dividend and also a cash dividend of Rs. 3/- per share as final, which is to be approved by the Shareholders at the Annual General Meeting. The Company has been maintaining a consistent dividend policy to match shareholder expectations.

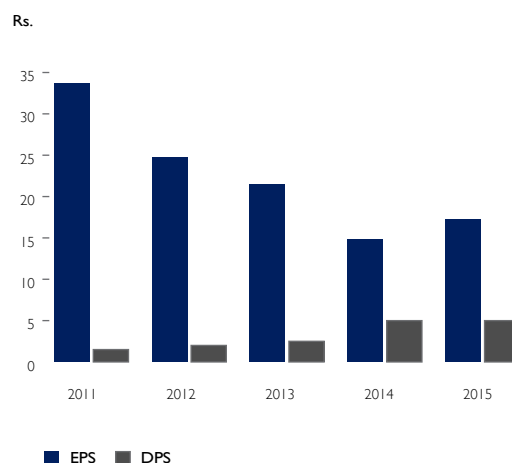
Revenue



Earning Per Share



EPS vs Dividends (Rs.)



» Share Price

Rs. 184

» NAV Per Share

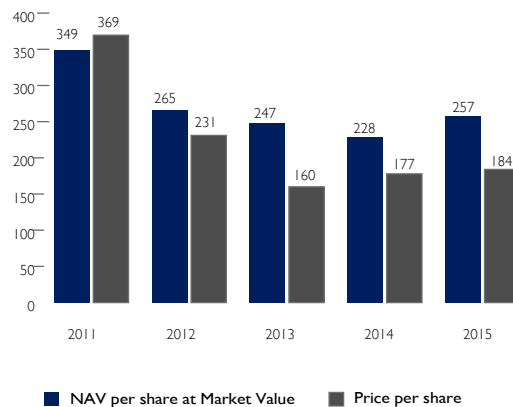
Rs. 257.6

The net value appreciation of the Group's portfolio was Rs. 3.1 bn during the financial year under review, against a depreciation of Rs. 1.8 bn recorded in last financial year.

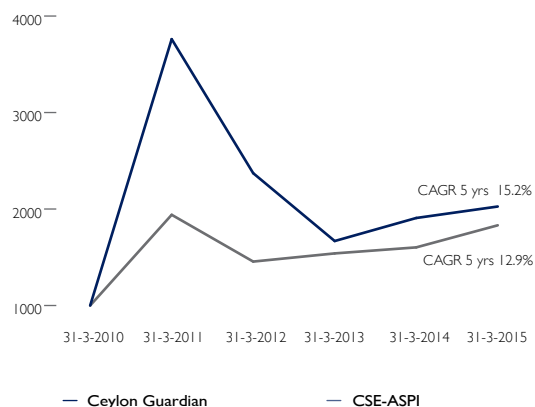
The net asset value per share (NAV) amounted to Rs. 257.65 which is based on fair value of its portfolio.

However the Company's share has been trading at a discount in the CSE over the past years. As of 31st March 2015, the market price of the Company was at Rs. 184 /- recording a gain of 3% for the year, but still trades at a discount of 28.6% to the NAV. Shareholder wealth gain during the year was 6.24 % taking into account both share price appreciation and dividend for the year.

NAV per share (Market value) vs Price per share (Rs.)



Value of Rs. 1000/- Invested in CSE & Ceylon Guardian



» management discussion & analysis



Private equity



Our management philosophy on private equity is focused on identifying, investing in, protecting and building attractively valued businesses that have the ability to grow and reach the next level.

Private Equity

Our management philosophy on private equity is focused on identifying, investing in, protecting and building attractively valued businesses that have the ability to grow and reach the next level.

The philosophy is built around forging meaningful partnerships with our investee companies to ensure that the company pursues an optimal strategy that creates the most value to all stakeholders and close engagement to support the company and promoters in the implementation of

that strategy. We also focus on introducing good governance and sound management practices within our investee companies.

Guardian is on the lookout for high quality businesses backed by strong entrepreneurial and management teams who seek capital to fund their growth plans. In order to ensure that we identify and select the best possible candidates for investment, we diligently follow an investment evaluation framework developed by us. This ensures that we follow a consistent, objective and systematic approach to evaluating a deal from all angles.

With the raising of two pioneering Sri Lanka focused private equity (PE) funds in the market, the interest of PE investors both local and foreign has increased significantly. As a result the pool of money available for private equity will increase and we encourage entrepreneurs to engage with private equity investors, especially those functioning in the small and medium enterprise space, and take full use of this method of funding. A private equity investor does not offer an entrepreneur only capital, but comes with a real interest and deep commitment to help grow the business. This may be by way of assisting in strategising better, advising on the efficacy of the business model, introducing new markets and technology, identifying operational improvements, opening up new avenues of growth and introducing strategic business partners.

We have seen increased interest by SMEs to list their companies on the CSE.

During the year we disposed a significant holding in both Expolanka and Access Engineering, resulting in the invested portfolio dropping by Rs. 371 Mn. This was partly offset by the Rs. 75 Mn investment into LVL Energy Fund.

The path to listing ideally should be an evolutionary one, and this is where private equity is accepted globally to be the most suited means of ensuring a smooth transition to listed status. If an entrepreneur's primary goal is to build and realize value for his business, then the focus should be always on growth, and choosing private equity will provide the environment necessary for that and serve as an ideal precursor to instilling the professionalism and governance required for listing.

Composition and movement of the portfolio

As at 31 March 2015 our portfolio stands at Rs. 218 Mn, down from the Rs. 523 million closing last year. During the year we disposed a significant holding in both Expolanka and Access Engineering, resulting in the invested portfolio dropping by Rs. 371 Mn. This was partly offset by the Rs. 75 Mn investment into LVL Energy Fund. LVL Energy Fund Limited, which is now the largest holding followed by Expolanka Holdings and Access Engineering (Figure 1).

Figure 1: Portfolio Composition	Rs. Mn	%
LVL Energy Fund Limited	75	35%
Expolanka Holdings PLC	58	27%
Access Engineering PLC	44	20%
hSenid Business Solutions (Pvt) Ltd	40	18%
	218	100%

LVL Energy Fund Limited

LVL Energy Fund is an energy focused investment vehicle and a subsidiary of Lanka Ventures PLC. The company invests in renewable and non-renewable energy projects in partnership with industry leaders in the power generation and engineering, procurement & construction (EPC) contracting segments. At present the company has invested in a total capacity of 136.6 Mw, of which 104.4 Mw is accounted for by thermal plants located in Bangladesh. The balance capacity is located in Sri Lanka of which 15.3 Mw is in wind and the balance is in hydro power plants.

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Portfolio Company Performance	Annual Rs. Mn	
	2014	2015
Revenue	70,132	69,476
Net profit	4,263	3,246
Revenue growth		(0.9%)
Profit growth		(23.9%)

Movement in Portfolio	Rs. Mn
31st March 2014	523
Fair value & disposal gains	(9)
Additions	75
Disposals	(371)
31st March 2015	218
Cash & short term investments as at 31st March 2015	444

Expolanka Holdings PLC

Expolanka is one of the leading freight forwarders in the South Asian region, specialized in the garments/apparel vertical. Whilst the company has also diversified into a host of other businesses such as airline GSA, travel agency and agriculture related businesses; it is in the process of reorganizing its business portfolio with the objective of improving the focus on its core freight forwarding business and to exit from low return businesses. The exposure to the regional apparel industry through valuable international partnerships, though sensitive to global economic forces, provides exposure to a competitive and scalable business model.

Access Engineering PLC

Access Engineering PLC (AEL) is engaged in construction and real estate businesses. AEL is one of the leading CI contractors in the country involved in construction of buildings, roads & highways, water & waste water management, bridges & flyovers, harbours & marine work, dredging & reclamation, telecommunication, irrigation & land drainage, and piling. Given the infrastructure development thrust in Sri Lanka, exposure to AEL would enable us to benefit from the growth trends in this sector, when large scale projects re-commence.

hSenid Business Solutions (Pvt) Ltd

hSenid develops and markets human resource management software, delivering solutions via on-premise and software as a service (SaaS) platforms. The company also offers HR outsourcing services. Whilst being the market leader in Sri Lanka, the company also derives over 25% of its revenue from overseas markets, mainly from the African region, India, and Malaysia. The company is in the process of investing and building these overseas markets to further penetrate and improve market share, a key driver of its future growth.

Consolidated performance of the portfolio companies

The portfolio companies generated consolidated revenues of Rs. 69.5 Bn for the financial year ending March 2015, declining by 1%. Consolidated net profit declined by 23.9%, to Rs. 3.2 Bn. Expolanka and Access Engineering both contributed to the decline in profits. The drop was mainly driven by a one off gain included in Expo Lanka's results last year, as well as a drop in profitability of Access. Adjusted for the one off gain in Expolanka, the drop in consolidated profit reduces to 14.5%. Expolanka's freight business faced some challenges due to increased competition and startup losses in the first six months, however the performance reversed sharply in the 3rd & 4th quarter, closing the year with a marginal drop in profits. Access Engineering performance declined due to delays in certain projects underway.



Broad basing capital markets

“Our mission together with our Joint Venture partners is to bring the full breadth of Ceylon Guardian Investment Trust’s expertise to the retail market, so advisors can build better portfolios for their clients.”

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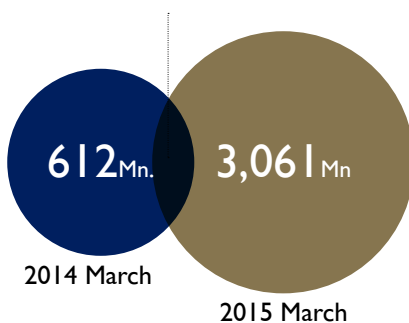


Unit Trusts



The unit trust industry with assets under management of Rs.127.63 billion is relatively small at 1.3% of GDP indicating very low penetration levels and high growth potential.

Unit Trust Fund Size



Guardian Acuity unit trusts comprise three unit trust funds namely Guardian Acuity Equity Fund, Guardian Acuity Fixed Income Fund and Guardian Acuity Money Market Gilt Fund.

Unit Trusts as a Strategy

Guardian Acuity Asset Management Limited was formed in 2012 for the purpose of bringing together the expertise of the two joint venture partners, Ceylon Guardian Investment Trust and Acuity Partners (Pvt) Ltd., the investment banking arm of HNB and DFCC. Ceylon Guardian's management team contribute to the venture through their fund management expertise, while Acuity brings in their partner network and reach in marketing and distribution of financial products. Guardian Acuity Asset Management currently has Rs. 4.3 bn (as at June 2015) under management through unit trust funds.



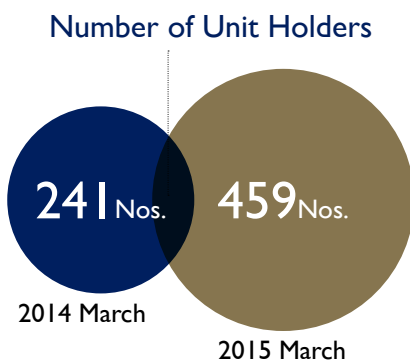
The unit trust industry with assets under management of Rs.127.63 bn is relatively small at 1.3% of GDP indicating very low penetration levels and high growth potential. The unit trust funds are currently marketed through selected branches of the HNB branch network and a direct sales team.

Value creation for Guardian

Ceylon Guardian has a proven investment philosophy which has delivered significant outperformance over its respective benchmarks in the past. By applying a similar strategy and leveraging on its existing operations, Ceylon Guardian can provide management services for unit trust funds allowing investors to partake in such returns. This will also increase Ceylon Guardian's fee based income and improve the profitability of the company.

The joint venture company has three unit trust funds in operation which are the Guardian Acuity Equity Fund, Guardian Acuity Fixed Income Fund and the most recently launched Guardian Acuity Money Market Gilt Fund. Each fund has a specific objective and investment strategy relevant to the segment of the capital market it invests in. Each fund is outperforming or performing in line with its respective benchmark.

We are encouraged by the tremendous growth potential in the Unit Trust Industry for the medium to long term. The industry recorded sharp growth of Rs. 73.7 bn to reach Rs. 127.63 bn for CY 2014 which was dominated mostly by corporate entities investing into unit trust funds. Guardian Acuity Asset Management grew its Unit Trust assets under management by Rs. 1.4 bn for the same time period to reach a total fund size of Rs. 2.0 bn, and since then during the first six months of 2015 further raised AUM to Rs. 4.3 bn. The company has identified several market segments which it has a competitive advantage in and continues to strengthen its sales team to penetrate into its identified market segments.



Fund Name	Guardian Acuity Equity Fund	Guardian Acuity Fixed Income Fund	Guardian Acuity Money Market Gilt Fund
Fund Size (Rs. Mn)	352	3,220	742
Number of Unit Holders	198	215	92
2014 Performance	37.89%	8.51%	N/A
Benchmark	23.44%	6.86%	N/A
Performance - 1st half of 2015	1.31%	3.29%	1.64%*
Benchmark	-3.81%	2.97%	1.82%*

* Inception Date 24th March 2015

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Our Future View

Sri Lanka's growth forecast has been reduced by the ADB to 7.00% in March 2015 from 7.9% forecast in September 2014, the main reason being change in policy by the new government, with economic growth drivers to come from consumption and export led growth vs infrastructure led growth. The review of some of the major infrastructure projects is likely to have a slowing effect on the economy in the short term, although a consumption boost may offset this in time to come.

During the year, we have seen a series of monetary policy easing actions by the Central Bank. It has trimmed main policy rates and flattened the yield curve. The excess liquidity in the system, low credit expansion and benign inflationary environment has helped maintain interest rates at lower levels. This is sustainable in the short term, but as economic activity and credit growth eventually picks up, interest rates should re-rate approximately 100 -200 basis points higher. Post-election, the government is likely to succeed in further raising of dollar funding from international bond markets or long term funding via the agencies, thereby helping keep some pressure off the domestic interest rates. A slower global

economic recovery has kept interest rates lower on a global scale coupled with softer commodity prices. As global growth eventually gains traction and commodity prices recover, global benchmark interest rates will start to normalize thereby making external borrowings costlier.

Being an election year, and pending parliamentary elections, much volatility is expected in markets which may offer opportunities for selective buying. However after the conclusion of the parliamentary elections we are likely to see a stable window of growth in the next five years. The development plans of the country are poised for good growth given improvement in ease of doing business, governance, transparency etc. Thus the equity market is expected to perform well in the medium to long term as Sri Lanka delivers on its growth potential which will flow through to capital markets. However the main uncertainty facing emerging and frontier markets is the speed and rate at which US interest rates are likely to be raised. It's inevitable that flight of capital from these markets would follow through. We will follow a cautious approach given likely market and currency volatility depending on how foreign investors react. Despite uncertainties clouding the Colombo Bourse, we remain confident of the long term on the potential of equities. We at Ceylon Guardian believe that in the long term equities offer above average returns in long cycles and hence are not reluctant to commit capital to good companies at attractive price levels, following our bottom up investment strategy. We believe the catalyst to market performance would be the underlying corporate earnings of the companies. We remain confident that earnings growth would strengthen, thus making the country's GDP growth flow down to listed company earnings.





A better financial ecosystem

“Our leadership position in the asset management industry creates both the forum and the responsibility to advocate on behalf of our clients, for policies that will foster a better financial ecosystem for all investors.”

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Asset management capability

Our asset management company, Guardian Fund Management Ltd (GFM), which is a fully owned subsidiary of the Company, is registered with the Securities and Exchange Commission of Sri Lanka. It has expanded its operation to offer its fund management capabilities to companies outside the Group and built a portfolio of prestigious institutional clients consisting of provident funds, pension funds, corporate clients and banks to whom fund management solutions are provided in both equity and fixed income asset classes. Thus the fund management company has currently built up its assets under management (AUM) to over Rs. 34 bn primarily on the equity asset class. We complement our service offering with a range of equity and money market unit trusts, catering to a wider retail and corporate clientele. This is carried out as a joint venture between ourselves and Acuity Partners, who bring in the network and client reach of the HNB and DFCC banks.

Our management company with a staff strength of 18 is a professional outfit set up with all the requisite management processes required for an effective asset management operation. The fund management competency covering fixed income, private equity and listed equity is driven by the portfolio managers and research teams whilst support services include an effective compliance & risk management process, portfolio administration, reporting and finance function. We bring in a code of ethics & standards of professional conduct applicable to staff members to ensure there is no conflict between professional and personal dealings by staff. To enable the management of external client funds we have an independent compliance officer and an internal audit process to monitor client interest independently and ensure objectives are being met.

The fund management company also built its capabilities in becoming a specialist in private equity, perfecting the style of evaluating, managing and structuring private equity deals. This is a long term business and very different to the investment expertise built in terms of listed investments. The joint venture company which retails fund management services through unit trusts to a broader market segment is in the process of fine tuning its marketing competencies in offering personalised fund management solutions to corporate and individual clients.





Evolution Requires Innovation

“We believe innovation leads to the kind of evolution that truly benefits clients. Having the courage and discipline to stick to our core values and displaying the speed and nimbleness to put smart ideas into action for those we serve can occur anytime, anywhere and at any level in the firm.”

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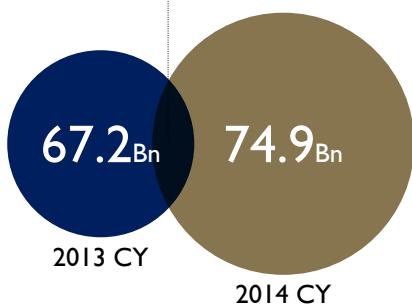


Economy & Market Review



After the conclusion of the parliamentary elections we are likely to see a stable window of growth in the next five years. The development plans of the country are poised for good progress if there is consistent policy frameworks, improvement in ease of doing business, good governance and transparency. Thus the equity market is expected to perform well in the medium to long term as Sri Lanka delivers on its growth potential which will flow through to capital markets.

Gross Domestic Product (USD)

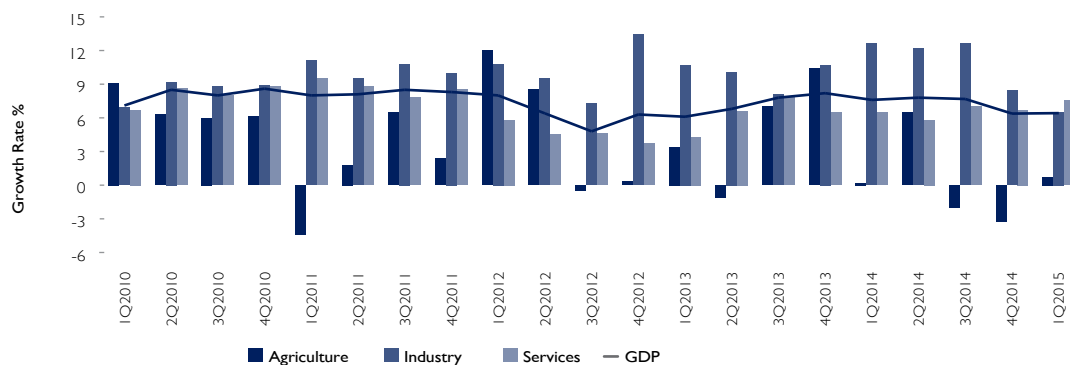


Ease of doing business in Sri Lanka remains a challenge that could be overcome by stability and continuity in the policy framework that governs business.

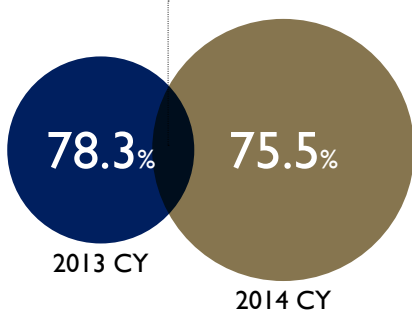
Economy

Sri Lanka has been a beneficiary of the peace dividend and political stability in the last five years where an average economic growth rate of 7.4% has been recorded, as opposed to the 6.0% recorded in the preceding five year period. This growth momentum if it continues, is likely to double the country's per capita income levels to US\$ 7,500 by the

GDP & Sector Growth Rates



Debt to GDP

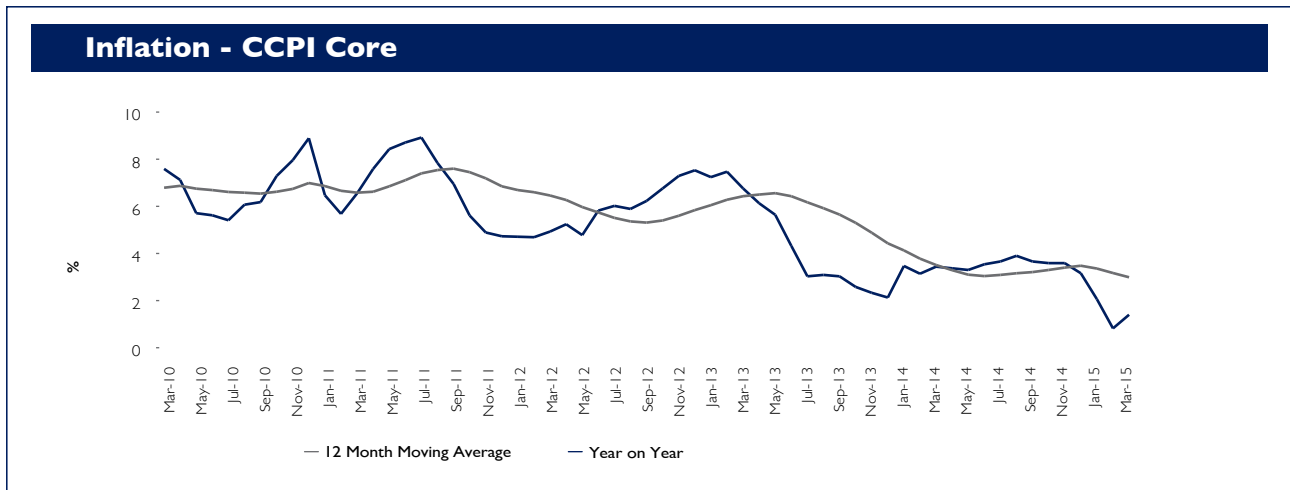


end of the decade. This would bring about a change in the sectors generating growth, lifestyles, consumption patterns and economic activity, which would present new and innovative opportunities for investment. A GDP growth of 7.4% was recorded in 2014, up from 7.2% recorded in year 2013, driven mainly by the industry and service sectors. We believe that since our domestic economy is small and import dependent, our future success would lie in enhancing export earnings, improving our knowledge based capabilities, exploiting our geographic locational advantage and enhancing & diversifying the sources of our FDI inflows.

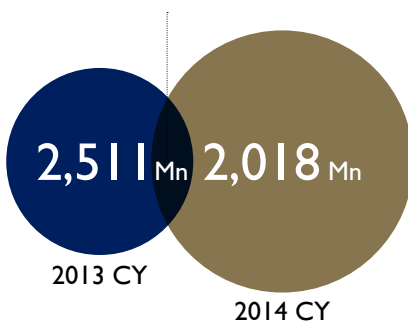
Ease of doing business in Sri Lanka remains a challenge that could be overcome by stability and continuity in the policy framework that governs business. Thus we believe that while transparency, good governance and a level playing field give comfort to high quality investors, a competitive environment facilitated by superior HR skills and good physical infrastructure is also advocated to build the platform needed for opening out the economy.

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On key macroeconomic indicators, the country has progressed positively where, along with an improvement in the fiscal position, the target is to reduce debt to GDP ratio levels below the current 75%. Whilst this is a good measure, cutting down on essential capital expenditure should proceed with caution. Sri Lanka once upon a time was on a high inflationary trajectory, however recently with the help of low global crude oil prices, headline and core inflation has been at 2% & 4% respectively. The outlook remains



Current Account Deficit



positive with no food price shocks in 2015, and we therefore expect inflation to remain at 4- 5% levels. This would help interest rates to remain low. Deceleration in credit growth has also enabled the easing of monetary policy. However, fiscal management and the method of funding the deficit going forward, would be one of the key drivers that determine interest rate outlook. The pressure on the current account through import growth could also add to interest rate pressure.

The country's GDP per capita increased to US\$ 3,625 in 2014 from US\$ 3,280 in 2013. Total Gross Domestic Product (GDP) of the country currently stands at US\$ 75 bn. The growth has come from the industrial sector and the services sector, and was largely construction led. Exports grew by 7.1% to reach US\$ 11.13 bn for the year led by 9.9% growth in textiles and garments, while imports increased in 2014 by 7.9% to US\$ 19.4 bn on account of an increase in consumer and intermediate goods by 21.1% and 8.0% respectively. The overall trade deficit increased to US\$ 8.3 bn which is an increase of 8.9% compared to the deficit of US\$ 7.6 bn in 2013. However, the surplus in the services account which came about via a growth in earnings from tourism and workers' remittances partially offset the deficits in the trade and income accounts, thereby resulting in a lower deficit of US\$ 2.0 bn in the current account in 2014 compared to the deficit

In the short term global shocks could adversely impact us and challenge the status quo. But in the long term we count on political and economic consistency to attract greater investment, growth and stability.

of US\$ 2.5 bn in 2013. Further, as a percentage of GDP, the current account deficit narrowed to 2.7% in 2014 compared to 3.8% in 2013. Inflows in the form of foreign direct investment (FDI) amounted to US\$ 944 mn in 2014. The gross official reserves by end March 2015 amounted to US\$ 6.8 bn equivalent to 4.3 months of imports.

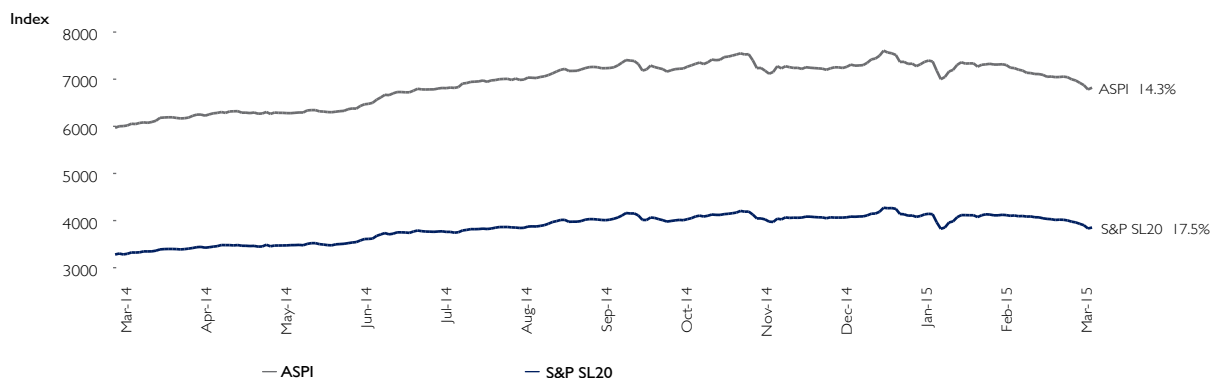
The Central Bank reduced policy rates one time during the year 2014 and maintained the same thereafter. However a cut of 50 basis points was seen in 2015, bringing a significant decline in the overall interest rate structure. Thus the Standing Deposit Facility Rate and Standing Lending Facility Rate currently is 6.00% and 7.50% respectively. The benchmark 364 day T-bill and 91 day T-bill stood at 6.80% & 6.60% as at end March 2015, whilst prime lending rate was at 7.01%.

Net credit growth remained slow despite interest rates coming off during the period of review. Hence surplus liquidity in the overnight market has further attributed to easing of rates. However we feel this to be temporary. As capital market participants, we are encouraged by the relatively low volatility of interest rates, currency and inflation as compared with the past, which has a beneficial effect on corporate earnings. However in the short term global shocks could adversely impact us and challenge the status quo. But in the long term we count on political and economic consistency to attract greater investment, growth and stability.

Equity Markets

The All Share Price Index (ASPI) increased by 24.3% for the calendar year 2014. For the financial year April 2014 to March 2015 the ASPI increased by 14.3%. The market buoyancy that prevailed in 2014 was dampened with the onset of elections in 2015. A wait and see approach was followed during the 1st qtr of 2015 where the market lost

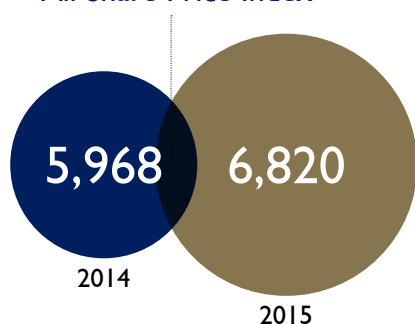
ASPI and S&P SL 20 Movement (FY 2014-15)



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	31st Dec 2013	31 st March 2014	31st Dec 2014	31 st March 2015	Movement for 2014	Movement for F/Y 2014-2015
ASPI	5,912	5,968	7,298	6,820	23.4%	14.2%
Avg.T/O Rs.Mn	641	594	1105	822	72.4%	38.3%
Market Cap Rs. Bn	2,459	2,498	3,105	2,891	26.2%	15.7%
Market PE Ratio	15.9	15.9	19.6	18.3	23.6%	15.6%

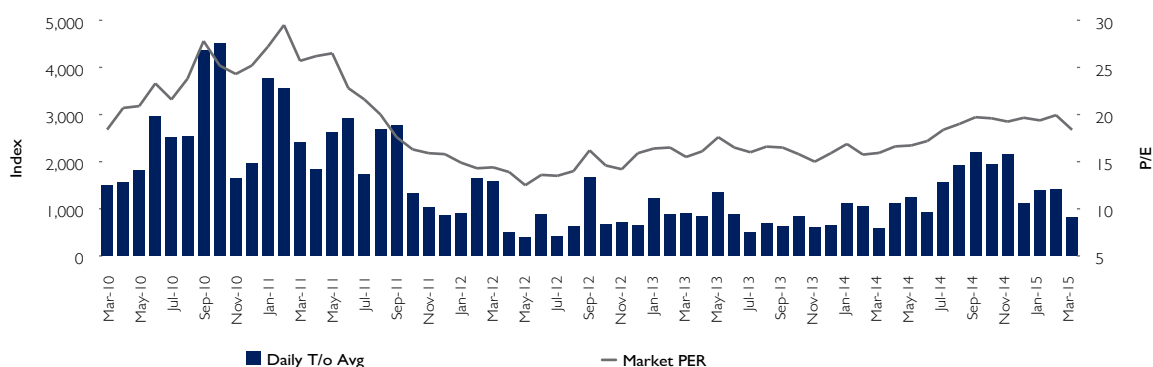
All Share Price Index



ground with politics playing a pivotal role. However, though locals stayed on the sidelines, foreign buying was evident during the period under review with net foreign inflow of Rs. 2,816.8 mn during the year 2015 (Jan-Mar) and Rs. 21,364 mn in year 2014 was focused mostly on banks, conglomerates and multinationals.

On the global front, equity markets were seen reaching new heights i.e. – Dow Jones Industrial index, S & P 500 index, FTSE 100 index, Nikkei 225 index. Frontier and emerging markets showed mixed signals with domestic issues coming into play and a cautious approach to the inevitable US interest rate hike and anticipated flight of capital from such markets. However higher turnover volumes were evident at the CSE with

Daily Average Turnover Vs Market PE



institutional investor activity and the foreign side driving the daily average turnover of the market from Rs. 828Mn in 2013 to Rs. 1,414Mn in 2014. The All Share Price Index closed at 6820 levels and during the period of review, the market traded between a low of ASPI 6,001 index level and high of ASPI 7,605 index level, giving a trading band of 1,600 basis points.

Taking into account a more longer term perspective, the market has given a compound annual positive growth (CAGR) of 12.86% p.a in the last five years demonstrating that equity gives above average return over 12 month T. Bill rate of 10.11% p.a. (05 years CAGR).

Taking into account a more longer term perspective, the market has given a compound annual positive growth (CAGR) of 12.86% p.a in the last five years demonstrating that equity gives above average returns over the 12 month T. Bill rate of 10.11% p.a. (05 years CAGR).

Market capitalisation of the CSE crossed the Rs. 3 trillion mark, with domestic participation at 74% and foreign participation at 26% as at end March 2015. Attractive market valuations plus the structural downward movement of interest rates have drawn funds to the equity asset class from fixed income. The CSE has re-rated and is currently trading at 18.38 times PE ratio based on last year's earnings, up from 15.93 times recorded end Mar 2014. The average Price Earnings (PE) band we have witnessed at the Colombo Stock market has been 14.5 times taking a long cycle, on which the market is now trading at a higher multiple. On our universe of stocks covered, the 1 year forward earnings of the market is trading at 13.8 times and 2 year forward earnings is trading at 12.3 times, giving an earnings growth of 5% in 2015/16 and 12% in 2016/17. However the CSE remains fairly valued vis-à-vis other regional markets. CSE market cap to GDP stands at 31% from 28% recorded previously. This has much potential to grow with most developed countries at 70 – 100% levels.

During the period of review capital raising via the IPO route was minimal with limited public offerings raising Rs. 777 Mn in value and listed debentures raising Rs. 69 Bn. Listed companies raised funding via rights issues to the value of Rs. 8.1 bn during the calendar year 2014 in contrast to Rs. 25.5 bn raised through 2013. Dividend yield of the market decreased to 2.2% in 2014 from 2.9% in 2013.

risk management

Risk management is an integral part of our business, particularly since balancing risks against returns is a critical trade off when it comes to making investment decisions. We recognise the importance of risk management and have built a comprehensive risk management structure that focuses on continuous identification and management of business risks. We have in place several measures to strengthen our risk management processes which are linked to our daily investment decisions. These include policies to mitigate business risks along with the upgrading of the support systems that enable easy monitoring and management of risks.

We believe that risk management is of paramount importance in safeguarding the interest of all stakeholders and have undertaken a comprehensive review to enhance the risk mitigating processes set in place by Guardian Fund Management Limited, the investment managers of the Company.

We see risk management not as an effort to eliminate risk, but as managing risk within certain risk tolerance levels set by the Company. Risks appropriate for a

particular portfolio will be assessed against the risk preferences of the investor and overall portfolio strategy. Thus different portfolios within the Ceylon Guardian Group would have differing risk profiles. In the light of new asset classes being added with the consolidation of Guardian Capital Partners PLC, we have extended our risk management process to cover our business in private equity investments as well. Furthermore, risk management also covers managing regulated unit trust funds marketed by our joint venture Company Guardian Acuity Asset Management Limited.

The Risk Management Structure

Guardian Fund Management (GFM) has been set up as an independent fund management company and the management of the portfolios of the Ceylon Guardian Group has been delegated to this company. The Board of Directors has formulated and approved an investment framework and control limits for GFM's fund management operation. GFM's management team is responsible for the recommendation and execution of investment decisions, during the course of which oversight and management of the business, financial and operational risks of the Company come into play. A comprehensive risk identification and management framework is in place and is monitored constantly.

GFM has been registered as an Investment Manager with the Securities and Exchange Commission of Sri Lanka since 2006 while Ceylon Guardian Investment Trust PLC and its subsidiary Ceylon Investment PLC have been registered as underwriters since 2009. GFM as well as the Company therefore, come under the purview of the capital market regulator and hence internal monitoring is done on a quarterly basis to ensure that the set regulations are adhered to. Audits by the Securities and Exchange Commission (SEC) are carried out as required. Furthermore, as a listed company the Ceylon Guardian Investment Trust PLC and its listed subsidiary Ceylon Investment PLC and Guardian Capital Partners PLC conform to the listing rules and guidelines of the Colombo Stock Exchange.

Ceylon Guardian Group's joint venture with Acuity Partners (Private) Limited to manage and market unit trusts was established with the launch of two mutual funds schemes approved by the SEC in year 2012. Hence the Group's initiative to reach the retail segment and offer products via local and international markets has added a new spectrum of risk to the business. These new risks have been recognised and incorporated into the risk management process.

The Boards of Directors of the above Companies hold ultimate responsibility for risk management. Hence the Boards are supported by an organisation structure that covers the entire risk management framework through an independent Compliance Officer drawn from Group level, as well as the internal audit function of the Carson

Cumberbatch Group to which the Ceylon Guardian Group Companies belong. 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, compliance and risk management processes. Further, an Investment Committee drawn from across the Carsons Group directorate 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 has identified and categorised its risks into four categories, namely macro environmental risks, portfolio risks, compliance risks and operational risks.

Given below is its approach in managing these key risk areas.

Macro Environmental Risks

Country risks

Country risk is applicable for investments made in a security issued by an entity

subject to foreign laws or if transactions are entered into in markets in other jurisdictions. The sums invested and profits or returns accruing are subject to exchange control regulations, currency fluctuations, transaction costs & taxes and other actions that may be imposed by the government or policy making bodies of the said countries. Since the capital account has now been liberalised to the extent of permitting approved overseas investments up to a certain value by listed companies, this is a new risk area for which we are looking to build a framework as Guardian intends to exploit new markets in the future.

Currency risk

Where investments are denominated in currencies other than our primary reference currency which is the Sri Lanka Rupee and where the company is required to convert funds from one currency to another upon making investments, as well as in receiving the returns from those investments, the Company is exposed to the risk of the foreign exchange rates moving against one's investment. This risk is not currently applicable to the Guardian Group as the current exposure of the Guardian Group to investments denominated in foreign currencies is nil. Looking ahead we would address currency risks on our investments on a global context, when we invest overseas.

However the risk exposure exists with managing the Sri Lanka Fund. Here we take care to ensure that benchmark returns on such foreign currency dependent portfolios are met after currency conversions are executed. Our economic research gives us an understanding of the expectations on future currency movements.

Market risk - domestic

The broad definition of market risk is exposure to adverse movements in the securities markets for both equity and fixed income investments, which can result in value loss as well as 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. Therefore, understanding market risks requires considering multiple dimensions and complexity in the macro environment.

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. Thus market 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.

» risk management

All market participants such as Ceylon Guardian develop its business model taking into account exposure limits and parameters to sustain itself when faced with market risks that can affect portfolio values. The mitigating process has been to develop 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. This is of vital importance in trading portfolio decisions where quick encashment of equities is carried out if macro indicators move adversely leading to a slow down in stock market activity.

The process of assessing market risks on investee companies also forms a vital part of our research process, where sensitivity of stock valuations to changes in economic indicators are continuously monitored.

Market risk - international and external

These risks cannot be diversified or mitigated by the Company. There is an indirect impact of risks of other markets to our domestic market as clearly seen in

the past. In the global world of cross border trade and investment flows, the impact of changing economic indicators and policy is high for the domestic economy, especially in a country such as ours which is import dependent for vital commodities.

Hence in determining fund strategy we monitor key economic indicators such as interest rates, exchange rates, inflation, budget deficits, as well as global commodity prices since Sri Lanka is a net importer of essential commodities. This enables the fund team to get a feel of changing international market dynamics and in turn relate that to local developments. The entry and exit of foreign investor interest on the local market is also determined by the macro economic trends prevailing in foreign markets and relative valuations of our market vis-a-vis developed and other comparative Asian markets. Information to monitor and interpret global developments in capital markets is vital to assess and mitigate this risk.

We would build expertise in foreign markets going forward, as we would look to 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.

Market risk - private equity

As an asset class, private equity is not closely correlated with the public equity markets and, therefore, helps diversify market risk from a traditional investment portfolio consisting of publicly traded stocks and bonds. Private equity risks cannot be diversified or mitigated by the Company, to the extent possible in listed equities.

(a) Liquidity and valuation risk

Since private equity investments are unlisted, there is no official market price available for valuing the investment. However, we monitor secondary market trades to track prices. This is not an accurate guide as the volume of trades is a key factor in determining fair price. As we take fairly significant positions in private equity investee companies divestment of our stakes is more difficult, bringing a further element of illiquidity to our investments. Also liquidity risk is relatively higher given the longer holding period. It has been further restricted with a minimum lock in period being imposed at the time of the Company going for listing via the IPO route, extending the private equity investors' holding period.

(b) Exit risk

The exit from private equity investments can pose a risk whereby Company cashflows are tied up due to limited exit options. Finding ready buyers at fair valuation or even at a discount might be a challenge. However, risk mitigating strategies are adopted by way of covenants to create multiple options of exit in the shareholder agreement. These take various forms including listing, buy back and sale to a third party.

Also further guidelines have been imposed by the SEC restricting private equity investors selling at the initial listing in order to protect minority investors. This limits the sale of stakes held by private equity investors who take higher risks in funding the restructuring and growth stage of the investee companies.

(c) Monitoring risk

No regulatory performance reporting requirements exist for unlisted companies and hence private equity investors face the risk of not getting financial statements on a quarterly and yearly basis, as is mandatory for listed securities. However we request the investee companies through our shareholder agreement to provide us

quarterly and annual financial statements and we also schedule review meetings with management on a regular basis. A rapport with the management is built through time, along with a monitoring process on a case by case basis.

(d) Governance risk

Since unlisted companies don't have a large minority shareholder base, there are no specified governance practices and a mechanism to enforce them since there is no regulatory framework governing investor interests.

However, we request investee companies through the shareholder agreement to adhere to certain pre-requisites i.e. approval for critical decisions such as divestment of major assets, acquisitions, appointment of audit committees and adherence to disclosure requirements of listed companies. Where our stake in an investee company exceeds a particular threshold, we may request Board representation to safeguard our interests as investors.

Our risk mitigating strategy for private equity is set in place via a shareholder agreement that is signed at the onset and the close relationship we build with investee companies from the time of investment. The performance monitoring of the investment is done by way of quarterly review meetings with the management of investee companies whereby financial and strategy are discussed. Also covenants are built into the shareholder agreement to protect investor interest in terms of clauses undertaking to list within a certain time period, buy back options, borrowing limits and sale of major assets etc.

Portfolio Risks**General securities risk**

Any trading in securities carries inherent investment risks associated with the entity issuing those securities. In particular the price or value of any security can and does fluctuate and may even become valueless, resulting in possible loss not only of returns and profits, but even all or part of the principal sums invested in the case of a fixed income instrument. These risks arise as a result of the overall risks faced by the issuing entity which affects its ability to provide a return to the investors holding the securities issued by it. Particularly in the case of equities, past performance of any investment is not necessarily indicative of future performance. Our approach focuses on the fact that there is no substitute for fundamental security assessment. Our portfolio management and investment selection process is designed to maximise the risk/return tradeoff to our shareholders and we employ a bottom up investment selection process.

» risk management

Our risk mitigating methodology is based on our internal research process that has added value over time to our choice of investments. Prospective investments are selected from fundamental analysis and contact with corporate management of the issuing company through company visits. Once an investment is made, a continuous process of monitoring the performance of that investment is adopted.

We manage the concentration risk arising from over exposure to one security by monitoring sector exposure and single company exposure as mitigation strategies. Further, equity exposure limits at Company and Group level are monitored as another measure of managing risk. Loss limits are set to monitor stocks performing below their cost of acquisition to determine whether temporary capital erosion is a concern. This helps us mitigate the downside risk of any security in the portfolio.

In the case of private equity, Board representation in proportion to the investment for stakes over 10% is considered necessary while for smaller stakes, monitoring mechanisms to facilitate constant evaluation of the investment are built into the shareholder agreements.

Liquidity risk

Under certain market conditions, an investor may find it difficult or impossible to liquidate a position. This can occur when trading is suspended by the exchange on which a security is listed or when poor market sentiment dries up investor interest in a security. In addition, there may not be a ready market for certain investments due to low levels of publicly traded quantities. Some investments will have to be held to maturity. Proper information for determining the value of certain investments may also not be available under such circumstances of low liquidity. However the strategy of holding big stakes might be a limiting factor when selling, if the stock is illiquid or in the case of a change in fundamentals.

We mitigate this risk by investing in companies with a reasonable free float and where securities are heavily traded. Also by limiting the portfolio's buy list to highly traded stocks, the risk of illiquidity is mitigated. Good research enables the fund team to identify changes in fundamentals and be proactive in investment decision making.

In instances where we are presented with a promising investment opportunity, being short of funds to pursue that opportunity is also an extension of liquidity risk. To guard against this risk, we have arranged several overdraft facilities to draw on if and when opportunities and needs arise.

Performance volatility risks

The composition of the portfolio will determine the portfolio's ability to outperform the market. If more volatile stocks that respond more than proportionately to market movements are selected, there is a likelihood that the portfolio will outperform the benchmark All Share Price Index in a growing market, while in a downturn it can underperform the market. It is once again an attempt at balancing good performance with a certain risk tolerance in a volatile environment.

Measuring portfolio volatility through calculation of a portfolio beta is one method of keeping ourselves aware of the sensitivities of the portfolio. In the case of the long term portfolio, we would not attempt to handle market volatility by encashing stocks, but would rather attempt to hold into fundamentally strong stocks and ride out low performing cycles. For this, we ensure adequate cash generation by way of dividend and other income flows to keep our daily operations running smoothly while we ride out low market periods. On the other hand, in the case of the trading portfolio, it is necessary

to keep an even closer tab on market volatility, since it needs to regularly encash its profitable positions to remain a high performing portfolio.

Investment performance risk

This is the risk that the portfolio will not meet the investment objectives by overperforming the benchmark indices. This can adversely affect the reputation of the Company and have impact in the future in terms of proven track record and confidence when raising money on future capital calls.

We mitigate this risk by setting a process which seeks to meet investment targets within stated risk parameters. Portfolio performance, valuations and risks are monitored by fund managers and managed on a regular basis. Regular meetings amongst the fund management team as well as regular review of the portfolio at board meetings are part of this process.

Compliance Risks

The legal support services to Guardian Fund Management comes through the management services company of the Carson Cumberbatch Group, which ensures that the Guardian Group companies comply with all legal and regulatory provisions applicable to it. The legal function proactively identifies and advises GFM to set up appropriate systems and processes for legal and regulatory compliance in respect of all

our investments and regulated activities. We also ensure legal and regulatory compliance in any foreign country that we operate in and in such instances through legal counsel retained in those jurisdictions.

Proactive monitoring of the compliance process is followed and we see that our investments are made and trades are executed in keeping with the Companies Act, SEC regulations, tax regulations, exchange control regulations and other applicable guidelines. The legal advisors of the Company also carry out periodic awareness programmes to educate all staff members on a regular basis.

The operations of the Guardian Group fall within the rules and regulations applicable to all market participants operating in the equity (listed and unlisted) and debt markets of Sri Lanka, as well as the regulatory provisions applicable to companies listed on the CSE and regulations applicable to securities trading set by the Securities and Exchange Commission of Sri Lanka.

Our systems and processes are structured to satisfy the criteria set by these regulations, and staff is constantly kept aware of the compliance needs imposed by these regulations. An independent compliance officer undertakes responsibility for maintaining a check on the overall compliance process and is supported by the internal audit function of the Carsons Group. GFM, as an Investment Manager registered with the SEC, is also subject to further regulation by the capital markets regulator.

Operational Risks

Professionalism in operational dealings

The fund management team at GFM has signed a Code of Ethics which lays down professional standards of conduct and dealing that is expected of staff. Structures to avoid conflicts of interest and compromising of best practices are set up as part of our process. Staff education covers areas of such practice and declarations by the staff members on compliance in personal equity trading are mandatory.

Compliance with SEC trading rules on insider trading, front running, market manipulation etc are checked by comparing trading statistics between portfolios and pre-approved personal transaction of employees, by the Compliance Officer.

The compliance with the Code of Ethics ensures that the conduct of fund managers and other staff members do not violate the code of ethics for which employees are signatories. Some of the pertinent areas covered include conflict of interest between portfolios, coordination of trades between portfolio managers within the Company, levels of authority when approving trades etc. Internal controls and audits are also done to ensure monitoring and compliance.

» risk management

Systems and process risks

We manage operational risks by identifying risks and formulating plans for their management, promoting best practices, implementing internal controls and systems and monitoring compliance with these internal guidelines for managing operational risks. Operational risks mainly cover the areas of system failure to ensure continuity of decision making to deal with contingencies, ensuring efficiency in operations and correct application of recommended management practices where back up procedures are followed on a routine basis. Our accounting systems and portfolio management systems are regularly backed up to prevent loss of data.

Systems support for the portfolio management software is made available through an annual maintenance agreement with the software vendor which ensures on line support for system issues and queries. At the same time the financial transaction processing and reporting system are based on an ERP system in use at Carsons Group level and as such back up support services for this system are available through the parent company's management services company. Also in order to deal with unexpected contingencies, we have developed

and implemented a business continuity plan, which looks after aspects such as staff deployment and systems backup in case of an unexpected disruption to the business. This business continuity plan forms a part of the Carsons Group's business continuity plan, which is regularly tested and upgraded to meet changing needs.

The internal audit function of the Carsons Group ensures the safeguarding of Company assets and recommends process improvements in areas where process control failures are noted. Compliance with the investment objectives of each portfolio involves checking whether fund managers have adhered to the investment guidelines for each portfolio operating within set limits and not falling to prohibited investments; as well as monitoring portfolio performance against the benchmarks set. Further compliance with the operating process manual involves checking the application of proper internal controls such as segregation of duties, authority limits, approvals and that cash management processes are in order.

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 is of importance. We attempt to pass on this valuable local knowledge to our staff at all levels. 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 GFM 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.

Reputation risk

As a Company which carries out a role of trust between itself and a client, it is vital to safeguard the good name and reputation of the business. Further, now being in the public domain through unit trusts, safeguarding reputation risk is of utmost importance.

Employees are communicated the right values from the inception both by formal communication and by example. Our screening process at interviews, attempts to select people of the right calibre, while training them for higher responsibility is ongoing. The extensive compliance process also ensures that the Company does not take the risk of process failure that will lead to reputation risk. Maintaining good relationships with all industry and government stakeholders further helps manage any crisis situations that can damage reputation.

Guardian Fund Management Limited
Investment Managers
Colombo
13th July 2015



Back row : Salith Yatawara, Priyan De Mel, Lakmal Wickramaarachchi, Sumith Perera, Vijith Karunaratne, Sashika Wickramaratne, Champa Perera

Front row : Lakshitha Udaya Kumara, Omesha Piyumi, Charmini Romesha, Indramali Samarasinghe, Ruvini Fernando, Crishani Perera, Tharinda Jayawardana, Asanka Jayasekara, Niloo Jayatilake



sustainability report

Introduction

We at Ceylon Guardian, constantly explore new dimensions in serving our social obligations. The initiation of "Youth to Nation Foundation" (YNF) was a unique endeavor that we fostered, which allowed us to stand out from the mainstream acts of Corporate Social Responsibility. We embarked on developing a sustainable model which has achieved significant progress thus far. Our approach is aimed at empowering young entrepreneurs, guiding and mentoring them towards their next phase of growth, which we believe will have a trickling down impact on all stakeholders within our society. Although the initial benefits to the society via our efforts might be on a granular form, we nurture these entrepreneurs with the sole aspiration of seeing them as our country's next generation of entrepreneurs spearheading the economy.

Achieving Sustainability

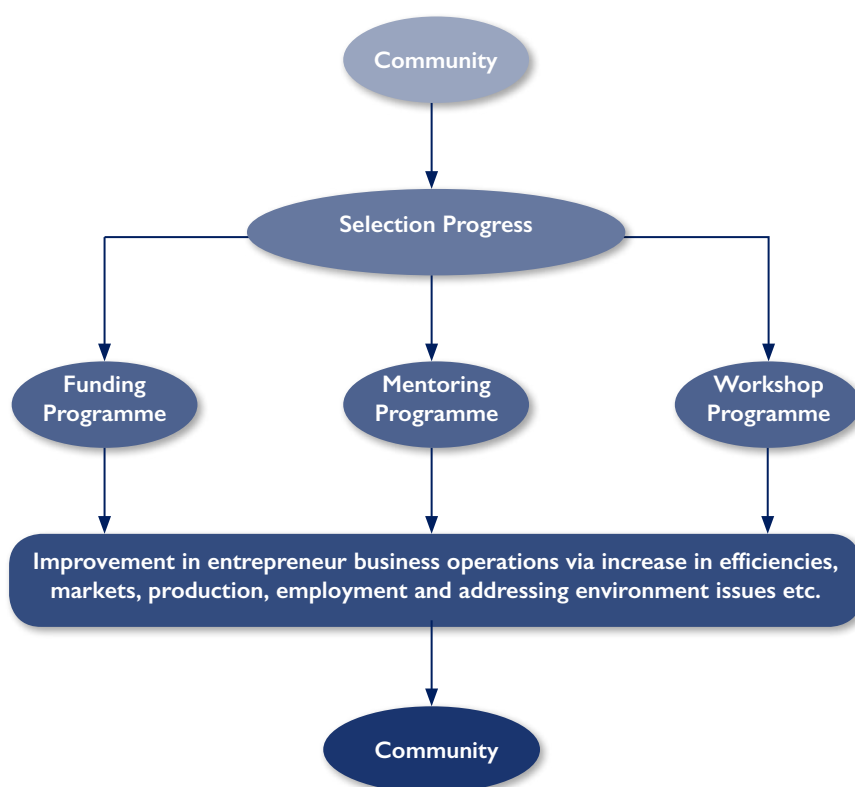
YNF is focused on cultivating a balance of economic, environmental and social imperatives among Young Sri Lankan Entrepreneurs. At the initial selection panel stage of the YNF funding programme, we inquire and encourage entrepreneurs to operate their business in an environmentally friendly manner; reduce wastage, increase energy efficiency and most importantly adhere to Employee welfare, health and safety practices. We also give preference to those projects which have more impact on the community through greater engagement with society both by providing direct employment or procurement of inputs / services. After identifying beneficiaries, the selection panel set strict Key Performance

Indicators (KPI's) in these areas and provide necessary expertise and allocate necessary funds to adhere to these set KPI's. The dedicated YNF team regularly undertake field visits to ensure that set KPI's are adhered to at ground level. Under the Workshop programme, the YNF team regularly highlight the importance and encourage entrepreneurs to operate their business considering three P's (people, planet and profits).

New Developments

Under the second phase of the funding programme, YNF identified five promising young entrepreneurs who required financial assistance to grow their businesses. The YNF selection panel selected these individuals based on their ability to create economic value through usage of local raw materials, provision of employment, youth skill development, forward and backward integration with other SMEs, innovation and further value creation by either earning or saving foreign exchange. Apart from the financial assistance these entrepreneurs are given individualised assistance by our dedicated team at YNF who set KPI's for these entrepreneurs with the assistance of the selection panel. With these new beneficiaries the total number of entrepreneurs engaged in the funding programme has now increased to eight.

Our Process



Under the Workshop programme a total of six Workshops were organized with the collaboration of Matara, Sabaragamuwa and Hambantota Chambers of Commerce & Industry. Key areas such as Sales & Marketing, Financial Management, Costing,

New Product Development, Bookkeeping & Accounting, Use of Internet, Social Media and E-marketing and Strategies to grow during Recessions were discussed at these Workshops. These events witnessed high level of participation within the business community and the related feedback provided the YNF team further insight in resolving growing issues of young entrepreneurs. Group employees, together with experts in the fields of entrepreneur development, volunteered their time and effort to share knowledge with these young entrepreneurs during these Workshops.



Nimali's factory premises

Some of Our Entrepreneurs

Nimali Gunawardena

Nimali Gunawardena is the proud owner of a coir mill which produces coir and coco peat to the local market and coconut husk chips for the export market. She is one of the three initially selected beneficiaries of the YNF funding programme. With the intervention of YNF, Nimali has been able to improve her employee welfare, safety and health practices whilst developing her business. During the period YNF selection panel decided to extend her financial facility and by further providing Rs. 490,000/- in order to acquire new machinery, bringing the total to Rs. 890,000/-. This new machine is expected to upgrade the existing aging machinery at her production facility and also increase productivity and improve the quality of the finish product. Nimali is the winner of the HRH Prince of Wales Award for Start-Up Entrepreneur of the year 2013.



Anusha with her range of baby clothing products

Anusha Warnakula

Anusha Warnakula is an inspiring young entrepreneur in the Kamburupitiya area in the southern region of the country. Anusha is the owner of a small scale manufacturing facility which manufactures baby clothing, towels, bedding etc. Youth to Nation Foundation has initially provided her with Rs. 731,000/- to fund the completion of the existing production facility and to purchase new machinery.



Keerthi show casing his innovative Putty product

Keerthi Siriwardhana

Keerthi Siriwardhana is an innovative young entrepreneur in the Meealla area in the southern region of the country. Keerthi is an owner of a Mid-size manufacturing facility which manufactures construction chemicals (putty, paints, wall filler, tile grout etc.). Keerthi has already introduced a putty which can be applied directly on walls without the need for plastering. YNF has provided him with Rs. 1,000,000/- to fund his investment in machinery which would be used to manufacture a new range of wall paints. The machinery which uses cleaner technology is also expected to increase productivity. YNF team is presently working with Keerthi to improve his practices on employee welfare, safety and health with special attention on reducing the carbon foot print of the business operations.

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 2015.

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 recommended best Accounting Practices.

The Annual Report was approved by the Board of Directors on 13th July 2015.

1. GENERAL

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

2. THE PRINCIPAL ACTIVITIES OF THE COMPANY

The principal activities of the Company and its subsidiaries are to act as specialised investment vehicles within the investment business to undertake listed, private equity and fixed income investments and engage in fund management activities. This will give the investors an opportunity to select an investment company to suit their risk appetite. Ceylon Guardian Investment Trust PLC would, as the parent entity, take-up diverse risks of all sub-segments of the investment business.

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

A list of subsidiaries and jointly controlled entities are provided in notes 20 and 21 to these financial statements.

3. REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

The Chairman's Statement and Management Discussion & Analysis on pages 8 to 35 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 the Statement of Profit or Loss and other Comprehensive Income, Statement of Financial Position, Cash Flow Statement, Statement of Changes in Equity and Notes to the financial statements of the Company and the Group for the year ended 31st March 2015 are set out on pages 70 to 129. These financial statements do comply with the requirements of the Companies Act, No. 07 of 2007.

4.1 Revenue

The Company and the Group generated revenue of Rs. 720.7 mn and Rs. 2,066.6 mn (2014 – Rs. 814.9 mn and Rs. 1,882.4 mn) for which a detailed analysis 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	Group		Company	
For the year ended 31st March	2015	2014 (Restated)	2015	2014
Profit for the year	1,510,801	1,296,603	608,815	731,193
Other comprehensive income / (expense) for the year	69	(42)	-	-
Retained profit brought forward from previous year	6,291,648	5,184,452	3,916,835	3,397,003
Profit available for appropriations from which the following appropriations / distributions have been made:	7,802,518	6,481,013	4,525,650	4,128,196
Dividend	(439,182)	(219,591)	(439,182)	(219,591)
Transfers	(60,814)	30,226	(12,055)	8,230
Effect due to change in shareholdings	(3)	-	-	-
Forfeiture of unclaimed dividends	1,384	-	1,384	-
Retained profit carried forward	7,303,903	6,291,648	4,075,797	3,916,835

4.3 Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are given on pages 75 to 86.

The impact of change in accounting policies due to adoption of new Sri Lanka Accounting Standard (SLFRS / LKAS) which have become effective during the financial year; is disclosed in note 35 of the Financial Statements.

4.4 Investment in Financial Instruments

Investments in financial instruments of the Group and the Company represents investments in available for sale financial assets and investments in fair value through profit or loss financial assets, categorised in to,
Fair value hierarchy Level 1 - quoted securities
Fair value hierarchy Level 2 and Level 3 – unit trusts, unquoted and private equity securities (unlisted equity investments).

The information on the fair values of the investments classified as “available for sale financial assets” and investments classified as fair value through profit or loss financial assets are given in notes 22 and 24 respectively.

Further, the note 34.5 provides an analysis of these financial instruments which are carried at fair value, by the levels in the fair value hierarchy.

» annual report of the board of directors on the affairs of the company

4.5 Reserves

As at 31st March 2015, the total reserves stood at Rs. 5,621.1 mn and Rs. 21,677.7 mn (2014 - Rs. 4,988.1 mn and Rs. 19,131.1 mn) for the Company and the Group respectively.

The movements are set out in the Statement of Changes in Equity.

4.6 Fair value through profit or loss financial assets reserve

Any gains arising from fair value adjustment will be transferred from retained earnings to "Fair value through profit or loss financial assets reserve" at reporting date and any realised gains arising will be transferred from "Fair value through profit or loss financial assets reserve" to retained earnings. Further any fair value losses will be transferred from retained earnings to the extent that the loss does not exceed the balance held in the said reserve as at the date.

Accordingly, an amount of Rs. 60.8 mn and Rs. 12.1 mn were transferred to (2014 – Rs. 30.2 mn and Rs. 8.2 mn were transferred from) "Fair value through profit or loss financial assets reserve" resulting from the movements in fair value for the Group and the Company respectively as shown in the Statement of Changes in Equity.

4.7 Available for sales financial assets reserve

During the year, the net positive movement of Available for sale financial assets reserve for the Company and

the Group amounted to Rs.461.9 mn and Rs. 1,470.7 mn (2014 - Rs. 118.7 mn and Rs. 2,728.2 mn) respectively arising out of transfer of realised gains and adjustment on fair valuation of investments in Available for sale financial assets.

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.

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 and;
- reasonable and prudent judgments and estimates have been made.

The Directors are responsible for ensuring that the Company and the Group maintains 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 meet with the requirements of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

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 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 operations, for the foreseeable future from the date of signing 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. INDEPENDENT AUDITORS' REPORT

The Independent Auditors' Report on the financial statements is given on page 69 of the Annual Report.

8. 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.

8.1 Remuneration of Directors

Directors' Remuneration for the financial year ended 31st March 2015 is given in note 12 to the financial statements on page 87 of the Annual Report.

8.2 Directors' Interest in Contracts and Shares

The Related Party Transactions of the Company as required by the Sri Lanka Accounting Standard LKAS 24 "Related Party Disclosures" are disclosed in note

33 to the Financial Statements and have been declared at Meetings of the Board of 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, while they 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 2015	01st April 2014
Mr. I. Paulraj (Chairman)	255	255
Mr. D.C.R. Gunawardena	255	255
Mr. A. de Z. Gunasekera (Resigned w.e.f. 31/10/2014)	255	255
Mr. V.M. Fernando	-	-
Mrs. M.A.R.C. Cooray	-	-
Mr. K. Selvanathan	-	-
Mr. C.W. Knight	-	-
Mr. T.C.M. Chia (Appointed w.e.f. 01/11/2014)	-	-

9. 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.

9.1 Resignation

Mr. A. de Z. Gunasekera resigned from the Board w.e.f. 31st October 2014.

9.2 Appointment of a Director

Mt. T.C.M. Chia was appointed as a Non-Executive/Independent Director to the Board with effect from 1st November 2014.

9.3 Directors to retire by rotation

In terms of Articles 89, 90 and 91 of the Articles of Association of the Company, Mr. V.M. Fernando and Mr. K. Selvanathan retire by rotation and being eligible offer themselves for re-election.

» annual report of the board of directors on the affairs of the company

9.4 Retirement at the First Annual General Meeting following the appointment as a Director

In terms of Articles 88 and 95 of the Articles of Association of the Company, Mr.T.C.M. Chia retires from the Board and being eligible offers himself for re-election.

9.5 Appointment of Directors who are over 70 years of age

Mr.I. Paulraj and Mr.C.W. Knight who are over 70 years of age were re-appointed Directors of the Company at the Annual General Meeting held on 30th July 2014, for a period of 01 year from 30th July 2014 to 30th July 2015. Therefore, an Extraordinary General Meeting has been convened for 28th July 2015 to re-appoint Mr.I. Paulraj and Mr.C.W. Knight as Directors of the Company until the forthcoming Annual General Meeting of the Company, or for a further period of one year, commencing from 30th July 2015, whichever comes first.

Accordingly, subject to the approval of the shareholders being obtained at the Extraordinary General Meeting convened for 28th July 2015, the Nomination Committee and the Board recommend that Mr.I. Paulraj and Mr.C.W. Knight 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 that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable for them.

10. AUDITORS

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

A sum of Rs. 405,000/- and Rs. 2,807,500/- was paid to them by the Company and the Group respectively as audit fees for the year ended 31st March 2015 (2014 - Rs. 368,000/- and Rs. 2,672,000/-). In addition to the above, the auditors were paid Rs. 110,000/- and Rs. 585,000/- (2014 - Rs. 65,000/- and Rs. 215,000/-) as audit related fees for the Company and the Group respectively during the year.

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.

10.1 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.

11. SIGNIFICANT EVENTS DURING THE YEAR

11.1 Company

There were no significant events during the year.

11.2 Subsidiaries

There were no significant events during the year.

12. 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 2015, did not exceed 10% of equity or 5% of the Total Assets of the Company as at 31st March 2015.

The details of the Related Party Transactions are given in note 33 on pages 111 to 113 of the Financial Statements.

12.1 Related Party Transactions Review Committee

The Company is in the process of forming a "Related Party Transactions Review Committee" to comply with the Colombo Stock Exchange Listing Rules, Section 9, which would come into effect from 1st January 2016.

13. CORPORATE GOVERNANCE

The Board has ensured that the Company has complied with the Corporate Governance Rules as per the Listing Rules of the Colombo Stock Exchange (CSE).

13.1 Regulatory Benchmarks

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

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

Ceylon Guardian Investment Trust PLC is registered as an Underwriter with the Securities and Exchange Commission of Sri Lanka (SEC), whilst Ceylon Investment PLC and Guardian Fund Management Limited are subsidiaries of the Company registered with the SEC as underwriter and Investment Manager, respectively.

The above registrations are renewed on an annual basis and each company has to fulfill the criteria stipulated by the SEC for such renewal. These include, amongst many other provisions, the maintenance of a minimum capital, employment of qualified staff, setting in place clear systems and procedures for handling investor/client portfolio and regular reporting and filings with the regulator.

Ceylon Guardian Investment Trust PLC owns 50% of the issued capital of Guardian Acuity Asset Management Limited (GAAM) through a Joint Venture. GAAM is registered as an Investment Manager and is a License holder for three Unit Trusts with the SEC.

The category of Investment Manager and License holders of unit trusts are also required to have in place a comprehensive KYC procedure to satisfy anti money laundering regulations.

13.2 Board of Directors

The following Directors held office during the period under review and their brief profiles are given on pages 61 to 63 of the Annual Report.

Directors	Executive	Non - Executive	Independent
Mr. I. Paulraj (Chairman)	-	√	-
Mr. A. de Z. Gunasekera (Resigned w.e.f. 31/10/2014)	-	√	√
Mr. D.C.R. Gunawardena	-	√	-
Mr. V.M. Fernando *	-	√	√
Mrs. M.A.R.C. Cooray * *	-	√	√
Mr. K. Selvanathan	√	-	-
Mr. C.W. Knight	-	√	√
Mr. T.C.M. Chia * * *	-	√	√
(Appointed w.e.f. 01/11/2014)			

» annual report of the board of directors on the affairs of the company

Each of the Non-Executive Directors of the company has submitted a signed declaration on Independence/Non-Independence as per Rule 7.10.2(b) of the Listings Rules of the Colombo Stock Exchange(CSE).The said declarations were tabled at a Board Meeting held on 24th June 2015 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 Rule of the CSE.

*The Board has determined that Mr.V.M. Fernando is an Independent Director in spite of being on the Board for more than 9 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.

** The Board has also determined that Mrs. M.A.R.C. Cooray is an Independent Director in spite of 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.T.C.M. Chia is an Independent Director in spite of 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.

13.3. Audit Committee

As per the 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.V.P.Malalasekera (Chairman)	Non-Executive/Independent Director of CCPLC
Mr. D.C.R. Gunawardena	Non-Executive Director of CCPLC
Mr. F. Mohideen	Non-Executive/Independent Director of CCPLC

The Audit Committee Report is given on pages 66 to 67 of this Annual Report.

13.4. Remuneration Committee

As per the 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. I. Paulraj (Chairman)	Non-Executive 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 (Appointed w.e.f. 18.05.2015)	Non-Executive/Independent Director of CCPLC

Scope and Objective

The primary objective of the Remuneration Committee is to lead to establish a formal and transparent procedure for the development of a remuneration policy and the establishment of a remuneration structure.

A remuneration policy has been formulated based on market and industry factors and individual performance 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 Directors. The Committee is authorised by the Board to seek appropriate professional advice internally and externally as and when it considered necessary.

The Remuneration Committee meets at least twice a year.

During the period under review the Committee had two meetings.

Remuneration Committee Members	Meetings attended (out of 2)
Mr. I. Paulraj (Chairman)	2
Mr. D.C.R. Gunawardena	2
Mr. R. Theagarajah	1
Mr. W.M.R.S. Dias (Appointed w.e.f. 18/05/2015)	-

Reporting and Responsibilities

The Committee Chairman reports formally 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 is disclosed under note 12 on page 87 of the Annual Report. Executive Directors are not compensated for their role on the Board.

13.5 Directors' Meetings Attendance

Four (04) Board Meetings were convened during the financial year and the attendance of the Directors was as follows:

Directors	Meetings attended (out of 4)
Mr. I. Paulraj (Chairman)	4
Mr. A. de Z. Gunasekera (Resigned w.e.f. 31/10/2014)	2
Mr. D.C.R. Gunawardena	3
Mr. V.M. Fernando	2
Mrs. M.A.R.C. Cooray	4
Mr. K. Selvanathan	4
Mr. C.W. Knight	3
Mr. T.C.M. Chia (Appointed w.e.f. 1/11/2014)	2

» annual report of the board of directors on the affairs of the company

14. NOMINATION COMMITTEE

The Nomination Committee comprises of the following members.

Nomination Committee Members	Executive/ Non-Executive/ Independent
Mr. I. Paulraj (Chairman)	Non-Executive Director
Mrs. M.A.R.C. Cooray	Non-Executive/ Independent Director
Mr. D.C.R. Gunawardena	Non-Executive Director

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 the discharge of 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 meets at least twice a year.

During the period under review the Committee had two meetings with all members in attendance.

During the year, the Committee recommended to the Board that Mr.T.C.M.Chia be appointed to the Board as a Non - Executive Director. This recommendation was accepted by the Board.

15. BOARD EVALUATION

As suggested in the Code of Best Practice on Corporate Governance, a 'Board Appraisal Form' was introduced for the year 2014/15 to evaluate the performance of the Board in order to ensure that the responsibilities of Directors towards the Board and the Company are met.

The 'Board Evaluation Form' comprises of the following broad themes;

- Core Board Responsibilities
- Board Meetings
- Committee Meetings (any/ all sub-committees)
- Relationship with Management
- Individual self-assessment
- Stakeholder and Shareholder communication/ relationship
- Suggestions/ comments

The Nomination Committee of the Company collates all the comments received from the Directors and reports the results and proposed actions to the Board of Directors.

16. INTERNAL CONTROL AND RISK MANAGEMENT

The ultimate responsibility to establish, monitor and review a Group-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 element of risk imposed on the sustenance of the business by the respective area of operation. Whilst a strong internal control system would mitigate the crystallization 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, 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 the grading of the risk involved will be monitoring and providing the feedback to the management and the respective 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 health of the Company and the Group resource base and governance requirements.

This allows the Board to have total control of the fulfillment of governance requirements by providing opportunity to take timely preventive action in case of potential deterioration of status quo. More detailed description of the risk management strategies of the Company is given on pages 36 to 43.

17. 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 2015 was 17 (31st March 2014 – 16).

17. EQUITABLE TREATMENT TO SHAREHOLDERS

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

18. DIVIDENDS

(i) Subject to the approval of the shareholders at the Extraordinary General Meeting (EGM), the Board of Directors recommend that Rs.2/- per share be distributed in the form of a scrip dividend amounting to a total sum of Rs. 175,672,908/-, which is entirely out of exempt profits as a First Interim Dividend for the financial year ended 31st March 2015, to the shareholders of the Ordinary shares and Deferred shares of the Company, by way of issuing of a maximum of 882,761 ordinary shares (subject to appropriate adjustments being made to such number based on actual residual fractions of shares arising as at the date of the entitlement) and by way of issuing 61,717 Deferred Shares, in the ratio of One (01) new Ordinary share and Deferred Share for every Ninety Three (93) Ordinary shares and Deferred Shares held as at the date of the EGM.

(ii) Subject to the approval of the shareholders at the Annual General Meeting, the Board of Directors recommend, a final dividend of Rs. 3/- per ordinary share and deferred share for the year ended 31st March 2015.

The above dividends payable have not been accounted for until they are approved at the forthcoming Extraordinary General Meeting and Annual General Meeting.

The details of the dividends paid during the year are set out in note 17 to the Financial Statements.

19. SOLVENCY TEST

Taking into account the said distributions, the Directors are satisfied that the Company would meet the Solvency Test requirement under Section 57 of the Companies Act, No.07 of 2007 immediately after said distributions. The Company's Auditors, Messrs. KPMG, Chartered Accountants have audited the statement of solvency duly signed by the directors.

20. STATED CAPITAL

The Stated Capital of the Company as at 31st March 2015 was Rs. 953,166,933/- comprising of 82,096,719 ordinary shares and 5,739,770 deferred shares. The movement in Stated Capital of the Company is given in Note 26 to the Financial Statements.

There was no change in the Stated Capital of the Company during the year.

» annual report of the board of directors on the affairs of the company

21. INVESTMENTS

Investments represent, investment in subsidiaries, jointly controlled entity, available for sale financial assets held for capital appreciation and investments in fair value through profit or loss financial assets held for trading.

Investment in subsidiaries are detailed in note 20 on page 92.

Investment in jointly controlled entity is explained in detail through note 21 on page 93.

Investments in Available for sale financial assets are disclosed in note 22, comprises those investments which are held for a longer tenure, usually over 3-5 years. The fair value of investment in available for sale financial assets as at 31st March 2015 is Rs. 22,898.2 mn and Rs. 3,989.4 mn (2014 – Rs. 19,957.9 mn and Rs. 2,820.5 mn) for the Group and the Company respectively, as given in page 95 to 101.

The investment portfolio of fair value through profit or loss financial assets engaged in active trading to realise benefits of the short term movements in the stock market and is carried in the Statement of financial position at fair value, details of

which are given in note 24 in pages 102 to 106. The carrying value of the portfolio as at 31st March 2015 is Rs. 2,684.7 mn and Rs. 204.7 mn (2014 - Rs. 1,459.7 mn and Rs. 162.6 mn) for Group and the Company respectively.

22. CAPITAL EXPENDITURE

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

In Rupees thousands	Group	
	2015	2014
Property plant & equipment	1,274	9,832
Intangible assets	-	-

23. 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.

24. 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.

25. EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting date, no circumstances have arisen, which would require adjustments to or disclosures in the financial statements, other than those disclosed in note 37 to the Financial Statements.

26. CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

The contingent liabilities and commitments made on account of capital expenditure as at 31st March 2015 are given in note 38 to the Financial Statements.

27. CORPORATE DONATIONS

The Group and the Company made donations of Rs. 5 mn and Rs. 2.5 mn (2014 - Rs. 5 mn and Rs. 2.5 mn) respectively for "Youth to Nation Foundation", a Company limited by guarantee of which the main objective is to enhance the entrepreneurial, technical and business management skills of young entrepreneurs that would promote the socio economic development of Sri Lanka in a sustainable manner. The members of the said Company are Ceylon Guardian Investment Trust PLC and Ceylon Investment PLC.

28. SHARE INFORMATION

The details relating to earnings, net assets, market value per share and information on share trading are given on pages 130 to 131 and 139 to 140 of the Annual Report.

29. TWENTY MAJOR SHAREHOLDERS

The parent company, Carson Cumberbatch PLC holds 67.15% of the total ordinary shares in issue of the Company.

Twenty Major Shareholders with comparatives.

Name of Shareholders	As at 31st March			
	2015 No. of ordinary shares	%	2014 No. of ordinary shares	%
Carson Cumberbatch PLC A/C No.2	55,130,831	67.15	55,130,831	67.15
Thurston Investments Limited	3,609,650	4.40	5,278,174	6.43
Employees Provident Fund	2,149,166	2.62	2,173,634	2.65
Est. of Late Mr. M. Radhakrishnan (Deceased)	2,033,186	2.48	2,033,186	2.48
GF Capital Global Limited	1,582,962	1.93	1,572,962	1.92
Mr. H.A. Van Starrex	906,865	1.10	-	--
Miss. G.I.A. De Silva	868,275	1.06	868,275	1.06
Mr. G.J.W. De Silva	867,900	1.06	867,900	1.06
Mrs. M.L. De Silva	857,616	1.04	857,616	1.04
Mr. K.C. Vignarajah	609,483	0.74	609,473	0.74
Employees Trust Fund Board	485,775	0.59	1,260,750	1.54
Mellon Bank N.A. –Commonwealth of Massachusetts	395,000	0.48	-	-
The Ceylon Desiccated Coconut and Oil Company (Pvt) Limited	382,438	0.47	382,438	0.47
Mrs. S.E. Lokhandwalla	354,689	0.43	354,689	0.43
Miss. G.N.A. De Silva	349,493	0.43	349,493	0.43
Waldock Mackenzie Ltd/Mr. M.A.N. Yoosufali	346,400	0.42	345,331	0.42
Mr. O.D. Liyanage	263,609	0.32	263,609	0.32
Timex Garments (Pvt) Ltd.	250,001	0.30	-	--
Mrs. S. Vignarajah	249,233	0.30	249,233	0.30
Seylan Bank PLC/Capital Trust Holdings (Pvt) Ltd.	234,308	0.29	-	--

» annual report of the board of directors on the affairs of the company

30. ANNUAL REPORT

The Board of Directors has approved the consolidated financial statements together with the Reviews and other Reports which forms part of the Annual Report on 13th July 2015. 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.

31. ANNUAL GENERAL MEETING

63rd Annual General Meeting of the Company will be held on Tuesday the 11th day of August 2015 at 11.30 a.m. at Taj Samudra Hotel, "Crystal Room", Upper Floor, No. 25, Galle Face Centre Road, Colombo 3.

The Notice of the Annual General Meeting, setting out the business which will be transacted thereat is on page 142 of the Annual Report.

Signed on behalf of the Board,

(Sgd.)

I. Paulraj

Chairman

(Sgd.)

D.C.R. Gunawardena

Director

(Sgd.)

K. D. De Silva (Mrs.)

Director

Carsons Management Services (Private) Limited

Secretaries

Colombo

13th July 2015

profiles of the directors

ISRAEL PAULRAJ

Israel Paulraj is the Chairman of Ceylon Investment PLC, Guardian Capital Partners PLC and Rubber Investment Trust Limited. He serves as a Director of Carson Cumberbatch PLC and of several of the subsidiary companies within the Carsons Group.

He served as Past Chairman of the Federation of Exporters Associations of Sri Lanka and The Coconut Products Traders Association. He was a member of the Executive Committee of the Ceylon Chamber of Commerce, National Chamber of Commerce of Sri Lanka and Shippers Council. He served on the Board of Arbitrators of the Ceylon Chamber of Commerce. He has served as Hony. General Secretary of the Central Council of Social Services, Hony. Treasurer of The Christian Conference in Asia, President of the Church of Ceylon Youth Movement and Hony. Treasurer of the National Christian Council of Sri Lanka. He has also served as Chairman of the Incorporated Trustees of the Church of Ceylon.

He also served on the Presidential Task Force on Non-Traditional Export and Import Competitive Agriculture set up by President R.Premadasa. He served as Chairman of the Ecumenical Loan Fund of Sri Lanka and on its International Board in Geneva. He was a member of the Commercial Law Reform Commission and has served on the Parliamentary Consultative Committee on Internal and International Trade.

He holds a Bachelor of Law Degree and an Executive Diploma in Business Administration.

CHANDIMA GUNAWARDENA

Chandima Gunawardena serves as a Non-Independent, Non-Executive Director of Carson Cumberbatch PLC and in 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 four 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 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.

ASOKA DE Z GUNASEKRA

(resigned w.e.f. 31.10.2014)

Asoka Gunasekera was a Director of Ceylon Guardian Investment Trust PLC and Ceylon Investment PLC. He is a Director of Guardian Capital Partners PLC and Pegasus Hotels of Ceylon PLC. He also serves as Alternate Director to Mr. I.W. Senanayake (Chairman) of IWS Holdings (Pvt) Ltd and in most IWS Holdings Group companies. Past Chairman of the National Chamber of Commerce of Sri Lanka and Past President of the Ceylon National Chamber of Industries.

He is a Past International Director and a Board Appointee of Lions Clubs International and was also a Member of the National Police Commission of Sri Lanka. He served as Legal Advisor and Secretary to the Ministry of Posts and Telecommunications; Co-ordinating Secretary to the Ministry of Power and Energy and Ministry of Highways and was the Acting Secretary to the Ministry of Policy Planning.

He is an Attorney - at- Law & Notary Public.

» profiles of the directors

MANILAL FERNANDO

Manilal Fernando is a Director of Ceylon Investment PLC and is currently the Chairman of Shipping Cargo Logistics (Pvt) Ltd., Hyundai Lanka (Pvt) Ltd. and Dynamic AV Technologies (Pvt) Ltd. Director of Aitken Spence & Co. PLC and Eco Corp Asia Private Limited. He is also a Trustee of Joseph Fraser Memorial Hospital.

He has been the Past President of the Football Federation of Sri Lanka from 1979 to 1999, as well as the Vice President of the National Olympic Committee of Sri Lanka from 1990 to 2014.

He is an Attorney-at-Law & Notary Public.

ROSE COORAY

Rose Cooray is a Director of Ceylon Investment PLC, Prime Grameen Micro Finance Limited and Hatton National Bank PLC. She functions as the Chairperson of the Board Integrated Risk Committees and as a Member of several Board sub-committees at the Hatton National Bank PLC and the Prime Grameen Micro Finance Limited. She is a retired Deputy Governor of the Central Bank of Sri Lanka where she served for over 35 years.

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.

KRISHNA SELVANATHAN

Krishna Selvanathan is a Director of Carsons Management Services (Private) Limited, Lion Brewery (Ceylon) PLC and the Investment Sector Companies of the Carsons Group.

He holds a BA Degree in Accounting & Finance and Business Administration from the University of Kent, U.K.

WILLIAM KNIGHT

William Knight is the Chairman of China Chaintek United Limited, a Chinese domestic logistics company and Myanmar Investments International Ltd, specialist investors in Myanmar, both of which are companies listed on AIM. He is also Chairman of the JP Morgan Chinese Investment Trust Plc, a London listed investment trust specialising in greater China, as well as holding the chairmanship of MCS Apparel (HK) Limited and Henry Cotton's Greater China Limited, two joint venture companies owning branded consumer goods being marketed in China. His current board positions include the Fidelity Asian Values Trust Plc, Axis Fiduciary and Smith Tan Phoenix Asia Fund. In recent years he has served as a board member of specialist funds investing in: India, Korea, Mauritius, Portugal, Russia, Thailand and Vietnam, as well as for an AIM listed private equity fund of funds for India.

He originally specialised in financing major capital projects at Lazard Brothers and spent 18 years in various senior positions in the Lloyds Bank group based in London, Hong Kong and Lisbon. He is a co-founder of Emerisque Brands, an East/West management buy-in company and he is the Chairman of the Advisory Board of Homestrings LLP, an investment platform for the world's Diaspora.

TIMOTHY CHIA

Timothy Chia is a Director of Ceylon Investment PLC. He is the Chairman of Hup Soon Global Corporation Limited of Singapore.

In January 2012, Mr. Chia was appointed Chairman, Asia of Coutts & Co Ltd, the wealth management arm of the Royal Bank of Scotland Group.

He was made Chairman of UBS AG-Asia in October 2009 and retired in September 2011.

Mr. Chia was the President of PAMA Group Inc. (previously known as Prudential Asset Management Asia Limited, the Asian Investment and Asset Management arm of The Prudential Insurance Company of America). In 2007, he founded Hup Soon Global Corporation and became its founding Chairman.

Prior to joining PAMA, Mr. Chia was Vice President-Investment of American International Assurance Company Limited (AIA), a major subsidiary of the American International Group, Inc., New York (AIG).

Mr. Chia is currently a Director of Banyan Tree Holdings Ltd., Fraser and Neave Limited, Singapore Power Limited and The Straits Trading Company Limited.

He is a Senior Adviser to EQT Funds Management Ltd.

Mr. Chia was Director of SP Power Assets Ltd, Power Gas Ltd, SPI (Australia) Assets Pty Ltd, Singapore Post Ltd, FJ Benjamin Holdings Ltd, Frasers Centrepoint Ltd, Macquarie Pacific Star Prime REIT Management Ltd, The Hour Glass Ltd, KorAm Bank Co. (Korea), Meritz Securities Co., Ltd (Korea) and Magnecomp Precision Technology Public Co. Ltd (Thailand).

He is currently a Fellow of the Singapore Institute of Directors and a member of the World Presidents' Organisation.

Mr. Chia was named a Trustee of the Singapore Management University in January 2004 and is currently a member of its Audit and Investment Committees.

In September 2004, Mr. Chia was conferred the Arts Supporter Award by the National Arts Council.

Mr. Chia graduated with a cum laude in Management from Fairleigh Dickinson University in the United States.

management team profiles

RUVINI FERNANDO

Ruvini Fernando is CEO of Guardian Fund Management Limited, investment managers of the Ceylon Guardian Group and a Director of The Sri Lanka Fund, a country fund dedicated to Sri Lankan equities. The Ceylon Guardian Group presently has business interests in listed and private equity as well as managing mutual funds and institutional client portfolios, a collective portfolio of assets under management of over Rs.35bn. She counts approximately 25 years' experience in diverse fields of accounting, finance, strategic planning and investment management, of which 10 years have been with the Ceylon Guardian Group. She was a former visiting faculty member of the MBA programme of the Postgraduate Institute of Management (PIM). She is a Fellow of the Chartered Association of Certified Accountants (ACCA), UK and the Chartered Institute of Management Accountants (CIMA), UK and holds a Masters in Business Administration from the PIM, University of Sri Jayewardenepura. She currently serves as member of the Banking, Finance and Capital Markets Committee of the Ceylon Chamber of Commerce.

NILOO JAYATILAKE

Director, Guardian Fund Management Limited and heads the portfolio management division of the management company. Alternate Director of Guardian Acuity Asset Management Limited and represents the company on the Unit Trust Association of Sri Lanka. Counts over 20 years of experience in the investments and portfolio management field. Prior to joining the Carsons Group worked as Fund Manager at The Unit Trust Management Company Limited, managers of Ceybank Unit Trust Funds in Sri Lanka. Fellow Member of the Chartered Institute of Management Accountants, UK and Associate Member of the Institute of Chartered Secretaries and Administrators, UK.

THARINDA JAYAWARDANA

Head of Research, Guardian Fund Management Ltd. Has over 8 years of experience in investment research. Before joining the Carsons group, he worked as a Research Analyst at JB Securities (Pvt) Ltd. Is a CFA charter holder and an associate member of the Chartered Institute of Management Accountants. Also holds BSc Degree from the University of Sri Jayawardenepura specializing in Finance.

SUMITH PERERA

Fund Manager, Guardian Fund Management Ltd. Has over 10 years' 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.

SISIRA WICKRAMASINGHE

Sector Accountant for the Investment, Real Estate and Leisure sectors. Commenced career at KPMG, Chartered Accountants, prior to joining Carsons Group. Counts over seven years of experience in auditing, accounting and financial reporting. He is an Associate Member of the Institute of Chartered Accountants of Sri Lanka. He also holds a B.Sc. Accounting (Special) degree from the University of Sri Jayewardenepura, Sri Lanka.

ASANKA JAYASEKERA

Manager Research, Guardian Fund Management Ltd. He has over 6 years of experience in investment research. Prior to joining the Carson Cumberbatch Group, he worked as a Financial Analyst at JB Securities Ltd. He is an associate member of the Chartered Institute of Management Accountants (UK) and holds a B.Sc degree from the University of Sri Jayewardenepura specializing in Finance.

LAKMAL WICKRAMAARACHCHI

Accountant, Guardian Fund Management Limited. Commenced career at KPMG, Chartered Accountants, prior to joining the Carsons Group. Counts over seven years of experience in auditing and accounting. Associate Member of the Institute of Chartered Accountants of Sri Lanka. Holds a B.Sc. Finance (Special) Degree from the University of Sri Jayewardenepura, Sri Lanka.

CHAMPA PERERA

Manager of Portfolio Operations, Guardian Fund Management with over 8 years experience in operations, auditing, accounting and financial reporting. She worked as Finance Manager at Hada Group, Dubai & Hayleys Group and as an Assistant Manager at KPMG. Holds a Bsc Accounting (Special) degree from Sri Jayewardenepura University and is an Associate Member of the Institute of Chartered Accountants, Sri Lanka.

audit committee report

The Audit Committee of Carson Cumberbatch PLC (CCPLC)-the Parent Company is the Audit Committee of the Company.

The Audit Committee consists of the following Members :

Audit Committee Members	Executive/ Non-Executive/ Independent
Mr.Vijaya Malalasekera (Chairman)	Non-Executive, Independent (CCPLC)
Mr.Chandima Gunawardena	Non-Executive (CCPLC)
Mr. Faiz Mohideen	Non-Executive, Independent (CCPLC)

Mr.Vijaya Malalasekera is a Non-Executive, Independent Director of CCPLC and a former Director of Ceylon Tobacco Company PLC.

Mr.Chandima Gunawardena is a Non-Executive Director of CCPLC and in most of its Group Companies. He is a Fellow of the Chartered Institute of Management Accountants, U.K.

Mr.Faiz Mohideen, a Non-Executive, Independent Director of CCPLC, was the former Deputy Secretary to the Treasury and a former Director of Bank of Ceylon and Securities and Exchange Commission of Sri Lanka.

The purpose of the Audit Committee of CCPLC is as follows :

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 organisation by being objective in providing relevant assurance, contributing to the effectiveness and efficiency of governance, risk management and control processes.

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

CCPLC-Audit Committee held 05 Meetings during the financial year to discuss matters relating to the Company and the attendance of the Members of the Audit Committee was as follows :

	Meetings attended (out of five)
Mr.Vijaya Malalasekera (Chairman)	05
Mr.Chandima Gunawardena	05
Mr.Faiz Mohideen	05

The Chief Executive Officer-Investment Sector, Financial Controller-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 Committee met the External Auditors, Messrs. KPMG, twice during the year to discuss the audit scope and to deliberate the draft Financial Report and Accounts. The Audit Committee also discussed the draft Financial Report and Accounts, with the External Auditors, without the management being present to foster an unbiased, independent dialogue.

The Audit Committee approved the audit plan for the financial year 2014/2015 and the Group Internal Audit (GIA) carried out 06 audits on the Investment Sector companies based on the plan.

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

The objectives of the GIA work was to have an independent review of the system of internal controls as established by the management, its adequacy and integrity vis-à-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.

As approved by the Audit Committee, Messrs.KPMG, as part of their regular audit scope has commenced a comprehensive external IT security and process audit covering the entire Carsons Management Services (Private) Limited (Managers to the Company) - IT environment, which extends to the Investment Sector, as well.

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

The draft financial statements of Ceylon Guardian Investment Trust PLC for the year ended 31st March 2015 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 the Managers, Carsons Management Services (Private) Limited 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.

The Audit Committee has determined that Messrs.KPMG, Chartered Accountants, Auditors were independent on the basis that they did not carry out any management related functions of the Company.

The Audit Committee has 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 2016, subject to the approval of the shareholders of Ceylon Guardian Investment Trust PLC at the Annual General Meeting.

(Sgd.)

V.P. Malalasekera

Chairman – Audit Committee

Carson Cumberbatch PLC

Colombo

13th July 2015

financial calendar

Financial year end
63rd Annual General Meeting to be held on

31st March 2015
11th August 2015

ANNOUNCEMENT OF RESULTS

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

1st Quarter ended 30th June 2014
2nd Quarter ended 30th September 2014
3rd Quarter ended 31st December 2014
4th Quarter ended 31st March 2015

14th August 2014
14th November 2014
13th February 2015
29th May 2015

financial statements

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» Independent Auditors' Report



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TO THE SHAREHOLDERS OF CEYLON GUARDIAN INVESTMENT TRUST PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Ceylon Guardian Investment Trust PLC, ("the Company") and the consolidate financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at March 31, 2015, and the statements of profit or loss and other comprehensive income, changes in equity and, cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information set out on pages 70 to 129.

Board's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at March 31, 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

- The basis of opinion and scope and limitations of the audit are as stated above.
- In our opinion:
 - 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,
 - the financial statements of the Company give a true and fair view of its financial position as at 31 March 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.
 - the financial statements of the Company, and the Group comply with the requirements of sections 151 and 153 of the Companies Act No 07 of 2007.

CHARTERED ACCOUNTANTS

Colombo

13th July 2015

KPMG, a Sri Lankan partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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

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

» Statement of Profit or Loss and Other Comprehensive Income

In Rupees Thousands

For the year ended 31st March	Note	Group		Company	
		2015	2014 (Restated)	2015	2014 (Restated)
Revenue	11	2,066,614	1,882,368	720,712	814,897
Impairment loss on available for sale financial assets		(81,725)	-	(41,677)	-
Net change in fair value of fair value through profit or loss financial assets		194,892	943	12,921	(1,592)
Profit on investment activities		2,179,781	1,883,311	691,956	813,305
Other operating income - Gain on disposal of property plant and equipment		-	2,567	-	-
Administrative and other operating expenses		(196,363)	(161,632)	(73,965)	(55,926)
Profit from operations	12	1,983,418	1,724,246	617,991	757,379
Net finance income / (expense)	13	620	(1,650)	(42)	(2,221)
Profit from operations after net finance income / (expense)		1,984,038	1,722,596	617,949	755,158
Share of loss of equity accounted investee net of tax	14	(461)	(840)	-	-
Profit before taxation		1,983,577	1,721,756	617,949	755,158
Income tax expense	15	(64,315)	(109,611)	(9,134)	(23,965)
Profit for the year		1,919,262	1,612,145	608,815	731,193
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Actuarial gain / (loss) on employee benefit obligation		69	(42)	-	-
Items that are / or may be reclassified to profit or loss					
Net change in fair value of available for sale financial assets		2,731,426	(2,223,126)	621,191	13,153
Transfer of realised gains on disposal of available for sale financial assets		(1,009,320)	(1,118,900)	(159,242)	(131,866)
Share of other comprehensive income of equity accounted investee net of tax	21	581	1,217	-	-
Net exchange differences on translation of foreign operations		3,065	8,108	-	-
Other comprehensive income / (expense) for the year		1,725,821	(3,332,743)	461,949	(118,713)
Total comprehensive income / (expense) for the year		3,645,083	(1,720,598)	1,070,764	612,480
Profit attributable to:					
Equity holders of the parent		1,510,801	1,296,603	-	-
Non controlling interest		408,461	315,542	-	-
		1,919,262	1,612,145	-	-
Total comprehensive income / (expense) attributable to:					
Equity holders of the parent		2,984,336	(1,424,690)	-	-
Non controlling interest		660,747	(295,908)	-	-
		3,645,083	(1,720,598)	-	-
Earnings per share (Rs.)	16	17.20	14.76	6.93	8.32

The notes to the financial statements from pages 75 to 129 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			Company		
		2015	2014 (Restated)	1st April 2013 (Restated)	2015	2014 (Restated)	1st April 2013 (Restated)
ASSETS							
Non-current assets							
Property, plant and equipment	18	8,517	10,087	3,203	-	-	-
Intangible assets	19	231,917	233,744	236,562	-	-	-
Investments in subsidiaries	20	-	-	-	2,083,812	2,083,812	2,083,812
Investment in equity accounted investee	21	25,913	25,793	25,416	35,000	35,000	35,000
Available for sale financial assets	22	22,898,257	19,957,948	22,158,994	3,989,444	2,820,576	2,428,734
Deferred tax asset	30	-	2,016	10,404	-	2,016	10,404
Total non-current assets		23,164,604	20,229,588	22,434,579	6,108,256	4,941,404	4,557,950
Current assets							
Trade and other receivables	23	62,620	43,878	148,400	175,459	170,938	41,202
Current tax assets		12,400	11,335	14,724	12,249	10,646	13,349
Fair value through profit or loss financial assets	24	2,684,697	1,459,717	1,166,881	204,670	162,643	147,453
Cash and cash equivalents	25	1,774,672	2,821,585	2,763,404	109,382	689,149	830,362
Total current assets		4,534,389	4,336,515	4,093,409	501,760	1,033,376	1,032,366
Total assets		27,698,993	24,566,103	26,527,988	6,610,016	5,974,780	5,590,316
EQUITY AND LIABILITIES							
Equity							
Stated capital	26	953,167	953,167	953,167	953,167	953,167	953,167
Capital reserves	27	326,981	326,400	325,183	208,660	208,660	208,660
Revenue reserves	28	21,350,696	18,804,742	20,450,240	5,412,426	4,779,460	4,386,571
Total equity attributable to equity holders of the parent		22,630,844	20,084,309	21,728,590	6,574,253	5,941,287	5,548,398
Non-controlling interest		4,827,637	4,256,848	4,702,009	-	-	-
Total equity		27,458,481	24,341,157	26,430,599	6,574,253	5,941,287	5,548,398
Non-current liabilities							
Employee benefits	29	10,034	7,609	5,425	-	-	-
Total non-current liabilities		10,034	7,609	5,425	-	-	-
Current liabilities							
Trade and other payables	31	207,033	173,525	52,707	35,169	29,933	14,291
Current tax liabilities		4,570	37,555	11,184	-	-	-
Bank overdraft	25	18,875	6,257	28,073	594	3,560	27,627
Total current liabilities		230,478	217,337	91,964	35,763	33,493	41,918
Total liabilities		240,512	224,946	97,389	35,763	33,493	41,918
Total equity and liabilities		27,698,993	24,566,103	26,527,988	6,610,016	5,974,780	5,590,316
Net assets per ordinary / deferred share		257.65	228.66	247.38	74.85	67.64	63.17

The notes from pages 75 to 129 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).

V.R. Wijesinghe

Financial Controller

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 and Signed on behalf of the Board,

(Sgd).

W.Y.R. Fernando

Director

Guardian Fund Management Limited

Colombo

13th July 2015

(Sgd).

I. Paulraj

Chairman

(Sgd).

D.C.R. Gunawardena

Director

» Statement of Changes in Equity

In Rupees Thousands

	Stated capital	Capital reserves			Revenue reserves						Attributable to equity holders of parent	Non controlling interest	Total equity	
		Investment reserve	Other capital reserves	Jointly controlled entity's capital reserve	Associate company's capital reserve	Translation reserves	Fair value through profit or loss financial assets reserve	Available for sale financial assets reserve	General reserve	Retained earnings				
Group														
Balance as at 1st April 2013 (As previously reported)	953,167	7,805	316,741	637	1,164,610	-	54,440	3,325,718	32,668	8,834,904	14,690,690	3,139,062	17,829,752	
-Impact of change in accounting policies (note 35)	-	-	-	-	(1,164,610)	27,633	-	11,825,329	-	(3,650,452)	7,037,900	1,562,947	8,600,847	
Balance as at 1st April 2013 (Restated)	953,167	7,805	316,741	637	-	27,633	54,440	15,151,047	32,668	5,184,452	21,728,590	4,702,009	26,430,599	
Profit for the year (Restated)	-	-	-	-	-	-	-	-	-	1,296,603	1,296,603	315,542	1,612,145	
Other comprehensive income / (expense) for the year (Restated)	-	-	-	1,217	-	5,765	-	(2,728,233)	-	(42)	(2,721,293)	(611,450)	(3,332,743)	
Total comprehensive income / (expense) for the year (Restated)	-	-	-	1,217	-	5,765	-	(2,728,233)	-	1,296,561	(1,424,690)	(295,908)	(1,720,598)	
Dividend for 2012/13	-	-	-	-	-	-	-	-	-	(219,591)	(219,591)	(149,253)	(368,844)	
Transfers (note 28.1)	-	-	-	-	-	-	(30,226)	-	-	30,226	-	-	-	
Balance as at 31st March 2014 (Restated)	953,167	7,805	316,741	1,854	-	33,398	24,214	12,422,814	32,668	6,291,648	20,084,309	4,256,848	24,341,157	
Balance as at 1st April 2014	953,167	7,805	316,741	1,854	-	33,398	24,214	12,422,814	32,668	6,291,648	20,084,309	4,256,848	24,341,157	
Profit for the year	-	-	-	-	-	-	-	-	-	1,510,801	1,510,801	408,461	1,919,262	
Other comprehensive income	-	-	-	581	-	2,179	-	1,470,706	-	69	1,473,535	252,286	1,725,821	
Total comprehensive income for the year	-	-	-	581	-	2,179	-	1,470,706	-	1,510,870	2,984,336	660,747	3,645,083	
Dividend for 2013/14	-	-	-	-	-	-	-	-	-	(439,182)	(439,182)	(89,859)	(529,041)	
Effect due to change in shareholdings	-	-	-	-	-	-	-	-	-	(3)	(3)	(99)	(102)	
Forfeiture of unclaimed dividends	-	-	-	-	-	-	-	-	-	1,384	1,384	-	1,384	
Transfers (note 28.1)	-	-	-	-	-	-	60,814	-	-	(60,814)	-	-	-	
Balance as at 31st March 2015	953,167	7,805	316,741	2,435	-	35,577	85,028	13,893,520	32,668	7,303,903	22,630,844	4,827,637	27,458,481	

The notes from pages 75 to 129 form an integral part of these financial statements.

Figures in brackets indicate deductions.

In Rupees Thousands

In Rupees/Thousands	Stated capital	Capital reserves		Revenue Reserves					Retained earnings	Total equity
		Investment reserve	Other capital reserve	Fair value through profit or loss financial assets reserve	Available for sale financial assets reserve	General reserve				
Company										
	953,167	7,805	200,855	9,395	979,808	14,961	3,397,003	5,562,994		
Balance as at 1st April 2013 (As previously reported)										
Impact of change in accounting policies (note 35)	-	-	-	-	(14,596)	-	-	(14,596)	-	(14,596)
Balance as at 1st April 2013 (Restated)	953,167	7,805	200,855	9,395	965,212	14,961	3,397,003	5,548,398		
Profit for the year	-	-	-	-	-	-	731,193	731,193		
Other comprehensive expense for the year (Restated)	-	-	-	-	(118,713)	-	-	(118,713)		
Total comprehensive income / (expense) for the year	-	-	-	-	(118,713)	-	731,193	612,480		
Dividend for 2012/13	-	-	-	-	-	-	(219,591)	(219,591)		
Transfers (note 28.1)	-	-	-	(8,230)	-	-	8,230	-		
Balance as at 31st March 2014	953,167	7,805	200,855	1,165	846,499	14,961	3,916,835	5,941,287		
Balance as at 1st April 2014	953,167	7,805	200,855	1,165	846,499	14,961	3,916,835	5,941,287		
Profit for the year	-	-	-	-	-	-	608,815	608,815		
Other comprehensive income for the year	-	-	-	-	461,949	-	-	461,949		
Total comprehensive income for the year	-	-	-	-	461,949	-	608,815	1,070,764		
Dividend for 2013/14	-	-	-	-	-	-	(439,182)	(439,182)		
Forfeiture of unclaimed dividends	-	-	-	-	-	-	1,384	1,384		
Transfers (note 28.1)	-	-	-	12,055	-	-	(12,055)	-		
Balance as at 31st March 2015	953,167	7,805	200,855	13,220	1,308,448	14,961	4,075,797	6,574,253		

The notes from pages 75 to 129 form an integral part of these financial statements.
Figures in brackets indicate deductions.

» Statement of Cash Flow

In Rupees Thousands

For the year ended 31st March	Note	Group		Company	
		2015	2014 (Restated)	2015	2014
Cash flows from operating activities					
Profit before taxation		1,983,577	1,721,756	617,949	755,158
Adjustments for:					
Share of loss of equity accounted investee net of tax		461	840	-	-
Depreciation on property, plant and equipment	18	2,844	2,948	-	-
Amortisation of intangible assets	19	1,827	2,818	-	-
Gain on disposal of property, plant and equipment		-	(2,567)	-	-
Provision for employee benefits	29	2,494	2,142	-	-
Net finance income / (expense)	13	(620)	1,650	42	2,221
Impairment loss on available for sale financial assets		81,725	-	41,677	-
Net charge in fair value of fair value through profit or loss financial assets		(194,892)	(943)	(12,921)	1,592
Operating profit before working capital changes		1,877,416	1,728,644	646,747	758,971
(Increase) / decrease in trade and other receivables		(18,742)	104,522	(4,521)	(129,736)
Net increase in investments		(2,330,016)	(1,432,873)	(777,702)	(527,337)
(Increase) / decrease in trade and other payables		22,013	29,695	(1,572)	14,309
Cash generated from / (used in) operations		(449,329)	429,988	(137,048)	116,207
Income tax paid		(96,348)	(71,463)	(8,720)	(12,874)
Net cash generated from / (used in) operating activities		(545,677)	358,525	(145,768)	103,333
Cash flows from investing activities					
Acquisition of property, plant and equipment	18	(1,274)	(9,832)	-	-
Proceeds from disposal of property, plant and equipment	19	-	2,567	-	-
Finance Income		834	2,337	-	-
Net cash used in investing activities		(440)	(4,928)	-	-
Cash flows from financing activities					
Dividend paid		(430,991)	(218,258)	(430,991)	(218,258)
Dividend paid to non-controlling interest		(85,172)	(59,463)	-	-
Finance expense paid		(214)	(3,987)	(42)	(2,221)
Redemptions of units		(102)	-	-	-
Net cash used in financing activities		(516,479)	(281,708)	(431,033)	(220,479)
Net increase / (decrease) in cash and cash equivalents		(1,062,596)	71,889	(576,801)	(117,146)
Cash and cash equivalents at the beginning of the year		2,815,328	2,735,331	685,589	802,735
Net exchange differences on translation of foreign operations		3,065	8,108	-	-
Cash and cash equivalents at the end of the year	25	1,755,797	2,815,328	108,788	685,589

The notes from pages 75 to 129 form an integral part of these financial statements.

Figures in brackets indicate deductions.

» Notes to the Financial Statements

1. Reporting Entity

Ceylon Guardian Investment Trust PLC 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 is located at No 61 Janadhipathi Mawatha, Colombo 1.

The consolidated financial statements of the Company as at and for the year ended 31 March 2015 comprise the financial information of Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in associate and jointly controlled entity.

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

The Group has two listed subsidiaries, listed on the Colombo Stock Exchange, out of the five subsidiaries set out in the note 20 to the financial statements. The jointly controlled entity is set out in note 21 to the financial statements.

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 function as Managers and Secretaries of the Group.

The Group had 19 (2014 – 17) employees at the end of the financial year. The Company had no employees as at the reporting date (2014 - Nil).

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Company and the Group comprise the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and 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. 7 of 2007.

The consolidated financial statements were authorised for issue by the Board of Directors on 13th July 2015.

(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 fair value through profit or loss are measured at fair value;
- Available-for-sale financial assets are measured at fair value;
- Defined benefit obligations are measured at its present value, based on an actuarial valuation.

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.

(c) 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.

(d) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with LKAS/SLFRS requires management to make judgments, 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 in the period in which the estimates are revised and in any future periods affected.

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:

» Notes to the Financial Statements

Assumptions and estimation uncertainties:

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.

i. Deferred taxation - utilization of tax losses

Deferred tax assets are recognized 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 recognized, based upon the level of future taxable profits together with future tax planning strategies.

ii. 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.

iii. Current taxation

Current tax liabilities arise to the group in 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 revenue authorities. 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.

Measurement of Fair values

vi. Fair value of financial instruments

Where the fair values of financial instruments recorded on the Statement of Financial Position cannot be derived from active

markets, they are determined using valuation techniques including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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 they are immaterial.

3. Significant Accounting Policies

The Accounting Policies set out below have been applied consistently to all periods presented in the Financial Statements of the Group and the Company unless otherwise indicated.

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e. when control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

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 acquire; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain 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.

Transactions 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 interests

For each business combination, the Group elects to measure any non-controlling interests 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 interests 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 where ever 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 derecognises 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 (Note (v)) or as an available-for-sale financial asset (Note (c)) 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 significant influence or joint control commences until the date that significant influence or 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.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized 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.

» Notes to the Financial Statements

(vii) *Financial year end*

All companies in the Group have a common financial year which ends on 31st March, except the following.

Company	Nature of relationship	Financial year end
Guardian Acuity Asset Management Limited	Jointly controlled entity	31st December

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

- available-for-sale equity investments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);

(ii) *Foreign operations*

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

income and expenses of foreign operations are translated to Sri Lanka 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 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 that control, significant influence or joint control is lost, 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 re-attributed 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 item 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) *Financial instruments*

(i) *Non-derivative financial assets*

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the 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. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only

when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories; financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified as fair value through profit or loss (FVTPL) or is designated as such on initial recognition if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented investment or risk management strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Financial assets classified as FVTPL comprise short-term sovereign debt securities actively managed by the Group's treasury department to address short-term liquidity needs.

Financial assets designated as fair values through profit or loss comprise equity securities that otherwise would have been classified as available-for-sale.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Specific instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Investment in reverse repurchase agreement

The company purchases a financial asset and simultaneously enter into an agreement to re sell the same or a substantially similar asset at a fixed price on a future date. The arrangement is accounted for as loans and receivables.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and debt securities.

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the statement of cash flows.

» Notes to the Financial Statements

(iii) *Stated capital*

Ordinary shares

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

(d) *Property, plant and equipment*

(i) *Recognition and measurement*

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

Subsequent to the initial recognition property, plant & 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; and
- capitalised borrowing costs.

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. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

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 of an asset begins when it is available for use whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

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 recognized net within Other Income in the Statement of Income.

(e) *Intangible assets and goodwill*

(i) *Recognition and measurement*

Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, see (note 3).

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, licensed for use by the Group, which are not integrally related to associated hardware, which can be clearly identified, reliably measured and it's 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 Income using the straight line method over 3 to 10 years.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised 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 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.

(f) Impairment

(i) Non derivative financial assets

A financial asset not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor; restructuring of an amount due to the Group on terms that the Group would not consider otherwise; indications that a debtor or issuer will enter bankruptcy; adverse changes in the payment status of borrowers or issuers,

economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20 percent to be significant and a period of 9 months to be prolonged.

Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity financial assets) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income.

» Notes to the Financial Statements

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount.

An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(ii) **Non-financial assets**

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or 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 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. 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. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) 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.

(g) **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 discount rate is the yield at the reporting date on high quality corporate bonds, that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid.

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 in every year. The liability is not externally funded. All Actuarial gains or losses are recognised immediately in other comprehensive income.

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.

(h) 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.

(i) Contingent liabilities and contingent assets

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 recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

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 recognize contingent assets 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.

(i) Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes, and after eliminating sales within the Group.

The following specific criteria are used for the purpose of recognition of revenue;

(i) Dividend Income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

(ii) Gain on disposal of financial assets (categorized as available for sale / fair value through profit or loss)

Profits or losses on disposal of investments are accounted for in the Statement of Income on the basis of realized net profit.

(iii) Management fee income

Management fee income is recognised on accrual basis.

(iv) Interest income

Interest income comprises the amounts earned on funds invested (including available-for-sale financial assets), and is recognised as it accrues in profit or loss, using the effective interest method.

(v) Other income

Net gains and losses of a revenue nature resulting from the disposal of property, plant & equipment have been accounted for in the Statement of Income.

(j) Expenditure Recognition**(i) Operating Expenses**

All expenses incurred in day-to-day operations of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to revenue in arriving at the profit or loss for the year. Provision has also been made for bad and doubtful debts, all known liabilities and depreciation on property, plant & equipment.

(ii) Finance income and finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and deferred consideration, dividends on preference shares classified as liabilities, contingent consideration, losses on hedging instruments that are recognised in profit or loss and reclassifications of net losses previously recognised in other comprehensive income.

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 recognized in profit or loss when the related services are performed.

» Notes to the Financial Statements

(k) **Income tax expense**

Income Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in 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.

(i) **Current taxation**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of 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.

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 Company 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.

(iv) **Economic Service Charge (ESC)**

As per the provisions of Economic Service Charge Act No. 13 of 2006 and amendments thereto, is payable on "Liable Turnover" and is deductible from the income tax payments. Any unclaimed ESC can be carried forward and settled against the income tax payable in the four subsequent years.

4. 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 Company by the weighted average number of ordinary shares outstanding during the period.

5. Related Party Transactions

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

6. Events after the Reporting Period

All material and important events which occur after the reporting date have been considered and disclosed in Note 37.

7. Dividends on Ordinary Shares

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

8. Presentation

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

Where appropriate, the significant accounting policies are disclosed in the succeeding Notes.

(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. Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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

- Level 1 - Input that are quoted market prices (unadjusted) in active markets for identifiable assets and liabilities
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable from the asset or liability either directly (as prices) or indirectly (derived prices)
- Level 3 - Inputs from the asset or liability that are not based on observable market data (unobservable inputs)

This category includes all financial instruments for which the valuation techniques include inputs not based on observable data and unobservable inputs have significant effect on the instrument's valuation.

If the inputs used to measure the fair value of an asset or a liability might be categorized in 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.

(a) Equity and debt securities

The fair values of investments in equity and debt 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.

Subsequent to initial recognition, the fair values of held-to-maturity investments are determined for disclosure purposes only.

(b) Trade and other receivables

The fair values of trade and other receivables, excluding construction work in progress, 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.

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 25.

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

» Notes to the Financial Statements

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 which have been applied in these financial statements during the year

The following Sri Lanka Accounting Standards were issued by the Institute of Chartered Accountants of Sri Lanka and have been adopted from the accounting period commencing from 1st April 2014.

SLFRS 10, 'Consolidated financial statements', builds on existing principles by identifying the concept of control as the determining factor when assessing whether an entity should be included within the consolidated financial statements of the parent company. The Standard provides additional guidance to assist in the determination of control where it is difficult to assess. The effect of this Standard on consolidated financial statements have been disclosed in Note 35.

SLFRS 11, 'Joint Arrangement', the objective of this SLFRS is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements). The Standard requires to recognize the interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with LKAS 28 Investment in Associate and Joint Ventures. The Group did not have any material impact from the implementation of SLFRS 11 and the investment continued to be recognized by applying the equity method and there has been no impact on the recognized assets, liabilities and comprehensive income of the group.

SLFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. Necessary disclosures required by the new Standard have been included in the Notes to the Financial Statements.

SLFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across SLFRSs/LKASs. Necessary disclosures required by the new Standard have been included in the Notes to the Financial Statements.

New Accounting Standards issued but not effective as at reporting date

A number of new standards and amendments to standards which have been issued but not yet effective as at the Reporting date have not been applied in preparing these Financial Statements. Accordingly, these Accounting Standards have not been applied in preparing these financial statements.

SLFRS 9 Financial Instruments

SLFRS 9, issued in 2014, replaces the existing guidance in LKAS 39 Financial Instruments: Recognition and Measurement. SLFRS 9 includes revised guidance on the classification and measurement of financial instruments. It also carries forward the guidance on recognition and de recognition of financial instruments from LKAS 39.

Effective date of IFRS 9 is 01st April 2018.

The Group is assessing the potential impact on its financial statements resulting from the application of SLFRS 9.

SLFRS 15 Revenue from Contracts with Customers

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including LKAS 18 Revenue, and LKAS 11 Construction Contracts.

SLFRS 15 is effective for annual reporting periods beginning on or after 01st April 2017.

The above new standard (SLFRS 15) is not expected to have a significant impact of the Company's financial statements.

The following new or amended standards are not expected to have an impact of the Company's financial statements.

- SLFRS 14 Regulatory Deferral Accounts – effective from 01st April 2016
- Agriculture: Bearer Plants (Amendments to LKAS 16 and LKAS 41) – effective from 01st April 2016

In Rupees Thousands

For the year ended 31st March	Group		Company	
	2015	2014 Restated	2015	2014
11 Revenue				
Net gain from disposal of fair value through profit or loss financial assets	156,079	39,387	29,158	3,946
Net gain from disposal of available for sale financial assets (note 11.1)	1,367,970	1,249,633	305,467	193,491
Dividend income	655,161	906,837	349,849	523,123
Interest income on financial assets carried at amortised cost (note 11.2)	200,972	338,405	36,238	94,337
Management fees	87,205	66,950	-	-
	2,467,387	2,601,212	720,712	814,897
Intra-group transactions	(400,773)	(718,844)	-	-
	2,066,614	1,882,368	720,712	814,897
11.1 Net gain from disposal of available for sale financial assets				
Proceeds from disposal of available for sale financial assets	2,598,589	2,105,219	729,508	532,011
Carrying value of available for sale financial assets disposed	(2,239,939)	(1,974,486)	(583,283)	(470,386)
Transfer of realised gains on disposal of available for sale financial assets	1,009,320	1,118,900	159,242	131,866
	1,367,970	1,249,633	305,467	193,491
11.2 Interest income on financial assets carried at amortised cost				
Cash at bank	751	2,494	606	825
Securities purchased under resale agreements	150,045	31,329	29,518	6,341
Placements with Banking Institutions	49,176	304,582	6,114	87,171
	200,972	338,405	36,238	94,337
12 Profit from operations				
<i>Profit from operations is stated after charging all expenses include the following:</i>				
Auditors' remuneration and expenses				
- Audit fees	2,807	2,672	405	368
- Audit related fees	585	215	110	65
- Non audit services	-	-	-	-
Directors' fees	16,744	9,397	11,776	6,651
Support service fee	38,024	30,466	15,757	9,026
Depreciation and amortisation (note 12.a)	4,671	5,766	-	-
Professional services (note 12.b)	2,113	2,590	331	-
Personnel cost (note 12.c)	67,438	57,514	-	-
Donations	5,000	5,000	2,500	2,500
Impairment loss on available for sale financial assets	81,725	-	41,677	-

» Notes to the Financial Statements

In Rupees Thousands

For the year ended 31st March	Group		Company	
	2015	2014 Restated	2015	2014
12.a Depreciation and Amortization				
Depreciation of property, plant and equipment	2,844	2,948	-	-
Amortisation of intangible assets	1,827	2,818	-	-
	4,671	5,766	-	-
12.b Professional Services				
Legal services	1,166	2,434	-	-
Valuation services	588	6	291	-
Other professional service	359	150	40	-
	2,113	2,590	331	-
12.c Personnel cost				
Salaries, wages and other related expenses	59,625	50,603	-	-
Defined benefit plan cost (note 29.1)	2,494	2,142	-	-
Defined contribution plan cost	5,319	4,769	-	-
	67,438	57,514	-	-
The above include				
Directors' emoluments	22,087	20,068	-	-
	22,087	20,068	-	-
13 Net finance income / (expense)				
Finance income				
Interest income	823	1,534	-	-
Exchange gain	11	803	-	-
	834	2,337	-	-
Finance expense				
Interest on debts and borrowings	214	3,838	42	2,208
Exchange losses	-	149	-	13
	214	3,987	42	2,221
Net finance income / (expense)	620	(1,650)	(42)	(2,221)

14 Share of loss of equity accounted investee net of tax

	Revenue		Net loss for the year		Investor's share of loss net off tax	
	31st December 2014	31st December 2013	31st December 2014	31st December 2013	31st March 2015	31st March 2014
For the year ended						
Guardian Acuity Asset Management Limited	15,925	13,007	(922)	(1,678)	(461)	(840)
	15,925	13,007	(922)	(1,678)	(461)	(840)

15 Income tax expense

For the year ended 31st March	Group		Company	
	2015	2014 Restated	2015	2014
15.1 Income tax expense				
Provision for the year (note 15.2)	50,418	80,473	7,155	15,627
Over provision for previous year	(348)	(92)	(37)	(50)
Dividend tax	12,229	20,842	-	-
	62,299	101,223	7,118	15,577
Deferred tax				
Origination and reversal of temporary differences (note 30)	2,016	8,388	2,016	8,388
	2,016	8,388	2,016	8,388
Income tax expense for the year	64,315	109,611	9,134	23,965
15.2 Reconciliation between accounting profit and taxable profit				
Accounting profit before taxation	1,983,577	1,721,756	617,949	755,158
Adjustments :				
Exempt profits on sale of quoted public shares	(1,524,049)	(1,289,020)	(334,625)	(197,437)
Dividend income	(655,161)	(906,837)	(349,849)	(523,123)
Allowable claims	(3,486)	(4,622)	-	-
Impairment loss on available for sale financial assets	81,725	-	41,677	-
Net change in fair value of fair value through profit or loss financial assets	(194,892)	(943)	(12,921)	1,592
Expenses attributable to exempt profit	152,374	110,795	59,614	44,386
Disallowable expenses	23,635	19,051	10,912	5,289
	(136,277)	(349,820)	32,757	85,865
Transactions adjusted on consolidation	331,681	668,796	-	-
Share of profit of equity accounted investee net of tax	461	840	-	-
Utilisation of tax losses (note 15.3)	(15,800)	(32,411)	(7,203)	(30,053)
Adjusted profit for taxation	180,065	287,405	25,554	55,812
Current tax liability for the year				
Income tax expense of the Company (note 15.4 (a))	7,155	15,627	7,155	15,627
Income tax expense of subsidiaries (note 15.4 (a))	43,263	64,846	-	-
	50,418	80,473	7,155	15,627

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.

» Notes to the Financial Statements

In Rupees Thousands

15.3 Movement in tax losses

For the year ended 31st March	Group		Company	
	2015	2014	2015	2014
Tax losses brought forward	30,119	60,082	7,203	37,159
Adjustment on finalization of income tax liability	-	2,448	-	97
Utilization of tax losses during the year	(15,800)	(32,411)	(7,203)	(30,053)
Tax losses carried forward	14,319	30,119	-	7,203

Utilisation of tax losses is restricted to 35% of Statutory Income. Unabsorbed tax losses can be carried forward indefinitely.

15.4 Summary of provision applicable under relevant tax legislation

- In accordance with the provisions of the Inland Revenue Act No. 10 of 2006 and amendments thereto, the Company and all other companies of the Group are liable to income tax at the standard rate of 28% (2014 - 28%) subject to exemption disclosed in note 15.4 (b).
- In terms of section 13 (t) of the Inland Revenue Act, No.10 of 2006 and amendments thereto, profits derived on sale of shares on which Share Transaction Levy (STL) has been paid is exempt from income tax.
- Economic Service Charge (ESC) paid by the Company and its subsidiaries are available as income tax credit over a period of four subsequent years. In instances where recoverability is not possible due to tax status, sums paid are written-off against profit/loss.

16 Earnings per share

The Company's and the Group's basic earnings per share is calculated on the profit attributable to the shareholders of the Ceylon Guardian Investment Trust PLC over the weighted average number of ordinary shares outstanding during the year, as required by Sri Lanka Accounting Standard (LKAS 33) - "Earnings per share".

The following reflect the earnings and share data used for the computation of earnings per ordinary / deferred share:

For the year ended 31st March	2015	2014 Restated	2015	2014
Amount used as the numerator				
Profit for the year attributable to the shareholders of Ceylon Guardian Investment Trust PLC	1,510,801	1,296,603	608,815	731,193
Amount used as denominator (in thousands)				
"Weighted average number of ordinary shares / deferred shares outstanding used as the denominator * ('000)	87,836	87,836	87,836	87,836
Earnings per share (Rs.)	17.20	14.76	6.93	8.32

* Each deferred share is considered to be made up of equivalent number of ordinary shares in Calculating the weighted average number of shares outstanding during the year for the purpose of earnings per share calculation.

17 Dividend per share

For the year ended 31st March	Company	
	2015	2014
Dividend paid		
On ordinary shares	410,483	205,242
On deferred shares	28,699	14,349
	439,182	219,591
Dividend proposed during the year		
Proposed first interim dividend - scrip		
Total dividend - ordinary / deferred shares	175,673	-
Dividend per share (Rs.)	2.00	-
Proposed final dividend - cash		
Total dividend		
- On ordinary shares	246,290	410,483
- On deferred shares	17,219	28,699
	263,509	439,182
Dividend per share (Rs.)	3.00	5.00
Total dividend per share (Rs.)	5.00	5.00

After satisfying the solvency tests in accordance with Section 57 of the Company's Act, No. 7 of 2007,

- a) The Directors have recommended a first interim dividend in the form of Scrip dividend of Rs. 2/- (2014 - Nil) per ordinary and deferred share for the year ended 31st March 2015 amounting to Rs. 175,672,908/- (2014 - Nil) which is to be approved at the forthcoming Extraordinary General Meeting of the Company. The maximum number of shares to be issued is 944,478 as follows.
- 882,761 ordinary shares in the ratio of 01 ordinary share for every 93 existing ordinary shares at a value of Rs. 186/- per share
 - 61,717 deferred shares in the ratio of 01 deferred share for every 93 existing deferred shares at a value of Rs. 186/- per share
- b) The Directors also recommended the payment of a final dividend of Rs. 3/- (2014 - Rs. 5) per ordinary / deferred share for the year ended 31st March 2015 amounting to Rs. 263,509,467/- (2014 - Rs. 439,182,445/-) which is to be approved at the forthcoming Annual General Meeting.

According to the Sri Lanka Accounting Standard (LKAS 10) - "Events after the reporting period" this proposed first interim dividend has not been adjusted and the final dividend has not been recognised as a liability as at 31st March 2015.

18 Property, plant and equipment - Group

	Office equipment	Computer equipment	Furniture & fittings	Motor vehicle	Total 2015	Total 2014	Total 2013
Cost							
Balance as at the beginning of the year	186	3,121	2,883	9,445	15,635	15,478	14,114
Additions	-	1,274	-	-	1,274	9,832	1,448
Disposals	-	-	-	-	-	(9,675)	(84)
Balance as at end of the year	186	4,395	2,883	9,445	16,909	15,635	15,478
Accumulated depreciation							
Balance as at the beginning of the year	93	2,278	1,760	1,417	5,548	12,275	9,447
Charge for the year	27	641	288	1,888	2,844	2,948	2,887
Disposals	-	-	-	-	-	(9,675)	(59)
Balance as at end of the year	120	2,919	2,048	3,305	8,392	5,548	12,275
Net book value as at end of the year	66	1,476	835	6,140	8,517	10,087	3,203

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

As at 31st March	2015	2014	2013
Office equipment	53	53	53
Computer equipment	1,962	920	567
	2,015	973	621

18.2 The Group do not have any leased assets as at the reporting date.

18.3 No borrowing costs were capitalised during the year (2014 - Nil).

18.4 No fixed assets pledged as security as at the reporting date.

» Notes to the Financial Statements

19 Intangible assets - Group

	Goodwill on consolidation	Computer software	Total 2015	Total 2014	Total 2013
Cost					
Balance as at the beginning of the year	231,917	15,350	247,267	247,267	247,267
Balance as at the end of the year	231,917	15,350	247,267	247,267	247,267
Amortisation					
Balance as at the beginning of the year	-	13,523	13,523	10,705	8,073
Charge for the year	-	1,827	1,827	2,818	2,632
Balance as at end of the year	-	15,350	15,350	13,523	10,705
Net book value as at the end of the year	231,917	-	231,917	233,744	236,562

19.1 Details of fully amortised intangible assets are as follows;

As at 31st March	2015	2014	1st April 2013
Computer software	15,350	-	-
	15,350	-	-

19.2 Analysis of Computer software

Purchased software	15,350	15,350	15,350
	15,350	15,350	15,350

19.3 Impairment assessment of goodwill

Goodwill arising on business combinations - Guardian Capital Partners PLC

Based on the prevailing published market prices at the end of the year and the forecasted growth of its current investment portfolio, the Board of Directors is confident that the recoverable amount of goodwill is higher than its corresponding carrying amount as at the reporting date.

20 Investment in subsidiaries - Company

	2015			2014 (Restated)			1st April 2013 (Restated)		
	No of shares	Cost	Fair value	No of shares	Cost	Fair value	No of shares	Cost	Fair value
(a) Quoted investments									
Ceylon Investment PLC	63,407,518	1,239,234	5,770,084	63,407,518	1,239,234	4,723,860	63,407,518	1,239,234	5,072,602
Guardian Capital Partners PLC	21,692,800	658,661	822,157	21,692,800	658,661	548,828	21,692,800	658,661	837,342
		1,897,895	6,592,241		1,897,895	5,272,688		1,897,895	5,909,944
(b) Unquoted investments									
Rubber Investment Trust Limited	3,955,609	316	8,730,016	3,955,609	316	7,908,252	3,955,609	316	9,196,405
Guardian Fund Management Limited	2,848,678	73,321	73,321	2,848,678	73,321	73,321	2,848,678	73,321	73,321
The Sri Lanka Fund	1,265,823	112,280	161,499	1,265,823	112,280	125,688	1,265,823	112,280	126,876
		185,917	8,964,836		185,917	8,107,261		185,917	9,396,602
Total investment in subsidiaries		2,083,812	15,557,077		2,083,812	13,379,949		2,083,812	15,306,546

The fair value of quoted investments are based on the volume weighted average prices as at 31st March, published by the Colombo Stock Exchange, whilst fair value of Rubber Investment Trust Limited is based on the net assets value arrived after fair valuation of its investment portfolio. The fair value of The Sri Lanka fund is based on unit prices published by the Investment Managers.

20.1 Non-controlling interests

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

As at 31st March	Nature of the business	Ownership interest held by NCI %	
		2015	2014
Ceylon Investment PLC	Investment holding	35.64	35.64
Rubber Investment Trust Limited	Investment holding	17.81	17.81

Given below the summarised financial information of these subsidiaries.

For the year ended / as at 31st March	Ceylon Investment PLC		Rubber Investment Trust Limited	
	2015	2014 Restated	2015	2014 Restated
Revenue	739,237	496,779	609,804	984,010
Profit for the year	986,862	889,482	600,043	928,204
Total other comprehensive income / (expense) for the year	781,179	(1,769,823)	1,216,437	(3,093,377)
Total comprehensive income / (expense) for the year	1,768,041	(880,341)	1,816,480	(2,165,173)
Current assets	1,243,829	1,461,023	2,060,273	1,625,499
Non current assets	12,133,158	10,414,267	15,433,890	14,219,577
Total assets	13,376,987	11,875,290	17,494,163	15,845,076
Current liabilities	(274,817)	(294,874)	(47,495)	(40,978)
Net assets	13,102,170	11,580,416	17,446,668	15,804,098
Net cash generated from / (used in) operating activities	(87,556)	(178,891)	(341,690)	780,548
Net cash generated from investing activities	83,235	194,928	-	-
Net cash generated from / (used in) financing activities	(249,705)	(171,515)	(173,910)	(409,084)
Net increase / (decrease) in cash and cash equivalents	(254,026)	(155,478)	(515,600)	371,464

21 Investment in equity accounted investee

21.a Group

	2015		2014		1st April 2013	
	No of shares	Carrying value	No of shares	Carrying value	No of shares	Carrying value
Investment in jointly controlled entity (note 21.1)	35,000	25,913	35,000	25,793	35,000	25,416
		25,913		25,793		25,416

» Notes to the Financial Statements

In Rupees Thousands

21.b Company

As at 31st March

	2015		2014		1st April 2013	
	No. of shares	Cost	No. of shares	Cost	No. of shares	Cost
Investment in jointly controlled entity						
Guardian Acuity Asset Management Limited	3,500,000	35,000	3,500,000	35,000	3,500,000	35,000
		35,000		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 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. Ceylon Guardian Investment Trust PLC and Acuity Partners (Pvt) Limited holds 50% each of the issued share capital in the said Company.

21.1 Movement of investment in jointly controlled entity

For the year ended 31st March

	2015		2014	
	% Holding	Carrying value	% Holding	Carrying value
Investment at cost		35,000		35,000
Investors' share of reserves				
At the beginning of the year	50%	(9,207)	50%	(9,584)
Share of jointly controlled entity's loss net of taxation		(461)		(840)
Share of other comprehensive income		581		1,217
At the end of the year		(9,087)		(9,207)
Total investment in jointly controlled entity on equity method		25,913		25,793

21.2 Summarised financial information of the jointly controlled entity

For the year ended / As at 31st March

	2015	2014
Revenue	15,925	13,007
Loss for the year	(922)	(1,678)
Total other comprehensive income for the year	1,161	2,434
Total comprehensive income for the year	239	756
Non current assets	46,469	44,849
Current assets	8,364	9,113
Total assets	54,833	53,962
Current liabilities	(2,633)	(2,051)
Non current liabilities	(374)	(324)
Net assets	51,826	51,587

22 Available for sale financial assets**22.a Summary - Group**

As at 31st March

		2015		2014 (Restated)		1st April 2013 (Restated)	
		Carrying value/cost	Fair value	Carrying value/cost	Fair value	Carrying value/cost	Fair value
Investments in equity securities							
Quoted	22.1(a)	5,925,413	22,647,355	4,777,513	19,778,814	3,438,735	21,586,607
Unquoted	22.1(b)	18,624	18,624	18,624	18,624	17,334	17,334
Private equity	22.1(c)	115,005	115,005	40,005	40,005	320,802	441,148
Total investment in equity securities		6,059,042	22,780,984	4,836,142	19,837,443	3,776,871	22,045,089
Investments in debentures							
Unquoted	22.1(d)	5	5	5	5	5	5
Total investment in debentures		5	5	5	5	5	5
Investments in unit trusts							
Unquoted	22.1(e)	88,263	117,268	100,000	120,500	100,000	113,900
Total investment in unit trusts		88,263	117,268	100,000	120,500	100,000	113,900
Total investments in available for sale financial assets		6,147,310	22,898,257	4,936,147	19,957,948	3,876,876	22,158,994

22.b Movement in Available for sale financial assets - Group

For the year ended 31st March 2015

	Fair value as at 1st April 2014	Additions	Disposals	Fair value adjustment	Fair value as at 31st March 2015
Investments in equity securities	19,837,443	2,525,672	(2,220,286)	2,638,155	22,780,984
Investments in debentures	5	-	-	-	5
Investments in unit trusts	120,500	4,875	(19,653)	11,546	117,268
	19,957,948	2,530,547	(2,239,939)	2,649,701	22,898,257

For the year ended 31st March 2014

	Fair value as at 1st April 2013	Additions	Disposals	Fair value adjustment	Fair value as at 31st March 2014
Investments in equity securities	22,045,089	1,996,566	(1,974,486)	(2,229,726)	19,837,443
Investments in debentures	5	-	-	-	5
Investments in unit trusts	113,900	-	-	6,600	120,500
	22,158,994	1,996,566	(1,974,486)	(2,223,126)	19,957,948

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

Due to significant / prolonged decline in fair value of identified equity securities in available for sale financial assets below its cost, an impairment loss amounted to Rs. 81.7 Mn has been recognised in profit or loss for the year (2014 - Nil) as required by LKAS - 39 "Financial Instruments; Recognition and Measurement". LKAS - 39 also requires to recognise fair value gains and losses arising from assets classified as available for sale, other than impairment losses, in other comprehensive income. Accordingly, a gain of Rs. 2,731.4 Mn and a loss of Rs.2,223.1 Mn have been recognised in financial years 2015 and 2014 respectively.

» Notes to the Financial Statements

In Rupees Thousands

22.1 Available for sale financial assets - Group

22.1(a) Investments in equity securities - Quoted

As at 31st March

	2015			2014 (Restated)			1st April 2013 (Restated)		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
Banks, Finance & Insurance									
Central Finance Company PLC	2,488,874	501,454	622,467	1,700,548	301,041	307,799	1,327,575	231,809	238,964
Commercial Bank of Ceylon PLC	5,096,451	365,216	842,953	10,000,000	703,934	1,230,000	13,025,350	912,988	1,471,863
DFCC Bank PLC	50,000	10,618	10,140	-	-	-	-	-	-
Hatton National Bank PLC - Non voting	1,057,721	186,911	174,524	-	-	-	-	-	-
Hatton National Bank PLC	2,994,843	601,532	664,855	-	-	-	-	-	-
HNB Assurance PLC	2,000,000	106,360	170,000	2,000,000	106,360	130,600	2,000,000	106,360	95,600
Nations Trust Bank PLC	6,666,280	427,518	667,295	5,005,718	306,527	324,871	-	-	-
People's Leasing and Finance PLC	5,893,731	102,767	130,251	13,745,240	235,691	196,557	10,595,691	190,722	138,804
Sampath Bank PLC	2,993,345	692,193	754,622	2,993,345	692,193	545,088	1,449,593	427,752	326,013
		2,994,569	4,037,107		2,345,746	2,734,915		1,869,631	2,271,244
Beverage, Food & Tobacco									
Cargills (Ceylon) PLC	4,367,300	129,616	598,320	4,617,300	137,035	630,261	4,650,300	138,015	705,916
Distilleries Company of Sri Lanka PLC	2,669,722	627,700	642,068	-	-	-	-	-	-
		757,316	1,240,388		137,035	630,261		138,015	705,916
Construction & Engineering									
Access Engineering PLC	6,475,619	210,199	124,332	8,000,000	200,280	180,000	8,000,000	200,280	157,600
		210,199	124,332		200,280	180,000		200,280	157,600
Diversified									
Aitken Spence PLC	3,348,000	336,851	333,126	3,348,000	336,851	327,769	-	-	-
Expolanka Holdings PLC	6,845,150	41,483	58,184	37,942,150	252,806	330,097	44,845,150	345,618	304,947
Hemas Holdings PLC	-	-	-	1,834,420	60,686	69,158	-	-	-
John Keells Holdings PLC	7,684,878	383,870	1,532,365	10,489,710	536,232	2,381,163	12,851,170	406,063	3,174,239
John Keells Holdings PLC - Warrants 2015	-	-	-	586,306	-	40,221	-	-	-
John Keells Holdings PLC - Warrants 2016	-	-	-	586,306	-	42,155	-	-	-
		762,204	1,923,675		1,186,575	3,190,563		751,681	3,479,186
Footwear and Textiles									
Hayleys MGT Knitting Mills PLC	28,793,905	338,497	509,652	-	-	-	-	-	-
		338,497	509,652		-	-		-	-
Hotels & Travel									
Aitken Spence Hotel Holdings PLC	3,315,388	218,424	222,131	3,296,388	216,926	230,747	3,199,908	210,468	236,793
Serendib Hotels PLC	1,110,814	39,314	31,103	-	-	-	-	-	-
		257,738	253,234		216,926	230,747		210,468	236,793
Health Care									
Asiri Surgical Hospital PLC	-	-	-	-	-	-	14,890,872	151,390	169,756
Ceylon Hospitals PLC	831,749	65,167	94,736	1,331,749	93,285	153,151	1,307,509	90,712	130,751
		65,167	94,736		93,285	153,151		242,102	300,507

As at 31st March

	2015			2014 Restated			1st April 2013 Restated		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
Manufacturing									
Textured Jersey Lanka PLC	-	-	-	-	-	-	1,633,844	24,630	16,175
		-	-		-	-		24,630	16,175
Motors									
Diesel and Motor Engineering PLC	140,429	70,187	88,470	140,429	70,187	70,917	-	-	-
		70,187	88,470		70,187	70,917		-	-
Oil Palm									
Bukit Darah PLC	20,438,250	1,927	13,857,132	20,438,250	1,927	12,076,962	20,438,250	1,927	14,419,185
Bukit Darah PLC - Preference Shares - 8% participative cumulative	31,875	1	1	31,875	1	1	31,875	1	1
		1,928	13,857,133		1,928	12,076,963		1,928	14,419,186
Telecommunication									
Dialog Axiata PLC	49,868,072	467,608	518,628	56,810,817	525,551	511,297	-	-	-
		467,608	518,628		525,551	511,297		-	-
Total Investment in equity securities - quoted		5,925,413	22,647,355		4,777,513	19,778,814		3,438,735	21,586,607

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

22.1(b) Investments in equity securities - Unquoted

As at 31st March

	2015			2014			1st April 2013		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
DFCC Vardhana Bank Limited	165,759	2,890	2,890	165,759	2,890	2,890	128,925	1,600	1,600
Equity Investments Lanka (Private) Limited	11,250	2	2	11,250	2	2	11,250	2	2
Kandy Private Hospitals Limited	1,200	18	18	1,200	18	18	1,200	18	18
Lanka Communications Limited	1,428,496	15,714	15,714	1,428,496	15,714	15,714	1,428,496	15,714	15,714
Total investment in equity securities - unquoted		18,624	18,624		18,624	18,624		17,334	17,334

22.1(c) Investments in equity securities - Private equity (unlisted)

As at 31st March

	2015			2014			1st April 2013		
	No. of units	Cost	Fair value	No. of units	Cost	Fair value	No. of units	Cost	Fair value
Durdans Medical & Surgical Hospital (Private) Limited	-	-	-	-	-	-	22,285,715	280,797	401,143
hSenid Business Solutions (Private) Ltd.	163,419	40,005	40,005	163,419	40,005	40,005	163,419	40,005	40,005
LVL Energy Fund Limited	9,375,000	75,000	75,000	-	-	-	-	-	-
Total investment equity securities - Private equity (unlisted)		115,005	115,005		40,005	40,005		320,802	441,148
Total investment equity securities		6,059,042	22,780,984		4,836,142	19,837,443		3,776,871	22,045,089

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

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In Rupees Thousands

22.1(d) Investment in debentures

As at 31st March

	No. of debentures	2015 Cost	Fair value	No. of debentures	2014 Cost	Fair value	No. of debentures	1st April 2013 Cost	Fair value
Redeemable unsecured									
Tangerine Beach Hotels Limited - Zero Coupon	56	1	1	56	1	1	56	1	1
Ocean View Limited - 6%	360	4	4	360	4	4	360	4	4
Total investment in debentures		5	5		5	5		5	5

22.1(e) Investments in unit trusts - Unquoted

As at 31st March

	No. of units	2015 Cost	Fair value	No. of units	2014 (Restated) Cost	Fair value	No. of units	1st April 2013 (Restated) Cost	Fair value
Guardian Acuity Equity Fund	2,500,000	25,000	40,850	2,500,000	25,000	30,875	2,500,000	25,000	28,700
Guardian Acuity Fixed Income Fund	6,279,202	63,263	76,418	7,500,000	75,000	89,625	7,500,000	75,000	85,200
Total investment in unit trusts - unquoted		88,263	117,268		100,000	120,500		100,000	113,900

Valuation of investment in unit trust is based on the unit price published by the Investment Managers as at 31st March.

22.c Summary - Company

As at 31st March

		2015 Carrying value/cost	Fair value	2014 (Restated) Carrying value/cost	Fair value	1st April 2013 (Restated) Carrying value/cost	Fair value
Investment in equity securities							
Quoted	22.2(a)	2,768,198	3,924,155	2,047,804	2,743,637	1,449,554	2,145,415
Unquoted	22.2(b)	16,687	16,687	16,687	16,687	16,257	16,257
Private equity	22.2(c)	-	-	-	-	146,919	210,111
Total investment in equity securities		2,784,885	3,940,842	2,064,491	2,760,324	1,612,730	2,371,783
Investment in debentures							
Unquoted	22.2(d)	1	1	1	1	1	1
Total investment in debentures		1	1	1	1	1	1
Investment in unit trusts							
Unquoted	22.2(e)	35,826	48,601	50,000	60,251	50,000	56,950
Total investment in units trusts		35,826	48,601	50,000	60,251	50,000	56,950
Total investment in available for sale financial assets		2,820,712	3,989,444	2,114,492	2,820,576	1,662,731	2,428,734

Note

Fair value of quoted investments are based on the volume weighted average prices as at 31st March published by the Colombo Stock Exchange.

The fair value of investments in unit trust are based on unit prices published by the custodian bank and the management company as at 31st March.

22.d Movement in available for sale financial assets- Company**For the year ended 31st March 2015**

	Fair value as at 1st April 2014	Additions	Disposals	Fair value adjustment	Fair value as at 31st March 2015
Investment in equity securities	2,760,324	1,170,199	(563,630)	573,949	3,940,842
Investment in debentures	-	-	-	-	-
Investment in unit trusts	60,251	2,438	(19,653)	5,565	48,601
	2,820,576	1,172,637	(583,283)	579,514	3,989,444

For the year ended 31st March 2014

	Fair value as at 1st April 2013	Additions	Disposals	Fair value adjustment	Fair value as at 31st March 2014
Restated					
Investment in equity securities	2,371,783	849,075	(470,386)	9,852	2,760,324
Investment in debentures	-	-	-	-	-
Investment in unit trusts	56,950	-	-	3,301	60,251
	2,428,734	849,075	(470,386)	13,153	2,820,576

22.2 Available for sale financial assets - Company**22.2(a) Investments in equity securities - Quoted****As at 31st March**

	No. of shares	2015 Cost	Fair value	No. of shares	2014 Cost	Fair value	No. of shares	1st April 2013 Cost	Fair value
Banks, Finance & Insurance									
Central Finance Company PLC	1,141,079	228,938	285,383	784,579	138,461	142,009	658,877	115,129	118,598
Commercial Bank of Ceylon PLC	3,056,774	228,599	505,590	5,248,514	389,229	645,566	6,342,954	470,395	716,754
DFCC Bank PLC	25,000	5,309	5,070	-	-	-	-	-	-
Hatton National Bank PLC - Non voting	404,000	69,981	66,660	-	-	-	-	-	-
Hatton National Bank PLC	1,281,872	250,507	284,576	-	-	-	-	-	-
HNB Assurance PLC	2,000,000	106,360	170,000	2,000,000	106,360	130,600	2,000,000	106,360	95,600
Nations Trust Bank PLC	3,492,685	225,693	349,618	2,463,350	151,198	159,871	-	-	-
People's Leasing and Finance PLC	843,195	13,961	18,635	5,843,195	96,745	83,558	3,640,800	65,534	47,694
Sampath Bank PLC	1,514,978	349,743	381,926	1,514,978	349,743	275,877	742,570	217,427	167,004
		1,479,091	2,067,458		1,231,736	1,437,481		974,845	1,145,650
Beverage, Food & Tobacco									
Cargills (Ceylon) PLC	4,367,300	129,616	598,320	4,617,300	137,035	630,261	4,650,300	138,015	705,916
Distilleries Company of Sri Lanka PLC	1,324,661	310,843	318,581	-	-	-	-	-	-
		440,459	916,901		137,035	630,261		138,015	705,916
Construction & Engineering									
Access Engineering PLC	2,160,000	79,003	41,472	-	-	-	-	-	-
		79,003	41,472		-	-		-	-

» Notes to the Financial Statements

In Rupees Thousands

As at 31st March	2015			2014			1st April 2013		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
Diversified									
Aitken Spence PLC	1,674,000	168,425	166,563	1,674,000	168,425	163,885	-	-	-
Expolanka Holdings PLC	-	-	-	3,097,000	41,640	26,944	10,000,000	134,451	68,000
Hemas Holdings PLC	-	-	-	1,032,304	33,617	38,918	-	-	-
		168,425	166,563		243,682	229,747		134,451	68,000
Footwear and Textiles									
Hayleys MGT Knitting Mills PLC	14,640,951	172,113	259,145	-	-	-	-	-	-
		172,113	259,145		-	-		-	-
Health Care									
Asiri Surgical Hospital PLC	-	-	-	-	-	-	7,425,582	75,439	84,652
Ceylon Hospitals PLC	518,371	47,544	59,042	518,371	47,544	59,613	494,131	44,970	49,413
		47,544	59,042		47,544	59,613		120,409	134,065
Hotels & Travels									
Aitken Spence Hotel Holdings PLC	1,355,813	89,790	90,840	1,336,813	88,292	93,577	1,240,333	81,834	91,784
Serendib Hotels PLC	560,924	19,852	15,706	-	-	-	-	-	-
		109,642	106,546		88,292	93,577		81,834	91,784
Motors									
Diesel & Motor Engineering PLC	77,873	38,745	49,060	77,873	38,745	39,326	-	-	-
		38,745	49,060		38,745	39,326		-	-
Telecommunication									
Dialog Axiata PLC	24,804,659	233,176	257,968	28,181,303	260,770	253,632	-	-	-
		233,176	257,968		260,770	253,632		-	-
Total investment in equity securities - quoted		2,768,198	3,924,155		2,047,804	2,743,637		1,449,554	2,145,415
22.2(b) Investment in equity securities - Unquoted									
DFCC Vardhana Bank Limited	55,253	963	963	55,253	963	963	42,975	533	533
Equity Investments Lanka (Private) Limited	1	1	1	1	1	1	1	1	1
Kandy Private Hospitals Limited	600	9	9	600	9	9	600	9	9
Lanka Communications Limited	1,428,496	15,714	15,714	1,428,496	15,714	15,714	1,428,496	15,714	15,714
Total investment in equity securities - unquoted		16,687	16,687		16,687	16,687		16,257	16,257

22.2(c) Investment in equity securities - Private equity (unlisted)

As at 31st March

	2015			2014			1st April 2013		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
Durdans Medical & Surgical Hospital (Private) Limited	-	-	-	-	-	-	11,672,857	146,919	210,111
Total investment in equity securities - Private equity unlisted	-	-	-	-	-	-		146,919	210,111
Total investment in equity securities		2,784,885	3,940,842		2,064,491	2,760,324		1,612,730	2,371,783

22.2(d) Investments in debentures - Unquoted

As at 31st March

	2015			2014			1st April 2013		
	No. of debentures	Cost	Fair value	No. of debentures	Cost	Fair value	No. of debentures	Cost	Fair value
Redeemable unsecured									
Ocean View Limited - 6%	120	1	1	120	1	1	120	1	1
Total investment in debentures		1	1		1	1		1	1

22.2(e) Investments in unit trusts - Unquoted

As at 31st March

	2015			2014			1st April 2013		
	No. of units	Cost	Fair value	No. of units	Cost	Fair value	No. of units	Cost	Fair value
Guardian Acuity Equity Fund	1,250,000	12,500	20,425	1,250,000	12,500	15,438	1,250,000	12,500	14,350
Guardian Acuity Fixed Income Fund	2,315,199	23,326	28,176	3,750,000	37,500	44,813	3,750,000	37,500	42,600
Total investment in unit trusts		35,826	48,601		50,000	60,251		50,000	56,950

23 Trade and other receivables

	Group			Company		
As at 31st March	2015	2014 Restated	1st April 2013 Restated	2015	2014	1st April 2013
Financial						
Trade receivables	11,281	23,407	95,230	199	5,140	16,782
Dividend receivable (note 23.1)	45,038	20,206	47,163	175,235	165,748	24,030
Other receivable	5,516	85	1,082	-	-	-
	61,835	43,698	143,475	175,434	170,888	40,812
Non financial						
Prepaid expense	785	180	4,925	25	50	390
	785	180	4,925	25	50	390
	62,620	43,878	148,400	175,459	170,938	41,202

23.1 Due from subsidiary companies

Dividend receivable by the Company includes dividend receivable from the subsidiary company "Ceylon Investment PLC" amounting to Rs. 153.6 mn (2014 - Rs. 158.5 mn).

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In Rupees Thousands

24 Fair value through profit or loss financial assets

24.a Summary

As at 31st March	Group				Company		
	2015	2014 (Restated)	1st April 2013 (Restated)		2015	2014	1st April 2013
Investments in equity securities							
Quoted 24.1(a)	1,653,948	1,434,515	1,166,881	24.3(a)	204,670	162,643	147,453
Total Investment in equity securities	1,653,948	1,434,515	1,166,881		204,670	162,643	147,453
Investments in unit trusts							
Unquoted 24.1(b)	1,030,749	25,202	-		-	-	-
Total investment in units trusts	1,030,749	25,202	-		-	-	-
Total Investment in fair value through profit or loss financial assets	2,684,697	1,459,717	1,166,881		204,670	162,643	147,453

24.1 Movement in fair value through profit or loss financial assets - Group

For the year ended 31st March 2015

	Fair value as at 1st April 2014	Additions	Disposals	Effect of currency translation	Change in fair value	Fair value as at 31st March 2015
Investments in equity securities - quoted (24.1.a)	1,434,515	1,315,804	(1,275,291)	2,765	176,155	1,653,948
Investments in unit trusts (24.1.b)	25,202	1,012,107	(25,297)	-	18,737	1,030,749
	1,459,717	2,327,911	(1,300,588)	2,765	194,892	2,684,697

For the year ended 31st March 2014

	Fair value as at 1st April 2013	Additions	Disposals	Effect of currency translation	Change in fair value	Fair value as at 31st March 2014
Restated						
Investments in equity securities - quoted (24.1.a)	1,166,881	1,243,405	(983,249)	6,333	1,145	1,434,515
Investments in unit trusts (24.1.b)	-	42,547	(17,480)	337	(202)	25,202
	1,166,881	1,285,952	(1,000,729)	6,670	943	1,459,717

24.1 Fair value through profit or loss financial assets - Group

24.1(a) Investment in equity securities - quoted

As at 31st March

	2015		2014 Restated		1st April 2013 Restated	
	No. of shares	Fair value	No. of shares	Fair value	No. of shares	Fair value
Bank, Finance and Insurance						
Central Finance Company PLC	85,000	21,383	86,000	15,152	86,000	13,961
Commercial Bank of Ceylon PLC	373,630	62,192	853,455	104,547	1,902,660	212,666
DFCC Bank PLC	197,315	40,015	213,324	30,697	-	-
Hatton National Bank PLC	746,650	162,349	810,189	121,249	1,085,000	181,521
Hatton National Bank PLC - Non Voting	525,821	86,760	100,000	12,000	-	-
Nations Trust Bank PLC	74,920	7,313	125,000	8,044	-	-
National Development Bank PLC	-	-	811,603	144,952	-	-
People's Leasing & Finance PLC	1,431,000	35,279	1,431,000	19,196	1,211,688	15,979
Sampath Bank PLC	106,627	3,240	76,627	13,186	64,675	12,970
Seylan Bank PLC	1,119,671	107,753	-	-	-	-
Sinhaputhra Finance PLC	20,000	3,598	-	-	-	-
Softlogic Capital PLC	600,000	3,600	-	-	-	-
Trade Finance and Investment PLC	-	-	136,600	2,554	-	-
Union Bank of Colombo PLC	2,857,946	68,876	-	-	-	-
Vallibel Finance PLC	70,000	25,354	-	-	-	-
		627,712		471,577		437,097
Beverage, Food & Tobacco						
Cargills (Ceylon) PLC	103,800	15,981	103,800	15,275	163,800	23,838
Ceylon Tobacco Company PLC	-	-	54,167	57,200	64,167	50,095
Distilleries Company of Sri Lanka PLC	675,674	159,873	532,074	106,709	1,572,546	261,758
Nestle Lanka PLC	-	-	-	-	14,000	22,314
		175,854		179,184		358,005
Construction and Engineering						
Access Engineering PLC	4,401,904	93,057	350,000	7,875	-	-
Colombo Dockyard PLC	-	-	38,628	7,332	-	-
		93,057		15,207		-
Diversified						
Aitken Spence PLC	1,030,218	103,204	880,218	86,173	-	-
CT Holdings PLC	-	-	-	-	79,825	9,901
Expolanka Holdings PLC	-	-	3,106,269	25,673	1,133,600	7,937
Hemas Holdings PLC	1,763,524	130,093	1,763,524	65,710	-	-
John Keells Holdings PLC - Warrants 2015	257,900	8,279	333,300	22,864	-	-
John Keells Holdings PLC - Warrants 2016	-	-	855,000	61,475	-	-
John Keells Holdings PLC	150,124	32,566	795,884	180,739	1,070,637	259,545
Softlogic Holdings PLC	6,496,410	85,753	-	-	-	-
		359,895		442,634		277,383
Footware and Textile						
Hayleys MGT Knitting Mills PLC	1,036,132	18,142	-	-	-	-
		18,142		-		-

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In Rupees Thousands

As at 31st March

	2015		2014 (Restated)		1st April 2013 (Restated)	
	No. of shares	Fair value	No. of shares	Fair value	No. of shares	Fair value
Health Care						
Ceylon Hospitals PLC	90,000	10,632	90,000	9,910	90,000	8,282
The Lanka Hospitals Corporation PLC	648,000	25,855	783,000	32,573	-	-
		36,487		42,483		8,282
Hotels & Travels						
Aitken Spence Hotel Holdings PLC	413,793	29,938	434,177	30,386	434,177	31,923
Asian Hotels and Properties PLC	-	-	97,000	5,704	-	-
Serendib Hotels PLC	270,067	7,562	177,336	3,284	-	-
Serendib Hotels PLC - Non voting	765,592	16,528	-	-	-	-
		54,028		39,374		31,923
Land & Property						
Colombo Land and Development Company PLC	-	-	-	-	518,093	15,802
Overseas Realty (Ceylon) PLC	-	-	989,643	20,288	-	-
		-		20,288		15,802
Manufacturing						
Ceylon Glass Company PLC	2,000,000	11,400	-	-	-	-
Kelani Tyres PLC	691,001	54,007	479,849	25,048	-	-
Lanka Tiles PLC	391,032	42,065	-	-	-	-
Piramal Lanka Glass Company PLC	-	-	1,725,370	7,772	4,000,000	24,400
Royal Ceramics Lanka PLC	-	-	450,000	35,685	-	-
Tokyo Cement Company (Lanka) PLC – Non voting	-	-	-	-	1,996	39
		107,472		68,505		24,439
Motor						
Diesel & Motor Engineering PLC	9,766	6,250	9,266	4,462	-	-
		6,250		4,462		-
Land & Property						
Overseas Realty (Ceylon) PLC	1,047,050	24,606	-	-	-	-
		24,606		-		-
Power and Energy						
Lanka IOC PLC	624,862	25,182	2,033,905	78,305	-	-
Laughfs GAS PLC	100,000	4,075	310,975	10,107	-	-
Panasian Power PLC	1,400,000	4,508	-	-	-	-
Vallibel Power Erathna PLC	3,364,000	26,272	-	-	-	-
		60,037		88,412		-
Trading						
Singer Sri Lanka PLC	60,000	7,118	-	-	-	-
		7,118		-		-
Telecommunications						
Dialog Axiata PLC	7,377,563	83,290	6,931,448	62,389	1,550,000	13,950
		83,290		62,389		13,950
Total investment in equity securities - quoted		1,653,948		1,434,515		1,166,881

As at 31st March

	2015		2014 (Restated)		1st April 2013 (Restated)	
	No. of shares	Fair value	No. of shares	Fair value	No. of shares	Fair value
24.1(b) Investments in unit trusts - unquoted						
Guardian Acuity Fixed Income Fund	43,557,890	530,099	2,157,274	25,202	-	-
Guardian Acuity Money Market GILT Fund	5,000,000	500,650	-	-	-	-
Total investment in unit trusts		1,030,749		25,202		-

24.2 Movement in fair value through profit or loss financial assets - Company

For the year ended 31st March 2015

	Fair value as at 1st April 2014	Additions	Disposals	Change in fair value	Fair value as at 31st March 2015
Investment in equity securities					
Quoted	162,643	252,576	(223,470)	12,921	204,670
	162,643	252,576	(223,470)	12,921	204,670

For the year ended 31st March 2014

	Fair value as at 1st April 2013	Additions	Disposals	Change in fair value	Fair value as at 31st March 2014
Investment in equity securities					
Quoted	147,453	192,214	(175,432)	(1,592)	162,643
	147,453	192,214	(175,432)	(1,592)	162,643

The change in fair value represent unrealised gains / (losses) on fair value through profit or loss financial assets.

24.3 Fair value through profit or loss financial assets - Company**24.3(a) Investments in equity securities - quoted**

As at 31st March

	2015		2014		1st April 2013	
	No. of shares	Fair value	No. of shares	Fair value	No. of shares	Fair value
Banks Finance & Insurance						
Commercial Bank of Ceylon PLC	-	-	100,000	12,300	521,336	58,910
Hatton National Bank PLC	-	-	162,189	24,328	345,000	57,719
Hatton National Bank PLC - Non voting	262,868	43,373	-	-	-	-
Seylan Bank PLC	219,671	21,967	-	-	-	-
Union Bank of Colombo PLC	550,000	13,255	-	-	-	-
		78,595		36,628		116,629
Beverage Food & Tobacco						
Ceylon Tobacco Company PLC	-	-	13,000	13,728	15,000	11,711
Distilleries Company of Sri Lanka PLC	106,500	25,613	-	-	-	-
		25,613		13,728		11,711

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As at 31st March	2015		2014		1st April 2013	
	No. of shares	Fair value	No. of shares	Fair value	No. of shares	Fair value
Diversified						
Hemas Holdings PLC	383,846	28,289	283,846	10,701	-	-
John Keells Holdings PLC	99,692	19,880	189,692	43,061	-	-
Softlogic Holdings PLC	1,125,000	14,850	-	-	-	-
		63,019		53,762		-
Health Care						
The Lanka Hospitals Corporation PLC	200,000	7,980	250,000	10,400	-	-
		7,980		10,400		-
Hotel and Travels						
Serendib Hotels PLC- Non Voting	464,400	9,985	101,040	1,889	-	-
		9,985		1,889		-
Land & Property						
Colombo Land and Development Company PLC	-	-	-	-	226,670	6,913
Overseas Realty (Ceylon) PLC	-	-	389,643	7,988	-	-
		-		7,988		6,913
Manufacturing						
Kelani Tyres PLC	145,000	11,310	-	-	-	-
Piramal Glass Ceylon PLC	-	-	-	-	2,000,000	12,200
Royal Ceramics Lanka PLC	-	-	200,000	15,860	-	-
		11,310		15,860		12,200
Power and Energy						
Lanka IOC PLC	200,000.00	8,060	323,905	12,470	-	-
		8,060		12,470		-
Telecommunication						
Dialog Axiata PLC	10,420	108	1,102,000	9,918	-	-
		108		9,918		-
Total investment in equity securities - quoted		204,670		162,643		147,453

25 Cash and cash equivalents

As at 31st March	2015	Group		2015	Company	
		2014 Restated	1st April 2013 Restated		2014	1st April 2013
Cash at bank and cash in hand	32,282	33,636	110,784	1,894	1,869	14,516
Placements with banking institutions	-	2,218,804	2,081,958	-	524,167	743,377
Securities purchased under resale agreements	1,742,390	569,145	570,662	107,488	163,113	72,469
Total cash and cash equivalents	1,774,672	2,821,585	2,763,404	109,382	689,149	830,362
Bank overdraft	18,875	6,257	28,073	594	3,560	27,627
	18,875	6,257	28,073	594	3,560	27,627
Net cash and cash equivalents for the purpose of statement cash flows	1,755,797	2,815,328	2,735,331	108,788	685,589	802,735

26 Stated capital

As at 31st March	2015		2014		1st April 2013	
	No. of Shares	Value	No. of Shares	Value	No. of Shares	Value
Ordinary shares						
Issued and fully paid	82,096,719	879,607	82,096,719	879,607	82,096,719	879,607
Deferred shares						
Issued and fully paid (note 26.1)	5,739,770	73,560	5,739,770	73,560	5,739,770	73,560
	87,836,489	953,167	87,836,489	953,167	87,836,489	953,167

26.1 Superior voting rights attached to the deferred shares

The Company has in issue 5,739,770 shares titled "Deferred shares". The deferred shares are subordinated to the ordinary shares in respect of dividend entitlement and right to a dividend does not arise unless and until the ordinary shareholders have been paid a dividend. The deferred shares confer on the holders present in person, by proxy or by attorney 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, proxy or attorney 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 pari passu for all other purposes including capitalisation of reserves or profits with the ordinary shares of the Company, except for voting rights and dividend rights.

27 Capital reserves

As at 31st March	2015	Group		2015	Company	
		2014 (Restated)	1st April 2013 (Restated)		2014	1st April 2013
Investment reserve (note 27.1)	7,805	7,805	7,805	7,805	7,805	7,805
Other capital reserve (note 27.1)	316,741	316,741	316,741	200,855	200,855	200,855
Jointly controlled entity's capital reserve (note 27.2)	2,435	1,854	637	-	-	-
	326,981	326,400	325,183	208,660	208,660	208,660

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27.1 Investment reserve and other capital reserve

These amounts have been reserved for future development of the Company.

27.2 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 acquisition/incorporation.

28 Revenue reserves

As at 31st March	Group			Company		
	2015	2014 (Restated)	1st April 2013 (Restated)	2015	2014 (Restated)	1st April 2013 (Restated)
Fair value through profit or loss financial assets reserve (note 28.1)	85,028	24,214	54,440	13,220	1,165	9,395
Available for sale financial assets reserve (note 28.2)	13,893,520	12,422,814	15,151,047	1,308,448	846,499	965,212
General reserve (note 28.3)	32,668	32,668	32,668	14,961	14,961	14,961
Translation Reserve (note 28.4)	35,577	33,398	27,633	-	-	-
Retained earnings	7,303,903	6,291,648	5,184,452	4,075,797	3,916,835	3,397,003
	21,350,696	18,804,742	20,450,240	5,412,426	4,779,460	4,386,571

28.1 Fair value through profit or loss financial assets reserve

Net gains arising from fair value adjustment will be transferred from retained earnings to "Fair value through profit or loss financial assets reserve" at the reporting date and any realised gains/losses arising from fair value adjustment will be transferred from "Fair value through profit or loss financial assets reserve" to retained earnings to the extent that loss does not exceed the balance held in the said reserve as at the date.

Accordingly an amount of Rs. 60.8 Mn and Rs. 12.0 Mn were transferred to (2014 - Rs. 30.2 Mn and Rs. 8.2 Mn transferred from) "Fair value through profit or loss financial assets reserve" from retained earnings as shown in the Statement of Changes in Equity of the Group and the Company respectively.

28.2 Available for sale financial assets reserve

This consists of net unrealised gains / (losses) arising from change in the fair value of available for sale financial assets excluding cumulative impairments losses incurred as at the reporting date.

28.3 General reserve

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

28.4 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.

29 Employee benefits

As at 31st March	2015	Group		2015	Company	
		2014	1st April 2013		2014	1st April 2013
Balance at the beginning of the year	7,609	5,425	3564	-	-	-
Provision for the year	2,425	2,184	1,861	-	-	-
Balance as at the end of the year	10,034	7,609	5,425	-	-	-

For the year ended 31st March	Group		Company	
	2015	2014	2015	2014
29.1 The amounts recognised in Profit or Loss are as follows;				
Interest cost	761	542	-	-
Current service cost	1,733	1,600	-	-
Charge for the year	2,494	2,142	-	-
29.2 The amounts recognised in other comprehensive income are as follows				
Actuarial losses /(gains)	(69)	42	-	-
Charge for the year	(69)	42	-	-
Amount recognised in the Statement of Profit or Loss and Other Comprehensive Income	2,425	2,184	-	-

The gratuity liability as at 31st March 2015 amounting to Rs. 10,034,302/- (2014 - Rs. 7,609,035/-) for 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 the Sri Lanka Accounting Standards (LKAS - 19) - "Employee benefits", the "Projected Unit Credit (PUC)" method has been used in this valuation.

The principal assumptions made are given below :

- Rate of discount 10% p.a.
- Rate of salary increase 12% p.a.
- Retirement age 55 years
- Mortality A 67/70 mortality table, issued by the Institute of Actuaries, London was used.
- Withdrawal rate 5% for age up to 49 and Zero thereafter.
- The company is a going concern.

The above liability is not externally funded.

29.3 Sensitivity analysis

A change of 1% in discount rate & future salary increase rates at the end of the reporting period would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

For the year ended 31st March 2015	Group Equity		Company Equity	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount rate	885	(1,018)	-	-
Future salary increase	(1,026)	908	-	-

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30 Deferred tax liabilities / (assets)

As at 31st March	2015	Group 2014	2013	2015	Company 2014	2013
Balance as at the beginning of the year	(2,016)	(10,404)	793	(2,016)	(10,404)	-
On origination and reversal of temporary differences	2,016	8,388	(11,197)	2,016	8,388	(10,404)
Balance as at the end of the year	-	(2,016)	(10,404)	-	(2,016)	(10,404)
30.1 Movement in deferred taxation during the year						
Employee benefit	152	216	376	-	-	-
Property plant and equipment	(152)	(216)	(1,169)	-	-	-
Tax losses carried forward	(2,016)	(8,388)	(10,404)	(2,016)	(8,388)	(10,404)
Net deferred tax charged / (reversed) for the year	(2,016)	(8,388)	(11,197)	(2,016)	(8,388)	(10,404)
30.2 Deferred tax liabilities						
Tax effect on property, plant and equipment	254	406	622	-	-	-
30.3 Deferred tax assets						
Tax effect on employee benefits	2,422	406	622	2,016	-	-
Tax effect on tax losses carried forward	(2,168)	2,016	10,404	(2,016)	2,016	10,404
Total deferred tax assets	254	(2,422)	11,026	-	2,016	10,404
Net deferred tax liabilities / (assets)	-	(2,016)	(10,404)	-	(2,016)	(10,404)

Unrecognised Deferred tax asset - Group

Due to the uncertainty regarding the availability of future taxable profits against which the deferred tax asset would be utilised, the deferred tax asset which has not been recognised as at the reporting date amounted to Rs. 6,726,180/- (2014 - Rs. 8,460,855/-).

31 Trade and other payables

As at 31st March	Group			Company		
	2015	2014 (Restated)	1st April 2013 (Restated)	2015	2014 (Restated)	1st April 2013 (Restated)
Financial						
Trade payables	47,851	9,000	191	12,541	-	-
Dividend payables	85,068	87,268	-	-	-	-
Other payables	52,822	61,810	39,486	20,387	13,926	12,593
Amounts due to related entities (note 31.1)	-	-	-	-	14,000	-
	185,741	158,078	39,677	32,928	27,926	12,593
Non financial						
Accruals and provisions	21,292	15,447	13,030	2,241	2,007	1,698
	21,292	15,447	13,030	2,241	2,007	1,698
	207,033	173,525	52,707	35,169	29,933	14,291

31.1 Amounts due to subsidiary companies

As at 31st March	Group			Company		
	2015	2014	1st April 2013	2015	2014	1st April 2013
Guardian Fund Management Limited	-	-	-	-	14,000	-
	-	-	-	-	14,000	-

32 Comparative figures

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

33 Related party transactions

The Company carried out transactions in the ordinary course of its business on an arm's length basis 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.

33.1 Parent and ultimate controlling entity

In the opinion of the Directors, Carson Cumberbatch PLC is the parent Company and Bukit Darah PLC is the ultimate controlling entity of Ceylon Guardian Investment Trust PLC.

33.2 Group entities

As at 31st March	Ownership interest %		
	2015	2014	1st April 2013
Subsidiaries			
Ceylon Investment PLC	64	64	64
Rubber Investment Trust Limited	82	82	82
Guardian Capital Partners PLC	84	84	84
Guardian Fund Management Limited	100	100	100
The Sri Lanka Fund	71	71	71
Jointly controlled entity			
Guardian Acuity Asset Management Limited	50	50	50

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33.3 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. Accordingly, the Directors of the Company and its parent company (including executive and non-executive directors) have been classified as Key Management Personnel of the Company.

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

For the year ended 31st March	Group		Company	
	2015	2014	2015	2014
Short-term employee benefits	38,116	28,826	11,776	6,651
Post-employment benefits	613	557	-	-
Termination benefits	-	-	-	-
Other long-term benefits	-	-	-	-
Non cash benefits	102	82	-	-
	38,831	29,465	11,776	6,651

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

33.4 Transactions with related companies

Name and the nature of relationship	Names of the common Directors/ KMP	Nature of transactions	Value of transactions			
			Group		Company	
			2015	2014	2015	2014
Parent Company						
Carson Cumberbatch PLC	I. Paulraj	Dividends paid	304,353	152,177	304,353	152,177
	D. C. R. Gunawardena					
	K. Selvanathan (Alternate to M. Selvanathan)					
Subsidiaries						
Ceylon Investment PLC	I. Paulraj	Dividends received	-	-	153,560	267,47
	D. C. R. Gunawardena					
	A. de Z. Gunasekera (Resigned w.e.f 31/10/2014)					
	V. M. Fernando					
	Mrs. M. A. R. C. Cooray					
	K. Selvanathan					
	T.C.M.Chia (Appointed w.e.f 01/11/2014)					
Guardian Fund Management Limited (GFM)	K. Selvanathan	Portfolio management fees paid*	-	-	13,568	11,119
		Incentive paid	-	-	12,000	12,250
Rubber Investment Trust Limited	I. Paulraj	Dividends received	-	-	83,385	195,277
	D. C. R. Gunawardena					

Name and the nature of relationship	Names of the common Directors/ KMP	Nature of transactions	Value of transactions			
			Group		Company	
			2015	2014	2015	2014
Jointly controlled entity						
Guardian Acuity Asset Management Limited	D. C. R. Gunawardena	portfolio management fees received	3,495	3,340	-	-
	K. Selvanathan					
Controlling entity						
Bukit Darah PLC	I. Paulraj	Dividend received on ordinary shares	61,315	58,392	-	-
	D. C. R. Gunawardena	Dividend received on 8% participative cumulative preference shares	766	729	-	-
	K. Selvanathan (Alternate to M. Selvanathan)					
Affiliate entities						
Carsons Management Services (Private) Limited	K. Selvanathan	Support Service Fees paid**	38,024	30,466	15,757	9,026
		Computer fees paid	1,320	1,320	420	420
		Secretarial fees paid	1,410	1,140	360	300
Equity Two PLC	D. C. R. Gunawardena	Rental charges paid	3,376	2,465	-	-
Other entities						
Guardian Acuity Fixed Income Fund	D. C. R. Gunawardena	Subscription to units	912,000	-	-	-
	K. Selvanathan	Redemption of units	20,000	-	20,000	-
		Dividends received	4,876	-	2,438	-
Hatton National Bank PLC	Mrs. M. A. R. C. Cooray	Interest income received	12,368	388	2,055	388
		Re-sale agreements	637,042	-	102,724	-
		Balances held in demand deposits	1,380	1,569	526	738

The Bank has provided to the Company inter-changeable short-term borrowing facility with Ceylon Investment PLC, the subsidiary, to the value of Rs. 300 mn (2014 - Rs. 300/- mn) on commercial terms.

Amounts due from /due to related entities are disclosed in notes 23.I and 31.I respectively.

* Portfolio management fee is based on portfolio value of the Company and commensurate with arm's length industry norms.

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

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34 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 risk, and the Company's management of capital. Pages 36 to 43 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 overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has delegated this function to the Management of Guardian Fund Management Limited, the Fund 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 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 comprises listed and unlisted equity / fixed income securities. The Group's Investment Manager has been given discretionary authority to manage the asset in line with the Group's investment objectives.

Further, an Investment Committee drawn from across the Carsons Group directorate provide 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.

34.1 Credit risk

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

34.1.1 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.

	Note	Carrying Amount		
		2015	2014 (Restated)	1st April 2013 (Restated)
As at 31st March				
Available for sale financial assets - Corporate debt securities	22.a	5	5	5
Available for sale financial assets - Investment in unit trusts	22.a	117,268	120,500	113,900
Trade and other receivables*	23	61,835	43,698	143,475
Cash and cash equivalents - Cash in hand and at bank	25	32,282	33,636	110,784
Cash and cash equivalents - Placements with banking institutions	25	-	2,218,804	2,081,958
Cash and cash equivalents - Investments under resale agreements	25	1,742,390	569,145	570,662
		1,953,780	3,277,853	3,274,536

*Pre-payments which are not financial assets are excluded

Investment in corporate debt securities

These represents investment in debentures, which yields interest income on a continuing basis. However the Group's exposure to credit risk, arising from these investments is insignificant, considering the net investment value.

Available for sale financial assets

Investment in unit trusts

The Group has invested in three unit trusts; Guardian Acuity Equity Fund, Guardian Acuity Money Market Gilt Fund and Guardian Acuity Fixed Income Fund. The Group has infused promoters capital / invested in to each of these funds and the management of the underlying funds rests with the Group's investment management arm; Guardian Fund Management Limited.

Each of these investments are carried at their fair values; being the net asset value of the fund at each reporting date. The funds comprise of equity and fixed income earning instruments at a given point in time, with due consideration on liquidity, which will enable to realise its carrying values with a minimum loss in value. Further, these funds are regulated in such a way that the funds carry adequate assets in highly liquid form, generally 5% of the net assets value, which will ensure customer withdrawals are settled promptly.

A due evaluation process has been carried out by the Group prior to these investments, to assess their ability to repay, in the event the Group wishes to withdraw, within the existing regulatory framework.

Trade and other receivables

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

Settlement procedures surrounding the equity markets are highly structured and regulated. The 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 underlying balances. Further, a due evaluation process, including a continuous assessment mechanism is in place, in ascertaining 'market intermediaries' that the Group transacts with, and requires the approval of the Board of Directors.

Dividend receivable is accounted for when the right to receive the dividend is established once approved by the shareholders of public listed companies. The balances are settled within a maximum period of 4-6 weeks and no risk of default, based on past experience in the industry.

The management fee receivable from clients external to the group are generally invoiced once in every three months and an approved credit period of 30 days prevails for settlement. The terms in determining the fees have been agreed with the parties, in the form of a bi-lateral agreement, such that the risk of a dispute is minimum. The Group has not encountered defaults to date on these customers.

Age analysis of trade and other receivables

The aging of trade and other receivables at the end of the reporting period that were not impaired was as follows,

As at 31st March	2015	2014 (Restated)	1 April 2013 (Restated)
Less than 30 days	54,160	40,577	142,250
30 – 60 days	7,561	588	508
61 – 90 days	17	594	590
91 – 120 days	17	794	43
More than 120 days	80	1,145	84
	61,835	43,698	143,475

The Group has neither recognised an impairment loss or an allowance for impairment of its trade and other receivables over the past 5 years period.

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In Rupees Thousands

Cash and cash equivalents

The Group held cash and cash equivalents in the form of demand deposits with commercial banks, placements with banking institutions and investments under resale agreements, hence the Group is exposed to the risk of such counterparties failing to meet contractual obligations.

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

An credit rating analysis of banking / financial institutional counterparties with whom the balances were held at the end of the reporting period is presented below.

As at 31st March	2015	2014 (Restated)	1 April 2013 (Restated)
Credit rating			
Risk free	112,013	-	-
AAA	11,202	7,272	28,649
AA+	20,540	38,674	65,933
AA	973,571	1,364,475	2,632,796
AA-	638,535	1,408,250	1,569
Unrated	18,811	2,914	34,457
	1,774,672	2,821,585	2,763,404

All government securities are classified risk free and other ratings are obtained based on ratings published by Fitch Ratings Lanka Ltd.

34.2 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.

34.2.1 Exposure to credit risk

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

As at 31st March 2015	Carrying amount	Contractual cash flows			
		Total	up to 3 months	3-12 months	More than a year
Non derivative financial liabilities					
Trade and other payables	185,741	185,741	185,741	-	-
Bank overdrafts	18,875	18,875	18,875	-	-
	204,616	204,616	204,616	-	-

As at 31st March 2014 Restated	Carrying amount	Contractual cash flows			
		Total	up to 3 months	3-12 months	More than a year
Non derivative financial liabilities					
Trade and other payables	158,078	158,078	158,078	-	-
Bank overdrafts	6,257	6,257	6,257	-	-
	164,335	164,335	164,335	-	-

As at 1st April 2013 (Restated)	Carrying amount	Contractual cash flows			
		Total	up to 3 months	3-12 months	More than a year
Non derivative financial liabilities					
Trade and other payables	39,677	39,677	39,677	-	-
Bank overdrafts	28,073	28,073	28,073	-	-
	67,750	67,750	67,750	-	-

Provisions and accrued expenses which are not financial liabilities are excluded.

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

As at 31st March	2015	2014 (Restated)	1 April 2013 (Restated)
Total liquid assets	1,774,672	2,821,585	2,763,404
Liquid assets as a % of the total net assets	6%	12%	10%

34.2.2 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 damage to the Group's reputation.

The Group maintains a portion of its assets in highly liquid form, demand deposits with commercial banks, placements with banking institutions and investments under resale agreements, in order to capitalize on the opportunities arising in volatile market conditions and to meet its contractual obligations during 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 into cash and cash equivalents within a very short period of time and with a minimum loss being incurred.

In addition, the Group has access to approved financing arrangements, an analysis of which as at each of the reporting dates are given below.

As at 31st March	2015	2014	1 April 2013
Unutilised overdraft facilities	1,600,000	1,600,000	1,600,000
	1,600,000	1,600,000	1,600,000

34.3 Market risk

The market risk is 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 globalization influences which have an impact on systematic risk factors such as interest rates, currency parity, inflation and availability of credit.

34.3.1 Interest rate risk

The Group is exposed to interest rate risk, arising from its Investments under repurchase agreements, placements with banking institutions and overdraft facilities in the event such have been utilised.

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In Rupees Thousands

Profile

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	2015	Carrying Amount	
		2014 (Restated)	1 April 2013 (Restated)
Financial assets			
Placements with banking institutions	-	2,218,804	2,081,958
Securities purchased under resale agreements	1,742,390	569,145	570,662
	1,742,390	2,787,949	2,652,620
Financial liabilities			
Bank overdrafts	18,875	6,257	28,073
	18,875	6,257	28,073

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

	2015	2014
Commercial Banks Averaged Weighted Prime Lending Rate (AWPLR) *	9.95%	8.81%
Commercial Banks Averaged Weighted Fixed Deposit Rate (AWFDR) *	6.45%	13.94%

* Monthly averaged rate

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	Increase in Decrease in	
	1%	1%
As at 31st March 2015		
- On interest earning assets	17,424	(17,424)
- On interest bearing liabilities	(189)	189
	17,235	(17,235)
As at 31st March 2014		
Restated		
- On interest earning assets	27,879	(27,879)
- On interest bearing liabilities	(63)	63
	27,816	(27,816)
As at 1st April 2013		
Restated		
- On interest earning assets	26,526	(26,526)
- On interest bearing liabilities	(281)	281
	26,245	(26,245)

34.3.2 Other market price risks

Equity price risk

The Group being an investment house, where the principal activity of each of the companies within the Group being to act as specialised investment vehicle to undertake, among others; listed and private equity investments, the Group is exposed to equity price risk. Accordingly, having a substantial portion, 90% (2014 – 88%), of its investment portfolio designated as listed investments in the Colombo Stock Exchange, as private equity investments and as investments in equity funds, market volatilities bring in significant impact to the Groups earnings and value of its asset base.

Management of market price risk

Listed equity investments

Management of the Group monitors the equity securities in its investment portfolio based on market indices, where timing of buy / sell decisions are well supported with structured in-house research recommendations. Transactions of a major magnitude are subject to review and approval by the Investment Committee.

Private equity investments

Due evaluations are carried out before-hand, extending to both financial and operational feasibility of the private equity projects that the Group ventures into, with a view to ascertain the Company's investment decision and the risks involved. Continuous monitoring of the operations against the budgets and the industry standards ensure that the projects meet the desired outcome, and thereby the returns. Further, the Group generally carries investment agreements with the parties concerned, which carry specific 'exit clauses' to private equity projects - typically an 'Initial Public Offering' or a 'Buy-out' at a specified price formulae, which provides cover to a certain extent against movements in market conditions.

The total asset base which is exposed to equity price risk is tabulated below.

As at 31st March

	Note	Carrying amount		
		2015	2014 (Restated)	1st April 2013 (Restated)
Available for sale financial assets - investment in equity securities	22.a	22,780,984	19,837,443	22,045,089
Available for sale financial assets - investment in unit trusts				
Guardian acuity equity fund		40,850	30,875	28,700
Fair value through profit or loss financial assets - investment in equity securities	24.a	1,653,948	1,434,515	1,166,881
		24,475,782	21,302,833	23,240,670

A broad analysis of the investments made by the Company, based on the industry/sector is given in note 22 and 24.

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' subsidiary, The Sri Lanka fund, which is denominated in a currency other than the group's functional currency, which is the prime factor that exposes the Group in to currency risk.

Following are exchange rates that were used to translate the assets and liabilities of foreign operations, to Sri Lanka Rupees at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Sri Lanka Rupees at exchange rates at the dates of the transactions.

As at 31st March	Exchange rate		
	2015	2014	1st April 2013
USD/LKR	131.87	130.89	127.19

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34.4 Accounting classification and Fair values

The following table shows the carrying amounts and 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.

As at 31st March 2015	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total carrying amount	Fair value
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Financial assets measured at fair value

Available for-sale financial assets	-	-	-	22,898,257	-	22,898,257	22,898,257
Fair value through profit or loss financial assets	2,684,697	-	-	-	-	2,684,697	2,684,697

Financial assets not measured at fair value

Trade and other receivables	-	-	61,835	-	-	61,835	
Cash and cash equivalents	-	-	1,774,672	-	-	1,774,672	
Total financial assets	2,684,697	-	1,836,507	22,898,257	-	27,419,461	

Financial liabilities not measured at fair value

Trade and other payables	-	-	-	-	185,741	185,741	
Bank overdraft	-	-	-	-	18,875	18,875	
Total financial liabilities	-	-	-	-	204,616	204,616	

Restated As at 31st March 2014	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total carrying amount	Fair value
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Financial assets measured at fair value

Available for-sale financial assets	-	-	-	19,957,948	-	19,957,948	19,957,948
Fair value through profit or loss financial assets	1,459,717	-	-	-	-	1,459,717	1,459,717

Financial assets not measured at fair value

Trade and other receivables	-	-	43,698	-	-	43,698	
Cash and cash equivalents	-	-	2,821,585	-	-	2,821,585	
Total financial assets	1,459,717	-	2,865,283	19,957,948	-	24,282,948	

Financial liabilities not measured at fair value

Trade and other payables	-	-	-	-	158,078	158,078	
Bank overdraft	-	-	-	-	6,257	6,257	
Total financial liabilities	-	-	-	-	164,335	164,335	

Restated As at 1st April 2013	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total carrying amount	Fair value
Financial assets measured at fair value							
Available for-sale financial assets	-	-	-	22,158,994	-	22,158,994	22,158,994
Fair value through profit or loss financial assets	1,166,881	-	-	-	-	1,166,881	1,166,881
Financial assets not measured at fair value							
Trade and other receivables	-	-	143,475	-	-	143,475	
Cash and cash equivalents	-	-	2,763,404	-	-	2,763,404	
Total financial assets	1,166,881	-	2,906,879	7,993,560	-	26,232,854	
Financial liabilities not measured at fair value							
Trade and other payables	-	-	-	-	39,677	39,677	
Bank overdraft	-	-	-	-	28,073	28,073	
Total financial liabilities	-	-	-	-	67,750	67,750	

34.5 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).

» Notes to the Financial Statements

In Rupees Thousands

Restated	Level 1	Level 2	Level 3	Total
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As at 31st March 2015

Equity securities - available for sale financial assets	22,647,355	117,268	133,634	22,898,257
Equity securities - Fair value through profit or loss financial assets	1,653,948	1,030,749	-	2,684,697
	24,301,303	1,148,017	133,634	25,582,954

As at 31st March 2014

Equity securities - available for sale financial assets	19,778,814	120,500	58,634	19,957,948
Equity securities - Fair value through profit or loss financial assets	1,434,515	25,202	-	1,459,717
	21,213,329	145,702	58,634	21,417,665

As at 1st April 2013

Equity securities - available for sale financial assets	21,586,607	113,900	458,487	22,158,994
Equity securities - Fair value through profit or loss financial assets	1,166,881	-	-	1,166,881
	22,753,488	113,900	458,487	23,325,875

Addition of investments in unquoted equity securities amounting to Rs. 75 mn (2014 Rs. 1.3 mn) were categorised in to level 3 of fair value hierarchy during the financial year under review.

Reconciliation of Level 3 - Fair value	2015	2014
Opening balance	58,634	458,487
Additions	75,000	1,290
Disposal	-	(401,143)
Closing balance	133,634	58,634

There were no transfers in between Level 1, Level 2 and Level 3 during the financial period under review (2014 – Nil)

Valuation techniques and significant unobservable inputs

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

Investment in Equity securities	Valuation method/ techniques	Unobservable inputs	Ranges	Weighted average	Inter-relationship between key unobservable Inputs and fair value The estimated fair value would increase if.
Private equity (unlisted)	Discounted cash flows : The valuation model considers the present value of the net cash flows expected to be generated by the entities operations. The expected net cash flows are discounted using a risk-adjusted discount rate.	Revenue CAGR	13% - 25%	16.0%	Increase
		Exit multiple :	5-8	7	Increase
		<ul style="list-style-type: none"> • P/E – Price to earnings ratio (times) • EV/EBIT – Enterprise value to earnings before interest and tax 			
		Discount rate	15.5% -20%	17.1%	Decrease

35 Changes in accounting Policies

Except for the changes below, the Group has consistently applied the accounting policies set out in Note 3 to all periods presented in these consolidated financial statements.

Subsidiaries

With the adoption of revised SLFRS 10 the Group requires to consolidate The Sri Lanka Fund, which as per the previous standard was designated as an "available for sale financial asset" and accounted in accordance with LKAS 39 - "Financial Instruments; Recognition and measurement". Hence as per the revised standard the said entity was recognised as a subsidiary of the Group and consolidated in accordance with "SLFRS 10 - Consolidated Financial Statements".

» Notes to the Financial Statements

In Rupees Thousands

The impact to the financial statements:

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March	Group 2014	Company 2014
Profit or Loss		
Revenue	10,931	-
Net change in fair value of fair value through profit or loss financial assets	(4,978)	-
Administrative and other operating expenses	(9,040)	-
Net finance income	763	-
Other Comprehensive Income		
Net change in fair value of available for sale financial assets	13,352	6,676
Net exchange differences on translation of foreign operations	8,108	-
Foreign currency differences arising from the translation of available for sale financial assets	(10,976)	(5,488)
Net impact to total comprehensive income	8,160	1,188

Statement of Financial Position

As at 31st March	Group 2014	Group 1st April 2013	Company 2014	Company 1st April 2013
Assets				
Investment in subsidiaries	-	-	112,280	112,280
Available for sale financial assets	(251,377)	(253,752)	(125,688)	(126,876)
Trade and other receivables	1,595	(951)	-	-
Fair value through profit or loss financial assets	247,347	219,287	-	-
Cash and cash equivalents	38,672	65,933	-	-
	36,237	30,517	(13,408)	(14,596)
Liabilities				
Trade and other payables	2,027	4,467	-	-
Net impact to total equity	34,210	26,050	(13,408)	(14,596)

Associates

With the adoption of revised SLFRS 10 the Group requires to reclassify its investment in Bukit Darah PLC, from investment in associate accounted on equity method of accounting under LKAS 28, into “available for sale financial assets” category. Hence, said investment has been recognised at fair value in the statement of financial position and the changes in fair values have been recognised in Other Comprehensive Income in accordance with LKAS 39 - “Financial Instruments; Recognition and measurement”.

The impact to the financial statements:

Statement of Profit or Loss and Other Comprehensive Income

	Group 2014	Company 2014
For the year ended 31st March		
Profit or Loss		
Revenue	58,392	-
Share of profit of equity accounted investees net of tax	(566,997)	-
Other Comprehensive Income		
Share of other comprehensive expense of equity accounted investees net of tax	877,600	-
Net change in fair value of available for sale financial assets	(2,342,223)	-
Net impact to total comprehensive income	(1,973,228)	-

Statement of Financial position

	Group		Company	
As at 31st March	2014	1st April 2013	2014	1st April 2013
Investments in equity accounted investees	(5,475,394)	(5,844,389)	-	-
Available for sale financial assets	12,076,963	14,419,186	-	-
Net impact to total equity	6,601,569	8,574,797	-	-

» Notes to the Financial Statements

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35.1 Reconciliation to Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March 2014

	Group			Company		
	As reported previously	Restatement	Restated	As reported previously	Restatement	Restated
Revenue	1,813,045	69,323	1,882,368	814,897	-	814,897
Impairment loss on available for sale financial assets	-	-	-	-	-	-
Net change in fair value of fair value through profit or loss financial assets	5,921	(4,978)	943	(1,592)	-	(1,592)
Profit on investment activities	1,818,966	64,345	1,883,311	813,305	-	813,305
Other operating income - Gain on disposal of property plant and equipment	2,567	-	2,567	-	-	-
Administrative and other operating expenses	(152,592)	(9,040)	(161,632)	(55,926)	-	(55,926)
Profit from operations	1,668,941	55,305	1,724,246	757,379	-	757,379
Net finance income /(expense)	(2,413)	763	(1,650)	(2,221)	-	(2,221)
Profit from operations after finance cost	1,666,528	56,068	1,722,596	755,158	-	755,158
Share of profit of equity accounted investees net of tax	566,157	(566,997)	(840)	-	-	-
Profit before taxation	2,232,685	(510,929)	1,721,756	755,158	-	755,158
Income tax expense	(109,611)	-	(109,611)	(23,965)	-	(23,965)
Profit for the year	2,123,074	(510,929)	1,612,145	731,193	-	731,193

Other comprehensive income

Items that will never be reclassified to profit or loss

Actuarial loss on employee benefit obligation	(42)	-	(42)	-	-	-
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Items that are / or may be reclassified to profit or loss

Net change in fair value of available for sale financial assets	105,745	(2,328,871)	(2,223,126)	6,477	6,676	13,153
Foreign currency differences arising from the translation of available for sale financial assets	10,976	(10,976)	-	5,488	(5,488)	-
Transfer of realised gains on disposal of available for sale financial assets	(1,118,900)	-	(1,118,900)	(131,866)	-	(131,866)
Share of other comprehensive expense of equity accounted investees net of tax	(876,383)	877,600	1,217	-	-	-
Net exchange differences on translation of foreign operations	-	8,108	8,108	-	-	-
Other comprehensive income / (expense) for the year	(1,878,604)	(1,454,139)	(3,332,743)	(119,901)	1,188	(118,713)
Total comprehensive income / (expense) for the year	244,470	(1,965,068)	(1,720,598)	611,292	1,188	612,480

Profit / (Loss) attributable to:

Equity holders of the parent	1,716,270	(419,667)	1,296,603	-	-	-
Non-controlling interest	406,804	(91,262)	315,542	-	-	-
	2,123,074	(510,929)	1,612,145	-	-	-

Total comprehensive income / (expense) attributable to:

Equity holders of the parent	191,010	(1,615,700)	(1,424,690)	-	-	-
Non-controlling interest	53,460	(349,368)	(295,908)	-	-	-
	244,470	(1,965,068)	(1,720,598)	-	-	-

35.2 Impact to the Statement of Financial position - Group

	As at 31st March 2014			As at 1st April 2013		
	As previously reported	Restatement	Restated	As previously reported	Restatement	Restated
ASSETS						
Non-current assets						
Property, plant equipment	10,087	-	10,087	3,203	-	3,203
Intangible assets	233,744	-	233,744	236,562	-	236,562
Investment in subsidiaries	-	-	-	-	-	-
Investments in equity accounted investees	5,501,187	(5,475,394)	25,793	5,869,805	(5,844,389)	25,416
Available for sale financial assets	8,132,362	11,825,586	19,957,948	7,993,560	14,165,434	22,158,994
Deferred tax asset	2,016	-	2,016	10,404	-	10,404
Total non-current assets	13,879,396	6,350,192	20,229,588	14,113,534	8,321,045	22,434,579
Current assets						
Trade and other receivables	42,283	1,595	43,878	149,351	(951)	148,400
Current tax assets	11,335	-	11,335	14,724	-	14,724
Fair value through profit or loss financial assets	1,212,370	247,347	1,459,717	947,594	219,287	1,166,881
Cash and cash equivalents	2,782,913	38,672	2,821,585	2,697,471	65,933	2,763,404
Total current assets	4,048,901	287,614	4,336,515	3,809,140	284,269	4,093,409
Total assets	17,928,297	6,637,806	24,566,103	17,922,674	8,605,314	26,527,988
EQUITY AND LIABILITIES						
Equity						
Stated capital	953,167	-	953,167	953,167	-	953,167
Capital reserves	769,726	(443,326)	326,400	1,489,793	(1,164,610)	325,183
Revenue reserves	12,939,216	5,865,526	18,804,742	12,247,730	8,202,510	20,450,240
Total equity attributable to equity holders of the parent	14,662,109	5,422,200	20,084,309	14,690,690	7,037,900	21,728,590
Non-controlling interest	3,043,269	1,213,579	4,256,848	3,139,062	1,562,947	4,702,009
Total equity	17,705,378	6,635,779	24,341,157	17,829,752	8,600,847	26,430,599
LIABILITIES						
Non-current liabilities						
Employee benefits	7,609	-	7,609	5,425	-	5,425
Total non-current liabilities	7,609	-	7,609	5,425	-	5,425
Current liabilities						
Trade and other payables	171,498	2,027	173,525	48,240	4,467	52,707
Current tax liability	37,555	-	37,555	11,184	-	11,184
Bank overdraft	6,257	-	6,257	28,073	-	28,073
Total current liabilities	215,310	2,027	217,337	87,497	4,467	91,964
Total liabilities	222,919	2,027	224,946	92,922	4,467	97,389
Total equity and liabilities	17,928,297	6,637,806	24,566,103	17,922,674	8,605,314	26,527,988

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35.3 Impact to the Statement of Financial position - Company

	As at 31st March 2014			As at 1st April 2013		
	As previously reported	Restatement	Restated	As previously reported	Restatement	Restated
ASSETS						
Non-current assets						
Investment in subsidiaries	1,971,532	112,280	2,083,812	1,971,532	112,280	2,083,812
Investments in equity accounted investees	35,000	-	35,000	35,000	-	35,000
Available for sale financial assets	2,946,264	(125,688)	2,820,576	2,555,610	(126,876)	2,428,734
Deferred tax asset	2,016	-	2,016	10,404	-	10,404
Total non-current assets	4,954,812	(13,408)	4,941,404	4,572,546	(14,596)	4,557,950
Current assets						
Trade and other receivables	170,938	-	170,938	41,202	-	41,202
Current tax assets	10,646	-	10,646	13,349	-	13,349
Fair value through profit or loss financial assets	162,643	-	162,643	147,453	-	147,453
Cash and cash equivalents	689,149	-	689,149	830,362	-	830,362
Total current assets	1,033,376	-	1,033,376	1,032,366	-	1,032,366
Total assets	5,988,188	(13,408)	5,974,780	5,604,912	(14,596)	5,590,316
EQUITY AND LIABILITIES						
Equity						
Stated capital	953,167	-	953,167	953,167	-	953,167
Capital reserves	208,660	-	208,660	208,660	-	208,660
Revenue reserves	4,792,868	(13,408)	4,779,460	4,401,167	(14,596)	4,386,571
Total equity	5,954,695	(13,408)	5,941,287	5,562,994	(14,596)	5,548,398
Current liabilities						
Trade and other payables	29,933	-	29,933	14,291	-	14,291
Bank overdraft	3,560	-	3,560	27,627	-	27,627
Total current liabilities	33,493	-	33,493	41,918	-	41,918
Total liabilities	33,493	-	33,493	41,918	-	41,918
Total equity and liabilities	5,988,188	(13,408)	5,974,780	5,604,912	(14,596)	5,590,316

36 Segmental Reporting

The company'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 for the purpose of making decisions about resource allocation and performance. Therefore no disclosure is made on operating segments.

37 Events after the reporting period

After satisfying the solvency tests in accordance with Section 57 of the Company's Act, No. 7 of 2007,

- a) The Directors have recommended a first interim dividend in the form of Scrip dividend of Rs. 2/- (2014 - Nil) per ordinary and deferred share for the year ended 31st March 2015 amounting to Rs. 175,672,908/- (2014 - Nil) which is to be approved at the forthcoming Extraordinary General Meeting of the Company. The maximum number of shares to be issued is 944,478 as follows.
 - 882,761 ordinary shares in the ratio of 01 ordinary share for every 93 existing ordinary shares at a value of Rs. 186/- per share
 - 61,717 deferred shares in the ratio of 01 deferred share for every 93 existing deferred shares at a value of Rs. 186/- per share
- b) The Directors also recommended the payment of a final dividend of Rs. 3/- (2014 - Rs. 5) per Ordinary and Deferred share for the year ended 31st March 2015 amounting to Rs. 263,509,467/- (2014 - Rs. 439,182,445/-) which is to be approved at the forthcoming Annual General Meeting.

According to the Sri Lanka Accounting Standard (LKAS 10) - "Events after the reporting period" this proposed first interim dividend has not been adjusted and the final dividend has not been recognised as a liability as at 31st March 2015.

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

38 Commitments and contingencies

38.1 Capital expenditure commitments

There were no material capital commitments exist as at the reporting date.

38.2 Contingencies

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

39 Other Matters

The interim budget proposal presented by the Minister of Finance on 29th January 2015 and the pursuant bill presented to the Parliament on 30th March 2015, impose an one off tax of 25% on taxable profits for the year of assessment 2013/14 on any company or each company in a group of companies, if the company's / Group's profit before income tax exceeds Rs. 2,000 Mn.

The consolidated profit before tax of Carson Cumberbatch PLC, the parent Company of Ceylon Guardian Investment Trust PLC, exceeds the said threshold of Rs. 2,000 Mn.

Accordingly, the liability for the Company will be recognized in the financial statements when the bill is enacted and the required entries will be passed in the financial statements.

40 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	2015	SLFRS / LKAS		2012	SLAS 2011
		2014	2013		
Revenue					
Dividend income	655,161	906,837	471,025	410,896	293,890
Net gain on disposal of investments	1,524,049	1,289,020	1,235,698	1,763,145	2,373,482
Interest income	200,972	338,405	154,853	95,670	15,356
Management fee	87,205	66,950	43,755	44,487	37,218
	2,467,387	2,601,212	1,905,331	2,314,198	2,719,946
Less: Inter-group transactions	(400,773)	(718,844)	(262,732)	(232,898)	(194,354)
	2,066,614	1,882,368	1,642,599	2,081,300	2,525,592
Fair value adjustment - unrealised	113,167	943	38,010	(677,321)	199,678
Profit on investment activities	2,179,781	1,883,311	1,680,609	1,403,979	2,725,270
Profit before taxation	1,983,577	1,721,756	2,321,078	2,554,255	3,328,380
Income tax expense	(64,315)	(109,611)	(23,579)	(15,696)	(4,532)
Profit for the year	1,919,262	1,612,145	2,297,499	2,538,559	3,323,848
Profit attributable to non-controlling interest	(408,461)	(315,542)	(411,391)	(371,609)	(361,088)
Profit attributable to the equity holders of the parent	1,510,801	1,296,603	1,886,108	2,166,950	2,962,760
Dividends paid	(439,182)	(219,591)	(175,673)	(131,755)	(154,798)
Statement of financial position					
Capital employed					
Stated capital	953,167	953,167	953,167	953,167	953,167
Reserves	21,677,677	19,131,142	13,737,523	12,442,284	12,178,591
Total equity attributable to equity holders of the parent	22,630,844	20,084,309	14,690,690	13,395,451	13,131,758
Non-controlling interest	4,827,637	4,256,848	3,139,062	2,803,388	2,154,418
Total equity	27,458,481	24,341,157	17,829,752	16,198,839	15,286,176
Assets employed					
Current assets	4,534,389	4,336,515	3,809,140	2,123,566	1,556,258
Current liabilities	(230,478)	(217,337)	(87,497)	(62,237)	(574,781)
Net current assets	4,303,911	4,119,178	3,721,643	2,061,329	981,477
Non-current assets	23,164,604	20,229,588	14,113,534	14,141,866	14,308,315
Non-current liabilities	(10,034)	(7,609)	(5,425)	(4,356)	(3,616)
Net assets	27,458,481	24,341,157	17,829,752	16,198,839	15,286,176
Cash Flow Statements					
Net cash generated from / (used in) operating activities	(545,677)	358,525	1,634,668	1,678,344	1,295,516
Net cash used in investing activities	(440)	(4,928)	(16,448)	(25,728)	(1,108,829)
Net cash used in financing activities	(516,479)	(281,708)	(221,043)	(161,244)	(205,508)
Net (decrease) /increase in cash and cash equivalents	(1,062,596)	71,889	1,397,177	1,491,372	(18,821)

Note : Figures for the financial years 2013 and 2012 have not been adjusted for revised SLFRS / LKAS which became effective from 1st April 2014.

For the year ended / As at 31st March	2015	SLFRS / LKAS		2012	SLAS 2011
		2014	2013		
Ratios and statistics					
Operational ratio					
Return on ordinary shareholders funds (%)	6.68	6.46	12.84	16.18	22.56
Liquidity ratio					
Current ratio (Times)	19.67	19.95	43.53	34.12	2.71
Investor ratio					
Earnings per share (Rs.)	17.20	14.76	21.47	24.67	33.73
Dividend per share proposed (Rs.) **	5.00	5.00	2.50	2.00	1.50
Dividend cover (times)	3.44	2.95	8.57	12.34	22.49
Dividend growth (%)	-	100	25	33	(15)
Dividend yield (%)	2.72	2.81	1.56	0.87	0.41
Dividend payout ratio (%)	29.07	33.88	11.67	8.11	4.45
Net assets value per share (Rs.)	257.65	228.66	247.48	265.88	354.68
Market value per share (Rs.) **	184.00	177.90	160.00	231.00	369.50
Price earnings ratio (times)	10.70	12.05	7.47	9.36	10.95
Price to book value ratio (times)	0.71	0.78	0.65	0.87	1.04
Market capitalisation (Rs. 000)	15,105,796	14,605,006	13,135,475	18,964,342	30,334,738
Fair value of investments (Rs. 000)	27,338,751	24,232,993	26,029,738	28,052,053	36,282,044
All Share Price Index (points)	6,820	5,968	5,736	5,420	7,226
S&P SL 20 Index (points)	3,852	3,280	3,294	2,986	3,893

* Based on proposed / interim dividends.

** As at 31st March.

Note : Figures for the financial years 2013 and 2012 have not been adjusted for revised SLFRS / LKAS which became effective from 1st April 2014.

US\$ Financial

Preparation of US Dollar Financial Statements

The Financial Statements of the Group are stated 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 Financial Statements. US Dollar Financial do not form part of the audited Financial Statements of the Group.

» Financial Highlights

In United States Dollars

For the year ended / As at 31st March

	2015	2014 %	Change
Revenue	15,751,631	14,467,512	9
Profit from operations	15,117,515	13,252,217	14
Share of loss of equity accounted investee net of tax	(3,514)	(6,456)	(46)
Profit before taxation	15,118,727	13,233,079	14
Profit for the year	14,628,521	12,390,631	18
Profit attributable to equity holders of the parent	11,515,252	9,965,437	16
Other comprehensive income / (expense) for the year	13,154,123	(25,614,809)	(151)
Total comprehensive income / (expense) for the year	27,782,644	(13,224,178)	(310)
Net cash generated from / (used in) operating activities	(4,159,123)	2,755,553	(251)
Total equity attributable to equity holders of the parent	169,748,305	153,631,983	10
Return on ordinary shareholders' funds (%)	6.78	6.49	5
Earnings per share	0.13	0.11	18
Dividend per share *	0.04	0.04	-
Net assets per ordinary / deferred share	1.93	1.75	10
Market price per share	1.38	1.33	3
Guardian fund value **	205,061.14	181,765.62	13

* Based on proposed dividends and subject to approval at the Annual General Meeting

** Based on fair value of portfolio after adjusting for cash and cash equivalents

» Statement of Comprehensive Income

In United States Dollars

Group

For the year ended 31st March

	2015	2014 Restated
Revenue	15,751,631	14,467,512
Impairment loss on available for sale financial assets	(622,904)	-
Net change in fair value of fair value through profit or loss financial assets	1,485,457	7,248
Profit on investment activities	16,614,184	14,474,760
Other operating income - Gain on disposal of property plant and equipment	-	19,729
Administrative and other operating expenses	(1,496,669)	(1,242,272)
Profit from operations	15,117,515	13,252,217
Net finance income / (expense)	4,726	(12,682)
Profit from operations after net finance income / (expense)	15,122,241	13,239,535
Share of loss of equity accounted investee net of tax	(3,514)	(6,456)
Profit before taxation	15,118,727	13,233,079
Income tax expense	(490,206)	(842,448)
Profit for the year	14,628,521	12,390,631
Other comprehensive income		
Items that will never be reclassified to profit or loss		
Actuarial gain / (loss) on employee benefit obligation	526	(323)
Items that are / or may be reclassified to profit or loss		
Net change in fair value of available for sale financial assets	20,818,796	(17,086,511)
Transfer of realised gains on disposal of available for sale financial assets	(7,692,988)	(8,599,646)
Share of other comprehensive income of equity accounted investee net of tax	4,428	9,354
Net exchange differences on translation of foreign operations	23,361	62,315
Other comprehensive income / (expense) for the year	13,154,123	(25,614,811)
Total comprehensive income / (expense) for the year	27,782,644	(13,224,180)
Profit attributable to:		
Equity holders of the parent	11,515,252	9,965,437
Non controlling interest	3,113,270	2,425,194
	14,628,522	12,390,631
Total comprehensive income / (expense) attributable to:		
Equity holders of the parent	22,746,463	(10,949,889)
Non controlling interest	5,036,181	(2,274,291)
	27,782,644	(13,224,180)
Earnings per share	0.13	0.11

» Statement of Financial Position

As at 31st March	Group	
	2015	2014 Restated
ASSETS		
Non-current assets		
Property, plant and equipment	63,884	77,159
Intangible assets	1,739,551	1,787,991
Investments in subsidiaries	-	-
Investment in equity accounted investee	194,367	197,300
Available for sale financial assets	171,754,103	152,665,402
Deferred tax asset	-	15,421
Total non-current assets	173,751,905	154,743,273
Current assets		
Trade and other receivables	469,697	335,638
Current tax assets	93,009	86,705
Fair value through profit or loss financial assets	20,137,241	11,165,892
Cash and cash equivalents	13,311,372	21,583,301
Total current assets	34,011,319	33,171,536
Total assets	207,763,224	187,914,809
EQUITY AND LIABILITIES		
Equity		
Stated capital	8,834,775	8,834,775
Capital reserves	767,297	953,088
Revenue reserves	160,146,233	143,844,120
Total equity attributable to equity holders of the parent	169,748,305	153,631,983
Non-controlling interest	36,210,898	32,562,135
Total equity	205,959,203	186,194,118
Non-current liabilities		
Employee benefits	75,263	58,204
Total non-current liabilities	75,263	58,204
Current liabilities		
Trade and other payables	1,552,903	1,327,354
Current tax liabilities	34,278	287,271
Bank overdraft	141,577	47,862
Total current liabilities	1,728,758	1,662,487
Total liabilities	1,804,021	1,720,691
Total equity and liabilities	207,763,224	187,914,809
Net assets per ordinary / deferred share	1.93	1.75

» Five Year Summary

Amounts in United States Dollars

For the year ended / As at 31st March	2015	SLFRS/LKAS			SLAS 2011
		2014	2013	2012	
Revenue					
Dividend income	4,993,605	6,969,772	3,635,013	3,662,828	2,620,976
Net gain on disposal of investments	11,616,227	9,907,155	9,536,178	15,717,106	21,167,234
Interest income	1,531,799	2,600,915	1,195,038	852,826	136,948
Management fee	664,672	514,565	337,668	396,568	331,918
	18,806,303	19,992,407	14,703,897	20,629,328	24,257,076
Less: Inter-group transactions	(3,054,672)	(5,524,895)	(2,027,566)	(2,076,110)	(1,733,291)
	15,751,631	14,467,512	12,676,331	18,553,218	22,523,785
Profit before taxation	15,118,727	13,233,079	17,912,318	22,769,254	29,683,225
Income tax expense	(490,206)	(842,448)	(181,965)	(139,918)	(40,417)
Profit for the year	14,628,521	12,390,631	17,730,353	22,629,336	29,642,808
Non controlling interest	(3,113,270)	(2,425,194)	(3,174,803)	(3,312,613)	(3,220,263)
Profit attributable to equity holders of the parent	11,515,251	9,965,437	14,555,550	19,316,723	26,422,545
Dividends paid	(3,347,424)	(1,687,733)	(1,355,707)	(1,175,020)	(1,379,907)
Statements of Financial Position					
Capital employed					
Stated capital	8,834,775	8,834,775	8,834,775	8,834,775	8,834,775
Reserves	160,913,530	144,797,208	107,248,236	95,735,490	110,112,457
Total equity attributable to equity holders of the parent	169,748,305	153,631,983	116,083,011	104,570,265	118,947,232
Non controlling interest	36,210,898	32,562,135	24,474,749	21,884,372	19,514,498
Total equity	205,959,203	186,194,118	140,557,760	126,454,637	138,461,730
Assets employed					
Current assets	34,011,319	33,171,536	30,028,695	16,577,408	14,096,540
Current liabilities	(1,728,758)	(1,662,487)	(689,768)	(485,846)	(5,206,350)
Net current assets	32,282,561	31,509,049	29,338,927	16,091,562	8,890,190
Non-current assets	173,751,905	154,743,273	111,261,600	110,397,080	129,604,303
Non-current liabilities	(75,263)	(58,204)	(42,767)	(34,005)	(32,763)
Net assets	205,959,203	186,194,118	140,557,760	126,454,637	138,461,730

Note : Figures for the financial years 2013 and 2012 have not been adjusted for revised SLFRS / LKAS which became effective from 1st April 2014.

For the year ended	2015	SLFRS/LKAS		2012	SLAS 2011
		2014	2013		
Cash Flow Statements					
Net cash generated from / (used in) from operating activities	(4,159,123)	2,755,553	12,615,087	14,968,447	11,553,696
Net cash used in investing activities	(3,354)	(37,876)	(126,933)	(229,279)	(9,888,781)
Net cash used in financing activities	(3,936,578)	(2,165,153)	(1,705,837)	(1,438,776)	(1,832,766)
Net (decrease) / increase in cash and cash equivalents	(8,099,055)	552,524	10,782,317	13,300,392	(167,851)

RATIOS & STATISTICS

For the year ended / As at 31st March	2015	2014	2013	2012	2011
Operating ratio					
Return on ordinary shareholders' funds (%)	6.78	6.49	12.54	18.47	22.21
Liquidity ratio					
Current ratio (times)	19.67	19.95	43.53	34.12	2.71
Investor ratios					
Earnings per share (US\$)	0.13	0.11	0.17	0.22	0.30

» Notes to the Financial Statements

Amounts in United States Dollars

I 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 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	2015	2014
Statement of Profit or Loss and Other Comprehensive Income - Average rate	131.20	130.11
Monetary assets and liabilities - Closing rate	133.32	130.73
Non-monetary assets and liabilities - Closing rate	133.32	130.73
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	2015	2014
Beginning of the year	143,844,120	161,215,924
Net movement during the year	19,405,137	(12,646,976)
	163,249,257	148,568,948
Currency fluctuations	(3,103,024)	(4,724,828)
As at the end of the year	160,146,233	143,844,120

» Information to Shareholders and Investors

1 Stock Exchange Listing

Ceylon Guardian Investment Trust PLC is a public listed 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 2015 was Rs. 184/- per share (2014 – Rs.177/90).

3 Ordinary Shareholders

As at 31st March	2015	2014
Number of Shareholders	1,638	1,516

The number of ordinary shares held by non-residents as at 31st March 2015 was 6,993,868 (2014 – 8,279,129) which amounts to 8.52% (2014 – 10.09%).

Distribution of Shares	Residents			Non-Residents			Total		
	No. of share-holders	No. of Shares	%	No. of share-holders	No. of Shares	%	No. of Share-holders	No. of Shares	%
1-1,000	1,059	238,189	0.29	13	6,151	0.01	1,072	244,340	0.30
1,001-10,000	350	1,236,390	1.51	16	65,156	0.08	366	1,301,546	1.59
10,001-100,000	133	4,387,819	5.34	22	723,119	0.88	155	5,110,938	6.22
100,001-1,000,000	35	9,927,270	12.09	5	1,006,830	1.23	40	10,934,100	13.32
Above 1,000,000	3	59,313,183	72.25	2	5,192,612	6.32	5	64,505,795	78.57
Total	1,580	75,102,851	91.48	58	6,993,868	8.52	1,638	82,096,719	100.00

Categories of shareholders	No. of Shareholders	No. of Shares	%
Individuals	1,455	13,475,347	16.41
Institutions	183	68,621,372	83.59
Total	1,638	82,096,719	100.00

3.1 Public Shareholding

The Percentage of ordinary shares held by the public as at 31st March 2015 was 32.51% (2014 - 32.51%) and the number of public shareholders were 1624.

4 Market performance - ordinary shares

For the year	2015	2014
Share price as at 31 March (Rs.)	184.00	177.90
Highest (Rs.)	210.00	211.50
Lowest (Rs.)	150.00	149.90
Value of the shares traded ('000.)	982,481,801	593,555,381
No. of shares traded	5,046,469	3,165,731
Volume of transactions (Nos.)	2,616	1,712

» Information to Shareholders and Investors

5 Market capitalisation

Market capitalisation of the Company which is the number of ordinary shares in issue multiplied by the market value of an ordinary share was Rs.15,105,796,296 /- as at 31st March, 2015 (2014 - Rs.14,605,006,310/-).

6 Record of Bonus Issues, Rights Issues, Repurchase and Subdivision of shares

The undermentioned share issues/repurchase 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	757,525
1990	-	Bonus	01:01	757,525	1,515,050
1992	-	Bonus	01:08	189,381	1,704,431
1999	-	Bonus	01:04	426,108	2,130,539
2000	-	Bonus	01:04	532,634	2,663,173
2002	- April	Rights	01:07	380,453	3,043,626
	- May	Bonus	01:04	760,906	3,804,532
2003	- July	Rights	01:05	760,906	4,565,438
	- August	Bonus	01:06	760,906	5,326,344
2004	- July	Rights	01:02	2,663,172	7,989,516
2004	- September	Bonus	01:03	2,663,172	10,652,688
2005	- March	Rights	01:03	3,550,896	14,203,584
	- June	Bonus	01:03	4,734,528	18,938,112
2009	- October	Repurchase	03.20	(2,840,716)	16,097,396
2010	- November	Subdivision	05:01	64,389,584	80,486,980
		Capitalisation of Reserves	01:50	1,609,739	82,096,719

7 Dividend

7.1 The Directors have recommended a first interim dividend of Rs. 2/- per share in the form of a Scrip dividend on Ordinary and Deferred share for the financial year ended 31st March 2015.

7.2 The Directors have also recommended a final dividend of Rs. 3/- per Ordinary share and Deferred share for the year ended 31st March 2015 (2014 - Rs.5/-).

8 Number of employees

The Company had no employees at the reporting date (2014 - Nil). The Group has 19 (2014 - 17) employees as at the reporting date.

9 Major shareholders

A list of major shareholders of the Company as at the reporting date is provided in the Annual Report of the Board of Directors, on page 59.

[illegible]

» Notice of Meeting

NOTICE IS HEREBY GIVEN that the SIXTY THIRD Annual General Meeting of **CEYLON GUARDIAN INVESTMENT TRUST PLC** will be held on Tuesday the 11th day of August 2015 at 11.30 a.m. at Taj Samudra Hotel, "Crystal Room", Upper Floor, No. 25, Galle Face Centre Road, Colombo 3 for the following purposes :

1. To receive and adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2015, together with the Independent Auditors' Report thereon.
2. To declare a dividend as recommended by the Directors.
3. To re-elect Mr. V.M. Fernando who retires by rotation in terms of Articles 89,90 and 91 of the Articles of Association of the Company.
4. To re-elect Mr. K. Selvanathan who retires by rotation in terms of Articles 89,90 and 91 of the Articles of Association of the Company.
5. To re-elect Mr.T.C.M. Chia as a Director in terms of Articles 88 and 95 of the Articles of Association of the Company.
6. To re-appoint Mr. I. Paulraj 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. of 2007 shall not be applicable to Mr. I. Paulraj who is 78 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."
7. To re-appoint Mr. C.W. Knight 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. of 2007 shall not be applicable to Mr. C.W. Knight who is 72 years of age and that he be re-appointed as a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."
8. To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act No. 7 of 2007 and to authorise the Directors to determine their remuneration.

By Order of the Board

(Sgd.)

K.D. De Silva (Mrs.)

Director

Carsons Management Service (Private) Limited

Secretaries

Colombo,

13th July 2015

Notes

1. A member is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. A Form of Proxy accompanies this notice.
2. The completed Form of Proxy must be deposited at the Registered Office, No.61, Janadhipathi Mawatha, Colombo 1, not later than 11.30 a.m. on 9th August 2015.
3. A person representing a Corporation is required to carry a certified copy of the resolution authorising him/her to act as the representative of the Corporation. A representative need not be a member.
4. The transfer books of the Company will remain open.
5. 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 Member/Members of **CEYLON GUARDIAN INVESTMENT TRUST PLC**
 hereby appoint.....
 of.....
 bearing NIC No./ Passport No..... or failing him/her

Israel Paulraj	or failing him,
Don Chandima Rajakaruna Gunawardena	or failing him,
Vernon Manilal Fernando	or failing him,
Mirihana Arachchige Rose Chandralatha Cooray	or failing her,
Krishna Selvanathan	or failing him,
Christopher William Knight	or failing him,
Timothy Chee Ming Chia	

as *my/our proxy to attend at the 63rd Annual General Meeting of the Company to be held on Tuesday, the 11th day of August 2015 at 11.30 a.m., at Taj Samudra Hotel, "Crystal Room", Upper Floor, No. 25, Galle Face Centre Road, Colombo 3 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
(i) To adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2015, together with the Independent Auditors' Report thereon.	<input type="checkbox"/>	<input type="checkbox"/>
(ii) To declare Rs. 3/- per Ordinary share and Deferred share as a final dividend for the financial year ended 31st March 2015 as recommended by the Directors.	<input type="checkbox"/>	<input type="checkbox"/>
(iii) To re-elect Mr. V.M. Fernando who retires by rotation in terms of Articles 89,90 and 91 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(iv) To re-elect Mr. K. Selvanathan who retires by rotation in terms of Articles 89,90 and 91 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(v) To re-elect Mr.T.C.M. Chia as a Director in terms of Articles 88 and 95 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(vi) To re-appoint Mr. I. Paulraj who is over Seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(vii) To re-appoint Mr. C.W. Knight who is over Seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(viii) To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (I) of the Companies Act No. 07 of 2007 and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this.....day ofTwo Thousand and Fifteen.

.....
 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.
3. In terms of Article 71 of the Articles of Association of the Company: The instrument appointing a proxy shall be in writing and :
 - (i) in the case of an individual shall be signed by the appointor 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 Company may, but shall not be bound to, require evidence of the authority of any such attorney or officer: A proxy need not be a member of the company.

4. In terms of Article 66 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 stands in the Register of Members in respect of the joint holding.
5. To be valid the completed form of proxy should be deposited at the Registered Office of the Company situated at No. 61, Janadhipathi Mawatha, Colombo 1 not later than 11.30 a.m. on 9th August 2015.

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 and Controlling Entity

In the opinion of the Director's Carson Cumberbatch PLC is the Parent Company of Ceylon Guardian Investment Trust PLC and Bukith Darah PLC is the Ultimate Parent and Controlling entity of Ceylon Guardian Investment Trust PLC

Directors

Mr. I. Paulraj (Chairman)
Mr. D.C.R. Gunawardena
Mr. A. de. Z. Gunasekera (Resigned w.e.f. 31.10.2014)
Mr. V.M. Fernando
Mrs. M.A.R.C. Cooray
Mr. K. Selvanathan
Mr. C.W. Knight
Mr. T.C.M. Chia (Appointed w.e.f. 01/11/2014)

Number of Employees

The Company did not have any employees of its own as at the end of the year

Bankers

Standard Chartered Bank
HSBC
Commercial Bank of Ceylon PLC
Deutsche Bank A.G.
DFCC Bank
Peoples' Bank

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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**CEYLON
GUARDIAN**

A CARSON CUMBERBATCH COMPANY

www.carsoncumberbatch.com

CEYLON GUARDIAN INVESTMENT TRUST PLC- PQ 52

ADDITIONAL INFORMATION TO SHAREHOLDERS

We are herewith circulating the portfolio of the Company's Subsidiary Company, Rubber Investment Trust Limited.

INVESTMENT PORTFOLIO OF RUBBER INVESTMENT TRUST LIMITED

(Amounts expressed in Sri Lankan Rupee thousands)

	Note	2015		2014		2013	
		Cost as at 31st March	Fair Value as at 31st March	Cost as at 31st March	Fair Value as at 31st March	Cost as at 1st April	Fair Value as at 1st April
Available for sale financial assets	1	454,725	15,433,890	456,849	14,219,577	340,027	17,196,133
Fair value through profit or loss financial assets	2	-	1,354,575	-	404,923	-	296,511
		454,725	16,788,465	456,849	14,624,500	340,027	17,492,644

I	Available for sale financial assets	2015			2014			2013		
		No. of Shares	Cost as at 31st March	Fair value as at 31st March	No. of Shares	Cost as at 31st March	Fair value as at 31st March	No. of Shares	Cost as at 1st April	Fair value as at 1st April
I.1	Investment in equity securities - Quoted									
	Banks, Finance & Insurance									
	Hatton National Bank PLC Non Voting	269,000	48,197	44,384	-	-	-	-	-	-
	Hatton National Bank PLC	122,000	28,229	27,084	-	-	-	-	-	-
			76,426	71,468		-	-		-	-
	Diversified									
	John Keells Holdings PLC	7,544,237	375,405	1,504,321	9,122,814	453,955	2,070,879	11,240,529	337,563	2,776,412
	John Keells Holdings PLC - Warrants 2015	-	-	-	503,706	-	34,554	-	-	-
	John Keells Holdings PLC - Warrants 2016	-	-	-	503,706	-	36,216	-	-	-
			375,405	1,504,321		453,955	2,141,649		337,563	2,776,412
	Oil Palm									
	Bukit Darah PLC	20,470,125	1,928	13,857,135	20,470,125	1,928	12,076,962	20,470,125	1,928	14,419,185
			1,928	13,857,135		1,928	12,076,962		1,928	14,419,185
	Total investment in equity securities - Quoted		453,759	15,432,924		455,883	14,218,611		339,491	17,195,597
I.2	Investment in equity securities - Unquoted									
	DFCC Vardhana Bank	55,253	963	963	55,253	963	963	42,975	533	533
	Total investment in equity securities - Unquoted		963	963		963	963		533	533
I.3	Investments in Debentures									
	Redeemable unsecured Debentures									
	Riverina Hotels Limited	56	1	1	56	1	1	56	1	1
	Ocean View Limited - 6%	120	1	1	120	1	1	120	1	1
	Total investment in Debentures		2	2		2	2		2	2

	2015			2014			2013		
	No. of Shares	Cost as at 31st March	Fair value as at 31st March	No. of Shares	Cost as at 31st March	Fair value as at 31st March	No. of Shares	Cost as at 1st April	Fair value as at 1st April
1.4 Preference Shares									
Bukit Darah PLC - 8% participative cumulative	31,875			31,875			31,875		
Total investment in Preference Shares									
Total investment in available for sale financial assets		454,725	15,443,890		456,849	14,219,577		340,027	17,196,133

2 Fair value through profit or loss financial assets

2.1 Investment in equity securities - Quoted

	No. of Shares	2015 Fair value as at 31st March	No. of Shares	2014 Fair value as at 31st March	No. of Shares	2013 Fair value as at 31st March
Banks, Finance & Insurance						
Commercial Bank of Ceylon PLC	40,418	6,685	310,537	38,196	441,040	49,838
DFCC Bank PLC	39,699	8,051	113,124	16,278	-	-
Hatton National Bank PLC	285,000	63,270	285,000	42,750	390,000	65,247
National Development Bank PLC	-	-	416,525	74,391	-	-
Nations Trust Bank PLC	-	-	100,000	6,490	-	-
People's Leasing & Finance PLC	-	-	-	-	180,688	2,367
Seylan Bank PLC	400,000	40,000	-	-	-	-
Sinhaputhra Finance PLC	20,000	3,598	-	-	-	-
Union Bank of Colombo PLC	1,178,975	28,413	-	-	-	-
		150,017		178,105		117,452
Beverage, Food & Tobacco						
Ceylon Tobacco Company PLC	-	-	18,340	19,367	24,340	19,002
Distilleries Company of Sri Lanka PLC	201,278	48,407	121,278	24,619	393,644	65,542
		48,407		43,986		84,544
Construction and Engineering						
Access Engineering PLC	1,750,000	33,600	-	-		
		33,600		-		-
Diversified						
Aitken Spence PLC	370,218	36,837	370,218	36,244	-	-
Expolanka Holdings PLC	-	-	200,000	1,740	-	-
Hemas Holdings PLC	634,488	46,762	634,488	23,920	-	-
John Keells Holdings PLC	-	-	189,239	42,957	295,577	72,922
John Keells Holdings PLC - Warrants 2016	-	-	100,000	7,190	-	-
Softlogic Holdings PLC	2,406,410	31,765	-	-	-	-
		115,364		112,051		72,922

	No. of Shares	2015 Fair value as at 31st March	No. of Shares	2014 Fair value as at 31st March	No. of Shares	2013 Fair value as at 31st March
Healthcare						
The Lanka Hospital Corporation PLC	-	-	60,000	2,496	-	-
		-		2,496		-
Hotels & Travels						
Aitken Spence Hotel Holdings PLC	229,193	15,356	200,577	14,040	200,577	14,843
Asian Hotels and Properties PLC	-	-	97,000	5,704	-	-
Serendib Hotels PLC	270,067	7,562	-	-	-	-
		22,918		19,744		14,843
Manufacturing						
Kelani Tyres PLC	211,816	16,522	179,849	9,388		
Lanka Tiles PLC	259,765	27,535	-	-	-	-
		44,057		9,388		-
Power and Energy						
Lanka IOC PLC	131,862	5,314	600,000	23,100	-	-
Laugfs Gas PLC	-	-	125,775	4,088	-	-
		5,314		27,188		-
Telecommunications						
Dialog Axiata PLC	1,629,448	16,946	1,329,448	11,965	750,000	6,750
		16,946		11,965		6,750
Total investment in equity securities - Quoted		436,623		404,923		296,511
2.2 Investments in unit trusts - Unquoted						
Guardian Acuity Fixed Income Fund	42,517,007	517,432	-	-		
Guardian Money Market GILT Fund	4,000,000	400,520	-	-		
Total investment in unit trusts - Unquoted		917,952		-		-
Total investment in Fair value through profit or loss financial assets		1,354,575		404,923		296,511