

Ceylon Guardian Investment Trust PLC

Contents

Financial Highlights	2
Chairperson's Message	3
Management Discussion and Analysis	4
Risk Management	9
Profiles of the Directors	15
Management Team	17
Annual Report of the Board of Directors on the Affairs of the Company	18
Audit Committee Report	29
Related Party Transactions Review Committee Report	31
Financial Calendar	33
Independent Auditor's Report	34
Statement of Profit or Loss and Other Comprehensive Income	38
Statement of Financial Position	39
Statement of Changes In Equity	40
Statement of Cash Flows	42
Notes to the Financial Statements	43
Five Year Summary	109
US\$ Financials	111
Information to Shareholders and Investors	117
Notice of Meeting	119
Notes	121
Form of Proxy	123



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

Ceylon Guardian Investment Trust PLC

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

The Guardian Group holds an investment portfolio worth approximately Rs. 19.69 billion as at the end of March 2021.

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

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

Financial Highlights

In Rupees Thousands

For the year ended / As at 31st March	2021	2020	Change %
Revenue	1,604,663	701,332	129
Profit/(loss) from operations	3,265,929	(1,399,445)	333
Share of profit of equity accounted investee net of tax	2,805	4,724	(41)
Profit/(loss) before taxation	3,221,390	(1,424,364)	326
Profit/(loss) for the year from continuing operations	3,164,738	(1,459,385)	317
Profit / (loss) for the year	3,243,951	(1,472,613)	320
Profit/(loss) attributable to equity holders of the parent company	2,721,021	(1,244,876)	319
Other comprehensive income/(expense) for the year	3,106,531	(378,205)	921
Total comprehensive income / (expense) for the year	6,350,482	(1,850,818)	443
Total comprehensive income / (expense) attributable to equity holders of the parent	5,298,930	(1,557,814)	440
Net cash generated from operating activities	1,025,567	1,372,857	(25)
Net increase / (Decrease) in cash and cash equivalents	(37,331)	2,196,423	(102)
Total equity attributable to equity holders of the parent	16,742,130	11,535,478	45
Total equity	20,061,693	13,867,586	45
Total assets	20,401,160	15,030,426	36
Return on ordinary shareholders funds (%)	16.25	(10.79)	251
Earnings/(loss) per share (Rs)	30.65	(14.02)	319
Dividend per share (Rs) *	1.60	1.15	39
Net assets per ordinary / deferred share (Rs)	188.58	129.93	45
Guardian actively managed Portfolio **	12,954,877	9,987,076	30
Guardian fund value **	19,694,391	13,665,962	44
Stock market data			
All Share Price Index (points)	7,121	4,572	56
S&P SL 20 Index (points)	2,850	1,947	46
Market capitalisation	9,957,464	5,957,883	67
Share price (Rs.)			
Year end	120.00	71.80	67
High	170.00	95.90	77
Low	49.00	58.00	(16)

* Based on proposed / interim dividends

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

Chairperson's Message

It is with pleasure that I present to you the Annual Report of Ceylon Guardian Investment Trust PLC (CGIT) for the financial year ended 31 March 2021 and convey to you that your company has performed extremely well in another challenging year.

Covid-19 continues to take its toll across the globe with Sri Lanka also undergoing its share of the pandemic strain. The year began with a nationwide lockdown due to Covid-19 which was well contained until another cluster was identified in October 2020 and thereafter we saw improvement again. However, with a more contagious variant spreading through Sri Lanka the daily count saw a sharp increase at the time of writing.

The Colombo Stock Exchange (CSE) on the contrary experienced an extraordinary year in performance with the All Share Price Index (ASPI) experiencing a buoyant gain of 55.77% and S&P SL20 too rising by 46.35%. Capitalizing on this movement Ceylon Guardian Group's total portfolio grew by 44.89% (dividend adjusted performance) and reported a consolidated profit after tax of Rs. 3,244 Mn for the financial year 2021 largely due to the upward movement of the equity market leading to a gain of Rs. 1,869 Mn from fair value through profit or loss financial assets.

Companies across the CSE have been affected by Covid-19 in differing ways with rapidly changing business dynamics. Varying industries have reacted with different strategies with some sectors more affected than others. This environment continues to emphasize the need for Guardian's strategy of stock picking and we remain true to its long term investment philosophy of fundamental investing.

CGIT decided not to have a dedicated fund for private equity business and announced that it entered into a Share Sale and Purchase Agreement (SSPA) with Gazelle Asset Management Pte Ltd ("GAZELLE") for the sale of 21,692,800 ordinary shares (83.97% stake) of Guardian Capital Partners (GCP) held by CGIT to Gazelle. As part of the preconditions to the agreement, CGIT acquired the private equity investments of CGIT at a consideration of Rs 152 Mn based on the independent valuation issued by PricewaterhouseCoopers Sri Lanka which was reviewed by KPMG Sri Lanka. The transaction was not completed due to unexpected delays at the time of writing my message. We will continue to engage with you to keep you informed on the status of the transaction.

Economy

Sri Lanka's economy shrank by a rate of 3.6% in 2020 with the second quarter having the largest decline. All sectors of the economy were affected with particular segments such as tourism

still struggling to recover. Extraordinary monetary stimulus measures put in place by the Central Bank saw interest rates decline to extremely low levels. We expect a recovery to take place in 2021 and estimates of approximately 5% have been announced by the Central Bank. However, this will depend on the ability to contain the virus, the success of vaccination programmes and further lockdowns that take place. Sri Lanka's sovereign rating experienced downgrades by global rating agencies which included Fitch ratings downgrading Sri Lanka on two occasions from 'B' to 'CCC'. The main points of concern highlighted by the agencies include external debt repayments and lack of a credible fiscal consolidation strategy.

Business Environment

Despite the brief Colombo Stock Exchange (CSE) closure at the start of the financial year due to the initial lockdown it has been fully operational without interruptions thereafter. This has assisted in the strong upturn of the ASPI and facilitated the inflow of funds into the CSE. The sustainability of the performance of the CSE will depend on the fundamentals of its listed companies and macroeconomic stability. I hope to also see a reversal in the foreign outflows from the CSE which has experienced Rs. 63 billion outflow through the financial year.

I would like to express my gratitude to staff for their strong efforts, commitment and diligence in managing the company throughout this pandemic. Furthermore, I would also like to thank our intermediaries and service providers for their support, and the regulators in their efforts and determination to take capital markets forward. My appreciation also goes out to our loyal clients, investors and shareholders who continue to place their trust and aspirations in Guardian's management to navigate these challenging times. Mr Timothy Chee Ming Chia stepped down from the board in May 2021 and I take this opportunity to thank him for his valuable contribution to the Company and wish him success in his future endeavours. I extend my gratitude to my fellow board members and the members of the Audit Committee, Remuneration Committee, Nomination Committee and Related Party Transactions Review Committee for their hard work and diligence.

(Sgd.)

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

15th July 2021
Colombo

Management Discussion and Analysis

Guardian Group portfolio performance

Despite the challenging year of enduring the global pandemic, the Colombo Stock Exchange had a very robust performance with the All Share Price Index rising by 55.77% for the financial year ending March 2021. Ceylon Guardian's total portfolio benefitted from the market's surge and was able to increase value from Rs.13.67 Bn to Rs. 19.70 Bn. The portfolio which is partly comprised of a strategic stake in Bukit Darah PLC was valued at Rs. 6.74 Bn as at 31st March 2021 which rose sharply from Rs. 3.68 Bn a year ago.

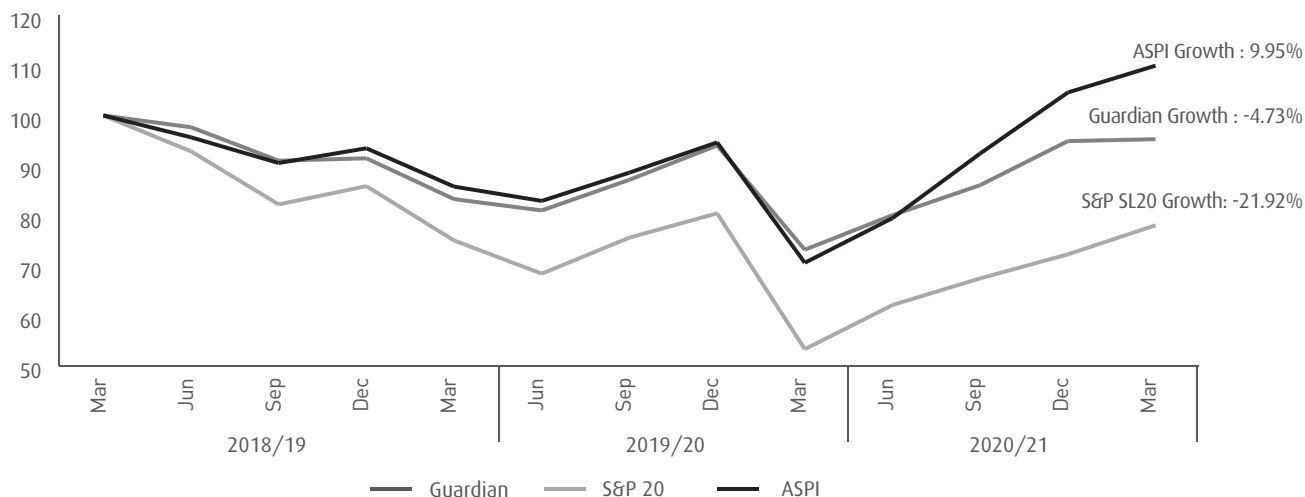
The actively managed discretionary component of the portfolio which emphasizes on acquiring fundamentally strong stocks grew by 30.78% (dividend adjusted performance) and was valued at Rs.12.95 Bn as at the financial year end. Despite the strong growth in the discretionary portfolio it was unable to keep pace with the ASPI growth as market euphoria saw higher share price movements in the retail oriented stocks while continuous foreign selling throughout the year was focused on the larger fundamentally strong counters.

Guardian Group portfolio performance

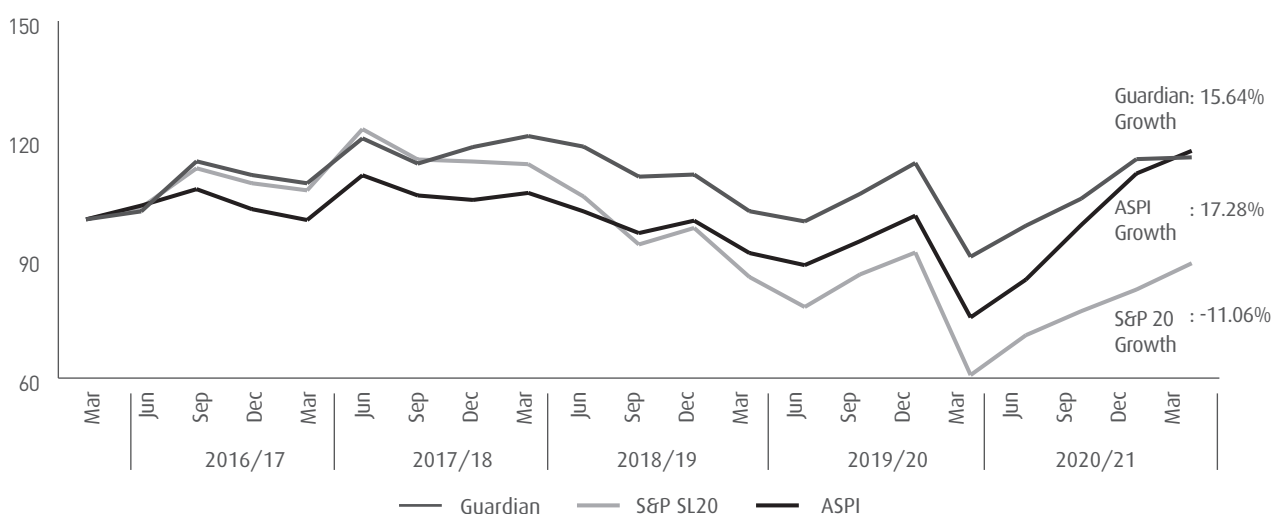
	As at 31/03/2021	31/03/2020	Change %	As at 31-Mar- 2021 (Dividend adjusted)	Dividend adjusted performance
Discretionary portfolio (Rs. '000) *	12,954,877	9,987,076	29.71%	13,061,564	30.78%
Total portfolio (Rs.'000)*	19,694,391	13,665,962	44.11%	19,801,078	44.89%
ASPI (Points)	7,121	4,572	55.77%		55.77%
S&P SL 20 (Points)	2,850	1,947	46.35%		46.35%

*After adding back the total cash outflow from the distribution of dividend by the Group which was Rs.107.0 Mn during the period.

Three year track record - Guardian discretionary portfolio



Five year track record - Guardian discretionary portfolio



Banking is the highest sector weight for the portfolio accounting for 18% and is focused among Hatton National Bank, Commercial Bank and Sampath Bank in varying amounts. The banks were one of the highest impacted sectors with non-performing loan ratios rising significantly relative to historic levels. Announcements of moratoriums on specific areas of the economy also created a lot of uncertainty as to the true position of non-performing loans within the sector. Substantial provisioning requirements ate into the bottom lines throughout the financial year and we experienced net profit declines of 16% on average across these three banks. The profit declines along with capital raising has resulted in ROEs declining to 10% levels significantly lower compared to historical returns. The quarter ending March 2021 saw a return to better profitability which largely came about from lower impairment charges, reduced effective tax rates and higher non-interest income avenues. Going forward we expect better profitability in the longer term but a transition period will be required to bring normalcy back to loan quality and deployment of excess liquidity and capital.

Central Finance PLC continues to be the highest exposure in the Guardian portfolio where we maintain an investment of Rs. 1.69 Bn as at 31st March 2021. Unfortunately, the leasing sector is another sector that has been challenged due to the pandemic with import restrictions on vehicles and increasing non-performing assets in the lease books. Similar to the banking policy makers had responded by announcing loan moratoriums and concessionary working capital loans. The cautious growth strategy by the company and high capital adequacy will help the company absorb the industry pressures relative to its competitors. The company provides a strong value proposition in the long term supported by its good lending practices and experienced management team. We remain cautious on the NBFIs sector non-performing assets and continue to monitor such risks with further Covid-19 waves and lockdowns.

We see a lot of potential in consumer oriented stocks with good product portfolios. Hemas is one such company which has a strong personal care portfolio fostered through innovation and product development. The company has benefitted from the shift in consumer preferences to personal hygiene and preventive healthcare. Hemas has done well competing in the domestic market and we continue to study the success of its overseas expansions where competition is more intense. The company also has a strong healthcare sector with a pharmaceutical business that maintains the highest domestic market share. The pharmaceutical distribution business continues to perform well but carries regulatory risk in the form of price controls and exchange rate fluctuations which can affect margins. Over the years the company has streamlined its business placed a larger emphasis on its core business segments. We view this positively and have increased our exposure to the company when its share price weakened.

Sunshine Holdings is another company we have in the portfolio that has an exposure to consumer goods along with healthcare, agribusiness and renewable energy. The larger drivers of the business are healthcare where it is the second largest player by market share and palm oil through the agribusiness where it enjoys high margins. The company's recent acquisition of Daintee demonstrates its intentions of expanding in the consumer goods space. We also continue to hold an exposure to Cargills (Ceylon) PLC whose business is primarily focused around retail, fast moving consumer goods (FMCG), restaurants and banking (as an associate). We see strong growth in the company's product portfolio encompassing dairy, beverage & culinary and convenience foods.

As at 31st March 2021, the portfolio had an exposure to Distilleries Company of Rs. 547 Mn. The company is a dominant player in hard liquor with an estimated 65% market share in the core arrack

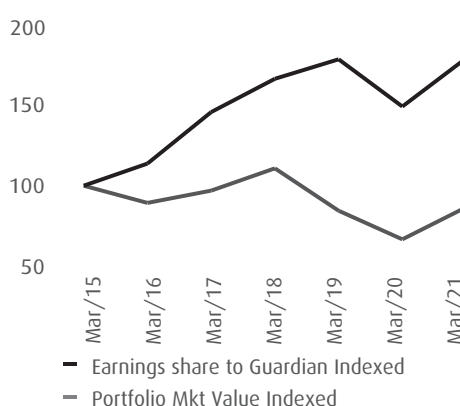
segment. A bulk of its sales are derived from its 'extra special arrack' with a strong distribution network. Despite the lockdowns affecting the company's sales, upon travel restrictions being relaxed significant pent-up demand tends to bring the company's strong cash-flows back on track. We continue to study the political and regulatory risk that prevail around this industry.

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

Company	Market value of the holding ('000)	Holding as a % of discretionary portfolio
Central Finance Company PLC	1,694,032	13.08%
Hemas Holdings PLC	1,068,906	8.25%
Hatton National Bank PLC	940,225	7.26%
Commercial Bank of Ceylon PLC	925,447	7.14%
Cargills (Ceylon) PLC	826,311	6.38%
Distilleries Company Of Sri Lanka PLC	546,824	4.22%
Dialog Axiata PLC	504,700	3.90%
Sampath Bank PLC	437,865	3.38%
HNB Assurance PLC	366,030	2.83%
Ceylinco Insurance PLC	357,792	2.76%
John Keells Holdings PLC	353,049	2.73%
	8,021,181	61.92%

The chart below illustrates the share of earnings from Guardians top holdings as at 31st March 2021 compared to the movement in market capitalization of those holdings over time. This illustrates the growth in market capitalization of these companies has not kept pace with earnings growth and shows potential value in the companies held.

Earnings share to Guardian Portfolio Indexed vs Portfolio Mkt Value Indexed



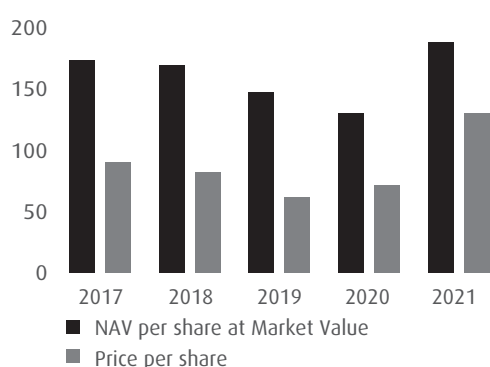
Financial Review and Shareholder Returns

Ceylon Guardian Investment Trust PLC, reported a consolidated profit after tax of Rs. 3,244 Mn for the year ended 31st March 2021 compared to a loss of Rs. 1,473 Mn recorded for the previous year. As mentioned in the chairperson's statement the positive financial performance was driven by the upward movement in the equity market resulting in a profit of Rs. 1,869 Mn from fair value through profit or loss financial assets.

The current year revenue increased by 129% relative to the previous year. The realised gains on disposal of stocks in the Group portfolio is the key contributor to the Group profit. During the period under review, "net profit from disposal of financial assets measured at fair value through profit or loss" was Rs. 1,000 Mn which included a net realised gain of Rs. 301 Mn from disposal of Melstacorp PLC and Rs 235 Mn from disposal of Tokyo Cement Company (Lanka) PLC shares compared to a net profit of Rs. 176 Mn in previous financial year.

In the year ended 31st March 2021 the Group's Net Asset Value (NAV) per share increased by 45.1% to Rs. 188.58. However, the market price of Rs. 120.00 for the Group's share indicated a discount of 36% compared to the NAV per share.

NAV per share (Market value) vs Share price
(Rs.)



As at 31st March	2021	2020	Change %
ASPI	7,121	4,572	55.8
NAV per share (Rs.)	188.58	129.93	45.1
Market price per share (Rs.)	120.00	71.80	67.1
Discount of NAV to market price per share	36%	45%	

Private Equity Business Review

During the year, CGIT bought the private equity stakes of Guardian Capital Partners PLC (GCP) for a consideration of Rs 152 Mn as per the preconditions to the SSPA entered by the company and its subsidiary (GCP). The valuations of these private equity transactions were based on the independent valuation issued by PricewaterhouseCoopers Sri Lanka which was reviewed by KPMG Sri Lanka.

Transactions of Private Equity Businesses	Rs. '000
Findmyfare (Pvt) Ltd	28,948
hSenid Business Solution (Pvt) Ltd	123,157
Swiss Institute for Service Industry Development (Pvt) Ltd	-
Total	152,105

As of 31st March 2021, GCP held only cash and short-term investments which stood at Rs. 788 Mn.

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. While being the market leader in Sri Lanka, the company also derives a significant portion of its revenue from overseas markets, mainly from the African region, Asia Pacific Region, and India. hSenid counts many of the largest Sri Lankan companies as its clients. Similarly, hSenid works with some of the largest and reputed companies in the overseas markets it operates, where due to its superior product and service offering, the company has been able to compete against both local as well as international players. However, competition is increasing in the space as incumbent players in similar verticals showing keenness to grow in the HRIS segment. Further there are many new entrants entering the market offering products with less functionality but at low prices.

Based on the year end valuation assessment, CGIT's hSenid stake was marked up to Rs 126.4 Mn considering the improvement in financial strength, business stability and other valuation matrix during the period.

Findmyfare (Pvt) Ltd

Findmyfare is Sri Lanka's first and largest online travel agent. The company has built up a strong presence in the sale of air tickets and is looking to further penetrate into the air tickets market while also building other allied verticals in the travel market. However, the Travel Agency market is extremely competitive, and it is difficult to make money until it reaches suitable scale and requires funding to drive its online penetration. As a result, debt levels continue to increase in the balance sheet. Findmyfare has been severely affected, similar to the rest of the travel agency business due to the COVID 19 pandemic. Further funding from its shareholders maybe required to keep the company afloat. Considering the above situation together with the current financial position and the possible prolonged COVID 19 impact, CGIT's Findmyfare stake was written down to Rs 0.3 Mn at end of the year valuation assessment.

Economy

Global economy is expected to have a stronger recovery in 2021 and 2022 with the IMF projecting growth to be 6.0% and 4.4% respectively as it recovers and moderates from the collapse in the economic activity due to onset of the pandemic. The pace of recovery however is expected to be severely divergent across countries depending on factors including access to medical interventions, effectiveness of policy support and structural characteristics. The global economy is estimated to

have contracted by 3.3% as per IMF during 2020 and that the contraction would have been three times as large if not for extra-ordinary policy support. The recovery is largely dependent on the path of the health crisis and vaccine dissemination, continued policy actions, evolving financial conditions and commodity prices. Expectations of vaccine led improvement in activity have a large role to play but concerns remain on the economic recovery as potential threat of new variants of the virus and re-emergence of waves occur globally.

The Sri Lankan economy contracted at a much faster rate due to the extraordinary circumstance surrounding the pandemic. The first wave of Covid-19 spread throughout the country in early March 2020 and as a result the 1st quarter recorded a relatively low negative growth. The 2nd quarter recorded the most impact due to nationwide lockdown as it recorded an unprecedented fall of -16.4% with industrial sector activity been severely disrupted. During the 3rd quarter the country experienced a recovery after contractions in the 1st half of 2020 and recorded a positive growth rate of 1.3%. However, a resurgence in the virus in the 4th quarter again curtailed any recovery for the country and the economy grew by a subdued 1.3% in the 4th quarter of 2020. Overall for the calendar year 2020 the economy shrank by 3.6% compared to a 2.3% growth in 2019. As per Central Bank estimates, GDP is expected to recover in 2021 to approximately 5% levels.

In order to support the economy, the Central Bank of Sri Lanka (CBSL) introduced sweeping measures and targeted sectors that were severely impacted by the pandemic. Some of the measures taken included a 200 basis point cut in policy rates since March 2020 to prevailing levels of 4.5%-5.5%. Furthermore, CBSL continuously engaged in infusing liquidity by increasing its holding of government securities. As at 31st March 2021 the total holding of government securities was Rs. 842.25 Bn showing the unprecedented amount of monetary stimulus applied by CBSL. Debt moratoriums were also introduced to identified struggling business sectors such as tourism. In order to increase the credit flows to economic sectors, a concessionary working capital loan scheme was established. These stimulus measures eased strain on key economic sectors from the pandemic to a certain extent and Central Bank has extended these programmes to 2021 as well until growth indicates a steady recovery.

Due to the monetary stimulus measures, interest rates reached their lowest levels seen in the recent history. The average weighted prime lending rate was recorded at 5.78% by end March 2021 compared to 9.24% from a year earlier. Private sector credit growth which grew 7.5% YoY by March 2021 remained sluggish during most of the financial year as many industries grappled with

non-performing loans and also due to persistence weakness in the economy and a feeble recovery.

While the domestic economy continues its battle to recovery path, the external sector came under even more pressure with the pandemic putting significant strain on the BOP. The government took numerous actions to curtail trade deficit including restrictions on non-essential imports, while the drop in oil prices also reflected positively on the import bill during 2020. However, this did not suffice to mitigate to impact on the BOP from severe disruptions to Sri Lanka's USD earnings from all avenues including exports, remittances, tourism earnings, flows to the financial account and FDIs. The implications are expected to pressurise BOP during 2021 as well.

Another notable event during 2020 was Sri Lanka's sovereign rating being downgraded by global rating agencies. This included Fitch ratings downgrading Sri Lanka on two occasions from 'B' to 'CCC'. The key concerns cited around challenges in external debt repayments and lack of a credible fiscal consolidation strategy. Sri Lanka targeted a widening fiscal deficit during 2021 to 9.5% amidst a series of tax incentives introduced and also due to a sizable increase in public investment. The government aims to fund the deficit primarily via local borrowings which is reflected in the substantial growth seen past few months in net credit to government from the private sector.

The external financing conditions of the Sri Lankan economy came under much scrutiny during 2020 and extending to 2021 as well with the strain added by the pandemic. Fitch ratings estimates Sri Lanka government's external debt obligations at USD29 Bn between June 2021 and 2026 against a USD reserve position of USD4.5 Bn as at end April 2021. Sri Lanka's access to commercial financing has tightened materially amidst rating downgrades, while the country's sovereign bond yields seen increasing substantially in the secondary market. Bilateral and multilateral funding lines so far have assisted the government to meet its debt obligations on time. To meet its obligations during 2021 the government has lined up several short term SWAP lines and other facilities mainly from China and India.

Guardian Fund Management Limited
Investment Manager

Colombo
15th July 2021

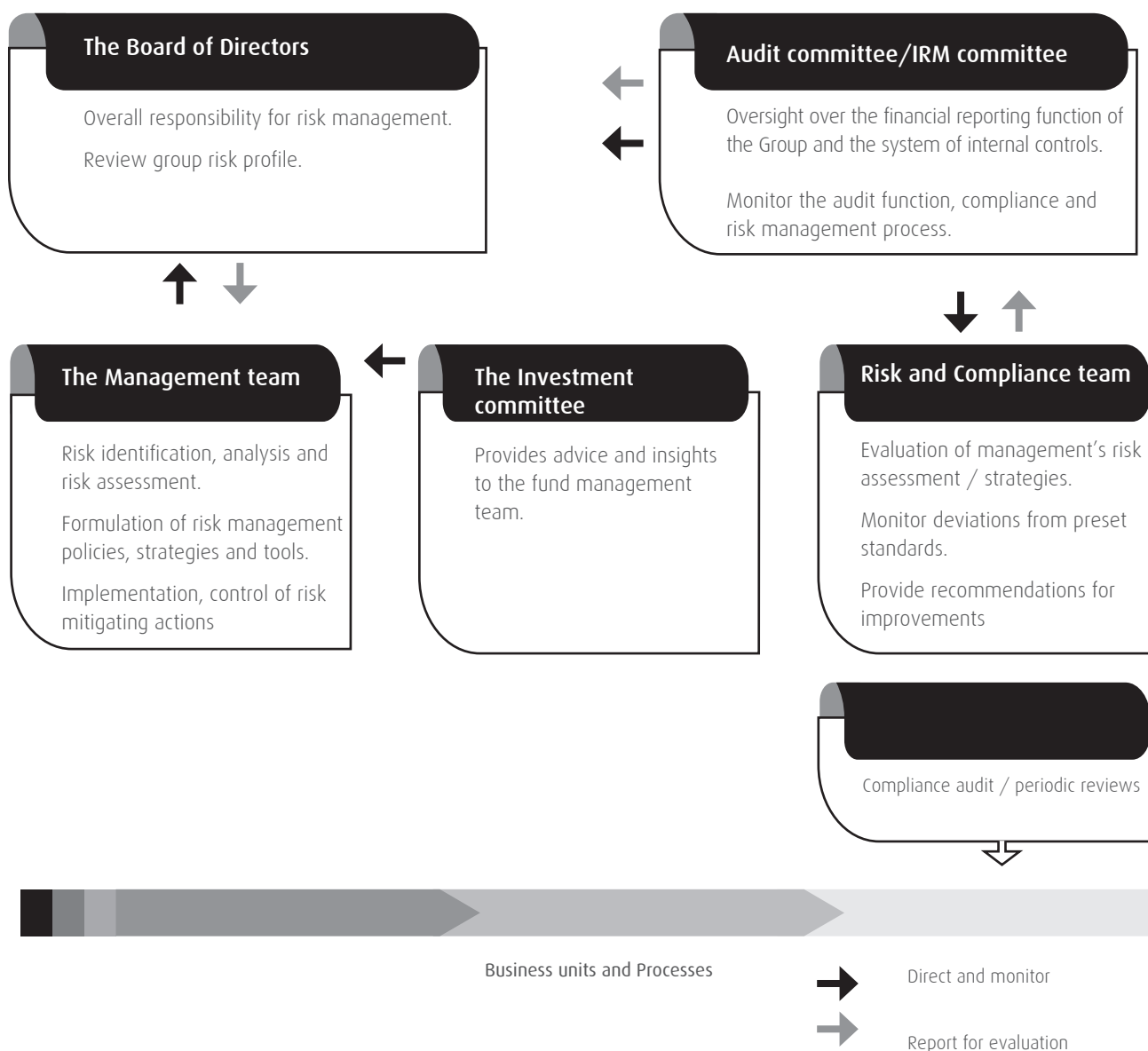
Risk Management

Overview of Risk Management

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

Risk Management Structure at Ceylon Guardian

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



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

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

Risk categories

Ceylon Guardian Group operates the portfolio and asset management sector of the Carson's Group. The Group business operations include management of the Ceylon Guardian Group portfolio which consist of listed equities, private equities and fixed income securities, management of unit trusts with equity

/ debt instruments and providing of portfolio management services to external customers. The Group faces various types of risks, some of which are applicable across all the asset classes under management and some are applicable to specific business operations or an asset category. The key risks are monitored and managed as a continuous process.

The Covid-19 pandemic has caused disruption to many local and global businesses and economic activities as it forced to close country borders, lockdown cities and implement social distancing to ensure the health and safety of citizens. The Company has been closely monitoring the impact of the pandemic on the operations as at year end and in the immediate future. Further, activities of the Colombo Stock Exchange were halted from time to time in response to the emergency measures taken by the government.

The Group took immediate steps to implement actions in the Business Continuity Plan and put into action the alternate working arrangements with due consideration to the health and safety of employees.

We are closely monitoring the economic cost of the pandemic and will be continually assessing the financial impact across all sectors and draft proactive business responses accordingly.

Risk Category	Impact and mitigating strategies
Macro environmental risks	
Overall macro-economic conditions and political factors affect the risk profile of the Company. The variations of macro-economic variables like Gross Domestic Product (GDP), interest rate, inflation, exchange rates and changes in the political environment and government policies affect the achievement of Company business and financial objectives.	
Country risks	
The risk associated with operations which are subject to various exchange control regulations, currency fluctuations, transaction costs & taxes and other actions that may be imposed by the government or policy making bodies of the particular foreign country or Sri Lanka.	<ul style="list-style-type: none"> This is a new risk area for which we are looking to build a framework as the Group intends to explore new markets in the future. Guardian Value Fund LLC and Guardian Fund Management LLC which are domiciled in Mauritius are subject to laws and regulations imposed by regulatory authorities there. Changes in regulatory environment in the context of these funds are continuously monitored with the assistance of the Fund's Lawyers who have the necessary expertise.
Currency risks	
The risk associated with any fluctuations of foreign exchange rates against Sri Lankan Rupee.	<ul style="list-style-type: none"> Guardian Value Fund LLC and Guardian Fund Management LLC of which the reporting currency is US dollars, are exposed to risk of currency impact on translation.

Risk Category	Impact and mitigating strategies
<p>Market risk - domestic</p> <p>The exposure to adverse movements in both equity / fixed income securities market, which can result in value loss as well as variations in the anticipated returns from those securities. This is mainly caused by systematic risk factors such as interest rates, currency parity, inflation and availability of credit which affect both capital and money markets, and the value of securities.</p> <p>With the global spread of Covid-19, the Central Bank of Sri Lanka initiated some policy changes to revive the economy and encourage banks and financial Institutions to reduce interest rates and offer debt moratoriums.</p>	<ul style="list-style-type: none"> Market risks are inherent in every security and are thus collectively considered at the portfolio level to take into account the asset allocation decisions of the portfolio. The risks affecting a particular class of security are mitigated by switching to asset classes that are assessed to be less risky in a particular scenario. The sectoral and security exposure is continuously monitored. A sound research base to determine changing economic fundamentals of the country, determine the impact on equity vs fixed income investments and the prompt shifting of funds between asset classes. The sensitivity of stock valuations to changes in economic indicators are continuously monitored. The returns of money market funds the Company has invested in, is sensitive to changes in the financial sector. Hence the behaviour of interest rate determinants are monitored, and anticipated interest rate trends are considered when pursuing investment strategy.
<p>Market risk - international and external</p> <p>The risk that the domestic market will have an indirect impact from other markets, international trade and capital inflows / outflows, changing economic indicators and policies in the global context. The entry and exit of foreign investors from the local market is also determined by the macro economic trends prevailing in foreign markets and relative valuations of our market vis-a-vis developed and other comparative Asian markets.</p>	<ul style="list-style-type: none"> Commodity risk is somewhat high for the domestic economy, since Sri Lanka is an import dependent for vital commodities. We continuously monitor global developments in capital markets which is vital to assess and mitigate this risk. Building of expertise in foreign markets will take place 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.
<p>Portfolio risks</p> <p>The risk arising due to investment strategy, factors inherent to investment instruments and composition of the portfolio which affect the return of the portfolio.</p>	
<p>General securities risk</p> <p>Inherent investment risks associated with the particular investment instrument or issuing entity of the security. The price or value of any security may fluctuate, resulting in possible loss not only of returns and profits, but even all or part of the principal sums.</p>	<ul style="list-style-type: none"> General securities risk is applicable, regardless of whether the instrument is equity listed / unlisted or fixed income, but the magnitude of risk will vary with the type of the instrument. Portfolio management and investment selection process which is a bottom up approach, is designed to optimise the risk/return trade off. Risk mitigating methodology is based on the internal research process, and prospective investments are selected from fundamental analysis and contact with corporate management of the issuing company through company visits. A continuous process of monitoring the performance of investee companies is adopted, after the investment is made.

Risk Category	Impact and mitigating strategies
<p>Concentration risk</p> <p>This is the risk that the portfolio is over exposed to a particular sector / sectors or a security / securities resulting in the risk and return of the portfolio being over dependent on the performances / risk profiles of those sectors or securities.</p>	<ul style="list-style-type: none"> Monitoring sector exposure and single company / group exposure of the portfolio as a diversification and a mitigation strategy. Loss limits are set to monitor stocks performing below their cost of acquisition to determine whether temporary capital erosion is a concern. Monitoring by the compliance team takes place as a routine process.
<p>Liquidity risk</p> <p>Liquidity is the tradeability of the securities in the market or the ability to realise cash with minimum loss of capital. The risk is that if the investment instruments of the portfolio are less liquid, execution of fund management decisions are affected.</p> <p>The Colombo Stock Exchange (CSE) continues to operate in a difficult environment with COVID-19 pandemic implications and economic concerns which affected its performance.</p>	<ul style="list-style-type: none"> Lower liquidity of securities could affect the fund manager's ability to transact, which in turn, could affect the fund's overall performance. This might be due to poor market sentiment of a security, or low levels of publicly traded quantities. On acquisition of shares, we consider on the factors like size of free float, tradeability of the stock, market turnover, major shareholders etc. As of the year end the Guardian Group was carrying sufficient funds invest at an opportune time.
<p>Regulatory and compliance risk</p> <p>The Company is operating in an industry under the supervision and monitoring of several regulatory authorities, especially Securities and Exchange Commission of Sri Lanka (SEC) and provisions of other regulatory requirements like the Companies Act, Listing Rules of the Colombo Stock Exchange, and the Central Bank of Sri Lanka.</p> <p>The conduct of operations of the Group should be in compliance with the legal and regulatory provisions and financial requirements applicable under these regulatory benchmarks. Non-compliance or violation of these requirement will cause risk of cancellation / suspension of some licenses issued by SEC, facing actions being taken by respective regulatory authorities etc.</p>	<ul style="list-style-type: none"> The management together with the Carsons group legal division pro-actively identify and set up appropriate systems and processes for legal and regulatory compliance in respect of the Company's operations. Periodic training programmes for staff to improve the awareness of changes in applicable laws and regulations. Reviews on regular basis by the compliance team and the management certification of compliance with relevant laws and regulations on a periodic basis. Compliance team regularly monitors compliance with all regulatory provisions and internal operational procedures.
<p>Operational Risks</p> <p>This is the risk of losses being incurred resulting from disruptions, disturbance of business operations caused by events due to inadequate or failed internal processes, people and systems within the organisation. The management of operational risk is a continuous process which includes identification, assessment of risk and implementation of measures to address such risk, which specifically covers the following key areas which are significant in the context of investment and asset management operations.</p>	

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

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

Profiles of the Directors

ROSE COORAY

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

She is a retired Deputy Governor of the Central Bank of Sri Lanka where she served for over 35 years. She counts over 46 years of experience in working in the financial sector holding a number of positions.

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

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

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

CHANDIMA GUNAWARDENA

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

Mr. Gunawardena has over 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.

MANILAL FERNANDO

Manilal Fernando is a Director of Ceylon Investment PLC, Ceylon Guardian Investment Trust PLC and is currently the Chairman of Shipping Cargo Logistics (Pvt) Ltd., Hyundai Lanka (Pvt) Ltd., Dynamic AV Technologies (Pvt) Ltd, Stallion Holdings (Pvt) Ltd, Ortho Lanka (Pvt)Ltd and Swiss Ceylon Associates (Pvt.) Ltd. He is also the Managing Director at Melsta Gama Ltd (Cement). He is a Director of Eco Corp Asia Private Limited, Ariyana Investment (Pvt) Ltd and Hospital Management Melsta Health (Pvt) Ltd and a Management Trustee of Joseph Fraser Memorial. 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.

KRISHNA SELVANATHAN

Krishna Selvanathan - Director, Carsons Management Services (Private) Limited, is the CEO of Guardian Fund Management Limited and serves as a Board Member of other investment sector companies within the Ceylon Guardian Group. He also serves as a Director of Lion Brewery (Ceylon) PLC and Pegasus Hotels of Ceylon PLC. 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 Earth Capital Asia Limited and a Board/ Advisory Board member of various investment businesses investing in Asian economies. Originally, he specialised in financing major capital projects in the Middle East, Far East and North Africa while at Lazard Brothers. He later spent 18 years in various senior positions within the Lloyds Bank group where, among his various responsibilities, he established and directed the bank's first merchant banking office outside London based in Hong Kong to cover the Indian sub-continent and East Asia and he directed the Bank's long established Portuguese operations based in Lisbon. On returning to London, he created a number of the early investment funds for Asian, African and emerging European economies.

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

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

TIMOTHY CHIA – Resigned w.e.f 31st May 2021

Mr Timothy C. M. Chia is Chairman of Hup Soon Global Corporation Private Limited and Gracefield Holdings Limited.

He 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). He retired from PAMA Group of Companies on 31 December 2004. In 2007, he founded Hup Soon Global Corporation and became its founding Chairman.

Prior to joining PAMA, as one of the original principals in 1986, 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 Ltd, The Straits Trading Company Limited, Vertex Venture Holdings Ltd, Malaysia Smelting Corporation Berhad and Thai Beverage Public Company Limited. In 2020, he was appointed Chairman of InnoVen Capital Private Limited and its group of companies.

He was made Chairman of UBS AG – Asia in October 2009 and retired in September 2011. He stepped down as Senior Advisers to JM Financial Singapore Pte Ltd and EQT Funds Management Limited in 2015. He was Chairman - Asia of Coutts & Co Ltd, the wealth management arm of the Royal Bank of Scotland Group, from January 2012 to March 2016.

Among his past appointments, Mr Chia was director of SP PowerAsset 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).

Mr Chia stepped down as Trustee of the Singapore Management University in January 2019 but is currently serving as Chairman of its Committee for Institutional Advancement. In April 2021, Mr Chia is appointed as Member of the Singapore Management University.

In 2010, The Singapore Venture Capital and Private Equity Association inducted Mr Chia into the “SVCA Hall of Fame” as its inaugural member by naming him “Pioneer Venture Capitalist & Private Equity Investor since 1986”.

In October 2015, Mr Chia has been appointed as Advisory Council Member of the ASEAN Business Club (“ABC”) and the co-chair of ABC Singapore. In January 2016, Mr Chia has been appointed as Member of the Advisory Board of the Asian Civilization Museum and serves on the Investment Committee of the National Heritage Board.

In July 2017, Mr Chia is named a Term Trustee of the Singapore Indian Development Association (“SINDA”) and is a member of its Investment Committee. In February 2019, Mr Chia has been appointed as Member of the Corporate Governance Advisory Committee of the Monetary Authority of Singapore.

He is currently a Fellow of the Singapore Institute of Directors and a member of the World Presidents’ Organization.

In 1996, Mr Chia was elected a Director of the Singapore Dance Theatre until he stepped down in March 2004 and in September 2004, 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

KRISHNA SELVANATHAN

(BA, Accounting & Finance and Business Administration)

Director / CEO of Guardian Fund Management Limited. He is also a Director of Ceylon Guardian Investment Trust PLC. Refer page 15 for his detailed profile.

SUMITH PERERA

Bsc (Hons) Economics and Business Finance, ACMA

Director/Head of Portfolio Management, Guardian Fund Management Ltd. has over 16 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.

ASANKA JAYASEKERA

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

Head of Research, Guardian Fund Management Limited/ Guardian Acuity Asset Management Ltd. He has over 14 years' experience in asset management and investment research and worked as a research analyst at JB Securities (Pvt) Ltd before joining Ceylon Guardian group. He holds a B.Sc. Finance (Hons) degree from the University of Sri Jayewardenepura, Sri Lanka. He is a Chartered Financial Analyst (CFA) and an associate member of the Chartered Institute of Management Accountants, UK. He was a visiting lecturer at Department of Finance, University of Sri Jayewardenepura.

DINUPA PEIRIS

(ACMA (UK), LL.B (Col), MBA (PIM-USJ), MSC (UK), Attorney-at-Law)

Head of Marketing, Guardian Fund Management Limited. A multi-disciplinary professional qualified in management accounting, law and business management with over 11 years of experience in corporate finance, marketing & business development, strategy and business analytics having served for two leading hospitals in Sri Lanka namely Lanka Hospitals Corporation PLC and Hemas Hospitals Pvt Ltd holding managerial positions. She holds a LL.B from Faculty of Law, University of Colombo, MBA (Merit) from Postgraduate Institute of Management, University of Sri

Jayewardenepura and a MSC (Distinction) in Business Analytics from Robert Gordon University Scotland. She is an Attorney-at-Law and also an Associate Member of the Chartered Institute of Management Accountants (UK).

PRABATH EKANAYAKE

(BBA(SP), FCA)

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

Prior to joining Carsons Group, possesses over 10 years of overseas and local experience in the fields of accounting and auditing. He is a fellow member of the Institute of Chartered Accountants of Sri Lanka and holds a Bachelor's degree specialized in Business Administration from the University of Colombo, Sri Lanka.

Fund Management Team

Crishani Perera

Portfolio Operations Team

Priyan De Mel, Indramali Samarasinghe, Deemantha Kaushika, Shewantha Peiris, Thisaru Kavinda, Thanuja Wijesundara

Finance Team

Omesha Piyumi, Prabath Dissanayake, Kasun Rajapakse

Research Team

Harindi Hettigamage, Rasika Nanayakkara, Shahan De Silva, Sarith Samarajeewa, Dushan Ekanayake, Tharushi Egodaewage

Marketing

Danushi Adikari

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 2021.

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

The Annual Report was approved by the Board of Directors on 15th July 2021.

1. GENERAL

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

2. THE PRINCIPAL ACTIVITIES OF THE COMPANY AND ITS SUBSIDIARIES

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

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

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

3. REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

The Chairperson's Statement and Management Discussion & Analysis on pages 03 to 08 provide an overall assessment of the business performance of the Company and the Group and its future developments. These reports together with the audited consolidated financial statements reflect the state of affairs of the Company and the Group.

4. FINANCIAL STATEMENTS

The consolidated financial statements which comprise of the Statement of Profit or Loss and other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and Notes to the financial statements of the Company and the Group for the year ended 31st March 2021 are set out on pages 38 to 108. These financial statements do comply with the requirements of the Companies Act, No. 07 of 2007.

4.1. Revenue

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

4.2. Financial results and appropriation

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

In Rupees Thousands For the year ended 31st March	Group		Company	
	2021	2020	2021	2020
Retained earnings brought forward from previous year	6,885,153	8,125,097	3,865,639	4,534,706
Profit /(Loss) for the year	2,721,021	(1,244,876)	1,274,965	(671,803)
Other comprehensive expenses for the year	(1,669)	(418)	-	-
Effect due to change in share holdings	-	867	-	-
Cash dividend	(102,097)	-	(102,097)	-
Forfeiture of unclaimed dividends	9,819	4,483	6,524	2,736
Transfers	119,209	-	-	-
Retained earnings carried forward	9,631,436	6,885,153	5,045,031	3,865,639

4.3. Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are given on pages 43 to 59.

4.4. Investment

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

Details of investments in subsidiaries are given in note 22.

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

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

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

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

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

4.5. Reserves

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

5. STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

The financial statements comprise of *inter alia*:

- Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year,

- Statement of Profit or Loss and Other Comprehensive Income of the Company, which presents a true and fair view of the Profit and Loss and Other Comprehensive Income of the Company and the Group for the financial year.

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

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

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

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

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

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

6. OUTSTANDING LITIGATION

There is no litigation currently pending against the Company.

7. INTERESTS REGISTER

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

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

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

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

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

7.1. Remuneration of Directors

Directors' Remuneration for the financial year ended 31st March 2021 is given in note 12 to the financial statements.

7.2. Directors' Interest in Contracts and Shares

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

Name of the Company	Common directors	Nature of transactions	Value of the transactions ('000)
Carson Cumberbatch PLC	D. C. R. Gunawardena	Dividend paid	70,754
Ceylon Investment PLC	D. C. R. Gunawardena Mrs. M. A. R. C. Cooray V. M. Fernando K. Selvanathan T. C. M. Chia (Resigned w.e.f 31st May 2021)	Dividends received	65,577
Rubber Investment Trust Limited	D. C. R. Gunawardena	Dividends received	16,811
Guardian Capital Partners PLC	Mrs. M. A. R. C. Cooray D.C.R. Gunawardena K. Selvanathan	Purchase of private equity investments	152,106
Guardian Fund Management Limited (GFM)	K. Selvanathan	Portfolio management fees paid	36,237
Carsons Management Services (Private) Limited (CMSL)	K. Selvanathan	Support service fees paid Computer fees paid Secretarial fees paid	9,745 420 444
Guardian Acuity asset Management Limited	D. C. R. Gunawardena K. Selvanathan	Dividends received	3,500

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

Directors	No. of shares as at	
	31st March 2021	1st April 2020
Mrs. M.A.R.C. Cooray (Chairperson)	-	-
Mr. D.C.R. Gunawardena	257	257
Mr. V.M. Fernando	-	-
Mr. K. Selvanathan	-	-
Mr. C.W. Knight	-	-
Mr. T.C.M. Chia – Resigned w.e.f 31st May 2021	-	-

8. DIRECTORS

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

8.1. Directors to retire by rotation

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

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

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

8.3. Resignation of a Director

Mr. T. C. M. Chia – Non-Executive/Independent Director resigned from the Board w.e.f 31st May 2021

9. AUDITORS

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

A sum of Rs. 507,633/- and Rs. 3,278,955/- was paid to them by the Company and the Group respectively, as audit fees for the year ended 31st March 2021 (2020 - Rs. 507,633/- and Rs. 5,151,924/-). In addition to the above, Rs.150,000/- and Rs. 50,000/- (2020:Nil & Nil) was paid as audit related fees and Rs.673,920/- and Rs.673,920/- was paid as professional fees for non-audit services for the Company and Group respectively.

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

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

9.1. Auditors' relationship or any interest with the Company

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

9.2. Independent Auditors' Report

The Independent Auditors' Report on the financial statements is given on pages 34 to 37 of the Annual Report.

10. SIGNIFICANT EVENTS DURING THE YEAR

10.1. Company

Disposal of Majority Holding in Guardian Capital Partners PLC by Ceylon Guardian Investment Trust PLC

Ceylon Guardian Investment Trust PLC ("CGIT") and Guardian Capital Partners PLC ("GCP") entered into a share sales and purchase agreement ("SSPA") with Gazelle Asset Management Pte Ltd ("GAZELLE") for the sale of 21,692,800 ordinary shares being 83.97% stake held by CGIT in GCP to GAZELLE. The Company made a disclosure to the Colombo Stock Exchange (CSE) pertaining to the said SSPA on 23rd September 2021.

The purchase consideration per share will be determined based on the net asset value of the GCP as at a date mutually agreed by the parties prior to the transaction plus a premium of Rs.40,000,000. The transaction is yet to be completed as at the date of signing these Financial Statements and have taken a longer period than anticipated at the time of signing the SSPA.

10.2. Subsidiaries

Change in nature of Business of Guardian Capital Partners PLC (GCP)

GCP obtained its shareholders' approval by special resolution at the Extraordinary General Meeting held on 7th January 2021 for substantial alteration in the nature of the business carried on by GCP consequent to the disposal of the totality of private equity investments held by GCP in terms of Section 185(2)(d) of the Companies Act, No. 07 of 2007 and Article 87(1)(vi) of the Articles of Association of GCP.

Voluntary liquidation of The Sri Lanka Fund

The Sri Lanka Fund, a company incorporated in the Cayman Islands was liquidated and that the Cayman Islands Monetary Authority had confirmed via termination letter dated 5th May 2021 that the Certificate of Registration of The Sri Lanka Fund has been cancelled.

The Company made a market disclosure to the CSE pertaining to the said liquidation of The Sri Lanka Fund on 11th May 2021.

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

11. COMPLIANCE WITH RULES OF THE COLOMBO STOCK EXCHANGE

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

11.1. Regulatory Benchmarks

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

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

Ceylon Guardian Investment Trust PLC owns 50% of the issued capital of Guardian Acuity Asset Management Limited (GAAM) as 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 comprehensive KYC procedures to satisfy Anti Money Laundering Regulations when accepting third party funds to manage.

11.2. Board of Directors

The following Directors held office during the period under review and their brief profiles are given on pages 15 to 16 of the Annual Report.

Directors	Executive / Non-Executive / Independent
Mrs. M. A. R. C. Cooray (Chairperson)*	Non-Executive /Independent
Mr. D. C. R. Gunawardena	Non-Executive
Mr. V. M. Fernando **	Non-Executive /Independent
Mr. K. Selvanathan	Executive
Mr. C. W. Knight***	Non-Executive /Independent
Mr. T. C. M. Chia - Resigned w.e.f 31st May 2021	Non-Executive /Independent

Each of the Non-Executive Directors of the Company have submitted a signed declaration on Independence/Non- Independence as per Rule 7.10.2.(b) of the Listing Rules of the Colombo Stock Exchange (CSE). The said declarations were tabled at a Board Meeting held on 15th July 2021 in order to enable the Board of Directors to determine the Independence/Non- Independence of each of the Non-Executive Directors, in terms of Rule 7.10.3.(a) of the Listing Rules of the CSE.

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

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

*** The Board has determined that Mr. C. W. Knight is an Independent Director in spite of being on the Board for more than nine years, since he is not directly involved in the management of the Company.

11.3. Directors' Attendance at Board Meetings

As permitted by Article 80(b) of the Articles of Association of the Company, the Board of Directors had 5 virtual Board Meetings by means of Microsoft Teams during the financial year.

Directors	Meetings Attended (Out of five)
Mrs. M. A. R. C. Cooray	5/5
Mr. D. C. R. Gunawardena	5/5
Mr. V. M. Fernando	4/5
Mr. K. Selvanathan	5/5
Mr. T. C. M. Chia - Resigned w.e.f 31st May 2021	4/5
Mr. C. W. Knight	5/5

11.4. Board Evaluation

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

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

11.5. Audit Committee

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

Audit Committee Members	Executive / Non-Executive / Independent
Mr. A. S. Amaratunga (Chairman) – <i>Appointed as Chairman w.e.f 1/1/2021</i>	Non-Executive Director of CCPLC
Mr. D. C. R. Gunawardena	Non-Executive Director of CCPLC
Mr. Y. H. Ong – <i>Appointed as Member w.e.f 1/1/2021</i>	Non-Executive/Independent Director of CCPLC

The following members ceased to be members of the Audit Committee subsequent to their resignation as Non-Executive/Independent Directors of CCPLC w.e.f 31st December 2020.

- Mr. V. P. Malalasekera – Chairman of the Audit Committee
- Mr. F. Mohideen – Member of the Audit Committee

The Audit Committee Report is given on pages 29 to 30 of this Annual Report.

11.6. Remuneration Committee

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

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

Scope and Objective

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

The Remuneration Committee Charter requires the Committee to meet at least twice a year. As allowed by the Remuneration Committee Charter, the Committee held three (03) virtual meetings during the period under review.

Remuneration Committee Members	Meetings Attended (Out of three)
Mr. T. de Zoysa (Chairman)	3/3
Mr. D.C.R. Gunawardena	3/3
Mr. R. Theagarajah	3/3
Mr. W. M. R. S. Dias	3/3

Reporting and Responsibilities

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

Aggregated remuneration paid to the Non-Executive Directors of the Company are disclosed under note 12 on page 60 of the Annual Report. Executive Directors are not compensated for their role on the Board.

11.7. Nomination Committee

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

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

The Nomination Committee of the Company being the Parent Company of the undermentioned listed companies, functions as the Nomination Committee to these companies;

- Ceylon Investment PLC
- Guardian Capital Partners PLC

Scope and Objective

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

Functions and Proceedings

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

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

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

The Nomination Committee Charter requires the Committee to meet at least twice a year. As allowed by the Nomination Committee Charter, the Committee held three (03) virtual meetings during the period under review.

Nomination Committee Members	Meetings Attended (Out of three)
Mrs. M. A. R. C. Cooray (Chairperson)	3/3
Mr. D. C. R. Gunawardena	3/3
Mr. V. M. Fernando	3/3

11.8 Related Party Transactions Review Committee

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

Related Party Transactions Review Committee Members	Executive/ Non-Executive / Independent
Mr. W. M. R. S. Dias (Chairman) – Appointed w.e.f 1/1/2021	Non-Executive/ Independent Director of CCPLC
Mr. R. Theagarajah – Appointed w.e.f 1/1/2021	Non-Executive/ Independent Director of CCPLC
Mr. D. C. R. Gunawardena	Non-Executive Director of CCPLC
Mr. H. Selvanathan	Executive Director of CCPLC
Mr. M. Selvanathan	Executive Director of CCPLC
Mr. S. K. Shah	Executive Director of CCPLC until 30/06/2021 & Non-Executive Director of CCPLC w.e.f. 01/07/2021

The following members ceased to be members of the Related Party Transactions Review Committee subsequent to their resignation as Non-Executive/ Independent Directors of CCPLC w.e.f 31st December 2020.

- Mr. V. P. Malalasekera – Chairman of the Related Party Transactions Review Committee
- Mr. F. Mohideen – Member of the Related Party Transactions Review Committee

The Related Party Transactions Review Committee Report is given on pages 31 to 32 of this Annual Report.

Declaration

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

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

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

The Directors declare in terms of the requirements of the Listing Rules of the Colombo Stock Exchange that the transactions carried out by the Company with its Related Parties during the year ended 31st March 2021, did not exceed 10% of Equity or 5% of the Total Assets of the Company as at 31st March 2021.

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

Non-Recurrent Related Party Transactions

There were no Non-Recurrent Related Party Transactions entered into by the Company, where the aggregate value of the Non-Recurrent Related Party Transactions exceeds 10% of the Shareholders' equity or 5% of the total assets, whichever is lower, of the Company as at 31st March 2021.

Recurrent Related Party Transactions

There were no recurrent Related Party transactions where the aggregate value of the Recurrent Related Party Transactions exceeded 10% of the gross revenue as per the latest Audited Financial Statements.

11.9. Integrated Risk Committee

The Integrated Risk Committee consists of the following members;

Integrated Risk Committee Members	Executive/ Non-Executive / Independent
Mrs. M. A. R. C. Cooray (Chairperson)	Non-Executive/Independent Director
Mr. A. P. Weeratunge	Executive Director of Ceylon Investment PLC [CINV]

Scope and objectives

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

During the period under review, the Committee had three virtual meetings.

Integrated Risk Committee Members	Meetings Attended (Out of three)
Mrs. M. A. R. C. Cooray (Chairperson)	3/3
Mr. A. P. Weeratunge	3/3

Reporting and Responsibilities

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

12. INTERNAL CONTROL AND RISK MANAGEMENT

The ultimate responsibility to establish, monitor and review a company-wide internal control system rests with the Board of Directors. The intensity, depth and the tolerance limits for each component of the internal control system would be based on the

weight of the elements of risk imposed on the sustenance of the business by the respective area of operation. Whilst a strong internal control system would mitigate the crystallisation of risk elements to a greater extent, employment of external support structures would also be necessary based on the risk assessments made thereon.

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

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

This allows the Board to have total control of the fulfilment of governance requirements by providing opportunity to take timely preventive action in case of potential deterioration of status quo. A comprehensive description of the risk management strategies of the Company are given on pages 09 to 14 in the Annual Report.

13. HUMAN RESOURCES

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

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

The number of persons employed by GFM as at 31st March 2021 was 22 (31st March 2020 -22).

14. EQUITABLE TREATMENT TO SHAREHOLDERS

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

15. DIVIDEND

Subject to the approval of the Shareholders at the Annual General Meeting, the Board of Directors have recommended a First & Final dividend of Rs. 1.60 per Ordinary share and Deferred share for the year ended 31st March 2021.

The dividend payable has not been accounted for until it is approved at the forthcoming Annual General Meeting.

16. SOLVENCY TEST

Taking into account the said distribution referred to under item 15 above, the Directors were satisfied that the Company would meet the Solvency Test requirement under Section 56 (2) of the Companies Act No.07 of 2007 immediately after the said distribution.

The Company's Auditors, Messrs. KPMG, Chartered Accountants have issued a Certificate of Solvency confirming the same.

17. STATED CAPITAL

Stated Capital of the Company amounted to Rs. 1,128.7 Mn which consists of 82,978,868 Ordinary Shares and 5,801,487 Fully paid Deferred Shares. The movement in Stated Capital of the Company is given in Note 30 to the Financial Statements.

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

18. CAPITAL EXPENDITURE

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

In Rupees Thousands	Group	
	2021	2020
Property plant & equipment	1,384	563
Intangible assets	-	-

19. STATUTORY PAYMENTS

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

20. GOING CONCERN

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

21. EVENTS AFTER THE REPORTING DATE

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 40 to the Financial Statements.

22. CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

The contingent liabilities and commitments made on account of capital expenditure as at 31st March 2021 are given in note 43 to the Financial Statements, if any.

23. EXPENSES ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

"Youth to Nation Foundation", is 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.

There were no expenses incurred on corporate social responsibility activities during the year ended 31st March 2021. (2020-Nil).

24. IMPACT OF COVID -19 PANDEMIC

The Business impact of the COVID-19 pandemic to the Group and the Company is given in Note 41 to the Financial statements.

25. SHARE INFORMATION

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

26. TWENTY MAJOR SHAREHOLDERS WITH COMPARATIVES

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

As at 31st March		2021		2020	
Name of shareholders		No. of shares	%	No. of shares	%
1	CARSON CUMBERBATCH PLC A/C NO.2	55,723,635	67.15	55,723,635	67.15
2	EMPLOYEE'S PROVIDENT FUND	2,969,515	3.58	2,969,515	3.58
3	THURSTON INVESTMENTS LIMITED	2,429,888	2.93	2,480,581	2.99
4	GF CAPITAL GLOBAL LIMITED	1,617,666	1.95	1,617,666	1.95
5	MR L.H.S PEIRIS	879,313	1.06	879,313	1.06
6	MR. G.J.W. DE SILVA	877,234	1.06	877,234	1.06
7	MRS. M.L. DE SILVA	866,845	1.04	866,845	1.04
8	MISS M.P. RADHAKRISHNAN	686,026	0.83	686,026	0.83
9	MISS A. RADHAKRISHNAN	686,026	0.83	686,026	0.83
10	MR. R. MAHESWARAN	685,016	0.83	685,016	0.83
11	MR. K.C. VIGNARAJAH	630,355	0.76	628,969	0.76
12	NORTHERN TRUST COMPANY S/A HOSKING GLOBAL FUND PLC	592,459	0.71	933,588	1.13
13	SSBT-RETAIL EMPLOYEES SUPERANNUATION TRUST	576,674	0.69	136,443	0.16
14	EST.OF.LAT H.A. VAN STARREX	559,388	0.67	559,388	0.67
15	MR. S. VASUDEVAN	509,800	0.61	473,296	0.57
16	EMPLOYEES TRUST FUND BOARD	490,998	0.59	490,998	0.59
17	PEOPLES LEASING & FINANCE PLC/MR.M.A.N.YOOSUFALI	468,203	0.56	425,900	0.51
18	MISS R.H. ABDULHUSSEIN	462,023	0.56	473,023	0.57
19	SSBT-SUNSUPER PTY. LTD. AS TRUSTEE FOR SUNSUPER SUPERANNUATION FUND	400,240	0.48	-	-
20	MISS G.N.A. DE SILVA	353,252	0.43	353,252	0.43

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

27. ANNUAL REPORT

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

The Board of Directors have approved the Financial Statements of the Company together with the Reviews which form part of the Annual Report on 15th July 2021.

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.

28. ANNUAL GENERAL MEETING

As permitted by Article 43(b) of the Articles of Association of the Company, the 69th Annual General Meeting of the Company will be held on Tuesday, the 17th day of August 2021 at 11.30 a.m. at the 8th Floor, No.65C, Dharmapala Mawatha, Colombo 07, Sri Lanka by means of audio or audio and visual technology.

The Notice of the Annual General Meeting, setting out the business which will be transacted thereat is on page 119 of the Annual Report.

Signed on behalf of the Board,

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

(Sgd.)
D. C. R. Gunawardena
Director

(Sgd.)
K. D. De Silva (Mrs.)
Director
Carsons Management Services (Private) Limited
Secretaries

Colombo
15th July 2021

Audit Committee Report

The Audit Committee of Carson Cumberbatch PLC (CCPLC), the Parent Company functions as the Audit Committee of the Company.

Mr.V.P. Malalasekera, Member/Chairman and Mr.F. Mohideen, Member of the Audit Committee resigned from the Board of CCPLC w.e.f. 31st December 2020 and ceased to be Members of the Audit Committee w.e.f. 31st December 2020.

On 1st January 2021 Mr.A.S. Amaratunga, Member of the Audit Committee was appointed Chairman of the Audit Committee and Mr.Y.H. Ong, Non-Executive, Independent Director of CCPLC was appointed a Member of the Audit Committee.

The Audit Committee consists of the following Members:

Audit Committee Members	Executive/Non-Executive/Independent
Mr.A.S. Amaratunga (Appointed Chairman w.e.f. 1st January 2021)	Non-Executive, Independent (CCPLC)
Mr.D.C.R. Gunawardena	Non-Executive (CCPLC)
Mr.Y.H. Ong (Appointed Member w.e.f. 1st January 2021)	Non-Executive, Independent (CCPLC)
Mr.V.P. Malalasekera (Ceased to be Member/Chairman w.e.f. 31st December 2020)	Non-Executive, Independent (CCPLC)
Mr.F. Mohideen (Ceased to be a Member w.e.f. 31st December 2020)	Non-Executive, Independent (CCPLC)

Mr.A.S. Amaratunga, a Non-Executive, Independent Director of CCPLC, is also a Non-Executive, Independent Director of Hemas Holdings PLC, Chairman of Hemas Holdings PLC-Audit Committee and a Commissioner of PT Agro Indomas, Indonesia, a subsidiary of CCPLC.

Mr.D.C.R. 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.Y.H. Ong is a Non-Executive, Independent Director of CCPLC. He is also an Independent Non-Executive Director, Member of the Executive Committee, Audit Committee and the Board Risk Committee of United Overseas Bank Ltd., Singapore. Mr.Ong had

served at Ernst & Young, Singapore for 30 years and was involved in audit and financial advisory work.

Mr.V.P. Malalasekera was a Non-Executive, Independent Director of CCPLC upto 31st December 2020 and was a former Director of Ceylon Tobacco Company PLC. Mr.F. Mohideen was a Non-Executive, Independent Director of CCPLC upto 31st December 2020 and was a former Deputy Secretary to the Treasury, a former Director of Bank of Ceylon and Securities and Exchange Commission of Sri Lanka.

Meetings of the Audit Committee

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

As allowed by the CCPLC-Audit Committee Charter, CCPLC-Audit Committee held Six (06) virtual Meetings during the financial year to discuss matters relating to the Company.

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

Audit Committee Members	Meetings (virtual) Attended (out of six)
Mr.A.S. Amaratunga (Chairman)	6/6
Mr.D.C.R. Gunawardena	6/6
Mr.Y.H. Ong *	2/6
Mr.V.P. Malalasekera**	4/6
Mr.F. Mohideen***	4/6

*Appointed Member w.e.f. 1st January 2021

**Ceased to be Member/Chairman w.e.f. 31st December 2020

***Ceased to be a Member w.e.f. 31st December 2020

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

The Audit Committee met the External Auditors, Messrs. KPMG, twice during the year to discuss the audit scope, including Key Audit Matters and to deliberate the draft Financial Report and Accounts at the completion stage of the audit.

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

Purpose of the Audit Committee

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

To ensure that the internal audit activity is well managed, so that it adds value to the organization by being objective in providing relevant assurance, contributing to the effectiveness and efficiency of governance, risk management and control processes.

Financial Statements

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

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

The financial statements of Ceylon Guardian Investment Trust PLC for the year ended 31st March 2021 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.

Internal Audit

The objectives of the Group Internal Audit work is to have an independent review of the system of internal controls as established by the management, its adequacy and integrity vis-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.

The Audit Committee approved the audit plan for the financial year 2020/2021 and the Group Internal Audit carried out audits on the Investment Sector companies based on the plan.

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

External Audit

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

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

The Members of the Audit Committee have concurred to recommend to the Board of Directors the re-appointment of Messrs. KPMG, Chartered Accountants, as Auditors for the financial year ending 31st March 2022, subject to the approval of the shareholders of Ceylon Guardian Investment Trust PLC at the Annual General Meeting.

(Sgd.)

A.S. Amaratunga

Chairman – Audit Committee

Carson Cumberbatch PLC

15th July 2021

Related Party Transactions

Review Committee Report

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

Composition of the Committee

Mr.V.P. Malalasekera, Member/Chairman and Mr.F. Mohideen, Member of the RPTRC resigned from the Board of CCPLC w.e.f. 31st December 2020 and ceased to be Members of the RPTRC w.e.f. 31st December 2020.

On 1st January 2021 Mr.W.M.R.S. Dias, Non-Executive, Independent Director of CCPLC was appointed Chairman of the RPTRC and Mr.R. Theagarajah, Non-Executive, Independent Director of CCPLC was appointed as a Member of the RPTRC.

The Members of the RPTRC are as follows :

RPTRC Members	Executive/Non-Executive/Independent
Mr.W.M.R.S. Dias (Appointed Chairman w.e.f. 1st January 2021)	Non-Executive, Independent (CCPLC)
Mr.D.C.R. Gunawardena	Non-Executive (CCPLC)
Mr.H. Selvanathan	Executive (CCPLC)
Mr.M. Selvanathan	Executive (CCPLC)
Mr.S.K. Shah*	Non-Executive (CCPLC)
Mr.R. Theagarajah (Appointed Member w.e.f. 1st January 2021)	Non-Executive, Independent (CCPLC)
Mr.V.P. Malalasekera (Ceased to be Member/Chairman w.e.f. 31st December 2020)	Non-Executive, Independent (CCPLC)
Mr.F. Mohideen (Ceased to be a Member w.e.f. 31st December 2020)	Non-Executive, Independent (CCPLC)

*Executive Director of CCPLC upto 30th June 2021 & Non-Executive Director of CCPLC w.e.f. 1st July 2021

Meetings of the Related Party Transactions Review Committee

As allowed by the Carsons Group Related Party Transactions Compliance Code (Carsons Group RPT Code), CCPLC-RPTRC held

Four (04) Virtual Meetings during the financial year. In addition, the approval of the RPTRC Members were sought via 15 Circular Resolutions and 06 Circular Letters were circulated for their information during the financial year.

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

RPTRC Members	Meetings (virtual) attended (out of 04)
Mr.W.M.R.S. Dias (Chairman)*	1/4
Mr.D.C.R. Gunawardena	4/4
Mr.H. Selvanathan	1/4
Mr.M. Selvanathan	-
Mr.S.K. Shah	4/4
Mr.R. Theagarajah**	1/4
Mr.V.P. Malalasekera***	3/4
Mr.F. Mohideen****	1/4

*Appointed Chairman w.e.f. 1st January 2021

**Appointed Member w.e.f. 1st January 2021

***Ceased to be Member/Chairman w.e.f. 31st December 2020

****Ceased to be a Member w.e.f. 31st December 2020

Purpose of the Committee

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

Policies and procedures

- The RPTRC reviews the relevant Related Party Transactions of the Listed Companies of the Carsons Group and where the Committee decides that the approval of the Board of Directors of the respective Companies are necessary to approve a Related Party Transaction, such Board approval is obtained prior to entering into the relevant Related Party Transaction.
- When reviewing a transaction, the RPTRC would decide whether the proposed transaction is carried out on an arm's length basis irrespective of whether it is recurrent or non-recurrent in nature.

Related Party Transactions Review Committee Report

- Reviewing and approval would be either by meeting of members (subject to quorum being present) or by circulation.
- In determining whether to obtain the approval of the Board of Directors for a Related Party Transaction, the RPTRC will take into account, among other factors it deems appropriate, whether the proposed RPTs pose a conflict of interest to the Directors.

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

The RPTRC in discharging its function endeavours to ensure that :

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

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

The Related Party Transactions of the Company for the period 1st April 2020 to 31st March 2021 have been reviewed by the Members of the RPTRC and the comments and observations of the Committee have been communicated to the Board of Directors of the Company.

(Sgd.)

W.M.R.S. Dias

Chairman – Related Party Transactions Review Committee
Carson Cumberbatch PLC

Colombo
15th July 2021

Financial Calendar

Financial Year end

31st March 2021

69th Annual General Meeting

17th August 2021

ANNOUNCEMENT OF RESULTS

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

1st Quarter ended 30th June 2020

14th August 2020

2nd Quarter ended 30th September 2020

13th November 2020

3rd Quarter ended 31st December 2020

12th February 2021

4th Quarter ended 31st March 2021

31st May 2021

Independent Auditor's Report



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

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

TO THE SHAREHOLDERS OF CEYLON GUARDIAN INVESTMENT TRUST PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ceylon Guardian Investment Trust PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at March 31, 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information as set out on pages 38 to 108.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at March 31, 2021, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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. Abeyrathne FCA	S.T.D.L. Perera FCA
G.A.U. Karunaratne FCA	R.M.D.B. Rajapakse FCA	Ms. B.K.D.T.N. Rodrigo FCA
R.H. Rajan FCA	M.N.M. Shameel ACA	Ms. C.T.K.N. Perera ACA
A.M.R.P. Alahakoon ACA		

Principals - S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA
Ms. P. M. K. Sumanasekara FCA, W.A.A. Weerasekara CFA, ACMA, MRICS



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

Refer Notes 3 (d), 24, 27, 28, 38 and 41 (Page 48, 74, 76, 85, 93 and 108) to these financial statements

Risk Description	Our Response
<p>The financial investments of the Group as at March 31, 2021 comprises of FVTPL financial assets amounting to Rs.9,848 Mn and FVOCI financial assets amounting to Rs.6,740 Mn which represents 81% of the total assets. As at the reporting date, the Group's FVTPL portfolio is made up of listed equity investments and bonds amounting to Rs.9,522 Mn, unlisted equity investments amounting to Rs.164 Mn and unit trust investments amounting to Rs.162 Mn.</p> <p>Investment in listed equity and unit trust investments are measured based on quoted market prices. Unlisted equity instruments require the exercise of judgment and the use of estimates and assumptions as observable market prices or market parameters are not available. For such instruments, the fair value is determined through the use of valuation techniques or models applied by the Group.</p> <p>As a result of the COVID-19 pandemic, volatility in the financial markets has increased. Subsequent to relaxation of government restrictions during the reporting period, the market gradually improved and the market prices have drastically increased compared to the prior period. The Group has recorded a fair value gain of Rs.1,869 Mn, compared to the fair value loss of Rs.1,828 Mn recorded in the previous year. As the country is experiencing the third wave of the pandemic, there is still an uncertainty with regard to market conditions.</p> <p>Due to the materiality of the FVTPL and FVOCI financial instruments in the context of the financial statements, degree of judgement involved in making assumptions in arriving at valuations and measurement uncertainty created due to COVID-19 outbreak, we considered valuation of FVTPL and FVOCI financial instruments as a Key Audit Matter.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key controls in relation to the investment valuation process; • Checking the CDS statements to verify the existence, completeness and accuracy of the number of quoted shares and agreeing the market price as of March 31, 2021 with the CSE prices; • Checking the number of units and the unit price as at March 31, 2021 with the external confirmations received from the Unit Trust Management Company to verify the existence, accuracy and completeness; • Assessing the appropriateness of the valuation techniques used by the Group in valuing the unquoted equity instruments as at March 31, 2021; • Assessing and challenging the key assumptions, inputs and judgments used in the valuation of the unquoted equity instruments by; <ul style="list-style-type: none"> • Comparing the assumptions to expectations based on current trends and investee industry knowledge; • Challenging the management on key assumptions used to generate forward looking cash flow and revenue estimates and other key assumptions used in the valuation process such as discount rates, liquidity adjustments etc; • Assessing the adequacy of disclosure in the financial statements in relation to the fair valuation of the financial investments as required by the accounting standards.



2. Impairment assessment on investments in subsidiaries and goodwill

Refer Notes 3 (a), (g), 20 and 22 (Page 45, 54, 68 and 70) to these financial statements

Risk Description	Our Response
<p>The Company has investments in subsidiaries amounting to Rs.1,797 Mn and the Group has recorded goodwill amounting to Rs. 183 Mn as at March 31, 2021. Such investments are carried at cost and tested for any impairment at each reporting period.</p> <p>This was considered a matter of significance to our audit due to the materiality of the carrying value of the investments in subsidiaries and the goodwill and the subjectivity of the impairment assessment.</p> <p>Assessing for any indication for impairment and estimating the recoverable value if any indication exists involves judgement. In view of the significance of the investments and the subjectivity of the judgements, we considered impairment assessment of subsidiaries and goodwill to be a Key Audit Matter.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> Obtaining an understanding of management's impairment assessment process; Reviewing the impairment assessment conducted by the management and discussed with management regarding any indications existing for impairment; Re-performing the assessment on the existence of any indications for impairment by considering the fair value of each quoted subsidiary based on CSE prices and net asset value of each unquoted subsidiary as at March 31, 2021; Reviewing the computation for impairment reversal of the subsidiary along with the evidences; Assessing the adequacy of the disclosures in the financial statements.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation

of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

July 15, 2021

Statement of Profit or Loss and Other Comprehensive Income

In Rupees Thousands

For the year ended 31st March	Note	Group		Company	
		2021	2020	2021	2020
Continuing operations					
Revenue	11	1,604,663	701,332	628,247	195,781
Reversal / (impairment) on goodwill / investments in subsidiary	202/224	-	(48,445)	48,445	(48,445)
Net change in fair value through profit or loss financial assets		1,869,267	(1,828,266)	716,028	(720,924)
Profit / (loss) on investment activities		3,473,930	(1,175,379)	1,392,720	(573,588)
Administrative and other operating expenses		(208,001)	(224,066)	(71,438)	(85,959)
Profit / (loss) from operations	12	3,265,929	(1,399,445)	1,321,282	(659,547)
Profit from disposal of investment in subsidiary	22.8	21,731	-	9,424	8,539
Net finance income / (expense)	13	(69,075)	(29,643)	(40,101)	(20,460)
Profit / (loss) from operations after net finance income / (expense)		3,218,585	(1,429,088)	1,290,605	(671,468)
Share of profit of equity accounted investee, net of tax	14	2,805	4,724	-	-
Profit / (loss) before taxation		3,221,390	(1,424,364)	1,290,605	(671,468)
Income tax expense	15	(56,652)	(35,021)	(15,640)	(335)
Profit / (loss) for the year from continuing operations		3,164,738	(1,459,385)	1,274,965	(671,803)
Discontinued operations					
Profit/(loss) after tax for the period from discontinued operations	16	79,213	(13,228)	-	-
Profit / (loss) for the year		3,243,951	(1,472,613)	1,274,965	(671,803)
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Actuarial gain / (loss) on employee benefit obligation	33	(2,197)	(581)	-	-
Related tax on employee benefits	25	527	163	-	-
Net change in fair value through other comprehensive income financial assets	24	3,060,628	(408,765)	-	-
Items that are or may be reclassified to profit or loss					
Share of other comprehensive income / (expense) of equity accounted investee, net of tax	14	(32)	(10)	-	-
Net exchange differences on translation of foreign operations		47,605	30,988	-	-
Other comprehensive income / (expense) for the year		3,106,531	(378,205)	-	-
Total comprehensive income / (expense) for the year		6,350,482	(1,850,818)	1,274,965	(671,803)
Profit attributable to:					
Equity holders of the parent		2,721,021	(1,244,876)	1,274,965	(671,803)
Non controlling interest		522,930	(227,737)	-	-
		3,243,951	(1,472,613)	1,274,965	(671,803)
Total comprehensive income / (expense) attributable to:					
Equity holders of the parent		5,298,930	(1,557,814)	1,274,965	(671,803)
Non controlling interest		1,051,552	(293,004)	-	-
		6,350,482	(1,850,818)	1,274,965	(671,803)
Earnings / (loss) per share (Rs.)	17	30.65	(14.02)	14.36	(7.57)
Earnings / (loss) per share (Rs.)-Continuing operations	17	29.90	(13.96)	14.36	(7.57)
Dividend per share	18	1.60	1.15	1.60	1.15

The notes to the financial statements from pages 43 to 108 form an integral part of these financial statements. Figures in brackets indicate deductions.

Statement of Financial Position

In Rupees Thousands

As at 31st March	Note	Group 2021	2020	Company 2021	2020
ASSETS					
Non-current assets					
Property, plant and equipment	19	2,541	2,041	-	-
Intangible assets	20	190,511	194,956	-	-
Right of use assets	21	15,407	6,348	-	-
Investments in subsidiaries	22	-	-	1,797,429	2,358,462
Investment in equity accounted investee	23	52,112	52,839	35,000	35,000
Investments in fair value through other comprehensive income	24	6,739,514	3,678,886	-	-
Deferred tax asset	25	2,447	3,544	-	-
Total non-current assets		7,002,532	3,938,614	1,832,429	2,393,462
Current assets					
Trade and other receivables	26	220,328	18,714	74,977	1,937
Current tax assets		11,383	31,661	10,001	25,641
Investments in equity and debt securities	27	9,686,342	7,756,757	3,487,056	2,904,179
Investments in unit trusts	28	162,063	506,030	50,754	44,937
Investments in fixed deposits		930,938	401,305	184,378	-
Cash and cash equivalents	29	1,599,636	2,209,512	346,766	413,789
Total current assets		12,610,690	10,923,979	4,153,932	3,390,483
Asset held for sale	16	787,938	167,833	658,660	54,210
Total assets		20,401,160	15,030,426	6,645,021	5,838,155
EQUITY AND LIABILITIES					
Equity					
Stated capital	30	1,128,726	1,128,726	1,128,726	1,128,726
Capital reserves	31	324,709	324,741	208,660	208,660
Revenue reserves	32	15,288,695	10,082,011	5,059,992	3,880,600
Total equity attributable to equity holders of the parent		16,742,130	11,535,478	6,397,378	5,217,986
Non controlling interest		3,319,563	2,332,108	-	-
Total equity		20,061,693	13,867,586	6,397,378	5,217,986
Non-current liabilities					
Employee benefits	33	12,615	10,834	-	-
Lease liabilities	35	7,061	-	-	-
Total non-current liabilities		19,676	10,834	-	-
Current liabilities					
Trade and other payables	34	91,370	81,149	35,603	32,621
Lease liabilities	35	8,346	6,797	-	-
Current tax liabilities		4,923	4,657	-	-
Short term borrowings	36	212,040	1,054,316	212,040	587,548
Bank overdraft	29	-	45	-	-
Total current liabilities		316,679	1,146,964	247,643	620,169
Liabilities directly associated with assets held for sale	16	3,112	5,042	-	-
Total liabilities		339,467	1,162,840	247,643	620,169
Total equity and liabilities		20,401,160	15,030,426	6,645,021	5,838,155
Net assets per ordinary / deferred share (Rs.)		188.58	129.93	72.06	58.77

The notes to the financial statements from pages 43 to 108 form an integral part of these financial statements.

I certify that these Financial Statements comply with the requirements of the Companies Act No. 07 of 2007.

(Sgd).

V.R. Wijesinghe

Director-Finance

Carsons Management Services (Private) Limited

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

Approved & Signed on behalf of Investment Managers,

Approved & Signed on behalf of the Board,

(Sgd).

K. Selvanathan

Director

Guardian Fund Management Limited

Colombo

15th July 2021

(Sgd).

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

Chairperson

(Sgd).

D.C.R. Gunawardena

Director

Statement of Changes In Equity

In Rupees Thousands

Group	Stated capital	Capital reserves			Revenue reserves			Attributable to equity holders of parent	Non controlling interest	Total equity	
		Investment reserve	Other capital reserve	Jointly controlled entity's capital reserve	Currency translation reserve	General reserve	Fair value through OCI financial assets reserve				
Balance as at 1st April 2019	1,128,726	7,805	316,741	205	119,672	32,668	3,357,028	8,125,097	13,087,942	2,629,463	15,717,405
Loss for the year	-	-	-	-	-	-	-	-	(1,244,876)	(227,737)	(1,472,613)
Other comprehensive income / (expense) for the year	-	-	-	(10)	26,665	-	(339,175)	(418)	(312,938)	(65,267)	(378,205)
Total comprehensive income / (expense) for the year	-	-	-	(10)	26,665	-	(339,175)	(1,245,294)	(1,557,814)	(293,004)	(1,850,818)
Effect due to change in share holdings	-	-	-	-	-	-	-	-	867	(5,254)	(4,387)
Forfeiture of unclaimed dividends	-	-	-	-	-	-	-	-	4,483	903	5,386
Balance as at 31st March 2020	1,128,726	7,805	316,741	195	146,337	32,668	3,017,853	6,885,153	11,535,478	2,332,108	13,867,586
Balance as at 1st April 2020	1,128,726	7,805	316,741	195	146,337	32,668	3,017,853	6,885,153	11,535,478	2,332,108	13,867,586
Profit for the year	-	-	-	-	-	-	-	2,721,021	2,721,021	522,930	3,243,951
Other comprehensive income / (expense) for the year	-	-	-	(32)	40,040	-	2,539,570	(1,669)	2,577,909	528,622	3,106,531
Total comprehensive income / (expense) for the year	-	-	-	(32)	40,040	-	2,539,570	2,719,352	5,298,930	1,051,552	6,350,482
Elimination of Non controlling interest at disposal of Sri Lanka Fund	-	-	-	-	-	-	-	-	-	(57,051)	(57,051)
Cash dividend	-	-	-	-	-	-	-	(102,097)	(102,097)	(8,525)	(110,622)
Forfeiture of unclaimed dividends	-	-	-	-	-	-	-	9,819	9,819	1,479	11,298
Transfers	-	-	-	-	(119,209)	-	-	119,209	-	-	-
Balance as at 31st March 2021	1,128,726	7,805	316,741	163	67,168	32,668	5,557,423	9,631,436	16,742,130	3,319,563	20,061,693

The notes from pages 43 to 108 form an integral part of these financial statements.
Figures in brackets indicate deductions.

Company	Stated capital	Capital reserves		Revenue reserves		Total equity
		Investment reserve	Other capital reserve	General reserve	Retained earnings	
Balance as at 1st April 2019	1,128,726	7,805	200,855	14,961	4,534,706	5,887,053
Loss for the year	-	-	-	-	(671,803)	(671,803)
Other comprehensive income / (expense) for the year	-	-	-	-	-	-
Total comprehensive income / (expense) for the year	-	-	-	-	(671,803)	(671,803)
Forfeiture of unclaimed dividends	-	-	-	-	2,736	2,736
Balance as at 31st March 2020	1,128,726	7,805	200,855	14,961	3,865,639	5,217,986
Balance as at 1st April 2020	1,128,726	7,805	200,855	14,961	3,865,639	5,217,986
Profit for the year	-	-	-	-	1,274,965	1,274,965
Other comprehensive income / (expense) for the year	-	-	-	-	-	-
Total comprehensive income / (expense) for the year	-	-	-	-	1,274,965	1,274,965
Cash dividend	-	-	-	-	(102,097)	(102,097)
Forfeiture of unclaimed dividends	-	-	-	-	6,524	6,524
Balance as at 31st March 2021	1,128,726	7,805	200,855	14,961	5,045,031	6,397,378

The notes from pages 43 to 108 form an integral part of these financial statements.
Figures in brackets indicate deductions.

Statement of Cash Flows

In Rupees Thousands

For the year ended 31st March	Note	Group		Company	
		2021	2020	2021	2020
Cash flows from operating activities					
Profit/(Loss) before taxation		3,305,573	(1,427,538)	1,290,605	(671,468)
Adjustments for:					
Share of profit of equity accounted investee, net of tax	14	(2,805)	(4,724)	-	-
Depreciation on property, plant & equipment	19	884	707	-	-
Amortisation of intangible assets	20	4,445	4,445	-	-
Amortisation of right of use of assets	21	6,348	6,349	-	-
Gain from disposal of property, plant and equipment		(35)	-	-	-
Provision for employee benefit	33	3,084	2,495	-	-
Net finance (income) / expense	13	69,075	29,643	40,101	20,460
(Reversal) / impairment on goodwill / investments in subsidiary	20.2/22.4	-	48,445	(48,445)	48,445
Disposal gain on investment in subsidiary	22.8	(21,731)	-	(9,424)	-
Scrip dividend income from subsidiary		-	-	(49,183)	-
Discount on lease liability	35	(453)	-	-	-
Net charge in fair value through profit or loss financial assets		(1,869,267)	1,855,723	(716,028)	720,924
Operating profit before working capital changes					
(Increase) / decrease in trade and other receivables		1,495,118	515,545	507,626	118,361
(Increase) / decrease in investments		(201,614)	25,305	(73,040)	16,341
(Increase) / decrease in investment in fixed deposits		283,649	(287,141)	127,334	182,328
(Increase) / decrease in investment in fixed deposits		(529,633)	1,202,659	(184,378)	-
Increase / (decrease) in trade and other payables		20,316	(28,344)	6,648	(12,765)
Cash generated from / (used in) operations					
Employee benefit paid	33	1,067,836	1,428,024	384,190	304,265
Current tax paid		(3,500)	-	-	-
		(38,769)	(55,167)	-	(3,860)
Net cash generated from / (used in) operating activities					
		1,025,567	1,372,857	384,190	300,405
Cash flows from investing activities					
Acquisition of property, plant & equipment	19	(1,384)	(563)	-	-
Net investments in subsidiaries		-	-	-	(305,430)
Proceeds from disposal of property, plant and equipment		35	-	-	-
Dividend received from jointly controlled entity	23.3	3,500	-	-	-
Finance income received		289	403	-	-
Net cash used in investing activities					
		2,440	(160)	-	(305,430)
Cash flows from financing activities					
Dividend paid		(99,239)	(14,229)	(99,239)	(14,229)
Dividend paid to non controlling interest		(7,751)	(13,598)	-	-
Short term borrowings obtained/(paid)	36	(842,916)	886,539	(376,148)	422,570
Payment of lease liabilities	35	(6,793)	(7,246)	-	-
Redemptions of units		-	(4,387)	-	-
Disposal of a subsidiary net of cash	22.8	(40,364)	-	63,634	-
Finance expense paid		(68,275)	(23,353)	(39,460)	(17,912)
Net cash generated from / (used) in financing activities					
		(1,065,338)	823,726	(451,213)	390,429
Net increase / (decrease) in cash and cash equivalents					
Cash and cash equivalents at the beginning of the year		(37,331)	2,196,423	(67,023)	385,404
Net exchange differences on translation of foreign operations		2,377,300	149,889	413,789	28,385
		47,605	30,988	-	-
Cash and cash equivalents at the end of the year					
	29	2,387,574	2,377,300	346,766	413,789

The notes from pages 43 to 108 form an integral part of these financial statements.
Figures in brackets indicate deductions.

Notes to the Financial Statements

1 REPORTING ENTITY

(a) Domicile and legal form

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

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

The consolidated financial statements of the Company as at and for the year ended 31st March 2021 comprise of the financial information of the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in the jointly controlled entity.

The Group has seven subsidiaries out of which two subsidiaries are listed on the Colombo Stock Exchange, the details of which are set out in the note 22 to the financial statements.

(b) Principal activities and nature of operations

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

There were no significant changes in the nature of the principal activities of the Company and the Group during the financial year under review. However, prior to the disposal of entire private equity investments held by Guardian Capital Partners PLC (GCP), a special resolution was passed at an Extraordinary General Meeting held on 7th January 2021 for substantial alteration in the nature of the business carried on by GCP in terms of Section 185(2) (d) of the Companies Act, No. 07 of 2007 and Article 87(1)(vi) of the Articles of Association of GCP.

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

(c) Parent entity and Ultimate parent entity

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

(d) Number of employees

The Group had 22 (2020 – 22) employees at the end of the financial year. The Company had no employees as at the reporting date (2020 - Nil) and the relevant services are received by Carsons Management Services (Private) Limited and Guardian Fund Management Limited.

2 BASIS OF PREPARATION

(a) Statement of compliance

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

The consolidated financial statements have been prepared in accordance with Sri Lanka Accounting Standards (LKAS / SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of Companies Act No. 7 of 2007.

The consolidated financial statements were authorised for issue by the Board of Directors on 15th July 2021.

(b) Basis of measurement

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

- Non-derivative financial instruments classified as fair value through profit or loss which are measured at fair value;
- Fair value through other comprehensive income financial assets; and
- Defined benefit obligations are measured at its present value, based on an actuarial valuation.

(c) Going concern basis of accounting

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

(d) Materiality and aggregation

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

(e) Functional and presentation currency

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

(f) Use of estimates and judgements

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

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

Assumptions and estimation uncertainties:

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

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

The Group assesses at each reporting date whether there is objective evidence that an asset or portfolio of assets is impaired. The recoverable amount of an asset or Cash Generating Unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to present

value using appropriate discount rates that reflects the current market assessments of the time value of money and risks specific to the asset. The carrying value of goodwill is reviewed at each reporting date and is written down to the extent that it is no longer supported by probable future benefits. Goodwill is allocated to CGU for the purpose of impairment testing.

ii. Deferred taxation – utilization of tax losses

Deferred tax assets are 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.

iii. Defined benefit plans

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

iv. Current taxation

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

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

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

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

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

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

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

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

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

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

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

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

Further information about the assumptions made in measuring fair values is included in the Note 38.6.

a. Equity securities

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

expected future cash flows and a market-related discount rate.

b. Trade and other receivables

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

c. Other non-derivative financial liabilities

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

(g) Comparative figures

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

3 SIGNIFICANT ACCOUNTING POLICIES

The Group has adopted amendments to references to the conceptual framework in SLFRS standards and definition of material (Amendments to LKAS 1 "Presentation of Financial Statements" and LKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors") from 1st April 2020 but they do not have material effect on the Group's and Company's financial statements.

Except for the above, the following accounting policies have been applied consistently to all periods presented in these financial statements of the Group and Company unless otherwise indicated.

(a) Basis of consolidation

The consolidated financial statements comprise of the financial statements of the Group and its subsidiaries as at and for the year ended 31st March 2021. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Group controls an investee if and only if the investor has all of the following:

Power over the investee

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

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

- Contractual arrangement with the other vote holders of the investee;
- Rights arising from other contracts and arrangements;
- The Group's voting rights and potential voting rights.

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

(i) Business combinations

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

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

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

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

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

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

(ii) Non-controlling 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 wherever necessary to align them with the policies adopted by the Group.

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

On 3rd June 2020, the Group fully disposed its investment in Sri Lanka Fund Refer note 22.8 for details.

During the financial year ended 31st March 2021, Guardian Capital Partners PLC was classified as an asset held for sale and discontinued operation. Accordingly, where necessary, comparative figures have been restated. Refer notes 16 and 42 for details.

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

(iv) Loss of control

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

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

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

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

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

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income

of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that the joint control commences until the date that the joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(vi) Transactions eliminated on consolidation

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

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

(vii) Financial year end

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

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

(b) Foreign currency

(i) Foreign currency transactions

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

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

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

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

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

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Sri 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 is not a fully owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of such control, significant influence or joint control, the

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

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

(c) Discontinued operations

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

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

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

(d) Financial Instruments

(i) Recognition and initial measurement

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

Receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group

becomes a party to the contractual provisions of the instrument.

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

(ii) Financial assets

Classification and subsequent measurement of financial assets

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

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

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

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

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

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

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

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

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

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

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

Financial assets - Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

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

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

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

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

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

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

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

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

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

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Any gain or loss on derecognition is recognised in statement of profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Financial Liabilities

Classification, subsequent measurement and gains and losses

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

(iv) De-recognition

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

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

(v) Offsetting

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

(e) Impairment

(i) Financial assets

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

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

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

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

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

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

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

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

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

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

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

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

Measurement of ECLs

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

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

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

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

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

Write-off

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

(ii) Non-financial assets

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

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

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

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

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

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

(f) Property, plant and equipment

(i) Recognition and measurement

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

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

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

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use.

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

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

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

(iv) Disposal

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

(g) Intangible assets and goodwill

(i) Recognition and measurement

Goodwill

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

Subsequent measurement

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

Software

All computer software costs incurred for license for use by the Group, which are not integrally related to associated hardware, which can be clearly identified, reliably measured and it is probable that they will lead to future economic benefits, are included in the statement of financial position under the category intangible assets and carried at cost less accumulated amortization and any accumulated impairment losses. These costs are amortised to the statement of profit or loss using the straight-line method over 3 to 10 years.

(ii) Subsequent expenditure

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

(iii) Impairment

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

(h) Asset held for sale

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

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

(i) Leases

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

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

(i) As a lessee

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made

at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

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

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

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

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

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

Short-term leases and leases of low-value assets

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

(j) Stated capital

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

(k) Employee benefits

(i) Short-term employee benefits

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

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined

contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(iii) Defined benefit plans

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

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

Such actuarial valuations will be carried out once a year. The liability is not externally funded. Under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

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

(l) Liabilities and provisions

(i) Liabilities

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

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

(ii) Provisions

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

assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(m) Contingent liabilities and contingent assets

(i) Contingent liabilities

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

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

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

(ii) Contingent assets

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

(n) Revenue

Performance obligations and revenue recognition policies

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

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

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

(i) Interest Income and expense

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

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

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

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

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

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

(iv) Gain/ (loss) on disposal of financial investments – Fair Value through Other Comprehensive Income

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

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

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

(vi) Dividend Income

Dividend income from financial investments held for trading is recognised in profit or loss on an accrual basis when the Group's right to receive the dividend is established. This is usually on the ex-dividend date for equity securities. Dividends are presented in net trading income or net gain/ (loss) from financial investments based on the underlying classification of the equity investment.

(o) Expenditure recognition

(i) Operating expenses

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

(ii) Finance income and finance costs

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

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

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

(iii) Fee and commission expenses

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

(p) Income tax expense

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

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

(i) Current taxation

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

(ii) Deferred taxation

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

Deferred tax is not recognised for:

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

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the

Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if there is any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

(iii) Tax exposures

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

(q) Related party transactions

A disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies decisions of the other, irrespective of whether a price is charged.

(r) Earnings per Share

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

(s) Events after the reporting period

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

4 DIVIDENDS ON ORDINARY SHARES

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

5 SEGMENT REPORTING

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

6 STATEMENT OF CASH FLOWS

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

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

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

7 CASH AND CASH EQUIVALENTS

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

8 PRESENTATION

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

(i) Offsetting income and expenses

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

(ii) Offsetting assets and liabilities

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

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

9 DIRECTORS' RESPONSIBILITY

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

10 NEW ACCOUNTING STANDARDS ISSUED

New accounting standards issued but not effective as at reporting date

A number of new standards are effective for annual periods beginning after 1st April 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

Forthcoming effective standards

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

Effective date	New standards or amendment
	Onerous Contracts – Cost of Fulfilling a Contract (Amendments to LKAS 37)
1st January 2022	Annual Improvements to SLFRS Standards 2018-2020
	Reference to the Conceptual Framework (Amendments to SLFRS 3)
1st January 2023	Classification of Liabilities as Current and Non-Current (Amendments to LKAS 1)

Notes to the Financial Statements

In Rupees Thousands

11. REVENUE

For the year ended 31st March	Group		Company	
	2021	2020	2021	2020
Dividend income	468,723	397,791	250,683	148,730
Interest income on financial assets carried at amortised cost (note 11.1)	122,002	112,565	29,804	3,274
Management fees	126,075	128,341	-	-
Net gain /(loss) from disposal of investment in equity and debt securities	995,348	138,401	344,856	33,339
Net gain from disposal of investment in unit trusts	5,132	37,201	2,904	10,438
	1,717,280	814,299	628,247	195,781
Intra-group transactions	(112,617)	(112,967)	-	-
	1,604,663	701,332	628,247	195,781
11.1 Interest income on financial assets carried at amortised cost				
Placements with banking and financial institutions	89,431	100,067	22,064	-
Saving deposits	14,294	2,363	4,493	813
Securities purchased under resale agreements	18,277	10,135	3,247	2,461
	122,002	112,565	29,804	3,274

12. PROFIT/(LOSS) FROM OPERATIONS

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

For the year ended 31st March	Group		Company	
	2021	2020	2021	2020
Auditors' remuneration and expenses				
- Audit and audit related fees	3,240	2,876	558	508
- Non audit services	674	-	674	-
Directors' fees	23,977	23,222	16,064	15,543
Support service fees*	27,034	29,536	9,745	11,105
Depreciation (note 19)	884	707	-	-
Amortisation	10,793	10,794	-	-
Professional services (note 12.a)	6,635	8,732	2,474	9
Personnel cost (note 12.b)	77,950	74,801	-	-

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

For the year ended 31st March		Group		Company	
		2021	2020	2021	2020
12.a	Professional services				
	Legal services	2,217	3,216	788	-
	Valuation services	902	50	890	-
	Other professional services	3,516	5,466	796	9
		6,635	8,732	2,474	9
12.b	Personnel cost				
	Salaries, wages and other related expenses	68,127	65,619	-	-
	Defined benefit plan cost (note 33.1)	3,084	2,495	-	-
	Defined contribution plan cost	6,739	6,687	-	-
		77,950	74,801	-	-
	The above include:				
	Directors' emoluments	12,002	12,050	-	-
		12,002	12,050	-	-

13 NET FINANCE INCOME / (EXPENSE)

For the year ended 31st March		Group		Company	
		2021	2020	2021	2020
	Finance income				
	Interest income	289	291	-	-
	Exchange gain	122	112	-	-
		411	403	-	-
	Finance expense				
	On bank overdraft	527	117	68	66
	On short-term borrowings	68,510	28,583	40,033	20,394
	Lease interest (note 35)	449	1,346	-	-
		69,486	30,046	40,101	20,460
	Net finance income / (expense)	(69,075)	(29,643)	(40,101)	(20,460)

Notes to the Financial Statements

In Rupees Thousands

14 SHARE OF PROFIT AND OTHER COMPREHENSIVE INCOME / EXPENSES OF EQUITY ACCOUNTED INVESTEE, NET OF TAX

	Investor's share of profit net of tax		Investor's share of other comprehensive income/ (expenses) net of tax	
For the year ended 31st March	2021	2020	2021	2020
Guardian Acuity Asset Management Limited	2,805	4,724	(32)	(10)
	2,805	4,724	(32)	(10)

15 INCOME TAX EXPENSE

	Group		Company	
For the year ended 31st March	2021	2020	2021	2020
15.1 Current tax expense				
Provision for the year (note 15.3)	55,336	38,477	14,439	548
Over provision for previous year	(2,437)	(2,686)	(418)	(213)
Tax refunds write-off	479	-	479	-
ESC write-off	1,650	-	1,140	-
Current tax expense for the year	55,028	35,791	15,640	335
15.2 Deferred taxation				
On origination and reversal of temporary differences (note 25.1)	1,624	(770)	-	-
Deferred tax expense / (gain) for the year	1,624	(770)	-	-
Total income tax expense for the year	56,652	35,021	15,640	335

15.3 Reconciliation between accounting profit and taxable profit

For the year ended 31st March	Group		Company	
	2021	2020	2021	2020
Accounting profit / (loss) before taxation	3,221,390	(1,424,364)	1,290,605	(671,468)
Adjustments :				
Exempt (profits) / loss on sale of quoted public shares	(995,348)	(138,401)	(354,280)	(41,878)
Dividend income (Exempt)	(214,639)	(353,140)	(124,234)	(135,722)
Allowable claims	(23,493)	(13,477)	-	-
Impairment on goodwill/investment in subsidiary	-	48,445	(48,445)	48,445
Net change in fair value of fair value through profit or loss financial assets	(1,869,267)	1,828,266	(716,028)	720,924
Unit Trust - Interest Income Unrealised	2,138	10,808	14	1,014
Disallowable expenses	171,713	185,008	55,507	82,595
Transactions adjusted on consolidation	73,721	30,641	-	-
Share of profit of equity accounted investees net of tax	(2,805)	(4,724)	-	-
Operating losses incurred during the year	2,305	-	-	-
Utilisation of tax losses (note 15.4)	(5,978)	(14,432)	-	-
Adjusted profit for taxation	359,737	154,630	103,139	3,910
Current tax expense of the Company (note 15.5 i)				
Tax at 28%	-	28,936	-	-
Tax at 24%	11,935	5,665	-	-
Taxable dividend at 14%	43,401	3,876	14,439	548
	55,336	38,477	14,439	548

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

15.4 Movement in tax losses

For the year ended 31st March	Group		Company	
	2021	2020	2021	2020
Tax losses brought forward	8,616	7,973	-	-
Adjustment on losses (Finalization/write-off/conversions)	2,977	15,075	-	-
Tax losses incurred during the year	2,305	-	-	-
Utilisation of tax losses during the year	(5,978)	(14,432)	-	-
Tax losses carried forward	7,920	8,616	-	-

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

In Rupees Thousands

15.5 Summary of provision applicable under relevant tax legislation

(i) Current Tax in Sri Lanka

The income tax provision for Ceylon Guardian Investment Trust PLC, its subsidiaries and equity accounted investee which are resident in Sri Lanka is calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and its amendments thereto. In terms of above, the income tax provisions of companies have been calculated on their adjusted profits at the standard rate of 24% (2020 - 24% and 28%) except for companies with specified sources which are exempt from tax or subject to concessionary tax rates as set out below.

Dividend received from another resident company is subject to income tax at a concessionary rate of 14% and an exemption is available on dividend paid by a resident company to a member to the extent that dividend payment is attributable to, or derived from, another dividend received by that resident company.

In addition, the Group has made adjustments as required to the income tax payable or receivable balances in respect of previous years and written off any unclaimable Economic Service Charge (ESC) within the specified period.

(ii) Current tax on overseas operations

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

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

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

(iv) Notional tax credits carried forward

As per the Gazette notification issued in relation to the transitional provisions of Inland Revenue Act No. 24 of 2017, the carried forward notional tax credits as per section 138(2) of Inland Revenue Act No 10 of 2006 may be carried forward to be set off against the income tax liability within three consecutive years of assessment commencing from the year of assessment 2018/2019.

16 DISCONTINUED OPERATIONS / ASSET HELD FOR SALE

16.1 Discontinued operations

As explained in Note 42, Guardian Capital Partners PLC was classified as an asset held for sale and as a discontinued operation as at 31st March 2021. Accordingly, the profit/ loss for the year ended 31st March 2021 has been presented under discontinued operations along with the profit/ loss for the year ended 31st March 2020 (comparative year presented) as per SLFRS 5 - "Non-current Assets Held for Sale and Discontinued Operations". As at 31st March 2020, investment in Sri Lanka Fund was classified as asset held for sale and during the year ended 31st March 2021. Sri Lanka Fund was fully liquidated and the respective disposal gain has been recorded in the statement of profit or loss.

A. Results of discontinued operations

As at 31st March	2021	2020
Revenue	101,032	45,920
Net change in fair value of fair value through profit or loss financial assets	-	(44,318)
Inter-group transactions	(12,455)	16,861
	88,577	18,463
Administrative and other operating expenses	(4,394)	(23,131)
Net finance income/(cost)	-	1,494
Income tax expense	(4,970)	(10,054)
Profit/ (Loss) for the year from discontinued entities	79,213	(13,228)

B. Cash flows from/ (used in) discontinued operations

For the year ended 31st March	2021	2020
Net cash from operating activities	530,002	351,905
Net cash used in financing activities	-	(142,585)
Net cash flows for the year	530,002	209,320

16.2 Asset held for sale

The major classes of assets and liabilities of Guardian Capital Partners PLC has been classified as held for sale in the Group financial statements as at 31 March 2021 (2020-Sri Lanka Fund). Investment in subsidiary, Guardian Capital Partners PLC has been classified as asset held for sale in the financial statements of the Company as at 31st March 2021 (2020-Sri Lanka Fund).

As at 31st March	Group		Company	
	2021	2020	2021	2020
Assets				
Investment in subsidiary	-	-	658,660	54,210
Cash at bank	787,938	167,833	-	-
Assets held for sale	787,938	167,833	658,660	54,210
Liabilities				
Provisions and unclaimed dividends	(2,428)	-	-	-
Current tax liabilities	(684)	-	-	-
Creditors	-	(5,042)	-	-
Liabilities directly associated with assets held for sale	(3,112)	(5,042)	-	-
Net assets directly associated with assets held for sale	784,826	162,791	658,660	54,210

In Rupees Thousands

17 EARNINGS /(LOSS) PER SHARE

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

Group

For the year ended 31st March	2021			2020		
	Continued operations	Discontinued operations	Total	Continued operations	Discontinued operations	Total
Amount used as the numerator						
Profit/(loss) for the year attributable to the shareholders of the parent	2,654,505	66,516	2,721,021	(1,238,966)	(5,910)	(1,244,876)
Amount used as the denominator						
Weighted average number of ordinary/deferred shares outstanding during the year*	88,780,335	88,780,335	88,780,335	88,780,335	88,780,335	88,780,335
Basic earnings per share (Rs.)	29.90	0.75	30.65	(13.96)	(0.07)	(14.02)

Company

For the year ended 31st March	2021	2020
Amount used as the numerator		
Profit/(loss) for the year attributable to the shareholders of the parent	1,274,965	(671,803)
Amount used as the denominator		
Weighted average number of ordinary/deferred shares outstanding during the year*	88,780,335	88,780,335
Basic earnings per share (Rs.)	14.36	(7.57)

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

18 DIVIDEND PER SHARE

For the year ended 31st March		Company	
		2021	2020
18.1 Dividend paid during the year			
Final dividend - cash			
Cash dividend - ordinary / deferred shares		102,097	-
		102,097	-
18.2 Dividend proposed during the year			
Final dividend - cash			
Proposed Final dividend *			
-On ordinary shares		132,766	95,426
-On deferred shares		9,282	6,671
Total proposed dividend		142,048	102,097
Total dividend per share (Rs.)		1.60	1.15

*After satisfying the Solvency Test in accordance with section 57 of the Companies Act, No. 7 of 2007, the Directors have recommended the payment of a first and final dividend of Rs.1.60 per ordinary share for the year ended 31st March 2021 amounting to Rs. 142,048,568/- which is to be approved at the forthcoming Annual General Meeting. In accordance with Sri Lanka Accounting Standard (LKAS 10) -"Events after the reporting period" this proposed first and final dividend has not been recognised as a liability as at 31st March 2021.

19 PROPERTY, PLANT AND EQUIPMENT - GROUP

	Office equipment	Computer equipment	Furniture and fittings	Total 2021	Total 2020
Cost					
Balance as at the beginning of the year	258	6,868	5,094	12,220	11,657
Additions during the year	-	1,384	-	1,384	563
Disposals during the year	-	(100)	-	(100)	-
Balance as at the end of the year	258	8,152	5,094	13,504	12,220
Accumulated depreciation					
Balance as at the beginning of the year	239	6,216	3,724	10,179	9,472
Charge for the year	14	557	313	884	707
Disposals during the year	-	(100)	-	(100)	-
Balance as at the end of the year	253	6,673	4,037	10,963	10,179
Carrying value as at the end of the year	5	1,479	1,057	2,541	2,041

Notes to the Financial Statements

In Rupees Thousands

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

As at 31st March	Group	
	2021	2020
Office equipment	186	186
Furniture and fittings	2,142	1,894
Computer equipment	5,962	5,612
	8,290	7,692

19.2 No borrowing costs were capitalized for property, plant and equipment during the year (2020 - Nil).

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

20 INTANGIBLE ASSETS - GROUP

	Goodwill on consolidation	Computer software	Total 2021	Total 2020
Cost				
Balance as at the beginning of the year	231,917	37,577	269,494	269,494
Additions during the year	-	-	-	-
Balance as at the end of the year	231,917	37,577	269,494	269,494
Amortisation and impairment				
Balance as at the beginning of the year	48,445	26,093	74,538	21,648
Impairment provision/(reversal) for the year	-	-	-	48,445
Charge for the year	-	4,445	4,445	4,445
Balance as at the end of the year	48,445	30,538	78,983	74,538
Carrying value as at the end of the year	183,472	7,039	190,511	194,956

As at 31st March	2021	2020
20.1 Details of fully amortised intangible assets are as follows:		
Computer software	15,350	15,350
	15,350	15,350

20.2 Impairment assessment on goodwill

Goodwill arising on business combinations - Guardian Capital Partners PLC

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

Accordingly, the fair value less cost to sell is computed taking in to consideration the recent market prices and Adjusted Net Asset Value of GCP.

Accordingly, as per the impairment test as at 31st March 2021, there was no impairment requirement of goodwill on acquisition of Guardian Capital Partners PLC (31st March 2020 - Rs. 48.4 Mn).

21 RIGHT-OF-USE ASSETS - GROUP

As at 31st March	Group	
	2021	2020
Carrying value at the beginning of the year	6,348	-
Adjustment on recognition of right of use assets as per SLFRS 16	-	12,697
Additions during the year	15,407	-
Amortization for the year	(6,348)	(6,349)
Carrying value at the end of the year	15,407	6,348

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

Notes to the Financial Statements

In Rupees Thousands

22 INVESTMENT IN SUBSIDIARIES

As at 31st March	Group		Company					
	2021	2020	2021		2020			
	Effective holdings %		No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
22.1 Quoted investments								
Ceylon Investment PLC	65.94	65.94	66,822,185	1,405,792	4,256,573	65,577,052	1,356,609	1,908,292
Guardian Capital Partners PLC (note 22.5)	83.97	83.97	21,692,800	-	-	21,692,800	658,661	405,438
				1,405,792	4,256,573		2,015,270	2,313,730
22.2 Unquoted investments								
Rubber Investment Trust Limited	82.98	82.98	3,955,609	316	5,285,722	3,955,609	316	3,258,895
Guardian Fund Management Limited	100.00	100.00	2,848,678	73,321	40,699	2,848,678	73,321	38,886
The Sri Lanka Fund	-	64.91	-	-	-	611,153	-	-
Guardian Fund Management LLC	82.97	82.97	35,000	6,361	5,689	35,000	6,361	6,064
Guardian Value Fund LLC	82.97	82.97	1,965,000	357,139	391,776	1,965,000	357,139	371,769
				437,137	5,723,886		437,137	3,675,614
				1,842,929	9,980,459		2,452,407	5,989,344
Provision for impairments (note 22.4)				(45,500)			(93,945)	-
Total investment in subsidiaries				1,797,429	9,980,459		2,358,462	5,989,344

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

22.3 Investments in overseas fund structure

During the year ended 31st March 2020, the Company, and its subsidiaries Ceylon Investment PLC, and Rubber Investment Trust Limited invested USD 2 Mn, USD 2 Mn and USD 0.5 Mn respectively to commence its overseas investment initiative. In order to facilitate the venture, a fund structure was set up in Republic of Mauritius. The Structure is fully regulated by the Financial Service Commission of Mauritius, the regulatory authority responsible for the regulation, supervision and inspection of all financial services other than banking institutions and global business in Mauritius. As at 31 March 2021, total fund structure value amounted to USD 4.49 Mn (2020:USD 4.48Mn).

22.4 Impairment of investment in subsidiaries

During the year ended 31st March 2021, the Company has reversed an impairment provision of Rs. 48.4 Mn recognised last year for its investment in subsidiary Company Guardian Capital Partners PLC taking into the consideration the net assets value of the said company. Accordingly, the total impairment provision on investment in subsidiary Companies as at 31st March 2021 stood at Rs. 45.5 Mn on impairment of Guardian Fund Management Limited. (Total impairment provision of Rs. Rs. 93.9 Mn as at 31st March 2020, comprise of impairment of Rs. 48.4 Mn on Guardian Capital Partners PLC and Rs. 45.5 Mn on Guardian Fund Management Limited.)

22.5 Asset held for Sale

Investment in Guardian Capital Partners PLC was classified as an asset held for sale as disclosed in note 16 and 42 as at 31st March 2021.

22.6 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 - %	
		2021	2020
Ceylon Investment PLC	Investment holding	34.06	34.06
Rubber Investment Trust Limited	Investment holding	17.02	17.02
Guardian Value Fund LLC	Investment holding	17.03	17.03

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

For the year ended / as at 31st March	Ceylon Investment PLC		Rubber Investment Trust Limited		Guardian Value Fund LLC	
	2021	2020	2021	2020	2021	2020
Revenue	521,315	227,437	512,682	259,542	10,476	559
Net change in fair value through profit or loss financial assets	554,393	(655,281)	582,418	(434,187)	3,685	-
Profit / (loss) for the year	1,484,197	(645,345)	1,018,347	(258,679)	1,250	(3,036)
Other comprehensive income / (expense) for the year	1,551,037	(186,077)	3,065,719	(405,042)	-	-
Total comprehensive income / (expense) for the year	3,035,234	(831,422)	4,084,066	(663,721)	1,250	(3,036)
Non current assets	5,673,681	3,630,867	6,839,203	3,773,484	-	-
Current assets	3,768,480	3,135,306	3,727,631	2,869,130	885,862	842,252
Total assets	9,442,161	6,766,173	10,566,834	6,642,614	885,862	842,252
Current liabilities	(32,247)	(370,535)	(3,694)	(129,944)	(2,622)	(4,115)
Net assets	9,409,914	6,395,638	10,563,140	6,512,670	883,240	838,137
Net cash generated from / (used in) operating activities	398,091	373,797	159,010	(347,036)	(336,354)	165
Net cash generated from/(used in) investing activities	16,781	(363,500)	-	-	-	-
Net cash from / (used in) financing activities	(387,181)	324,020	(166,135)	125,494	335	807,146
Net increase / (decrease) in cash and cash equivalents	27,691	334,317	(7,125)	(221,542)	(336,019)	807,311

Notes to the Financial Statements

In Rupees Thousands

22.8 Liquidation of Subsidiary Company - The Sri Lanka Fund (SLF)

	Group	Company
For the year ended 31st March	2021	2021
Disposal profit		
Net assets directly associated with disposal entity / Cost of the investment	(162,587)	(54,210)
Carrying amount of the non-controlling interest as at disposal date	57,050	-
Cash consideration received from disposal of Group units	127,268	63,634
Profit on disposal of investment in subsidiary	21,731	9,424
Consideration		
Total cash balance of SLF at liquidation	167,833	63,634
Exchange difference	(201)	-
Cash paid to non controlling shareholders at liquidation	(40,364)	-
Cash consideration received from disposal of Group units	127,268	63,634

The Sri Lanka Fund (SLF) is an open-ended investment fund incorporated under the Companies Law (Revised) of Cayman Islands on 21st October 1993 and registered under the Mutual Funds Law on 26th July 1994. On 03rd June 2020, the Company and its subsidiary, Ceylon Investment PLC redeemed the entire holding of 687,376 units held by SLF, and the Group recorded a profit from disposal of investment in subsidiary amounting to Rs. 21.7 Mn (2020-Rs. Nil) and company recorded profit of Rs. 9.4 Mn (2020-Rs. 8.5 Mn). Cayman Islands Monetary Authority has confirmed via termination letter dated 5th May 2021 that the Certificate of Registration of The Sri Lanka Fund has been cancelled.

23 INVESTMENT IN EQUITY ACCOUNTED INVESTEE

23.1 Group

As at 31st March	2021		2020	
	Cost	Carrying value	Cost	Carrying value
Investment in jointly controlled entity (note 23.3)	35,000	52,112	35,000	52,839
	35,000	52,112	35,000	52,839

23.2 Company

As at 31st March	2021		2020	
	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
		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 hold 50% each of the issued share capital of Guardian Acuity Asset Management Limited.

23.3 Movement of investment in jointly controlled entity

For the year ended 31st March	2021 Carrying value	2020 Carrying value
Percentage of holding	50%	50%
Investment at cost	35,000	35,000
Investors' share of net assets		
As at the beginning of the year	17,839	13,125
Share of profit of equity accounted investee, net of tax	2,805	4,724
Dividend received from equity accounted investee	(3,500)	-
Share of other comprehensive income/(expense) net of taxation	(32)	(10)
As at the end of the year	17,112	17,839
Carrying value of total investment in jointly controlled entity on equity method	52,112	52,839

23.4 Summarised financial information of the jointly controlled entity

For the year ended 31st March /As at 31st March	2021	2020
Revenue	34,711	42,131
Profit for the year	5,610	9,449
Total other comprehensive income / (expense) for the year	(64)	(21)
Total comprehensive income for the year	5,546	9,428
Applicable to the Group (50%)	2,773	4,714
Total non-current assets	1,476	1,851
Total current assets	117,107	153,339
Total assets	118,583	155,190
Total non-current liabilities	(1,686)	(1,770)
Total current liabilities	(12,673)	(47,742)
Net assets	104,224	105,678
Applicable to the Group (50%)	52,112	52,839

In Rupees Thousands

24 INVESTMENTS IN FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - GROUP

24.1 Summary

As at 31st March	2021 Fair value	2020 Fair value
Investment in equity securities- quoted shares	6,739,514	3,678,886
Total investments in investments in fair value through other comprehensive income	6,739,514	3,678,886

24.2 Movement in Investments in fair value through other comprehensive income

	Fair value as at the beginning of the year	Additions	Disposals/ write off	Transfers	Fair value adjustment	Fair value as at the end of the year
For the year ended 31st March 2021						
Investment in equity securities	3,678,886	-	-	-	3,060,628	6,739,514
	3,678,886	-	-	-	3,060,628	6,739,514
For the year ended 31st March 2020					-	-
Investment in equity securities	4,087,651	-	-	-	(408,765)	3,678,886
	4,087,651	-	-	-	(408,765)	3,678,886

24.3 Investment in equity securities

	2021		2020	
	No. of shares	Fair value	No. of shares	Fair value
Food, Beverage & Tobacco				
Bukit Darah PLC	20,438,250	6,739,513	20,438,250	3,678,885
Bukit Darah PLC - preference shares - 8% participative cumulative	31,875	1	31,875	1
		6,739,514		3,678,886

Valuation of Listed Equity Investments

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

25 DEFERRED TAX ASSET - GROUP

As at 31st March	2021	2020
Balance as at the beginning of the year	3,544	2,611
Charge / (reversal) for the year (note 25.1)	(1,097)	933
Balance as at the end of year	2,447	3,544
25.1 Charge / (reversal) for the year		
The amounts recognised in the statement of profit or loss are as follows:		
Property, plant and equipment	98	(234)
Right of use assets	(1,920)	(1,778)
Employee benefits	(533)	698
Lease creditor on right of use assets	1,795	1,903
Tax losses	(1,064)	181
	(1,624)	770
The amounts recognised in the statement of other comprehensive income are as follows:		
Employee benefits	527	163
	527	163
Charge / (reversal) for the year	(1,097)	933
25.2 Deferred tax assets		
Employee benefits	3,027	3,033
Lease creditor on right of use assets	3,698	1,903
Tax losses	1,348	2,412
Total deferred tax asset	8,073	7,348
25.3 Deferred tax liability		
Property, plant and equipment	1,928	2,026
Right-of-use Assets	3,698	1,778
Total deferred tax liabilities	5,626	3,804
Net deferred tax asset	2,447	3,544

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

25.5 Deferred tax has been computed using a tax rate of 24% (2020 – 28%). As per the “Guideline on Application of Tax Rates in Measurement of Current Tax and Deferred Tax in LKAS 12” issued by Financial Reporting Standard Implementation and Interpretation Committee (FRSIIIC) have been accounted during the year. The impact of reduction in tax rate to 24% from 28% for deferred taxation as at 31st March 2020 amounts to Rs. 0.4 Mn deferred tax reversal for the Group.

Notes to the Financial Statements

In Rupees Thousands

26 TRADE AND OTHER RECEIVABLES

As at 31st March	Group		Company	
	2021	2020	2021	2020
Financial				
Trade receivables	5,143	8,524	-	-
Dividend receivable	107,999	7,388	39,721	1,719
Cash receivable on pending allotments	91,372	-	30,146	-
Other receivables	64	16	-	-
	204,578	15,928	69,867	1,719
Non financial				
Advances and prepaid expenses	15,750	2,786	5,110	218
	15,750	2,786	5,110	218
	220,328	18,714	74,977	1,937

27 INVESTMENTS IN EQUITY AND DEBT SECURITIES

27.1 Summary

As at 31st March	Note	Group		Note	Company	
		2021	2020		2021	2020
Investment in Equity Securities - Quoted Shares- Fair Value Through Profit or Loss (FVTPL)	27.2	9,275,831	7,478,708	27.7	3,323,388	2,868,753
Investment in Equity Securities- Unquoted Shares- Fair Value Through Profit or Loss (FVTPL)	27.3	37,015	35,436	27.8	37,005	35,426
Investment in Equity Securities- Private Equity (Unlisted)-Fair Value Through Profit or Loss (FVTPL)	27.4	126,663	139,650	27.9	126,663	-
Investment in Debt Securities- Corporate bonds - Fair Value Through Profit or Loss (FVTPL)	27.5	246,833	-	-	-	-
Investment in Debt Securities- Debentures - Amortized cost	27.5	-	102,963	-	-	-
Total Investments in equity and debt securities		9,686,342	7,756,757		3,487,056	2,904,179

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

The fair value of the Group's listed investment portfolio as at 31st March 2021 was based on the last traded price as at 31st March 2021 and as at 31st March 2020 was based on the last traded price as at 20th March 2020, published by the Colombo Stock Exchange.

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

27.1.1 Movement in Investments in equity and debt securities - Group

	Fair value as at the beginning of the year	Additions	Disposals/ write off	Amortised interest	Effect of currency translation	Fair value adjustment	Fair value as at the end of the year
For the year ended 31st March 2021							
Investment in equity securities	7,653,794	1,666,776	(1,739,713)	-	6,107	1,852,545	9,439,509
Investment in debentures	102,963	-	(99,264)	(3,699)	-	-	-
Investment in corporate bonds	-	334,986	(102,758)	1,105	15,172	(1,672)	246,833
	7,756,757	2,001,762	(1,941,735)	(2,594)	21,279	1,850,873	9,686,342
For the year ended 31st March 2020							
Investment in equity securities	9,435,557	1,229,110	(1,134,143)	-	-	(1,876,730)	7,653,794
Investment in debentures	-	99,264	-	3,699	-	-	102,963
Investment in treasury bonds	207,101	299,201	(500,343)	(5,959)	-	-	-
	9,642,658	1,627,575	(1,634,486)	(2,260)	-	(1,876,730)	7,756,757

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

Notes to the Financial Statements

In Rupees Thousands

27.2 Investment in equity securities - quoted shares - Group

As at 31st March	2021		2020	
	No. of shares	Fair value	No. of shares	Fair value
Banks				
Commercial Bank of Ceylon PLC	10,823,936	925,447	7,298,503	438,640
Hatton National Bank PLC	4,730,858	596,088	4,074,769	418,874
Hatton National Bank PLC - Non voting	3,540,508	344,137	3,338,896	334,891
National Development Bank PLC	421,971	34,095	297,114	19,669
Sampath Bank PLC	8,138,757	437,865	3,721,604	442,872
Seylan Bank PLC	506,710	24,829	386,965	12,963
		2,362,461		1,667,909
Capital goods				
Aitken Spence PLC	-	-	2,494,600	76,584
Hemas Holdings PLC	12,816,618	1,068,906	9,852,167	553,692
John Keells Holdings PLC	2,377,436	353,049	721,287	83,237
		1,421,955		713,513
Consumer Durables & Apparel				
Hayleys Fabric PLC	-	-	10,702,423	93,111
		-		93,111
Consumer service				
Aitken Spence Hotel Holdings PLC	5,653,438	170,734	5,653,438	85,367
John Keells Hotels PLC	760,206	7,222	-	-
		177,956		85,367
Diversified Financials				
Central Finance Company PLC	20,991,728	1,694,032	21,870,629	1,771,521
People's Leasing & Finance PLC	28,467,935	335,922	27,734,043	338,355
		2,029,954		2,109,876
Food, Beverage & Tobacco				
Ceylon Cold Stores PLC	15,000	9,326	-	-
Distilleries Company of Sri Lanka PLC	27,478,608	546,824	27,477,908	357,213
Melstacorp PLC	5,276,312	232,158	12,401,692	292,680
Sunshine Holdings PLC	6,887,229	182,512	1,300,000	49,270
		970,820		699,163
Food & Staples Retailing				
Cargills (Ceylon) PLC	3,516,215	826,311	4,520,606	768,503
		826,311		768,503
Health Care Equipment & Services				
The Lanka Hospitals Corporation PLC	-	-	616,169	16,945
		-		16,945
Insurance				
Ceylinco Insurance PLC - Non voting	325,266	357,792	325,266	256,960
HNB Assurance PLC	6,172,514	366,030	2,288,869	276,954
People's Insurance PLC	-	-	4,343,154	74,268
Union Assurance PLC	199,000	62,188	199,000	59,700
		786,010		667,882

As at 31st March	2021		2020	
	No. of shares	Fair value	No. of shares	Fair value
Materials				
Alumex PLC	-	-	1,352,489	9,738
Chevron Lubricants Lanka PLC	555,944	50,035	828,746	44,338
Swisstek (Ceylon) PLC	-	-	260,000	7,020
Tokyo Cement Company (Lanka) PLC	-	-	6,561,688	147,638
Tokyo Cement Company (Lanka) PLC-Non voting	-	-	3,155,872	63,117
		50,035		271,851
Real Estate				
Overseas Realty (Ceylon) PLC	500,000	7,750	500,000	6,000
		7,750		6,000
Telecommunication Services				
Dialog Axiata PLC	38,823,074	504,700	38,823,074	329,996
		504,700		329,996
Utilities				
LVL Energy Fund PLC	1,257,100	12,194	11,569,600	48,592
Vallibel Power Erathna PLC	2,270,000	16,797		-
		28,991		48,592
Foreign equity investments - Guardian Value Fund LLC				
Anheuser-Busch InBev SA/NV	4,250	54,196	-	-
CK Hutchison Holdings Ltd	22,700	36,244	-	-
Thai Beverage PCL	187,000	18,448	-	-
		108,888		-
Total Investment in equity securities - quoted shares		9,275,831		7,478,708

27.3 Investment in equity securities - unquoted shares - Group

As at 31st March	2021			2020		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
Equity Investments Lanka (Private) Limited	22,500	2	2	22,500	2	2
Kandy Private Hospitals Limited	1,200	18	18	1,200	18	18
Lanka Communications Limited	1,428,496	15,714	36,995	1,428,496	15,714	35,416
Total Investment in Equity Securities- Unquoted Shares		15,734	37,015		15,734	35,436

Valuation of Lanka Communications Limited

Valuation is performed using the net asset method. The investment value of Lanka Communications Limited was revalued up by Rs.1.6 Mn to Rs. 36.9 Mn from the previous year's valuation of Rs. 35.4 Mn.

In Rupees Thousands

27.4 Investment in equity securities - private equity (unlisted) - Group

As at 31st March	2021			2020		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
Findmyfare (Pvt) Ltd	302,791	51,751	303	302,791	51,751	33,179
hSenid Business Solutions (Private) Ltd	163,419	40,005	126,360	163,419	40,005	106,471
Swiss Institute For Service Industry Development (Private) Limited						
- Ordinary shares	847	-	-	847	16,827	-
- 10% cumulative preference shares	1,273	-	-	1,273	25,291	-
Total investment in equity securities - private equity (unlisted)		91,756	126,663		133,874	139,650

Valuation of Private Equity Investments

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

Valuation of Findmyfare (Pvt) Ltd (FMF)

Considering the severe impact on business operations of FMF by prolonged COVID 19 restrictions and the current financial situation of FMF it was deemed appropriate to write down the Company's investment value in FMF. Accordingly, as of 31st March 2021, the investment value was marked down to Rs 0.3 Mn from Rs 33.2 Mn, recording a fair value loss of Rs. 32.9 Mn. The cost of the investment in FMF was Rs 51.8 Mn.

Valuation of hSenid Business Solutions (Pvt) Ltd (hSenid)

The investment value of hSenid was revalued up by Rs 19.9 Mn to Rs 126.4 Mn from the previous year's valuation of Rs 106.5 Mn, considering the improvement in financial strength, business stability, and other valuation matrices during the year. While the COVID 19 pandemic and its effects on business environment may impact the business prospects to some extent (which has been factored into the valuation), the Company expects that hSenid is positioned well in the market and will continue to grow in the medium to long term.

Swiss Institute for Service Industry

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

27.5 Investment in debt securities - Group

27.5.1 Investment in debentures

As at 31st March	2021			2020		
	No. of debentures	Cost	Fair value	No. of debentures	Cost	Fair value
Sampath Bank PLC	-	-	-	1,000,000	100,000	102,963
Total investment in debentures		-	-		100,000	102,963

27.5.2 Investment in corporate bonds

As at 31st March	2021				2020	
	Maturity date	Coupon Rate	Face value	Fair value	Face value	Fair value
Singtel Group Treasury Pte Ltd	08/09/2021	4.50%	USD200,000	40,707	-	-
State Bank of India/London	24/01/2022	3.25%	USD200,000	40,838	-	-
CK Hutchison International (16) Ltd	03/10/2021	1.88%	USD400,000	81,215	-	-
ICICI Bank Ltd/Dubai	09/09/2022	3.25%	USD200,000	41,044	-	-
State Bank of India/London	28/09/2023	4.50%	USD200,000	43,029	-	-
Total investment in corporate bonds				246,833	-	-

27.6 Movement in Investments in equity and debt securities - Company

	Fair value as at the beginning of the year	Additions	Disposals / Write-off	Fair value adjustment	Fair value as at the end of the year
For the year ended 31st March 2021					
Investment in equity securities	2,904,179	505,455	(636,835)	714,257	3,487,056
	2,904,179	505,455	(636,835)	714,257	3,487,056
For the year ended 31st March 2020					
Investment in equity securities	3,847,122	209,203	(430,910)	(721,236)	2,904,179
	3,847,122	209,203	(430,910)	(721,236)	2,904,179

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

Notes to the Financial Statements

In Rupees Thousands

27.7 Investment in equity securities - quoted shares - Company

As at 31st March	2021		2020	
	No. of shares	Fair value	No. of shares	Fair value
Banks				
Commercial Bank of Ceylon PLC	4,228,326	361,521	2,980,394	179,122
Hatton National Bank PLC	1,692,429	213,246	1,613,949	169,626
Hatton National Bank PLC - Non voting	948,536	92,198	894,939	89,721
Seylan Bank PLC	222	11	144,397	4,837
Sampath Bank PLC	3,376,725	181,668	1,862,760	221,668
		848,644		664,974
Capital goods				
Aitken Spence PLC	-	-	1,099,800	33,764
Hemas Holdings PLC	2,719,168	226,778	2,118,500	119,060
John Keells Holdings PLC	364,671	54,154	422,500	48,758
		280,932		201,582
Consumer Durables & Apparel				
Hayleys Fabric PLC	-	-	5,575,613	48,508
		-		48,508
Consumer service				
Aitken Spence Hotel Holdings PLC	2,557,315	77,231	2,557,315	38,615
		77,231		38,615
Diversified Financials				
Central Finance Company PLC	6,064,799	489,430	5,974,054	483,898
People's Leasing & Finance PLC	4,010,550	47,324	4,203,883	51,287
		536,754		535,185

As at 31st March	2021		2020	
	No. of shares	Fair value	No. of shares	Fair value
Food Beverage & Tobacco				
Distilleries Company Of Sri Lanka PLC	5,884,960	117,111	6,864,260	89,235
Melstacorp PLC	1,288,644	56,700	4,418,644	104,280
Sunshine Holdings PLC	1,540,233	40,816	-	-
		214,627		193,515
Food & Staples Retailing				
Cargills (Ceylon) PLC	3,202,429	752,572	3,902,720	663,462
		752,572		663,462
Health Care				
The Lanka Hospitals Corporation PLC	-	-	218,169	6,000
		-		6,000
Insurance				
Ceylinco Insurance PLC - Non voting	115,256	126,782	115,256	91,052
HNB Assurance PLC	5,678,400	336,730	1,892,800	229,029
People's Insurance PLC	-	-	1,167,194	19,959
		463,512		340,040
Materials				
Tokyo Cement Company (Lanka) PLC	-	-	3,527,694	79,373
		-		79,373
Telecommunication				
Dialog Axiata PLC	11,470,454	149,116	11,470,454	97,499
		149,116		97,499
Total investment in equity securities - quoted		3,323,388		2,868,753

In Rupees Thousands

27.8 Investment in equity securities - unquoted shares - Company

As at 31st March	2021			2020		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
Equity Investments Lanka (Private) Limited	11,250	1	1	11,250	1	1
Kandy Private Hospitals Limited	600	9	9	600	9	9
Lanka Communications Limited	1,428,496	15,714	36,995	1,428,496	15,714	35,416
Total investment in equity securities - unquoted		15,724	37,005		15,724	35,426

27.9 Investment in equity securities - private equity (unlisted)-Company

As at 31st March	2021			2020		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
Findmyfare (Pvt) Ltd	302,791	28,948	303	-	-	-
hSenid Business Solutions (Private) Ltd	163,419	123,158	126,360	-	-	-
Swiss Institute For Service Industry Development (Private) Limited						
- Ordinary shares	847	-	-	-	-	-
- 10% cumulative preference shares	1,273	-	-	-	-	-
Total investment in equity securities - private equity (unlisted)		152,106	126,663		-	-

During the year ended 31st March 2021, the Company purchased investments in Findmyfare (Pvt) Ltd and hSenid Business Solutions (Pvt) Ltd at considerations of Rs. 28,948,112 and Rs. 123,157,487, respectively from the subsidiary company, Guardian Capital Partners PLC. The considerations were arrived at based on an Independent Valuation carried out by PricewaterhouseCoopers Sri Lanka, which was reviewed by KPMG Sri Lanka. The shares of the fully written off investment in Swiss Institute for Service Industry Development (Private) Limited were also transferred to the Company at zero consideration.

28 INVESTMENT IN UNIT TRUSTS

28.1 Movement in investment in unit trusts

	Group		Company	
	2021	2020	2021	2020
Balance as at the beginning of the year	506,030	188,711	44,937	5,246
Investments during the year	527,000	3,642,430	297,500	599,330
Disposals during the year	(876,906)	(3,342,009)	(293,453)	(559,462)
Fair value adjustment	5,939	16,898	1,770	(177)
	162,063	506,030	50,754	44,937

28.2 Investment in unit trusts

As at 31st March	Group				Company			
	2021		2020		2021		2020	
	No. of Units	Fair value	No. of Units	Fair value	No. of Units	Fair value	No. of Units	Fair value
Investment in unit trusts-current assets								
Guardian Acuity Equity fund	620,159	11,204	620,159	7,690	310,079	5,602	310,079	3,845
Guardian Acuity Money Market Fund	7,376,952	150,859	25,646,091	498,340	2,207,928	45,152	2,114,709	41,092
Total Investment in unit trusts-current assets		162,063		506,030		50,754		44,937

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

Notes to the Financial Statements

In Rupees Thousands

29 CASH AND CASH EQUIVALENTS

As at 31st March	Group		Company	
	2021	2020	2021	2020
Cash at bank and cash in hand	256,883	560,160	42,528	175,739
Placements with banking and financial institutions	1,328,864	1,097,812	304,238	-
Securities purchased under resale agreements	13,889	551,540	-	238,050
Total cash and cash equivalents	1,599,636	2,209,512	346,766	413,789
Cash at bank attributable to discontinued operations	787,938	167,833	-	-
	787,938	167,833	-	-
Bank overdraft	-	(45)	-	-
	-	(45)	-	-
Net cash and cash equivalents for the purpose of cash flow statement	2,387,574	2,377,300	346,766	413,789

30 STATED CAPITAL

As at 31st March	2021		2020	
	No. of shares	Value	No. of shares	Value
Ordinary shares				
Issued and fully paid	82,978,868	1,043,687	82,978,868	1,043,687
Deferred shares				
Issued and fully paid (note 30.1)	5,801,487	85,039	5,801,487	85,039
	88,780,355	1,128,726	88,780,355	1,128,726

30.1 Superior voting rights attached to the deferred shares

The Company has in issue 5,801,487 fully paid shares, titled "Deferred Shares". The Deferred Shares are subordinated to the ordinary shares in respect of dividend entitlement wherein, right to a dividend does not arise unless and until a minimum specified dividend has been declared on the ordinary shares. The Deferred Shares confer on the holders present in person, by proxy or by attorney at any General Meeting of the Company the right to as many votes as the number of votes conferred by all other shares for the time being issued and each holder as aforesaid present in person, by proxy or by attorney or by an authorized representative in the case of a corporation at any such meeting shall be entitled to such proportion of the votes conferred by the Deferred Shares collectively as the number of his Deferred Shares bears to the full number of the Deferred Shares. The Deferred Shares rank equally and pari passu for all other purposes including capitalisation of reserves or profits with the ordinary shares of the Company and as aforesaid except for voting rights and dividend rights.

31 CAPITAL RESERVES

As at 31st March	Group		Company	
	2021	2020	2021	2020
Investment reserve (note 31.1)	7,805	7,805	7,805	7,805
Other capital reserve (note 31.1)	316,741	316,741	200,855	200,855
Jointly controlled entity's capital reserve (note 31.2)	163	195	-	-
	324,709	324,741	208,660	208,660

31.1 Investment reserve and other capital reserve

This reserves represents the amounts set aside to meet any contingencies.

31.2 Jointly controlled entity's capital reserve

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

32 REVENUE RESERVES

As at 31st March	Group		Company	
	2021	2020	2021	2020
Currency translation reserve (note 32.1)	67,168	146,337	-	-
Fair value through OCI financial asset reserve (note 32.2)	5,557,423	3,017,853	-	-
General reserve (note 32.3)	32,668	32,668	14,961	14,961
Retained earnings	9,631,436	6,885,153	5,045,031	3,865,639
	15,288,695	10,082,011	5,059,992	3,880,600

32.1 Currency translation Reserve

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

32.2 Fair value through OCI financial asset reserve

This consists of accumulated net unrealised gains arising from fair valuation of fair value through OCI financial assets, excluding the impact arising from impairment of such assets. The movement of this reserve is given in the statement of changes in equity.

32.3 General reserve

This represents the amounts set aside to meet any contingencies.

Notes to the Financial Statements

In Rupees Thousands

33 EMPLOYEE BENEFITS - GROUP

As at 31st March	2021	2020
Balance as at the beginning of the year	10,834	7,758
Payments made during the year	(3,500)	-
Provision for the year (note 33.2)	5,281	3,076
Balance as at the end of the year	12,615	10,834

33.1 The amounts recognised in statement of Profit or Loss are as follows;

Interest cost	1,138	854
Current service cost	1,946	1,641
Charged for the year	3,084	2,495

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

Actuarial loss	2,197	581
Recognised for the year	2,197	581
Provision for the year	5,281	3,076

The gratuity liability as at 31st March 2021 amounting to Rs. 12,615,246/- (2020 - Rs.10,833,826/-) for the Group is made based on an actuarial valuation carried out by Mr. M. Poopalanathan (AIA) of Messrs Actuarial & Management Consultants (Pvt) Ltd. As recommended by Sri Lanka Accounting Standards (LKAS - 19) - "Employee benefits", the "Projected Unit Credit (PUC)" method has been used in this valuation.

The principal assumptions made are given below :

Rate of discount	7.5% p.a. (2020 - 10.5%)
Rate of pay increase	10% p.a. (2020 - 10%)
Retirement age	55 years
Mortality	A 1967/70 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.	

33.3 Sensitivity analysis

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

As at 31st March	2021	2020
1% increase in discount rate	(1,401)	(1,052)
1% decrease in discount rate	1,657	1,225
1% increase in salary escalation rate	1,647	1,262
1% decrease in salary escalation rate	(1,420)	(1,101)

34 TRADE AND OTHER PAYABLES

As at 31st March	Group		Company	
	2021	2020	2021	2020
Financial				
Trade payables	12,764	1,693	7,919	-
Other payables	50,340	55,877	23,635	27,336
	63,104	57,570	31,554	27,336
Non financial				
Accruals and provisions	28,266	23,579	4,049	5,285
	28,266	23,579	4,049	5,285
	91,370	81,149	35,603	32,621

35 LEASE LIABILITIES

35.1 Movement of lease creditor

	Group	
	2021	2020
Balance as at the beginning of the year	6,797	-
Recognition of operating lease liabilities under SLFRS 16	-	12,697
Additions on new lease contracts	15,407	-
Discounts received	(453)	-
Interest expense charged to the income statement	449	1,346
Payment of lease liabilities	(6,793)	(7,246)
Balance as at the end of the year	15,407	6,797
Due within one year	8,346	6,797
Due after one year	7,061	-
	15,407	6,797

Notes to the Financial Statements

In Rupees Thousands

35.2 Lease commitments - Contractual undiscounted cash flows

	Group	
	2021	2020
Lease rentals payable within one year	8,280	7,246
Lease rentals payable within one to two years	8,280	-
	16,560	7,246

35.3 Amounts recognised in profit or loss

	Group	
	2021	2020
Interest on lease liabilities	449	1,346

35.4 Amounts recognised in the statement of cash flows

	Group	
	2021	2020
Total cash out flow on leases	(6,793)	(7,246)

36 LOANS AND BORROWINGS

	Group		Company	
As at 31st March	2021	2020	2021	2020
Balance as at the beginning of the year	1,054,316	162,430	587,548	162,430
Loans obtained during the year	1,206,400	1,547,061	1,106,400	935,662
Accrued interest	640	5,347	640	2,548
Payments made during the year	(2,049,316)	(660,522)	(1,482,548)	(513,092)
Balance as at the end of the year	212,040	1,054,316	212,040	587,548

Details of the short term borrowings

As at 31st March	Currency	Facility amount	Year of maturity	2021 Carrying amount	2020 Carrying amount
Commercial Bank	LKR	750,000	N/A	152,367	752,769
Hatton National Bank	LKR	300,000	N/A	59,673	301,547
		1,050,000		212,040	1,054,316

The interest rate on above unsecured short term loans are determined based on AWPLR.

37 RELATED PARTY TRANSACTIONS

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

37.1 Parent and ultimate controlling party

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.

37.2 Group entities

As at 31st March	Ownership interest %	
	2021	2020
Subsidiaries		
Ceylon Investment PLC	65.94	65.94
Rubber Investment Trust Limited	82.98	82.98
Guardian Capital Partners PLC	83.97	83.97
Guardian Fund Management Limited	100.00	100.00
The Sri Lanka Fund	-	64.91
Guardian Fund Management LLC	82.97	82.97
Guardian Value Fund LLC	82.97	82.97
Jointly controlled entity		
Guardian Acuity Asset Management Limited	50.00	50.00

37.3 Transactions with Key Management Personnel (KMP)

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

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

For the year ended 31st March	Group		Company	
	2021	2020	2021	2020
Short-term employee benefits	35,387	34,322	16,064	15,543
Post-employment benefits	352	350	-	-
Termination benefits paid	3,500	-	-	-
Other long-term benefits	-	-	-	-
Non cash benefits	240	600	-	-
	39,479	35,272	16,064	15,543

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

Notes to the Financial Statements

In Rupees Thousands

37.4 Transactions with related companies

Name of the Company	Relationship	Nature of the transactions	Group		Company	
			2021	2020	2021	2020
Carson Cumberbatch PLC	Parent company	Dividends paid	70,757	-	70,754	-
Ceylon Investment PLC	Subsidiary	Dividends received	-	-	65,577	-
Guardian Capital Partners PLC	Subsidiary	Purchase of private equity investments***	152,106	-	152,106	-
Guardian Fund Management Limited (GFM)	Subsidiary	Portfolio management fees paid*	-	-	36,237	39,546
Rubber Investment Trust Limited	Subsidiary	Dividends received	-	-	16,811	-
Guardian Acuity Asset Management Limited	Jointly controlled entity	Portfolio management fees received*	6,000	6,000	-	-
		Dividends received	-	-	3,500	-
Bukit Darah PLC	Ultimate controlling entity	Dividend received on ordinary shares	12,263	10,219	-	-
		Dividend received on 8% participative cumulative preference shares	154	130	-	-
Carsons Management Services (Private) Limited (CMSL)	Affiliate entity	Support service fees paid**	27,034	29,929	9,745	11,105
		Computer fees paid	1,315	1,320	420	420
		Secretarial fees paid	1,672	1,746	444	444
Equity Two PLC	Affiliate entity	Rental charges paid	7,246	7,246	-	-

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

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

***During the year ended 31st March 2021, the Company purchased investments in Findmyfare (Pvt) Ltd and hSenid Business Solutions (Pvt) Ltd at considerations of Rs. 28,948,112 and Rs. 123,157,487, respectively from the subsidiary company, Guardian Capital Partners PLC. The considerations were arrived at based on an independent valuation carried out by PricewaterhouseCoopers Sri Lanka, which was reviewed by KPMG Sri Lanka. The shares of the fully written off investment in Swiss Institute for Service Industry Development (Private) Limited were also transferred to the Company at zero consideration.

38 FINANCIAL INSTRUMENTS

Financial risk management - Overview

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

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing such risks, and the Group's management of capital. Pages 09 to 14 also carry a review of risks faced by the Group and the approach of managing such risks.

Risk management framework

The Company's Board of Directors has the overall responsibility for the establishment and monitoring the Company's risk management framework. The Board of Directors has delegated this function to the management of Guardian Fund Management Limited, the Investment¹ Managers and Carsons Management Services (Private) Limited, the managers; who are responsible for developing and monitoring the Group's risk management policies and reports regularly to the Board of Directors on its activities.

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

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

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

38.1 Credit risk

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

Notes to the Financial Statements

In Rupees Thousands

38.1.1 Credit risk exposure and managing the risk

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

As at 31st March	Note	Group		Company	
		Carrying Amount		Carrying Amount	
		2021	2020	2021	2020
Investments in debt securities	27	246,833	102,963	-	-
Investment in unit trusts	28	162,063	506,030	50,754	44,937
Trade and other receivables*		204,578	15,928	69,867	1,719
Investment in fixed deposits		930,938	401,305	184,378	-
Cash and cash equivalents - Cash at bank	29	1,044,821	727,993	42,528	175,739
Cash and cash equivalents - Placements with banking and financial institutions	29	1,328,864	1,097,812	304,238	-
Cash and cash equivalents - Securities purchased under resale agreements	29	13,889	551,540	-	238,050
		3,931,986	3,403,571	651,765	460,445

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

Investment in debt securities

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

Investment in unit trusts

Name of the fund	Fund category	Fund's investment instruments
Guardian Acuity Money Market Fund	Money market fund	Fixed income securities within the maturity period less than 365 days
Guardian Acuity Equity Fund	Equity fund	Listed equity securities

Guardian Acuity Asset Management Limited, a joint venture company of Ceylon Guardian Investment Trust PLC and Acuity Partners Limited is the investment manager of the unit trust funds that the Group has invested in. The Group continuously monitors the performance, asset allocation, credit quality and maturity profiles of these funds in order to assess and mitigate the credit risk.

Trade and other receivables

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

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

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

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

Age profile of trade and other receivables

As at 31st March	Group Carrying Amount		Company Carrying Amount	
	2021	2020	2021	2020
Less than 30 days	203,559	15,928	69,867	1,719
30 – 60 days	554	-	-	-
61 – 90 days	163	-	-	-
91 – 120 days	-	-	-	-
More than 120 days	302	-	-	-
	204,578	15,928	69,867	1,719

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

Investment in fixed deposits

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

Cash and cash equivalents

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

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

Notes to the Financial Statements

In Rupees Thousands

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

As at 31st March	Group Carrying Amount		Company Carrying Amount	
	2021	2020	2021	2020
Credit rating				
AAA	1,099,038	347,953	78,400	81,281
AA+	32,256	598,373	-	134,407
AA-	1,208,096	566,098	335,507	196,165
A+	196,159	342,152	46,444	-
A	222,543	-	61,231	-
BBB+	15,859	-	9,562	-
BBB-	-	1,026,977	-	1,936
A1*	80,673	-	-	-
A2*	81,215	-	-	-
Baa3*	629,446	-	-	-
Unrated	60	60	-	-
	3,565,345	2,881,613	531,144	413,789

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

38.2 Liquidity risk

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

38.2.1 Exposure to credit risk

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

Group

As at 31st March 2021	Carrying amount	Total undiscounted cash flows	Contractual cash flows		
			up to 3 months	3-12 months	More than a year
Non derivative financial liabilities					
Trade and other payables *	63,104	63,104	63,104	-	-
Short term borrowings	212,040	212,040	212,040	-	-
Lease liabilities	15,407	16,560	2,070	6,210	8,280
	290,551	291,704	277,214	6,210	8,280

As at 31st March 2020	Carrying amount	Total undiscounted cash flows	Contractual cash flows		
			up to 3 months	3-12 months	More than a year
Non derivative financial liabilities					
Trade and other payables *	57,570	57,570	57,570	-	-
Short term borrowings	1,054,316	1,054,316	1,054,316	-	-
Bank overdraft	45	45	45	-	-
Lease liabilities	6,797	7,246	1,812	5,434	-
	1,118,728	1,119,177	1,113,743	5,434	

Company

As at 31st March 2021	Carrying amount	Total	Contractual cash flows		
			up to 3 months	3-12 months	More than a year
Non derivative financial liabilities					
Trade and other payables *	31,554	31,554	31,554	-	-
Short term borrowings	212,040	212,040	212,040	-	-
	243,594	243,594	243,594	-	-

As at 31st March 2020	Carrying amount	Total	Contractual cash flows		
			up to 3 months	3-12 months	More than a year
Non derivative financial liabilities					
Trade and other payables *	27,336	27,336	27,336	-	-
Short term borrowings	587,548	587,548	587,548	-	-
	614,884	614,884	614,884	-	-

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

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

As at 31st March	Group		Company	
	2021	2020	2021	2020
Cash and cash equivalents	2,387,574	2,377,345	346,766	413,789
Investment in unit trusts	162,063	506,030	50,754	44,937
Total liquid assets	2,549,637	2,883,375	397,520	458,726
Liquid assets as a % of the total net assets	13%	21%	6%	9%

In Rupees Thousands

38.2.2 Management of liquidity risk

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

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

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

As at 31st March	Group		Company	
	2021	2020	2021	2020
Unutilised borrowing facilities	838,600	350,000	838,600	-
	838,600	350,000	838,600	-

38.3 Market risk

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

38.3.1 Interest rate risk

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

Exposure and management of interest rate risk

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

As at 31st March	Group Carrying Amount		Company Carrying Amount	
	2021	2020	2021	2020
Variable rate instruments				
Financial Assets - Securities under resale agreements	13,889	551,540	-	238,050
- Investment in unit trusts	150,859	498,340	45,152	41,092
- Cash at bank	1,044,821	727,993	42,528	175,739
Financial Liabilities - Bank overdrafts	-	(45)	-	-
	1,209,569	1,777,828	87,680	454,881
Fixed rate instruments				
Financial Assets - Placement with banking and financial Institutions	1,328,864	1,097,812	304,238	-
- Investment in fixed deposits	930,938	401,305	184,378	-
- Investment in corporate bonds	246,833	-	-	-
- Investment in debentures	-	102,963	-	-
Financial Liabilities - Short term borrowings	(212,040)	(1,054,316)	(212,040)	(587,548)
	2,294,595	547,764	276,576	(587,548)

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

As at 31st March	2021	2020
Commercial Banks Average Weighted Prime Lending Rate (AWPLR) *	5.67%	9.35%
Commercial Banks Average Weighted Deposit Rate (AWDR) *	5.20%	7.90%

* Monthly averaged rate as at reporting date.

Sensitivity Analysis

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

Notes to the Financial Statements

In Rupees Thousands

Movement in interest rate	Group Profit or Loss		Company Profit or Loss	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
As at 31st March 2021	12,096	(12,096)	877	(877)
- Variable rate instruments	12,096	(12,096)	877	(877)
As at 31st March 2020				
- Variable rate instruments	17,778	(17,778)	4,549	(4,549)
	17,778	(17,778)	4,549	(4,549)

38.3.2 Exposure and management of other market price risks

Equity price risk

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

Listed equity investments

"Having a substantial portion of 72% (2020 - 75%) of its discretionary portfolio as equity investments designated as listed investments in the Colombo Stock Exchange, market volatilities bring in substantial variations to the Group's earnings and value of its asset base at the reporting dates. The Group monitors its investment portfolio based on market indices, where decisions concerned with the timing of buy/sell are well supported with structured in-house research recommendations. Transactions of a major magnitude within the portfolio are subject to review and approval by the Investment Committee.

Private equity investments

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

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

As at 31 March	Note	Group Carrying Amount		Company Carrying Amount	
		2021	2020	2021	2020
Investments in equity securities	24/27.2/27.3/27.4	16,179,023	11,332,680	3,487,056	2,904,179
Investment in unit trusts-Guardian Acuity Equity Fund	28	11,204	7,690	5,602	3,845
		16,190,227	11,340,370	3,492,658	2,908,024

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

38.3.3 Currency risk

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

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

For the year ended		Conversion rate	
		2021	2020
LKR/USD			
Assets and liabilities		199.83	189.91
Income and expenses		188.62	182.20

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

As at 31st March	Group			
	Carrying Amount		Carrying Amount	
	2021		2020	
	LKR (000')	USD	LKR (000')	USD
Investments in equity and debt securities	355,718	1,780,105	-	-
Receivables	151	755	-	-
Cash and cash equivalents	544,350	2,724,064	1,022,823	5,426,778
Payables	(2,224)	(11,129)	(1,677)	(8,833)
Net exposure	897,995	4,493,795	1,021,146	5,417,945

Sensitivity Analysis

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

Notes to the Financial Statements

In Rupees Thousands

	Strengthening LKR (000')	Weakening LKR (000')
Movement in exchange rate		
As at 31 March 2021		
- United State Dollars (1% movement)	8,980	(8,980)
	8,980	(8,980)
As at 31st March 2020		
- United State Dollars (1% movement)	10,211	(10,211)
	10,211	(10,211)

38.4 Accounting classification and fair values

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

Group

As at 31st March 2021	Fair value through profit or loss financial assets	Financial assets at amortised cost	Fair value through other comprehensive income financial assets	Other financial liabilities	Total carrying amount	Fair value
Financial assets measured at fair value						
Investments in equity and debt securities	9,686,342	-	6,739,514	-	16,425,856	16,425,856
Investments in unit trusts	162,063	-	-	-	162,063	162,063
Financial assets not measured at fair value						
Trade and other receivables	-	204,578	-	-	204,578	
Investment in fixed deposits	-	930,938	-	-	930,938	
Cash and cash equivalents	-	2,387,574	-	-	2,387,574	
Total financial assets	9,848,405	3,523,090	6,739,514	-	20,111,009	
Financial liabilities not measured at fair value						
Trade and other payables	-	-	-	63,104	63,104	
Short term borrowings	-	-	-	212,040	212,040	
Lease liabilities	-	-	-	15,407	15,407	
Total financial liabilities	-	-	-	290,551	290,551	

As at 31st March 2020	Fair value through profit or loss financial assets	Financial assets at amortised cost	Fair value through other comprehensive income financial assets	Other financial liabilities	Total carrying amount	Fair value
-----------------------	--	------------------------------------	--	-----------------------------	-----------------------	------------

Financial assets measured at fair value

Investments in equity and debt securities	7,653,794	-	3,678,886	-	11,332,680	11,332,680
Investments in unit trusts	506,030	-	-	-	506,030	506,030

Financial assets not measured at fair value

Trade and other receivables	-	15,928	-	-	15,928	
Investment in debentures	-	102,963	-	-	102,963	
Investment in fixed deposits	-	401,305	-	-	401,305	
Cash and cash equivalents	-	2,377,345	-	-	2,377,345	
Total financial assets	8,159,824	2,897,541	3,678,886	-	14,736,251	

Financial liabilities not measured at fair value

Trade and other payables	-	-	-	57,570	57,570	
Bank overdraft	-	-	-	45	45	
Short term borrowings	-	-	-	1,054,316	1,054,316	
Lease liabilities	-	-	-	6,797	6,797	
Total financial liabilities	-	-	-	1,118,728	1,118,728	

Notes to the Financial Statements

In Rupees Thousands

Company

As at 31st March 2021	Fair value through profit or loss financial assets	Financial assets at amortised cost	Fair value through other comprehensive income financial assets	Other financial liabilities	Total carrying amount	Fair value
Financial assets measured at fair value						
Investments in equity and debt securities	3,487,056	-	-	-	3,487,056	3,487,056
Investments in unit trusts	50,754	-	-	-	50,754	50,754
Financial assets not measured at fair value						
Trade and other receivables	-	69,867	-	-	69,867	
Investment in fixed deposits	-	184,378	-	-	184,378	
Cash and cash equivalents	-	346,766	-	-	346,766	
Total financial assets	3,537,810	601,011	-	-	4,138,821	
Financial liabilities not measured at fair value						
Trade and other payables	-	-	-	31,554	31,554	
Short term borrowings	-	-	-	212,040	212,040	
Total financial liabilities	-	-	-	243,594	243,594	

As at 31st March 2020	Fair value through profit or loss financial assets	Financial assets at amortised cost	Fair value through other comprehensive income financial assets	Other financial liabilities	Total carrying amount	Fair value
-----------------------	--	------------------------------------	--	-----------------------------	-----------------------	------------

Financial assets measured at fair value

Investments in equity and debt securities	2,904,179	-	-	-	2,904,179	2,904,179
Investments in unit trusts	44,937	-	-	-	44,937	44,937

Financial assets not measured at fair value

Trade and other receivables	-	1,719	-	-	1,719	
Cash and cash equivalents	-	413,789	-	-	413,789	
Total financial assets	2,949,116	415,508	-	-	3,364,624	

Financial liabilities not measured at fair value

Trade and other payables	-	-	-	27,336	27,336	
Short term borrowings	-	-	-	587,548	587,548	
Total financial liabilities	-	-	-	614,884	614,884	

In Rupees Thousands

38.5 Fair value hierarchy

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

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

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

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

Group

	Level 1	Level 2	Level 3	Total
As at 31st March 2021				
Investments in equity and debt securities	16,015,345	246,833	163,678	16,425,856
Investments in unit trusts	-	162,063	-	162,063
	16,015,345	408,896	163,678	16,587,919

As at 31st March 2020

Investments in equity and debt securities	11,157,594	-	175,086	11,332,680
Investments in unit trusts	-	506,030	-	506,030
	11,157,594	506,030	175,086	11,838,710

Company

	Level 1	Level 2	Level 3	Total
As at 31st March 2021				
Investments in equity and debt securities	3,323,388	-	163,668	3,487,056
Investments in unit trusts	-	50,754	-	50,754
	3,323,388	50,754	163,668	3,537,810

As at 31st March 2020

Investments in equity and debt securities	2,868,753	-	35,426	2,904,179
Investments in unit trusts	-	44,937	-	44,937
	2,868,753	44,937	35,426	2,949,116

There were no movements during the year in the fair value measurements in level 3 financial instruments of the fair value hierarchy (2020 - Nil).

	Group		Company	
For the year ended 31st March	2021	2020	2021	2020
Opening balance	175,086	183,597	35,426	35,426
Change in fair value	(11,408)	(8,511)	(23,864)	-
Additions	-	-	152,106	-
Disposal/written off of investments	-	-	-	-
Closing balance	163,678	175,086	163,668	35,426

38.6 Valuation techniques and significant unobservable inputs

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

Company	Valuation Technique	Assumptions/ Unobservable inputs	Values/ Percentages	Inter-relationship between significant Unobservable inputs and fair value measurement
Findmyfare (Pvt) Ltd	Based on the recently announced right issue price - Rs. 1	n/a	n/a	n/a
hSenid Business Solutions (Pvt) Ltd	Discounted cash flow method using Free cash flow to firm	Discount rate	17.9%	The estimated fair value would increase / (decrease) if: - the discount rate was lower / (higher)
		Revenue growth	5 yr CAGR 11%	- the growth rates were higher / (lower)
		EBITDA margin	Range - 28%-31%, average- 30%	- the operating margin was higher / (lower)

39 SEGMENTAL REPORTING

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

40 EVENTS AFTER THE REPORTING PERIOD

Proposed final dividend for the year ended 31st March 2021

After satisfying the Solvency Test in accordance with section 57 of the Companies Act, No. 7 of 2007, the Directors have recommended the payment of a first and final dividend of Rs.1.60 per ordinary and deferred share for the year ended 31st March 2021 amounting to Rs. 142,048,568 /- which is to be approved at the forthcoming Annual General Meeting. In accordance with Sri Lanka Accounting Standard (LKAS 10) -"Events after the reporting period" this proposed first and final dividend has not been recognised as a liability as at 31st March 2021.

In Rupees Thousands

Liquidation of the Sri Lanka Fund

The Sri Lanka Fund, a subsidiary company incorporated in the Cayman Islands has been liquidated and that the Cayman Islands Monetary Authority has confirmed via termination letter dated 5th May 2021 that the Certificate of Registration of The Sri Lanka Fund has been cancelled.

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

41 IMPACT OF COVID -19

With the Government imposed island-wide curfew on 20th March 2020 aimed at controlling the spread of COVID-19 in the country, the Colombo Stock Exchange was closed for trading activities during the first one and a half months of the financial year ended 31st March 2021. With the subsequent relaxation of curfew, the Colombo Stock Exchange resumed trading activities on 11th May 2020 and since then, both the All Share Price Index (ASPI) and S&P SL20 recorded substantial gains during the year under review to surpass pre-COVID (31st December 2020) index levels.

Nevertheless, management will continue to monitor new developments and events in the present market dynamics and take appropriate and timely actions as and when required. Further, the Company maintains a strict disciplined approach of picking fundamentally strong stocks that have potential to grow in the medium to long term.

The Board of Directors is satisfied that the Company has adequate liquidity and business plans to continue to operate the business and mitigate the risks for the next 12 months from the date of approval of these financial statements. Further, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on going concern basis.

42 ENTERING INTO A SHARE SALES AND PURCHASE AGREEMENT ("SSPA") FOR DISPOSAL OF MAJORITY HOLDING IN GUARDIAN CAPITAL PARTNERS PLC BY CEYLON GUARDIAN INVESTMENT TRUST PLC

Ceylon Guardian Investment Trust PLC ("CGIT") and Guardian Capital Partners PLC ("GCP") entered into a Share Sales and Purchase Agreement ("SSPA") with Gazelle Asset Management Pte Ltd ("GAZELLE"), a company incorporated in Singapore, for sale of 21,692,800 ordinary shares being 83.97% stake of GCP held by CGIT to GAZELLE. Purchase consideration per share will be determined based on the net asset value per share of GCP as at a date mutually agreed by the parties prior to the transaction, plus a premium of Rs. 40 Mn. NDB investment Bank Limited is the exclusive Financial Advisors to the Transaction. The transaction is yet to be completed as at the date of signing these Financial Statements and have taken a longer period than anticipated at the time of signing the SSPA.

43 COMMITMENTS AND CONTINGENCIES

43.1 Commitments

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

43.2 Contingencies

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

43.3 Litigation and claims

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

44 COMPARATIVE FIGURES

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

45 RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

Five Year Summary

In Rupees Thousands

For the year ended /As at 31st March	2021	2020	2019	2018	2017
Revenue					
Dividend income	468,723	397,791	433,707	777,670	846,248
Net gain on disposal of investments	1,000,480	175,602	(65,396)	603,773	1,157,783
Interest income	122,002	112,565	230,191	150,948	43,815
Management fee	126,075	128,341	115,250	107,040	91,724
	1,717,280	814,299	713,752	1,639,431	2,139,570
Less: Inter-group transactions	(112,617)	(112,967)	(195,470)	(439,307)	(397,272)
	1,604,663	701,332	518,282	1,200,124	1,742,298
Fair value adjustment - unrealised	1,869,267	(1,828,266)	(2,539,648)	(133,924)	(250,032)
Impairment on goodwill	-	(48,445)	-	-	-
Profit/(Loss) on investment activities	3,473,930	(1,175,379)	(2,021,366)	1,066,200	1,492,266
Profit/(Loss) before taxation	3,221,390	(1,424,364)	(2,285,381)	847,016	1,277,460
Income tax expense	(56,652)	(35,021)	(58,288)	(50,697)	(21,126)
Profit/(Loss) for the year from continuing operations	3,164,738	(1,459,385)	(2,343,669)	796,319	1,256,334
Profit/(Loss) for the year	3,243,951	(1,472,613)	(2,343,669)	796,319	1,256,334
Non controlling interest	(522,930)	227,737	422,017	(179,692)	(227,584)
Profit/(Loss) attributable to the equity holders of the parent	2,721,021	(1,244,876)	(1,921,652)	616,627	1,028,750
Statement of Financial Position					
Capital employed					
Stated capital	1,128,726	1,128,726	1,128,726	1,128,726	1,128,726
Reserves	15,613,404	10,406,752	11,959,216	13,940,944	14,277,023
Total equity attributable to equity holders of the parent	16,742,130	11,535,478	13,087,942	15,069,670	15,405,749
Non controlling interest	3,319,563	2,332,108	2,629,463	3,197,287	3,214,856
Total equity	20,061,693	13,867,586	15,717,405	18,266,957	18,620,605
Assets employed					
Current assets	13,398,628	11,091,812	11,413,584	4,292,327	4,705,645
Current liabilities	(319,791)	(1,152,006)	(334,324)	(237,937)	(171,104)
Net current assets	13,078,837	9,939,806	11,079,260	4,054,390	4,534,541
Non-current assets	7,002,532	3,938,614	4,645,903	14,219,993	14,096,543
Non-current liabilities	(19,676)	(10,834)	(7,758)	(7,426)	(10,479)
Net assets	20,061,693	13,867,586	15,717,405	18,266,957	18,620,605
Cash Flow Statements					
Net cash generated from / (used in) operating activities	1,025,567	1,372,857	(416,756)	(220,092)	698,375
Net cash generated from / (used in) investing activities	2,440	(160)	(59,465)	(19,908)	220
Net cash generated from / (used in) financing activities	(1,065,338)	823,726	(24,194)	(616,020)	(320,548)
Net increase / (decrease) in cash & cash equivalents	(37,331)	2,196,423	(500,415)	(856,020)	378,047

Five Year Summary

For the year ended /As at 31st March	2021	2020	2019	2018	2017
Ratios & statistics					
Operational ratio					
Return on ordinary shareholders funds (%)	16.25	(10.79)	(14.68)	4.09	6.68
Liquidity ratio					
Current ratio (times)	41.90	9.63	34.14	18.04	27.50
Investor ratio					
Earnings/(loss) per share (Rs)	30.65	(14.02)	(21.65)	6.95	11.59
Dividend per share (Rs.) *	1.60	1.15	0.75	3.00	4.00
Dividend cover (times)	19.16	-	-	2.32	2.90
Dividend growth (%)	39	53	(75)	(25)	33
Dividend yield (%)	1.33	1.60	1.21	3.66	4.44
Dividend payout ratio (%)	5.22	N/A	N/A	43.17	34.52
Net assets value per share - (Rs.)	188.58	129.93	147.42	169.74	173.53
Market value per share (Rs.) **	120.00	71.80	61.80	82.00	90.10
Price earning ratio (times)	3.92	(5.12)	(2.85)	11.80	7.77
Price to book value ratio (times)	0.64	0.55	0.42	0.48	0.52
Market capitalisation	9,957,464	5,957,883	5,128,094	6,804,267	7,476,396
Fair value of investments	19,694,391	13,665,962	15,510,443	18,135,671	18,396,828
All Share Price Index (points)	7,121	4,572	5,557	6,477	6,062
S&P SL 20 Index (points)	2,850	1,947	2,739	3,650	3,439

* Based on proposed / interim dividends.

** As at 31st March.

US\$ Financials

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 these Financial Statements.

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

Key Highlights

In United States Dollars

For the year ended / As at 31st March	2021	2020	Change %
Revenue	8,507,385	3,912,373	117
Profit / (loss) from operations	17,314,860	(7,806,789)	322
Share of profit of equity accounted investee, net of tax	14,871	26,353	(44)
Profit / (loss) before taxation	17,078,729	(7,945,799)	315
Profit / (loss) for the year from continuing operations	16,778,379	(8,141,163)	306
Profit / (loss) for the year	17,198,340	(8,214,955)	309
Other comprehensive income/ (expense) for the year	16,469,785	(2,109,813)	881
Total comprehensive income / (expense) for the year	33,668,125	(10,324,768)	426
Net cash generated from operating activities	5,437,212	7,658,468	(29)
Total equity attributable to equity holders of the parent	83,781,863	60,741,814	38
Earnings / (loss) per share	0.16	(0.08)	300
Dividend per share *	0.01	0.01	-
Net assets per share	1.13	0.82	38
Ceylon Guardian - Fund value **	98,555,727	71,960,202	37

* Based on proposed / interim dividends

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

Statement of Profit or Loss and Other Comprehensive Income

In United States Dollars

For the year ended 31st March	Group	
	2021	2020
Continuing operations		
Revenue	8,507,385	3,912,373
Impairment on goodwill	-	(270,250)
Net change in fair value through profit or loss financial assets	9,910,227	(10,198,962)
Profit / (loss) on investment activities	18,417,612	(6,556,839)
Administrative and other operating expenses	(1,102,752)	(1,249,950)
Profit / (loss) from operations	17,314,860	(7,806,789)
Profit from disposal of investment in subsidiary	115,210	-
Net finance income / (expense)	(366,212)	(165,363)
Profit / (loss) from operations after net finance income / (expense)	17,063,858	(7,972,152)
Share of profit of equity accounted investee, net of tax	14,871	26,353
Profit / (loss) before taxation	17,078,729	(7,945,799)
Income tax expense	(300,350)	(195,364)
Profit / (loss) for the year from continuing operations	16,778,379	(8,141,163)
Discontinued operations		
Profit/(loss) after tax for the period from discontinued operations	419,961	(73,792)
Profit / (loss) for the year	17,198,340	(8,214,955)
Other comprehensive income		
Items that will never be reclassified to profit or loss		
Actuarial gain / (loss) on employee benefit obligation	(11,648)	(3,241)
Related tax on employee benefits	2,794	909
Net change in fair value through other comprehensive income financial assets	16,226,423	(2,280,291)
Items that are or may be reclassified to profit or loss		
Share of other comprehensive income / (expense) of equity accounted investee, net of tax	(170)	(56)
Net exchange differences on translation of foreign operations	252,386	172,866
Other comprehensive income / (expense) for the year	16,469,785	(2,109,813)
Total comprehensive income / (expense) for the year	33,668,125	(10,324,768)
Profit / (loss) attributable to:		
Equity holders of the parent	14,425,940	(6,944,527)
Non controlling interest	2,772,400	(1,270,428)
	17,198,340	(8,214,955)
Total comprehensive income / (expense) attributable to:		
Equity holders of the parent	28,093,149	(8,690,248)
Non controlling interest	5,574,976	(1,634,520)
	33,668,125	(10,324,768)
Earnings / (loss) per share (USD)	0.16	(0.08)

Statement of Financial Position

In United States Dollars

As at 31st March	Group	
	2021	2020
ASSETS		
Non-current assets		
Property, plant and equipment	12,716	10,747
Intangible assets	953,365	1,026,570
Right of use assets	77,101	33,426
Investment in equity accounted investee	260,782	278,232
Investments in fair value through other comprehensive income	33,726,237	19,371,734
Deferred tax asset	12,245	18,661
Total non-current assets	35,042,446	20,739,370
Current assets		
Trade and other receivables	1,102,577	98,541
Current tax assets	56,963	166,716
Investments in equity and debt securities	48,472,912	40,844,384
Investments in unit trusts	811,004	2,664,578
Investment in fixed deposits	4,658,650	2,113,133
Cash and cash equivalents	8,004,984	11,634,522
Total current assets	63,107,090	57,521,874
Asset held for sale	3,943,042	883,750
Total assets	102,092,578	79,144,994
EQUITY AND LIABILITIES		
Equity		
Stated capital	8,834,775	8,834,775
Capital reserves	753,804	753,974
Revenue reserves	74,193,284	51,153,065
Total equity attributable to equity holders of the parent	83,781,863	60,741,814
Non controlling interest	16,611,935	12,280,070
Total equity	100,393,798	73,021,884
Non-Current Liabilities		
Employee benefits	63,129	57,048
Lease liabilities	35,335	-
Total non-current liabilities	98,464	57,048
Current liabilities		
Trade and other payables	457,239	427,302
Lease liabilities	41,766	35,791
Current tax liabilities	24,636	24,522
Short term borrowings	1,061,102	5,551,661
Bank overdraft	-	237
Total current liabilities	1,584,743	6,039,513
Liabilities directly associated with assets held for sale	15,573	26,549
Total liabilities	1,698,780	6,123,110
Total equity and liabilities	102,092,578	79,144,994
Net assets per ordinary / deferred share (USD)	1.13	0.82

Five Year Summary

In United States Dollars

For the year ended /As at 31st March	2021	2020	2019	2018	2017
Statement of income					
Revenue					
Dividend income	2,485,012	2,219,073	2,616,633	5,069,226	5,732,999
Net gain on disposal of investments	5,304,210	979,594	(394,546)	3,935,682	7,843,527
Interest income	646,814	627,943	1,388,784	983,952	296,829
Management fee	668,407	715,949	695,324	697,738	621,394
	9,104,443	4,542,559	4,306,195	10,686,598	14,494,749
Less: Inter-group transactions	(597,058)	(630,185)	(1,179,306)	(2,863,614)	(2,691,362)
	8,507,385	3,912,374	3,126,889	7,822,984	11,803,387
Profit / (loss) before taxation	17,078,729	(7,945,799)	(13,788,121)	5,521,257	8,654,292
Income tax expenses	(300,350)	(195,364)	(351,662)	(330,467)	(143,120)
Profit / (loss) for the year from continuing operations	16,778,379	(8,141,163)	(14,139,783)	5,190,790	8,511,172
Profit / (loss) for the year	17,198,340	(8,214,955)	(14,139,783)	5,190,790	8,511,172
Non controlling interest	(2,772,400)	1,270,428	2,546,106	(1,171,319)	(1,541,793)
Profit / (loss) attributable to the equity holders of the parent	14,425,940	(6,944,527)	(11,593,677)	4,019,471	6,969,379
Statement of Financial position					
Capital employed					
Stated capital	8,834,775	8,834,775	8,834,775	8,834,775	8,834,775
Reserves	74,947,088	51,907,039	65,490,524	88,014,003	92,525,505
Total equity attributable to equity holders of the parent	83,781,863	60,741,814	74,325,299	96,848,778	101,360,280
Non controlling interest	16,611,935	12,280,070	14,932,495	20,548,117	21,151,760
Total equity	100,393,798	73,021,884	89,257,794	117,396,895	122,512,040
Assets employed					
Current assets	67,050,132	58,405,624	64,816,764	27,585,648	30,960,228
Current liabilities	(1,600,316)	(6,066,062)	(1,898,597)	(1,529,158)	(1,125,759)
Net current assets	65,449,816	52,339,562	62,918,167	26,056,490	29,834,469
Non-current assets	35,042,446	20,739,370	26,383,684	91,388,130	92,746,516
Non-current liabilities	(98,464)	(57,048)	(44,057)	(47,725)	(68,945)
Net assets	100,393,798	73,021,884	89,257,794	117,396,895	122,512,040
Cash Flow Statements					
Net cash generated from / (used in) operating activities	5,437,212	7,658,468	(2,514,365)	(1,434,665)	4,731,217
Net cash generated from / (used in) investing activities	12,936	(893)	(358,763)	(129,770)	1,490
Net cash generated from / (used in) financing activities	(5,648,065)	4,595,147	(145,967)	(4,015,514)	(2,171,587)
Net increase/ (decrease) in cash & cash equivalents	(197,917)	12,252,722	(3,019,095)	(5,579,949)	2,561,120

Notes to the Financial Statements

In United States Dollars

1 BASIS OF CONVERSION

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

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

For the year ended / As at 31st March	2021	2020
Statement of profit or loss and other comprehensive income - average rate	188.62	179.26
Monetary assets and liabilities - closing rate	199.83	189.91
Non-monetary assets and liabilities - closing rate	199.83	189.91
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	2021	2020
Beginning of the year	51,153,065	64,736,494
Net movement during the year	28,023,820	(8,813,935)
	79,176,885	55,922,559
Currency fluctuations	(4,983,601)	(4,769,494)
As at the end of the year	74,193,284	51,153,065

Information to Shareholders and Investors

1. STOCK EXCHANGE LISTING

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

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

2. SHARE VALUATION

The market price of the Company's shares as at 31st March 2021 was Rs. 120 per share (2020 – Rs. 71.80)

3. ORDINARY SHAREHOLDERS

As at 31st March	2021	2020
Number of Shareholders	1,630	1,616

The number of ordinary shares held by Non-Residents as at 31st March 2021 was 7,347,225 (2020 – 6,878,779) which amount to 8.85% (2020 – 8.29%).

Distribution of Shares	Residents			Non-Residents			Total		
	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%
1-1,000	1,047	176,856	0.21	10	2,623	0.001	1,057	179,479	0.22
1001-10,000	357	1,178,758	1.42	15	61,792	0.07	372	1,240,550	1.50
10,001-100,000	127	3,536,578	4.26	26	859,342	1.04	153	4,395,920	5.30
100,001-1,000,000	37	12,046,301	14.52	7	2,375,914	2.86	44	14,422,215	17.38
Above 1,000,000	2	58,693,150	70.73	2	4,047,554	4.88	4	62,740,704	75.61
Grand Total	1,570	75,631,643	91.15	60	7,347,225	8.85	1,630	82,978,868	100

Categorization of Shareholders as at 31st March 2021

Categories of Shareholders	No. of Shareholders	No. of Shares	%
Individuals	1,449	13,553,550	16.33
Institutions	181	69,425,318	83.67
Total	1,630	82,978,868	100

4. PUBLIC SHAREHOLDING

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Main Board as per Rule 7.13.1.a. of the Listing Rules of Colombo Stock Exchange, under Option 5, i.e. Float-adjusted Market Capitalization of less than Rs.2.5 Billion with 500 Public Shareholders and a Public Holding percentage of 20%

The Company's Public Holding as at 31st March 2021

- Market Capitalization of the Public Holding Rs. 3.26Bn
- Percentage of ordinary shares held by the public 32.71% (2020 – 32.71%)
- Number of Public Shareholders – 1,618

5. MARKET PERFORMANCE - ORDINARY SHARES

For the year ended 31st March	2021	2020
Share price as at 31st March (Rs.)	120.00	71.80
Highest (Rs.)	170.00	95.90
Lowest (Rs.)	49.00	58
Value of the shares traded (Rs.)	387,296,080	89,055,480
No. of shares traded	3,351,163	1,147,031
Volume of transactions (Nos.)	4,925	1,324
Market capitalization (Rs)	9,957,464,160	5,957,882,722

6. RECORD OF BONUS ISSUES, RIGHT 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	1:01	757,525	1,515,050
1992	- Bonus	1:08	189,381	1,704,431
1999	- Bonus	1:04	426,108	2,130,539
2000	- Bonus	1:04	532,634	2,663,173
2002	- April Rights	1:07	380,453	3,043,626
	- May Bonus	1:04	760,906	3,804,532
2003	- July Rights	1:05	760,906	4,565,438
	- August Bonus	1:06	760,906	5,326,344
2004	- July Rights	1:02	2,663,172	7,989,516
2004	- September Bonus	1:03	2,663,172	10,652,688
2005	- March Rights	1:03	3,550,896	14,203,584
	- June Bonus	1:03	4,734,528	18,938,112
2009	- October Repurchase	3.2	-2,840,716	16,097,396
2010	- November Subdivision	5:01	64,389,584	80,486,980
	Capitalisation of Reserves	1:50	1,609,739	82,096,719
2015	- August Scrip	0.10625	882,149	82,978,868

7. DIVIDEND

The Directors have recommended a first and final dividend of Rs. 1.60 per Ordinary share and Deferred share for the year ended 31st March 2021. (2020 – First and final dividend of Rs.1.15 per share).

8. NUMBER OF EMPLOYEES

The Company had no employees at the balance sheet date (2020 - Nil). The Group has 22 (2020 - 20) employees as at the balance sheet date and the relevant services are received by Carsons Management Services (Private) Limited and Guardian Fund Management Limited.

9. MAJOR SHAREHOLDERS

A list of major shareholders of the Company as at the 31st March 2021 is provided in the Annual Report of the Board of Directors, on page 27.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the SIXTY NINTH Annual General Meeting of CEYLON GUARDIAN INVESTMENT TRUST PLC will be held on Tuesday, the 17th day of August 2021 at 11.30 a.m. at the 8th floor, No. 65C, Dharmapala Mawatha, Colombo 07, Sri Lanka, by means of audio or audio and visual means, for the following purposes :

1. To consider the Annual Report of the Board of Directors and the Financial Statements of the Company for the year ended 31st March 2021 together with the Independent Auditors' Report thereon.
2. To declare a dividend as recommended by the Directors
3. To re-elect Mr. K. Selvanathan who retires in terms of Articles 72,73 and 74 of the Articles of Association of the Company.
4. 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 ordinary resolution :

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not be applicable to Mr. C.W. Knight who is seventy eight years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."
5. To re-appoint Mrs. M. A. R. C. Cooray as a Director of the Company who is over Seventy years of age and to consider and if deemed fit to pass the following ordinary resolution :

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not be applicable to Mrs. M. A. R. C. Cooray who is seventy two years of age and that she be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."
6. To re-appoint Mr. V. M. Fernando as a Director of the Company who is over Seventy years of age and to consider and if deemed fit to pass the following ordinary resolution:

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not be applicable to Mr. V. M. Fernando who is seventy one years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."
7. To re-appoint Mr. D. C. R. Gunawardena as a Director of the Company who is Seventy years of age and to consider and if deemed fit to pass the following ordinary resolution:

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not be applicable to Mr. D. C. R. Gunawardena who is seventy years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."
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. 07 of 2007 and to authorize the Directors to determine their remuneration.

By Order of the Board

(Sgd).

K. D. De Silva (Mrs.)

Director

Carsons Management Services (Private) Limited

Secretaries

Colombo

15th July 2021

Notes

1. THIS NOTICE SHOULD BE READ IN CONJUNCTION with the attached document titled "Procedure to be followed at the 69th Annual General Meeting (AGM) of the Company scheduled for 17th August 2021" which is enclosed with the Annual Report.
2. Having considered the prevailing COVID-19 pandemic situation in the country and the health and safety guidelines issued by the Health Authorities in order to prevent the spread of COVID-19, the Board of Directors decided on 15th July 2021 to convene the AGM of the Company through an "audio-visual" technology in conformity with the applicable regulatory provisions and Article 43(b) of the Articles of Association of the Company.
3. Shareholders who wish to participate at the AGM through the online platform are kindly requested to complete and forward the "Registration Form (Annexure 1)" as morefully explained in the said "Procedure to be followed at the Annual General Meeting of the Company scheduled for 17th August 2021" enclosed with the Annual Report.
4. The Annual Report 2020/21 and the Notice convening the AGM together with the procedure to be followed at the AGM will be posted to the Shareholders, provided that, the postal department is in operation at the time of posting the said documents. Due to the restrictions imposed by the COVID-19 pandemic, in the event of curtailed operations by the postal department at the time of posting, the Notice convening the AGM will be published in one issue of a daily newspaper/e-newspaper in Sinhala, English and Tamil languages.
5. The documents will also be made available on the Colombo Stock Exchange website www.cse.lk and on the Group's website www.carsoncumberbatch.com and you may access same directly through the URL link http://www.carsoncumberbatch.com/investor_information/annual_reports_2020_2021/ceylon-guardian-annual-report-2020-21.pdf
6. 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.
7. The completed Form of Proxy and Registration Form (Annexure 1), as relevant, must be submitted to the Company not later than 4.45 p.m. on 15th August 2021,
 - via email to CGITAGM2021@carcumb.com, or
 - via WhatsApp or Viber to mobile no. +94 764 765 463 or +94 712 791 246, or
 - by hand or post to the registered office of the Company, No. 61, Janadhipathi Mawatha, Colombo 1.
8. A person representing a Corporation is required to submit a certified copy of the resolution authorising him/her to act as the representative of the Corporation. A representative need not be a member.
9. The transfer books of the Company will remain open.

Notes

Form of Proxy

I/We.....
of.....
being *a Shareholder / Shareholders of CEYLON GUARDIAN INVESTMENT TRUST PLC hereby appoint
of.....
bearing NIC No./ Passport No..... or failing him/her

Mirihana Arachchige Rose Chandralatha Cooray or failing her
Don Chandima Rajakaruna Gunawardena or failing him,
Vernon Manilal Fernando or failing him,
Krishna Selvanathan or failing him,
Christopher William Knight

as *my/our proxy to attend at the 69th Annual General Meeting of the Company to be held on Tuesday, the 17th day of August 2021 at 11.30 a.m. by means of audio or audio and visual technology at the 8th Floor, No.65C, Dharmapala Mawatha, Colombo 07, Sri Lanka and any adjournment thereof and at every poll which may be taken in consequence thereof.

		For	Against
(i)	First & Final Dividend of Rs. 1/60 per Ordinary share and Deferred share for the financial year ended 31st March 2021.	<input type="checkbox"/>	<input type="checkbox"/>
(ii)	To re-elect Mr. K. Selvanathan who retires by rotation in terms of Articles 72, 73 & 74 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(iii)	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"/>
(iv)	To re-appoint Mrs. M. A. R. C. Cooray who is over Seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(v)	To re-appoint Mr. V. M. Fernando who is over Seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(vi)	To re-appoint Mr. D. C. R. Gunawardena who is Seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(vii)	To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act. No. 07 of 2007 and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this.....day of Two Thousand and Twenty One.

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 by filling in legibly your full name and address and sign 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.
4. 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.
5. 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.
6. To be valid the completed Form of Proxy should be submitted to the Company not later than 4.45 p.m. on 15th August 2021;
 - via email to CGITAGM2021@carcumb.com, or
 - via WhatsApp or Viber to mobile no. +94 764 765 463 or +94 712 791 246, or
 - by hand or post to the registered office of the Company, No. 61, Janadhipathi Mawatha, Colombo 1.

Please fill in the following details

Name :

Address :

.....

Jointly with :

Share folio no :

Corporate Information

NAME OF COMPANY

Ceylon Guardian Investment Trust PLC (A Carson Cumberbatch Company)

COMPANY REGISTRATION NO.

PQ 52

DOMICILE AND LEGAL FORM

Ceylon Guardian Investment Trust PLC is a Public Quoted Company with limited liability, domiciled in Sri Lanka.

The Company was incorporated in Sri Lanka in 1951.

PRINCIPAL ACTIVITY AND NATURE OF OPERATIONS

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

PARENT COMPANY

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

DIRECTORS

Mrs. M.A.R.C. Cooray (Chairperson)
Mr. D.C.R. Gunawardena
Mr. V.M. Fernando
Mr. K. Selvanathan
Mr. C.W. Knight
Mr. T.C.M. Chia – Resigned w.e.f 31st May 2021

NUMBER OF EMPLOYEES

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

BANKERS

Standard Chartered Bank
Commercial Bank of Ceylon PLC
Deutsche Bank A.G.
Hatton National Bank PLC

AUDITORS

Messrs. KPMG
Chartered Accountants,
No. 32A, Sir Mohamed Macan Markar Mawatha,
Colombo 3.

INVESTMENT MANAGERS

Guardian Fund Management Limited
No. 61, Janadhipathi Mawatha,
Colombo 1, 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

Designed & produced by

emagewise

Digital plates and printing by Gunaratne Offset (Pvt) Ltd

