

Ceylon Guardian Investment Trust PLC

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

Ceylon Guardian Investment Trust PLC

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

The Guardian Group holds an investment portfolio worth approximately Rs. 19.65 billion as at the end of March 2022.

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	2022	2021	Change %
Revenue	1,168,979	1,604,663	(27)
Profit / (loss) from operations	(828,659)	3,265,929	(125)
Share of profit of equity accounted investee, net of tax	(805)	2,805	(129)
Profit / (loss) before taxation	(835,857)	3,221,390	(126)
Profit / (loss) for the year from continuing operations	(920,813)	3,164,738	(129)
Profit / (loss) for the year	(1,065,632)	3,243,951	(133)
Profit / (loss) attributable to equity holders of the parent company	(897,627)	2,721,021	(133)
Other comprehensive income / (expense) for the year	1,075,220	3,106,531	(65)
Total comprehensive income / (expense) for the year	9,588	6,350,482	(100)
Total comprehensive income / (expense) attributable to equity holders of the parent	(4,709)	5,298,930	(100)
Net cash generated from / (used in) operating activities	518,706	1,025,567	(49)
Net increase / (decrease) in cash and cash equivalents	(32,979)	(37,331)	(12)
Total equity attributable to equity holders of the parent	16,501,330	16,742,130	(1)
Total equity	19,650,067	20,061,693	(2)
Total assets	19,944,920	20,401,160	(2)
Return on ordinary shareholders funds (%)	(5.44)	16.25	(133)
Earnings / (loss) per share (Rs)	(10.11)	30.65	(133)
Dividend per share (Rs.) *	2.00	1.60	25
Net assets per ordinary / deferred share (Rs.)	185.87	188.58	(1)
Guardian actively managed Portfolio **	12,254,381	12,954,877	(5)
Guardian fund value **	19,647,919	19,694,391	(0)
Stock market data			
All Share Price Index (points)	8,904	7,121	25
S&P SL 20 Index (points)	3,031	2,850	6
Market capitalisation	6,513,841	9,957,464	(35)
Share price (Rs.)			
Year end	78.50	120.00	(35)
High	136.75	170.00	(20)
Low	74.00	49.00	51

* 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

On behalf of the Board of Directors of Ceylon Guardian Investment Trust PLC (CGIT), it gives me great pleasure to present to you the Annual Report for the financial year ended 31st March 2022. It is worth noting that the company was proactive and agile in terms of managing the challenging backdrop caused by the COVID-19 pandemic, and the economic crisis which began to take effect towards the close of the year.

The All Share Price Index (ASPI) experienced a positive momentum throughout most of the financial year but experienced a correction in the final months due to the economic crisis and eventually closed the year with a gain of 25.03% while the S&P SL 20 gained 6.35%. Due to mixed sentiment amongst investors, the positive movement was not broad-based, and some of the key stock price performances did not reflect the market's optimism. Sharp upward share price movements of ten stocks contributed towards 95% of the index movement. Foreign and some institutional investors were cautious in consideration of the looming economic crisis, while retail investors and High Net Worth Individuals remained buoyant with increased market participation.

Ceylon Guardian Group's total portfolio recorded a flat performance of 0.58% (dividend adjusted performance) and reported a consolidated loss after tax of Rs. 1,066 Mn for the financial year 2022 (FY 2022). The negative financial performance was largely attributable to the loss of Rs. 1,780 Mn from fair value through the profit or loss of financial assets due to the downward movement in the equity stocks in the portfolio. Majority of the share prices of the stocks within the discretionary core portfolio declined despite the businesses performing reasonably well against the challenging conditions. Therefore, the discretionary portfolio declined by 4.16%, despite the aggregate earnings growth of the companies in the portfolio growing by 50% for the FY 2022.

In the wake of a sharp rise in interest rates, drastically reduced disposable incomes and a high inflationary environment we anticipate the operating environment for all companies listed in the Colombo Stock Exchange (CSE) to be significantly challenged in the year ahead. The company therefore proactively reduced its equity positions with the aim of investing in the higher interest rates as the CSE goes through its corrective path.

Continuing with our decision to not maintain a dedicated fund for the private equity business, we disposed of our 83.97% stake in Guardian Capital Partners in October 2021. With the conclusion of this transaction we are now equipped to dedicate a greater focus towards our core strategy of growing the portfolio through both listed equity and fixed income.

During the fourth quarter of FY 2022, Ceylon Guardian Investment Trust PLC did a repurchase of shares, at its prevailing net asset value (NAV) at the time of the buy-back of Rs. 204.01 per share, at a cost of Rs. 100.6 Mn. As the share price of the company was trading at a significant discount to its net asset value the repurchase would provide an opportunity for shareholders to realize the intrinsic value for a portion of their investment, and thereby minimize the gap between the market price per share and the NAV of the company.

Economy

The economy recovered in 2021 to grow by 3.7% compared to a decline of 3.6% in 2020. The calendar year commenced with economic activity on a good footing, but an increase in COVID-19 infections in the second quarter resulted in said activity becoming subdued once more. However, a strong vaccination drive and an improved business sentiment saw a degree of optimism return in the third quarter.

Increases in global commodity prices and supply disruptions saw inflation pick up towards the end of the financial year with the National Consumer Price Index (NCPI) recording a 21.5% increase on a year-on-year basis as at March 2022. Foreign currency reserves declined to hazardous levels on account of strained Dollar income to the country, continuous outflows through imports and external debt repayments. In response to these dynamics, the Central Bank of Sri Lanka reversed its policy in order to implement a floating exchange rate system during March 2022. This resulted in a sharp depreciation of the Rupee and the subsequent 50% depreciation in currency during the financial year. Looking ahead, the ongoing discussions with the IMF, the restructuring of government debt and fiscal reforms will be crucial in order to get the country back on track. In the meantime, we anticipate further restrictions and challenges going forward, as the country attempts to secure financing for essential items and cash-flow needs.

Business Environment

With the greater burden of the pandemic behind us, it is heartening to note that we can focus on continuing our business operations with significantly less disruptive activity. However, the economic crisis will undoubtedly cause significant cost escalations for businesses with continuous price hikes across both essential and non-essential items. Fuel shortages and rising transportation costs have caused severe disruptions to daily life. Furthermore, the performance of the CSE will depend on its ability to provide uninterrupted trading, in addition to the ability of the entities listed therein to prudently manage the macroeconomic and systematic vulnerabilities to which they are exposed.

Chairperson's Message

I would like to thank the staff for their valiant efforts and commitment in managing the company throughout these challenging times. My gratitude also goes out to our investors, loyal clients and shareholders who placed their continuous trust in our team as they navigate through the tough times ahead. I would also like to thank the regulators, intermediaries, service providers for their unwavering support. Mr. Timothy Chee Ming Chia stepped down from the board in May 2021 and I wish him every success in his future endeavors and thank him for his valuable contribution to the company. I also take this opportunity to welcome Mr. Dirk Pereira to the board and look forward to working with him in the future. I would further like to express my appreciation to my fellow Board Members and the members of the Audit Committee, Remuneration Committee, Nomination Committee and Related Party Transactions Review Committee for their hard work and diligence.

(Sgd.)

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

Chairperson

Colombo

15th July 2022

Management Discussion and Analysis

Guardian Group portfolio performance

We experienced a mixed year for the financial year ended March 2022. The CSE continued its retail-led rally for a greater part of the year as the Sri Lankan economy edged closer into its anticipated debt crisis towards the end of the period under review. Against this backdrop, we maintained our equity strategy for Ceylon Guardian's discretionary portfolio focusing on acquiring fundamentally strong stocks that provide long term potential.

Despite the strong rally witnessed with respect to selective stocks of the CSE during the first nine months of the year, we maintained our focus on stocks with sustainable business models and attractive pricing, and as a result, the portfolio was not exposed to the significant volatility in returns experienced by the CSE. The discretionary portfolio declined by 4.16% (dividend adjusted performance) to close FY 2022 at Rs. 12.25 Bn while the total portfolio inclusive of the strategic stake in Bukit Darah PLC, increased by 0.58% to Rs. 19.65 Bn.

	As at			As at 31st March 2022 (Dividend adjusted)	Dividend adjusted performance
	31-Mar-2022	31-Mar-2021	Change %		
Discretionary portfolio (Rs. '000)	12,254,381	12,954,877	-5.41%	12,415,964	-4.16%
Total Portfolio (Rs. '000)*	19,647,919	19,694,391	-0.24%	19,809,502	0.58%
ASPI (Points)	8,904	7,121	25.03%		25.03%
S&P 20 (Points)	3,031	2,850	6.35%		6.35%

*After the addition of the total cash outflow from the distribution of dividend by the Group which was Rs. 162.6 Mn during the period under review.

The start of the financial year saw investors maintain a positive sentiment in anticipation that the strong vaccination drive would result in a recovery from COVID-19. This, coupled with unprecedented fiscal and monetary stimulus resulted in immense optimism amongst certain segments of investors in the CSE. Market participation from domestic investors remained vibrant with the daily average turnover for the financial year being Rs. 4.80 Bn compared to Rs. 3.05 Bn in the previous year. The All Share Price Index (ASPI) gained further momentum in its rally from the previous financial year and experienced a sharp upturn during the first nine months of the year to 71.68%. However, as the economic reality of an impending debt default set in, the ASPI corrected by 31.56% for the last two months of FY 2022. Overall, the market upturn was not broad-based and a majority of investor interest was largely focused on companies involved in transportation, domestic manufacturing, and exports, in addition to select financial institutions. As an indication of the disproportionate influence on the index, the sharp upward share price movements of merely ten stocks contributed towards 95% of the index movement. Of these, certain companies benefitted from the pandemic stressed environment, and their commendable performances would not be sustainable following the eventual return to normalcy.

We were net sellers in the CSE for FY 2022 as we anticipated the sharp deterioration in the economy that eventually seeped into the equity market. However, as the market weakened and share prices became attractive we selectively took up opportunities to buy positions that we felt would benefit in the longer term.

During the period under review, we were net sellers of approximately Rs. 1.0 Bn of banking shares from our shareholdings in the three largest banks in the CSE. We expect banks to face further asset quality pressures in the short term with the sharp deterioration in the health of the Sri Lankan economy that will flow through to their respective loan books. Furthermore, this sector will also face added pressures due to their high exposures to government securities and particularly those that are denominated in foreign currency which will be a key focus of the government's debt restructuring program. These factors will test the capital adequacy requirements of the banks and should require further rounds of capital raising which will be difficult to implement in the short term due to poor investor sentiment. Although, in the long term we expect the banks to recover, the sector will be challenged in the near term on profitability and capital requirements.

We divested approximately Rs. 439 Mn from Sunshine Holdings during the year as the share price surged by 71% as at December 2021. The company's key segments and main drivers include healthcare, agribusiness and consumer goods. The agribusiness was able to secure significant profits from its palm oil business which benefitted from acute commodity price increases. Large demand by investors for the stock resulted in a sharp upturn in the share price. We took this opportunity to book gains and look for opportunities to rebuild the position once the share price has corrected. We feel the healthcare sector which includes pharmaceutical distribution and also the company's expansions in consumer goods show great potential for longer term growth.

One of our private equity investments, HSenid Business Solution became listed on the CSE in December 2021 through an offering of a 20% stake worth Rs. 692 Mn. The company, which develops and markets human resource management software delivers solutions through an on-premise and software as a service (SaaS) platforms. HSenid also offers HR outsourcing services. While being the market leader in Sri Lanka, the company also derives over 50% of its revenue from overseas markets, mainly from the African region, Asia Pacific region and India. HSenid provides solutions for many of the top-tier Sri Lankan companies and displays a strong potential for growth. However, we are mindful of an ever-increasing competition within this segment, with established players expanding into this space, and new entrants entering the market offering products with less functionality at significantly lower prices. We continue to hold our investment now as a listed entity, and will follow the company's growth closely.

The operating environment remains precarious for finance companies due to import restrictions and asset quality concerns stemming from the economic crisis. We have maintained Central Finance PLC as the highest single company weight in the Guardian portfolio due to the company's cautious growth strategy and high capital adequacy. These qualities will serve the company well in this very unpredictable and stressful environment. However, as a general precaution due to the turbulent macroeconomic environment, we were net sellers of Central Finance during the financial year to the value of Rs. 210 Mn. We will continue to monitor the company closely and remain cautious of the NBFIs' sector potential for further non-performing assets to arise.

As at 31st March 2022, we held a position of Rs. 187 Mn in Teejay Lanka which is one of Sri Lanka's leading fabric manufacturing companies with facilities positioned in Sri Lanka and India. As an exporter, the company stands to benefit from its Dollar generating activities as the Sri Lankan Rupee is under significant pressure to depreciate. The company's growth in client base and orders has resulted in the need for further capacity expansion which the company has been planning. The company is well established with a strong and experienced management team that should see good long term growth further to the short term boost it will experience from the Rupee depreciation.

Looking beyond the economic crisis, we see a lot of potential for increased consumerism in companies with good product portfolios. Hemas Holdings has a renowned personal care portfolio engineered through much innovation and product development. The company has a strong presence in the healthcare sector with a large market share in the pharmaceutical business. The pharmaceutical distribution business will be extremely challenged in the short term due to price controls and exchange rate fluctuations which can affect margins. The company has restructured its business over time to focus on its core business segments. We had a position of Rs. 917 Mn in the company as at the financial year end.

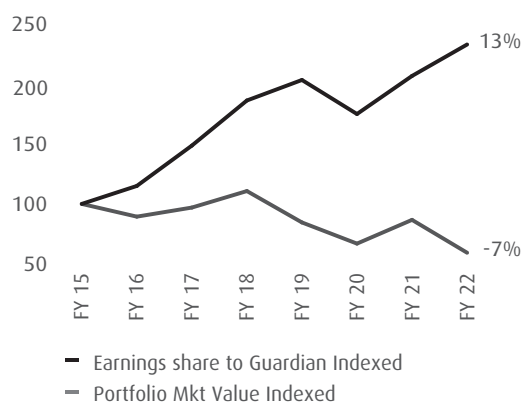
The table below shows the top holdings of the Guardian discretionary portfolio.

Top ten Holding

Company	Market Value of the holding (Rs. '000)	Holding as a % discretionary holding
Central Finance Company PLC	1,312,876	10.88%
Hemas Holdings PLC	917,395	7.60%
Dialog Axiata PLC	592,124	4.91%
Commercial Bank of Ceylon PLC	460,737	3.82%
Distilleries Company of Sri Lanka PLC	458,583	3.80%
Ceylinco Insurance PLC	393,408	3.26%
HNB Assurance PLC	376,880	3.12%
Hatton National Bank PLC	373,632	3.10%
Cargills (Ceylon) PLC	368,794	3.06%
John Keells Holdings PLC	345,088	2.86%
	5,599,517	46.41%

The chart below illustrates the share of earnings from Guardian's top holdings as at 31st March 2022 compared to the movement in market capitalization of those holdings over time. This illustrates that 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



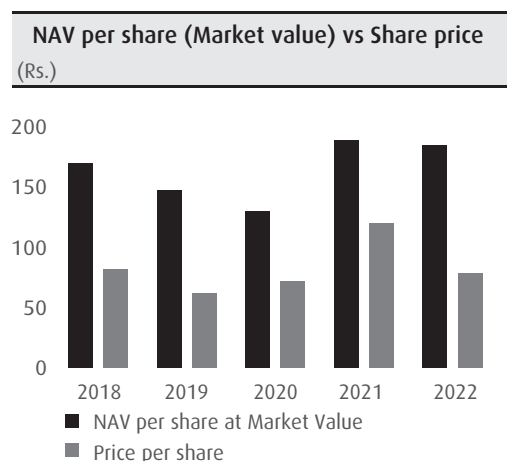
Financial Review and Shareholder Returns

Ceylon Guardian Investment Trust PLC reported a consolidated loss after tax of Rs. 1,066 Mn for the year ended 31st March 2022 compared to a profit of Rs. 3,244 Mn recorded in the previous year. As highlighted in the Chairperson's statement, the negative financial performance was incurred by the loss of Rs. 1,780 Mn from fair value through profit or loss financial assets due to the downward movement in the equity market.

Year-on-year revenue declined by 27% due to the decreased realized gains on disposal of equity and debt securities in the Group portfolio. This was partially offset by the increase in dividend income and interest income. During the period under review, "net gain from disposal of equity and debt securities" was Rs. 449 Mn, compared to a net profit of Rs. 995 Mn in previous financial year, including the gains of Rs. 201 Mn from the disposal of Sunshine Holdings PLC and Rs. 98 Mn from the disposal of Hatton National Bank PLC shares.

In the year ended 31st March 2022 the Group's Net Asset Value (NAV) per share decreased by 1.44% to Rs. 185.87. The market price of Rs. 78.50 for the Group's share indicated a discount of 58% compared to the NAV per share.

Ceylon Guardian Investment Trust PLC did a repurchase of its shares during the financial year at its then prevailing net asset value of Rs. 204.01 share at a cost of Rs. 100.6 Mn. As the share price of the company was trading at a significant discount to its net asset value (NAV), the repurchase would provide an opportunity for shareholders to realize the intrinsic value for a portion of their investment and thereby minimize the gap between the market price per share and NAV of the company.



As at 31st March	2022	2021	Change %
ASPI	8,904	7,121	25.03
NAV per share (Rs.)	185.87	188.58	(1.44)
Market price per share (Rs.)	78.50	120.00	(34.58)
Discount of NAV to market price per share	58%	36%	

Economy

Following the nation's recovery from the Easter Sunday attacks in 2019, Sri Lanka suffered further from the COVID-19 lockdowns and the ensuing decline in tourism earnings, which resulted in a 3.6% GDP contraction in 2020. However, despite further lockdowns the Sri Lankan economy saw a rebound in growth during the first quarter of the financial year and the economy recovered to grow by 3.7% in 2021. Broad-based relief measures announced by authorities in the form of economic stimulus, social safety payments and loan moratoriums assisted in the economic recovery. However, the country was already on a weak fiscal footing prior to the COVID-19 pandemic and fiscal policies that led to a widening budget deficit placed the country deeper into an economic crisis. High annual fiscal deficits as a result of tax cuts and higher expenditure levels were unable to be financed through external funding sources, resulting in the Central Bank resorting towards directly funding significant amounts. This action drove the country's already elevated debt levels into an unsustainable debt obligation position.

On 12th April 2022, The Sri Lankan Ministry of Finance issued a notification of an interim policy regarding the servicing of Sri Lanka's external public debt. The notification signifies an end to the country's good track record of debt servicing and officially recognised the present debt levels to be unsustainable. The next few months will require officials to be negotiating with the IMF for a lending facility while developing a comprehensive debt restructuring program to ensure a sustainable economic recovery can take place.

Sharp increases in the money supply as a result of the Central Bank's contribution in directly funding the budget deficit together with global conditions leading to commodity prices surges saw inflation as recorded by the NCPI rise to 21.5% year-on-year as at March 2022. Essential items such as petrol, diesel, gas and staple food items which were sold at below cost were revised up to market-based prices, which further seeped into inflation numbers and resulted in a large negative influence on disposable incomes. We expect inflation levels to increase further, as more pricing adjustments need to take place.

The outlook for recovery in the global economic activity is weak as a result of the spread of the COVID-19 variant, supply chain disruptions and the Russia-Ukraine conflict. Inflation at a global level is also expected to remain at higher levels due to elevated energy prices and continuing supply chain disruptions. Central Banks around the world are also moving into more tightened stances to combat inflation and take a more cautious approach overall.

Initial steps taken in an attempt to restore the economy saw the Central Bank increase policy rates by 700 basis points in April 2022 and allow a more flexible exchange rate, which resulted in a currency depreciation of 50% during the financial year. This policy rate increase was further to smaller scale increases implemented in January and March 2022. Market interest rates also increased sharply with the 364-day Treasury bill closing at 24.09% as at the end of April 2022. Banking and NBFI fixed deposit rates continue to adjust upwards in the market in conjunction with their respective lending rates.

The way forward for an economic recovery will be a successful negotiation with the IMF for a facility and guidance towards debt restructuring. Both these negotiations are expected to take up a period of several months, and meanwhile Sri Lanka will need to seek bridging finance in order to ensure continuity in terms of funding its current account deficit. The key challenges in securing the bridging finance will be to maintain political stability, and proactive fiscal and monetary policies while ensuring negotiations remain on track.

Guardian Fund Management Limited
Investment Managers

Colombo
15th July 2022

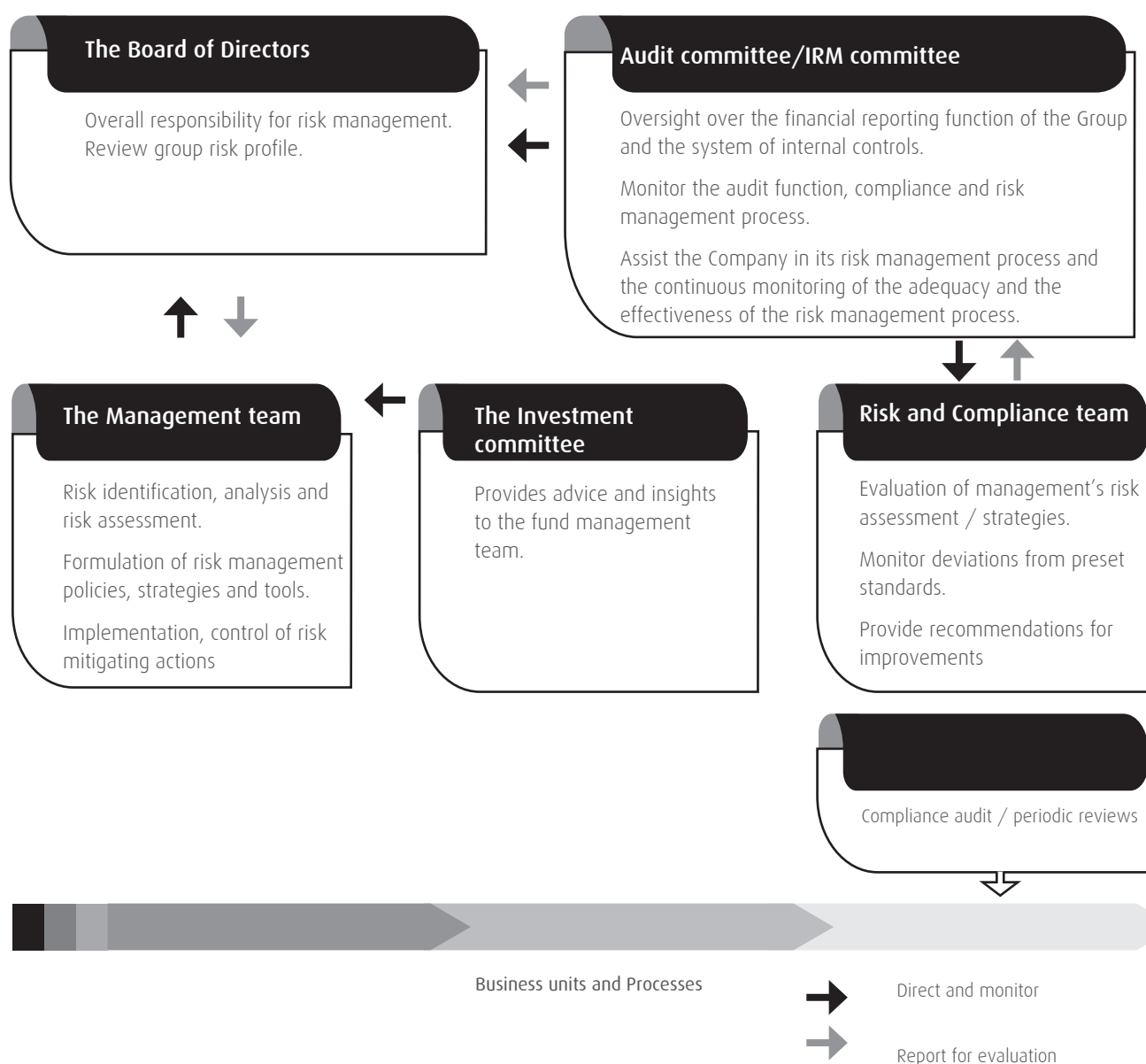
Risk Management

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 and took all the possible actions to continue business activities.

With the progress of vaccination against the Covid-19 pandemic and relaxation of strict border policies, the economy gained positive sentiments before the Sri Lankan economy headed for the economy crisis.

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

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 have built 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 the 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 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 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 to 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 Carson Group's legal division proactively 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 Group level which deals with recovering Information Technology infrastructure, facilitating of critical operations to be active in an alternate location etc. after a disastrous interruption. • Systems support and the maintenance agreements for the portfolio management software is made available through an annual maintenance agreement with the software vendor which ensures online support for system issues and queries. • The internal audit function and compliance team of the Carson Group ensures the safeguarding of Company's assets, recommends process improvements in areas where process control failures are noted and compliance with regulatory requirements etc.
<p>Reputation risk</p> <p>This is a critical risk in that as a financial entity any loss / theft or misappropriation of cash / financial assets can cause permanent and long term loss of business.</p>	<ul style="list-style-type: none"> • A sound system of internal controls and regular reviews are carried out by the compliance department. • A Code of Ethics signed by all staff and constant education and awareness of the code. • Regular staff communication.

Risk Category	Impact and mitigating strategies
<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 Trust 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

Vernon 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 (Pvt) Ltd (Cement). He is a Director at Ariyana Investment (Pvt) Ltd and Hospital Management Melsta Health (Pvt) Ltd. He is also a Vice President of the Chamber of Construction Industries of Sri Lanka and a Management Trustee of The Joseph Fraser Memorial Hospital. He is an Attorney-at-Law.

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.

DIRK PEREIRA – Appointed w.e.f 21st October 2021

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

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

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.

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.

Amongst 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

(B.Sc (Hons), ACMA)

Director / Head of Portfolio Management, Guardian Fund Management Ltd. has over 17 years of experience in the field of Asset Management working as a Fund Manager for CAAM Saudi Fransi LLC (Kingdom of Saudi Arabia), Investment Analyst for Eagle NDB Fund Management (Sri Lanka) and as a Financial Analyst for John Keells Stockbrokers. He holds a BSc (Hons) in Economics and Business Finance from Brunel University, UK and is an Associate Member of the Chartered Institute of Management Accountants.

ASANKA JAYASEKERA

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

Head of Research, Guardian Fund Management Limited / Guardian Acuity Asset Management Ltd. He has over 15 years of 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.

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 the State of Qatar.

Prior to joining Carson 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.

PRIYAN DE MEL

(ACCA, CISI, ACMA)

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

CRISHANI PERERA

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

Fund Manager. She began her career as a financial analyst and holds over 8 years of experience in the fields of asset management and investment research. Crishani holds a BSc degree in Finance from the University of Sri Jayewardenepura and is also an Associate Member of the Chartered Institute of Management Accountants, UK.

Portfolio Operations Team

Indramali Samarasinghe, Deemantha Kaushika, Shewantha Peiris, Thisaru Kavinda, Thanuja Wijesundara

Finance Team

Omesha Piyumi, Prabath Dissanayake, Kasun Rajapakse

Research Team

Harindi Hettigamage, Pasan Ilangaratne, Shahan De Silva, Sarith Samarajeewa, Dushan Ekanayake, Tharushi Egodaheewage, Winura Wijekulasooriya

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

The Board of Directors of Ceylon Guardian Investment Trust PLC have the pleasure in presenting to the shareholders this Report together with the audited financial statements for the year ended 31st March 2022.

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 2022.

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 entity are provided in note 38.2 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 2022 are set out on pages 38 to 110. 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	Group		Company	
For the year ended 31st March	2022	2021	2022	2021
Retained earnings brought forward from previous year	9,631,436	6,885,153	5,045,031	3,865,639
Profit / (loss) for the year	(897,627)	2,721,021	(63,817)	1,274,965
Other comprehensive income / (expense) for the year	4,408	(1,669)	-	-
Cash dividend	(142,049)	(102,097)	(142,049)	(102,097)
Re-purchase of shares	(100,623)	-	(100,623)	-
Forfeiture of unclaimed dividends	6,581	9,819	3,868	6,524
Transfers	-	119,209	-	-
Retained earnings carried forward	8,502,126	9,631,436	4,742,410	5,045,031

4.3. Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are given on pages 43 to 60.

4.4. Investments

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 23.

Details of investments in equity accounted investee are given in note 24.

Details of investments in equity and debt securities are given in note 28.

Details of investment in fair value through other comprehensive income securities are given in note 25.

Details of investments in unit trusts are given in note 29.

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 32 and note 33 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 Auditor's Report.

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

The financial statements comprise of inter alia:

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

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

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

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

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

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

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

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

6. OUTSTANDING LITIGATION

There is no litigation currently pending against the Company.

7. INTERESTS REGISTER

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

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

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

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

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

7.1. Remuneration of Directors

Directors' Remuneration for the financial year ended 31st March 2022 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 Share repurchase	98,440 69,733
Ceylon Investment PLC	D. C. R. Gunawardena Mrs. M. A. R. C. Cooray V. M. Fernando K. Selvanathan	Dividends received Sale proceeds on repurchase of shares	46,776 67,281
Rubber Investment Trust Limited	D. C. R. Gunawardena	Dividends received	41,534
Guardian Fund Management Limited (GFM)	K. Selvanathan	Portfolio management fees paid	42,528
Carsons Management Services (Private) Limited (CMSL)	K. Selvanathan	Support service fees paid Computer fees paid Secretarial fees paid	15,563 420 444
Guardian Acuity Asset Management Limited	D. C. R. Gunawardena K. Selvanathan	Dividends received	1,400

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 2022	1st April 2021
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. A. D. Pereira - <i>Appointed w.e.f 21st October 2021</i>	-	-
Mr. T.C.M. Chia - <i>Resigned w.e.f 31st May 2021</i>	-	-

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

8.3. Resignation of a Director

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

8.4 Appointment of a Director

Mr. A. D. Pereira was appointed to the Board as a Non-Executive/Independent Director w.e.f 21st October 2021.

9. AUDITORS

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

A sum of Rs. 560,000/- and Rs. 3,846,100/- was paid to them by the Company and the Group respectively, as audit fees for the year ended 31st March 2022 (2021 - Rs. 507,633/- and Rs. 3,278,955/-). In addition to the above, Rs. 242,000/- and Rs. 507,000/- (2021: Rs. 723,920/- and Rs.823,920/-) 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") disposed of 21,692,800 ordinary shares being 83.97% stake held by the Company in Guardian Capital Partners PLC [GCP] to non-related parties at a consideration of Rs. 32.30 per share on the trading floor of the Colombo Stock Exchange on 28th October 2021.

The Company made a disclosure to the market pertaining to the above sale of shares of GCP on 28th October 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. A. D. Pereira - Appointed w.e.f 21st October 2021	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 24th June 2022 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.(1).b of the Articles of Association of the Company, the Board of Directors had 6 virtual Board Meetings by means of Microsoft Teams during the financial year.

Directors	Meetings Attended (Out of Six)
Mrs. M. A. R. C. Cooray	6/6
Mr. D. C. R. Gunawardena	6/6
Mr. V. M. Fernando	6/6
Mr. K. Selvanathan	6/6
Mr. C. W. Knight	5/6
Mr. A. D. Pereira - Appointed w.e.f 21st October 2021	4/6
Mr. T. C. M. Chia - Resigned w.e.f 31st May 2021	-

11.4. Board Evaluation

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

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

11.5. Audit Committee

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

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

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

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

Functions and Proceedings

The Remuneration Committee recommends to the Board the remuneration to be paid to the 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. The Non-Executive Directors are not involved in Remuneration Committee meetings when determinations are made in relation to their remuneration. 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 two (02) virtual meetings during the period under review.

Remuneration Committee Members	Meetings Attended (Out of two)
Mr. T. de Zoysa (Chairman)	1/2
Mr. D.C.R. Gunawardena	2/2
Mr. R. Theagarajah	2/2
Mr. W. M. R. S. Dias	2/2

Reporting and Responsibilities

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

Aggregated remuneration paid to the Non-Executive Directors of the Company are disclosed under note 12 on page 61 of the Annual Report. Executive Directors are not compensated for their role on the Board.

11.7. Nomination Committee

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

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

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

Scope and Objective

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

Functions and Proceedings

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

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

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

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

The Nomination Committee Charter requires the Committee to meet at least twice a year. As allowed by the Nomination Committee Charter, the Committee held two (02) virtual meetings during the period under review.

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

11.8 Related Party Transactions Review Committee

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

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

The Related Party Transactions Review Committee Report is given on pages 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 2022, did not exceed 10% of Equity or 5% of the Total Assets of the Company as at 31st March 2022.

The details of the Related Party Transactions are given in Note 38 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 2022.

Recurrent Related Party Transactions

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

Description	Information
Name of the Related Party	Guardian Fund Management Limited
Relationship	Fellow subsidiary
Nature of the Transaction	Management fee income
Aggregate value of Related Party Transactions entered into during the financial year	Rs.42,527,862.55
Aggregate value of Related Party Transactions as a % of Net Revenue/ Income	10.38%
Terms and Conditions of the Related Party Transactions	Based on the Management fees agreement entered into between the companies
Aggregate value of all Related Party Transactions entered into during the financial year with the same related party*	Rs.42,527,862.55
Aggregate value of all Related Party Transactions entered during the financial year with the same related party as a % of Net Revenue	10.38%

* Details of the transactions are given in note 38.4

11.9. Integrated Risk Committee

The Integrated Risk Committee consists of the following members;

Integrated Risk Committee Members	Executive/ Non-Executive / Independent
Mrs. M. A. R. C. Cooray (Chairperson)	Non-Executive/Independent Director
Mr. A. P. Weeratunge	Executive Director of Ceylon Investment PLC [CINV]
Mr. A. D. Pereira – Appointed as Member w.e.f 1st January 2022	Non-Executive/Independent Director

Scope and objectives

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

Reporting and Responsibilities

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

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
Mr. A. D. Pereira – Appointed as Member w.e.f 1st January 2022	1/3

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 2022 was 23 (31st March 2021 -22).

14. EQUITABLE TREATMENT TO SHAREHOLDERS

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

15. DIVIDEND

The Company paid a First Interim Dividend of Rs. 2/- per Ordinary Share and Deferred Share for the year ended 31st March 2022.

The details of the said Dividend payment is given on pages 68 to 69 of the Annual Report.

The Board of Directors have not recommended a final Dividend for the year ended 31st March 2022.

16. SOLVENCY TEST

Taking into account the First Interim Dividend for the financial year ended 31st March 2022, 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.1,128.7Mn which consists of 82,978,868 Ordinary Shares and 5,801,487 fully paid Deferred Shares as at 31st March 2022.

The Company made a Repurchase Offer via Offer document dated 11th February 2022 to repurchase the shares of the Company at a ratio of 1 share for every 180 shares held and accordingly, the Company repurchased 460,994 Ordinary Shares and 32,230 Deferred Shares from the shareholders at a price of Rs. 204.01 per share. The repurchased shares were cancelled on 12th May 2022. Accordingly, as at 12th May 2022 the stated capital amounted to Rs.1,128.7Mn which consists of 82,517,874 Ordinary Shares and 5,769,257 fully paid Deferred Shares.

18. CAPITAL EXPENDITURE

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

In Rupees Thousands	Group	
	2022	2021
Property plant & equipment	1,532	1,384
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 are 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 41 to the Financial Statements.

22. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The contingent liabilities and commitments made on account of capital expenditure as at 31st March 2022 are given in note 44 to the Financial Statements, if any.

23. SHARE INFORMATION

The details relating to earnings, net assets, market value per share and information on share trading are given on pages 119 to 120 of the Annual Report.

24. TWENTY MAJOR SHAREHOLDERS WITH COMPARATIVES

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

Name of shareholders		12th May 2022 No. of shares	%	31st March 2022 No. of shares	%	31st March 2021 No. of shares	%
1	Carson Cumberbatch PLC A/C No.2	55,414,060	67.15	55,414,060	66.78	55,723,635	67.15
2	Employee's Provident Fund	2,953,018	3.58	2,953,018	3.56	2,969,515	3.58
3	Thurston Investments Limited	2,278,783	2.76	2,278,783	2.75	2,429,888	2.93
4	Additional Share Repurchase Account of GUAR (Resident)*	—	—	1,847,237	2.23	—	—
	Additional Share Repurchase Account of GUAR (Non Resident)*	—	—	36,900	0.04	—	—
5	GF Capital Global Limited	1,608,591	1.95	1,608,591	1.94	1,617,666	1.95
6	Mr. G.J.W. De Silva	881,655	1.07	881,655	1.06	877,234	1.06
7	Mr. L.H.S Peiris	879,313	1.07	879,313	1.06	879,313	1.06
8	Mrs. M.L. De Silva	866,845	1.05	866,845	1.04	866,845	1.04
9	Miss A. Radhakrishnan	686,026	0.83	686,026	0.83	686,026	0.83
10	Miss M.P. Radhakrishnan	686,026	0.83	686,026	0.83	686,026	0.83
11	Mr. R. Maheswaran	685,016	0.83	685,016	0.83	685,016	0.83
12	Mr. K.C. Vignarajah	673,225	0.82	666,843	0.80	630,355	0.76
13	Peoples Leasing & Finance PLC/Mr.M.A.N.Yoosufali	530,000	0.64	509,381	0.61	468,203	0.56
14	Employees Trust Fund Board	490,998	0.60	490,998	0.59	490,998	0.59
15	SSBT-Sunsuper Pty. Ltd. as trustee for Sunsuper Superannuation Fund	497,186	0.60	485,710	0.59	400,240	0.48
16	Northern Trust Company S/A Hosking Global Fund PLC	432,978	0.52	471,107	0.57	592,459	0.71
17	SSBT-Retail Employees Superannuation Trust	433,012	0.52	423,018	0.51	576,674	0.69
18	Miss R.H. Abdulhussein	459,017	0.56	409,457	0.49	462,023	0.56
19	Confab Steel (Private) Limited	387,257	0.47	387,257	0.47	—	—
20	Citibank Hong Kong S/A Hostplus Pooled Superannuation Trust	395,015	0.48	385,898	0.47	321,544	0.39
21	Offer by GUAR to Repurchase of shares (Resident)*	—	—	370,558	0.45	—	—
	Offer by GUAR to Repurchase of shares (Non Resident)*	—	—	33,778	0.04	—	—
22	Miss G.N.A. De Silva	351,278	0.43	350,000	0.42	353,252	0.43

*The Company announced a Repurchase Offer on 16th December 2021 to repurchase a maximum of 460,994 Ordinary Shares and the said Offer was concluded by making the relevant payments to Shareholders on 31st March 2022.

No. 04 and No.21 are Reserve Accounts opened to facilitate the said Repurchase Offer. The Company repurchased the entire shares that were accepted by the Eligible Ordinary Shareholders as shown in No. 21.

No. 04 consists of the total number of Additional Shares applied for by the Shareholders via the said Repurchase Offer. Out of 1,884,137 Ordinary Shares tendered by the Shareholders as Additional Shares for repurchase, only 56,643 Ordinary Shares were repurchased.

The Ordinary Shares that were repurchased (i.e.460,994 Ordinary Shares) were cancelled on 12th May 2022 and an Announcement was made by the CSE on 12th May 2022 pertaining to the said cancellation of shares.

The names and number of shares held by 20 largest shareholders of the Company as at 12th May 2022 (subsequent to the cancellation of repurchased shares) have been provided in the table above.

25. AMENDMENT TO ARTICLES OF ASSOCIATION OF THE COMPANY

The present Articles 16(2) and 17 of the Articles of Association of the Company pertaining to the declaration of final Dividend and Repurchase of Shares respectively require the approval of shareholders for such actions.

The Board of Directors have proposed that the above Articles 16(2) and 17 be amended in order to carry out the said distributions by the Company only with the approval of the Board.

The requisite Special Resolution to give effect to the above is set out in the Notice Convening the Annual General Meeting on pages 121 to 122 of the Annual Report.

26. 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 2022.

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.

27. ANNUAL GENERAL MEETING

As permitted by Article 43(b) of the Articles of Association of the Company, the 70th Annual General Meeting of the Company will be held on Tuesday, the 9th day of August 2022 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 pages 121 to 122 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 2022

Audit Committee Report

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

The Audit Committee consists of the following Members:

Audit Committee Members	Executive/Non-Executive/Independent
Mr.A.S. Amaratunga (Chairman)	Non-Executive, Independent (CCPLC)
Mr.D.C.R. Gunawardena	Non-Executive (CCPLC)
Mr.Y.H. Ong	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, Member of MAS Holdings-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 an Independent Non-Executive Director, Chairman of the Audit Committee and Member of the Nominating Committee of Singapore Power Ltd. and Capitaland Group Pte Ltd. He has served as an Independent Director of United Overseas Bank Ltd., Singapore. Mr.Ong had also served at Ernst & Young, Singapore for 30 years and was involved in audit and financial advisory work.

Meetings of the Audit Committee

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

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

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

Audit Committee Members	Meetings (virtual) attended (out of 07)
Mr.A.S. Amaratunga (Chairman)	7/7
Mr.D.C.R. Gunawardena	7/7
Mr.Y.H. Ong	7/7

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

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

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

Purpose of the Audit Committee

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

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

Financial Statements

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

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 2022 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. 07 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-a-vis objectives served and to determine the extent of adherence to the controls by staff responsible for the function and to take corrective / preventive action where necessary.

The Audit Committee approved the audit plan for the financial year 2021/2022 and the Group Internal Audit carried out audits on the Investment Sector companies based on the plan. The findings and contents of the Group Internal Audit reports have been discussed with the relevant management staff and subsequently the audit reports were circulated to the Audit Committee and to the senior management.

External Audit

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

The Members of the Audit Committee have determined that the independence of Messrs.KPMG, Chartered Accountants has not been impaired by any event or service that gives rise to a conflict of interest. The Committee also reviewed 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 2023, 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 2022

Related Party Transactions

Review Committee Report

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

Composition of the Committee

The Members of the RPTRC are as follows :

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

*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

CCPLC-RPTRC held One (01) virtual Meeting in each calendar quarter and a total of Four (04) RPTRC Meetings were held during the financial year. In addition, the approval of the RPTRC Members were sought via 10 Circular Resolutions, as well as 12 Circular Letters were circulated for their information during the financial year.

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

	Meetings (virtual) attended (out of 04)
Mr.W.M.R.S. Dias (Chairman)	4/4
Mr.D.C.R. Gunawardena	4/4
Mr.H. Selvanathan	3/4
Mr.M. Selvanathan	4/4
Mr.S.K. Shah	4/4
Mr.R. Theagarajah	3/4

Purpose of the Committee

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

Policies and procedures

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

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

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.

Related Party Transactions Review Committee Report

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 2021 to 31st March 2022 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 2022

Financial Calendar

Financial Year end

70th Annual General Meeting

31st March 2022

9th August 2022

ANNOUNCEMENT OF RESULTS

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

1st Quarter ended 30th June 2021

13th August 2021

2nd Quarter ended 30th September 2021

12th November 2021

3rd Quarter ended 31st December 2021

11th February 2022

4th Quarter ended 31st March 2022

31st May 2022

First Interim Dividend for the year ended
31st March 2022

2nd June 2022

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 31st March 2022, 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 110.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31st March 2022, 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.

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

Principals: S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, 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), 25, 28, 29, 39 and 42 (pages 49, 76, 78, 87, 95 and 110) to these financial statements

Risk Description	Our Response
<p>The financial investments of the Group as at 31st March 2022 comprise of FVTPL financial assets amounting to Rs. 8,559 Mn and FVOCI financial assets amounting to Rs. 7,394 Mn which represents 80% of the total assets. As at the reporting date, the Group's FVTPL portfolio is made up of listed equity investments and bonds amounting to Rs. 8,153 Mn, unlisted equity investments amounting to Rs. 42 Mn and unit trust investments amounting to Rs. 364 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>Due to the prevailing uncertain and volatile macro-economic environment, the market prices have drastically decreased compared to the prior period. As the country is still in its worse economic performance, there is uncertainty with regard to market conditions.</p> <p>Due to the materiality of FVTPL and FVOCI financial instruments in the context of the financial statements and measurement uncertainty created due to the economic downturn, we considered valuation of FVTPL and FVOCI financial instruments as a Key Audit Matter.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> • 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 31st March 2022 with the CSE prices; • Checking the number of units and the unit price as at 31st March 2022 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 31st March 2022; • Assessing and challenging the key assumptions, inputs and judgments used in the valuation of the unquoted equity instruments by comparing the assumptions to expectations based on current trends and investee industry knowledge; • Assessing the adequacy of disclosure in the financial statements in relation to the fair valuation of the financial investments as required by the accounting standards.



Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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

15th July 2022

Statement of Profit or Loss and Other Comprehensive Income

In Rupees Thousands

For the year ended 31st March	Note	Group		Company	
		2022	2021	2022	2021
Continuing operations					
Revenue	11	1,168,979	1,604,663	409,624	628,247
Reversal of impairment on investment in subsidiary	23.4	-	-	-	48,445
Net change in fair value through profit or loss financial assets		(1,779,992)	1,869,267	(439,430)	716,028
Profit / (loss) on investment activities		(611,013)	3,473,930	(29,806)	1,392,720
Administrative and other operating expenses		(217,646)	(208,001)	(89,696)	(71,438)
Profit / (loss) from operations	12	(828,659)	3,265,929	(119,502)	1,321,282
Profit from disposal of investment in subsidiary	23.8	-	21,731	37,218	9,424
Other income	13	-	-	53,498	-
Net finance income / (expense)	14	(6,393)	(69,075)	(5,646)	(40,101)
Profit / (loss) from operations after net finance income / (expense)		(835,052)	3,218,585	(34,432)	1,290,605
Share of profit / (loss) of equity accounted investee, net of tax	15	(805)	2,805	-	-
Profit / (loss) before taxation		(835,857)	3,221,390	(34,432)	1,290,605
Income tax expense	16	(84,956)	(56,652)	(29,385)	(15,640)
Profit / (loss) for the year from continuing operations		(920,813)	3,164,738	(63,817)	1,274,965
Discontinued operations					
Profit / (loss) after tax for the period from discontinued operations	17	(144,819)	79,213	-	-
Profit / (loss) for the year		(1,065,632)	3,243,951	(63,817)	1,274,965
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Actuarial gain / (loss) on employee benefit obligation	34	5,801	(2,197)	-	-
Related tax on employee benefits	26	(1,392)	527	-	-
Net change in fair value through other comprehensive income financial assets	25	654,024	3,060,628	-	-
Items that are or may be reclassified to profit or loss					
Share of other comprehensive income / (expense) of equity accounted investee, net of tax	15	127	(32)	-	-
Net exchange differences on translation of foreign operations		416,660	47,605	-	-
Other comprehensive income / (expense) for the year		1,075,220	3,106,531	-	-
Total comprehensive income / (expense) for the year		9,588	6,350,482	(63,817)	1,274,965
Profit attributable to:					
Equity holders of the parent		(897,627)	2,721,021	(63,817)	1,274,965
Non-controlling interest		(168,005)	522,930	-	-
		(1,065,632)	3,243,951	(63,817)	1,274,965
Total comprehensive expense attributable to:					
Equity holders of the parent		(4,709)	5,298,930	(63,817)	1,274,965
Non-controlling interest		14,297	1,051,552	-	-
		9,588	6,350,482	(63,817)	1,274,965
Earnings / (loss) per share (Rs.)	18	(10.11)	30.65	(0.72)	14.36
Earnings / (loss) per share (Rs.) - Continuing operations	18	(8.74)	29.90	(0.72)	14.36
Dividend per share	19	2.00	1.60	2.00	1.60

The notes to the financial statements from pages 43 to 110 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 2022	2021	Company 2022	2021
ASSETS					
Non-current assets					
Property, plant and equipment	20	2,747	2,541	-	-
Intangible assets	21	2,594	190,511	-	-
Right-of-use assets	22	7,703	15,407	-	-
Investments in subsidiaries	23	-	-	1,785,546	1,797,429
Investment in equity accounted investee	24	50,034	52,112	35,000	35,000
Investments in fair value through other comprehensive income	25	7,393,538	6,739,514	-	-
Deferred tax asset	26	1,360	2,447	-	-
Total non-current assets		7,457,976	7,002,532	1,820,546	1,832,429
Current assets					
Trade and other receivables	27	174,034	220,328	102,841	74,977
Current tax assets		-	11,383	-	10,001
Investments in equity and debt securities	28	8,194,740	9,686,342	2,812,613	3,487,056
Investments in unit trusts	29	363,961	162,063	162,908	50,754
Investments in fixed deposits		982,954	930,938	360,028	184,378
Cash and cash equivalents	30	2,771,255	1,599,636	1,006,130	346,766
Total current assets		12,486,944	12,610,690	4,444,520	4,153,932
Asset held-for-sale	17	-	787,938	-	658,660
Total assets		19,944,920	20,401,160	6,265,066	6,645,021
EQUITY AND LIABILITIES					
Equity					
Stated capital	31	1,128,726	1,128,726	1,128,726	1,128,726
Capital reserves	32	324,836	324,709	208,660	208,660
Revenue reserves	33	15,047,768	15,288,695	4,757,371	5,059,992
Total equity attributable to equity holders of the parent		16,501,330	16,742,130	6,094,757	6,397,378
Non-controlling interest		3,148,737	3,319,563	-	-
Total equity		19,650,067	20,061,693	6,094,757	6,397,378
Non-current liabilities					
Employee benefits	34	8,382	12,615	-	-
Lease liabilities	36	-	7,061	-	-
Total non-current liabilities		8,382	19,676	-	-
Current liabilities					
Trade and other payables	35	187,739	91,370	98,896	35,603
Lease liabilities	36	7,998	8,346	-	-
Current tax liabilities		32,205	4,923	12,884	-
Short term borrowings	37	58,529	212,040	58,529	212,040
Total current liabilities		286,471	316,679	170,309	247,643
Liabilities directly associated with assets held-for-sale	17	-	3,112	-	-
Total liabilities		294,853	339,467	170,309	247,643
Total equity and liabilities		19,944,920	20,401,160	6,265,066	6,645,021
Net assets per ordinary / deferred share (Rs.)		185.87	188.58	68.65	72.06

The notes to the financial statements from pages 43 to 110 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 2022

(Sgd).

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

Chairperson

(Sgd).

D.C.R. Gunawardena

Director

Statement of Changes In Equity

In Rupees Thousands

	Stated capital	Capital reserves				Revenue reserves			Attributable to equity holders of parent	Non controlling interest	Total equity
		Investment reserve	Other capital reserve	Jointly controlled entity's capital reserve	Currency translation reserve	General reserve	Fair value through OCI financial assets	Retained earnings			
Group											
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
Balance as at 1st April 2021	1,128,726	7,805	316,741	163	67,168	32,668	5,557,423	9,631,436	16,742,130	3,319,563	20,061,693
Loss for the year	-	-	-	-	-	-	-	(897,627)	(897,627)	(168,005)	(1,065,632)
Other comprehensive income / (expense) for the year	-	-	-	127	345,704	-	542,679	4,408	892,918	182,302	1,075,220
Total comprehensive income / (expense) for the year	-	-	-	127	345,704	-	542,679	(893,219)	(4,709)	14,297	9,588
Cash dividend	-	-	-	-	-	-	-	(142,049)	(142,049)	(24,172)	(166,221)
Re-purchase of shares (note 31)	-	-	-	-	-	-	-	(100,623)	(100,623)	(34,754)	(135,377)
Forfeiture of unclaimed dividends	-	-	-	-	-	-	-	6,581	6,581	1,401	7,982
Elimination of Non-controlling interest on disposal of Guardian Capital Partners PLC	-	-	-	-	-	-	-	-	-	(127,598)	(127,598)
Balance as at 31st March 2022	1,128,726	7,805	316,741	290	412,872	32,668	6,100,102	8,502,126	16,501,330	3,148,737	19,650,067

The notes from pages 43 to 110 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 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
Balance as at 1st April 2021	1,128,726	7,805	200,855	14,961	5,045,031	6,397,378
Loss for the year	-	-	-	-	(63,817)	(63,817)
Other comprehensive income / (expense) for the year	-	-	-	-	-	-
Total comprehensive income / (expense) for the year	-	-	-	-	(63,817)	(63,817)
Cash dividend	-	-	-	-	(142,049)	(142,049)
Re-purchase of shares (note 31)	-	-	-	-	(100,623)	(100,623)
Forfeiture of unclaimed dividends	-	-	-	-	3,868	3,868
Balance as at 31st March 2022	1,128,726	7,805	200,855	14,961	4,742,410	6,094,757

The notes from pages 43 to 110 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	
		2022	2021	2022	2021
Cash flows from operating activities					
Profit / (loss) before taxation		(835,857)	3,305,573	(34,432)	1,290,605
Adjustments for:					
Share of (profit) / loss of equity accounted investee, net of tax	15	805	(2,805)	-	-
Depreciation on property, plant & equipment	20	1,326	884	-	-
Amortisation of intangible assets	21	4,445	4,445	-	-
Amortisation of right-of-use assets	22	7,704	6,348	-	-
Gain from disposal of property, plant and equipment		-	(35)	-	-
Provision for employee benefit	34	1,568	3,084	-	-
Net finance (income) / expense	14	6,393	69,075	5,646	40,101
Reversal of impairment in investments in subsidiary		-	-	-	(48,445)
Disposal (gain) / loss on investment in subsidiary	23.8	-	(21,731)	(37,218)	(9,424)
Profit from repurchase of shares	13	-	-	(53,498)	-
Scrip dividend income from subsidiary		-	-	-	(49,183)
Discount on lease liability	36	-	(453)	-	-
Net charge in fair value through profit or loss financial assets		1,779,992	(1,869,267)	439,430	(716,028)
Operating profit before working capital changes					
(Increase) / decrease in trade and other receivables		966,376	1,495,118	319,928	507,626
(Increase) / decrease in investments		46,294	(201,614)	39,417	(73,040)
(Increase) / decrease in investment in fixed deposits		(490,288)	283,649	122,859	127,334
Increase / (decrease) in trade and other payables		(52,016)	(529,633)	(175,650)	(184,378)
		97,620	20,316	64,358	6,648
Cash generated from / (used in) operations					
Employee benefit paid	34	567,986	1,067,836	370,912	384,190
		-	(3,500)	-	-
Current tax paid	16	(49,280)	(38,769)	(6,500)	-
Net cash generated from / (used in) operating activities					
		518,706	1,025,567	364,412	384,190
Cash flows from investing activities					
Acquisition of property, plant & equipment	20	(1,532)	(1,384)	-	-
Net investments in subsidiaries		-	-	(1,899)	-
Proceeds from disposal of property, plant and equipment		-	35	-	-
Dividend received from jointly controlled entity	24.3	1,400	3,500	-	-
Finance income received		178	289	-	-
Net cash generated from / (used in) investing activities					
		46	2,440	(1,899)	-
Cash flows from financing activities					
Dividend paid		(139,246)	(99,239)	(139,246)	(99,239)
Dividend paid to non-controlling interest		(22,337)	(7,751)	-	-
Re-purchase of shares		(100,623)	-	(100,623)	-
Re-purchase of shares held by minority shareholders		(34,754)	-	-	-
Short term borrowings obtained / (paid), net	37	(153,755)	(842,916)	(153,755)	(376,148)
Payment of lease liabilities	36	(8,280)	(6,793)	-	-
Disposal of a subsidiary net of cash		(87,280)	(40,364)	695,878	63,634
Finance expense paid		(5,456)	(68,275)	(5,403)	(39,460)
Net cash generated from / (used) in financing activities					
		(551,731)	(1,065,338)	296,851	(451,213)
Net increase / (decrease) in cash and cash equivalents					
Cash and cash equivalents at the beginning of the year		(32,979)	(37,331)	659,364	(67,023)
Net exchange differences on translation of foreign operations		2,387,574	2,377,300	346,766	413,789
		416,660	47,605	-	-
Cash and cash equivalents at the end of the year	30	2,771,255	2,387,574	1,006,130	346,766

The notes from pages 43 to 110 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 2022 comprise of the financial information of the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in the jointly controlled entity.

The Group has five subsidiaries out of which one subsidiary is listed on the Colombo Stock Exchange the details of which are set out in the note 23 to the financial statements.

(b) Principal activities and nature of operations

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

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

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

(c) Parent entity and Ultimate parent entity

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

(d) Number of employees

The Group had 23 (2021 – 22) employees at the end of the financial year. The Company had no employees as at the reporting date (2021 - Nil) and the relevant services are received from Carsons Management Services (Private) Limited and Guardian Fund Management Limited.

2 BASIS OF PREPARATION

(a) Statement of compliance

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

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

The consolidated financial statements were authorised for issue by the Board of Directors on 15th July 2022.

(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.

In light of the ongoing economic crisis of the country, the Company and Group have assessed its going concern. In preparing the financial statements for the year ended 31st March 2022, the management has assessed the possible effects of the ongoing economic crisis of the country on the businesses of the Group to determine their ability to continue as a going concern. Based on currently available information, the management is satisfied that having taken into consideration factors that could impact the revenue, cash flows, accessibility to funds & costs, the Company and Group would continue as a going concern.

(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 are included in the following notes:

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

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

ii. Deferred taxation – utilization of tax losses

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

iii. Defined benefit plans

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

iv. Current taxation

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

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

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

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

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

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

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

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

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

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

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

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

Further information about the assumptions made in measuring fair values is included in the note 39.6.

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 initially adopted Interest Rate Benchmark Reform – Phase 2 (Amendments to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16 from 1st April 2021, 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 2022. 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 28th October 2022, the Group fully disposed its investment in Guardian Capital Partners PLC. Refer notes 23.8 and 43 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 recognised initially at cost. The cost of the investment includes transaction costs.

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

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

(vi) Transactions eliminated on consolidation

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

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

(vii) Financial year end

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

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

(b) Foreign currency

(i) Foreign currency transactions

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

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

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

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

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

(ii) Foreign operations

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

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is not a fully owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of such control, significant influence or joint control, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

(c) Discontinued operations

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

- represents a separate major line of business or geographic area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or

- is a subsidiary acquired exclusively with a view to resale.

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

(d) Financial Instruments

(i) Recognition and initial measurement

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

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

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

(ii) Financial assets

Classification and subsequent measurement of financial assets

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

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

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

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

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

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

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

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

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

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

Financial assets - Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows

such that it would not meet this condition. In making this assessment, the Group considers:

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

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

Financial assets - Subsequent measurement and gains and losses

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

Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Financial liabilities

Classification, subsequent measurement and gains and losses

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

(iv) De-recognition

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

its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not de-recognised.

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

(v) Offsetting

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

(e) Impairment

(i) Financial assets

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

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

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

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

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

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

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

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

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

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

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

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

Measurement of ECLs

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

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

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial

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

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

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

Write-off

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

(ii) Non-financial assets

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

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

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

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

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

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

(f) Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

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

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

(iv) Disposal

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

(g) Intangible assets and goodwill

(i) Recognition and measurement

Goodwill

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

Subsequent measurement

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

Software

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

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to

which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of profit or loss as incurred.

(iii) Impairment

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

(h) Asset held-for-sale

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

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

(i) Leases

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

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

(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 recognised as an expense.

(k) Employee benefits

(i) Short-term employee benefits

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

(ii) Defined contribution plans

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

(iii) Defined benefit plans

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

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

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

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

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to

past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on settlement of a defined benefit plan when the settlement occurs.

(l) Liabilities and provisions

(i) Liabilities

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

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

(ii) Provisions

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

(m) Contingent liabilities and contingent assets

(i) Contingent liabilities

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

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

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

(ii) Contingent assets

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

(n) Revenue

Performance obligations and revenue recognition policies

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

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

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

(i) Interest income and expense

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

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

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

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

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

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

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

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

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

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

(vi) Dividend income

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

(o) Expenditure recognition

(i) Operating expenses

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

(ii) Finance income and finance costs

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

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

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

(iii) Fee and commission expenses

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

(p) Income tax expense

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

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not

meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent liabilities and Contingent assets.

(i) Current taxation

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

(ii) Deferred taxation

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

Deferred tax is not recognised for:

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

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

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

(iii) Tax exposures

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

(q) Related party transactions

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

(r) Earnings per Share

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

(s) Events after the reporting period

All material and important events which occur after the reporting 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 30 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 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

A. Onerous contracts – Cost of Fulfilling a Contract (Amendments to LKAS 37)

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1st January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The Group is assessing the potential impact on its financial statements resulting from the application of these amendments.

B. Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12)

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1st January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date, for all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented. The Group is assessing the potential impact on its financial statements resulting from the application of these amendments.

Forthcoming effective standards

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

- COVID-19-Related Rent Concessions beyond 30th June 2021 (Amendment to SLFRS 16)
- Annual Improvements to SLFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to LKAS 16)
- Reference to Conceptual Framework (Amendments to SLFRS 3)
- Classification of Liabilities as Current or Non-current (Amendments to LKAS 1)
- Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to LKAS 8)

11. REVENUE

For the year ended 31st March	Group		Company	
	2022	2021	2022	2021
Dividend income	694,063	571,392	255,406	250,683
Interest income on financial assets carried at amortised cost (note 11.1)	137,386	122,002	45,517	29,804
Management fees	135,130	126,075	-	-
Net gain / (loss) from disposal of investment in equity and debt securities	448,744	995,348	105,892	344,856
Net gain from disposal of investment in unit trusts	7,798	5,132	2,809	2,904
	1,423,121	1,819,949	409,624	628,247
Intra-group transactions	(254,142)	(215,286)	-	-
	1,168,979	1,604,663	409,624	628,247
11.1 Interest income on financial assets carried at amortised cost				
Placements with banking and financial institutions	95,031	89,431	35,056	22,064
Saving deposits	12,981	14,294	5,052	4,493
Securities purchased under resale agreements	8,740	6,710	3,271	3,247
Interest income from treasury bills, bonds and corporate bonds	20,634	11,567	2,138	-
	137,386	122,002	45,517	29,804

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	
	2022	2021	2022	2021
Auditors' remuneration & expenses				
- Audit and audit related fees	3,846	3,279	560	508
- Non audit services	507	824	242	724
Directors' fees	18,106	23,977	14,771	16,064
Support service fees*	36,850	27,034	15,563	9,745
Depreciation (note 20)	1,326	884	-	-
Amortisation	12,149	10,793	-	-
Professional services (note 12.a)	11,153	6,635	8,312	2,474
Personnel cost (note 12.b)	80,159	77,950	-	-

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

Notes to the Financial Statements

In Rupees Thousands

For the year ended 31st March		Group		Company	
		2022	2021	2022	2021
12.a	Professional services				
	Legal services	4,942	2,217	4,015	788
	Valuation services	533	902	260	890
	Other professional services	5,678	3,516	4,037	796
		11,153	6,635	8,312	2,474
12.b	Personnel cost				
	Salaries, wages and other related expenses	70,917	68,127	-	-
	Defined benefit plan cost (note 34.2)	1,568	3,084	-	-
	Defined contribution plan cost	7,674	6,739	-	-
		80,159	77,950	-	-
	The above include:				
	Directors' emoluments	14,257	12,002	-	-
		14,257	12,002	-	-

13 OTHER INCOME

For the year ended 31st March		Group		Company	
		2022	2021	2022	2021
	Proceeds received from share repurchase	-	-	67,281	-
	Cost of the repurchased shares	-	-	(13,783)	-
		-	-	53,498	-

Ceylon Investment PLC, subsidiary of Ceylon Guardian Investment Trust PLC, made a share repurchase offer, via an offer document dated 11th February 2022. Accordingly, the Company accepted its full entitlement of 655,119 Ceylon Investment PLC shares at a consideration of Rs.102.70 per share at a total consideration of Rs. 67.28 Mn, which resulted in a profit of 53.49 Mn.

14 NET FINANCE INCOME / (EXPENSE)

For the year ended 31st March	Group		Company	
	2022	2021	2022	2021
Finance income				
Interest income	178	289	-	-
Exchange gain	57	122	-	-
	235	411	-	-
Finance expense				
On bank overdraft	161	527	84	68
On short-term borrowings	5,596	68,510	5,562	40,033
Lease interest (note 36)	871	449	-	-
	6,628	69,486	5,646	40,101
Net finance income / (expense)	(6,393)	(69,075)	(5,646)	(40,101)

15 SHARE OF PROFIT / (LOSS) AND OTHER COMPREHENSIVE INCOME / (EXPENSES) OF EQUITY ACCOUNTED INVESTEE, NET OF TAX

For the year ended 31st March	Investor's share of profit / (loss) net of tax		Investor's share of other comprehensive income / (expenses) net of tax	
	2022	2021	2022	2021
Guardian Acuity Asset Management Limited	(805)	2,805	127	(32)
	(805)	2,805	127	(32)

16 INCOME TAX EXPENSE

For the year ended 31st March	Group		Company	
	2022	2021	2022	2021
16.1 Current tax expense				
Provision for the year (note 16.3)	78,570	55,336	23,554	14,439
Over provision for previous year	185	(2,437)	(99)	(418)
Tax refunds write-off	-	479	-	479
ESC write-off	6,506	1,650	5,930	1,140
Current tax expense for the year	85,261	55,028	29,385	15,640
16.2 Deferred taxation				
On origination and reversal of temporary differences (note 26.1)	(305)	1,624	-	-
Deferred tax expense / (gain) for the year	(305)	1,624	-	-
Total income tax expense for the year	84,956	56,652	29,385	15,640

Notes to the Financial Statements

In Rupees Thousands

16.3 Reconciliation between accounting profit and taxable profit

For the year ended 31st March	Group		Company	
	2022	2021	2022	2021
Accounting profit / (loss) before taxation	(835,857)	3,221,390	(34,432)	1,290,605
Adjustments :				
Exempt (profits) / loss on sale of quoted public shares	(448,744)	(995,348)	(143,110)	(354,280)
Dividend income (exempt)	(375,863)	(214,639)	(210,322)	(124,234)
Allowable claims	(29,366)	(23,493)	-	-
Impairment on goodwill / investment in subsidiary	-	-	-	(48,445)
Net change in fair value through profit or loss financial assets	1,779,992	(1,869,267)	439,430	(716,028)
Unit Trust - Interest income unrealised	11,501	2,138	5,110	14
Disallowable expenses	223,835	171,713	66,866	55,507
Adjustment - Tax treatment difference	13,783	-	13,783	-
Transactions adjusted on consolidation	128,374	73,721	-	-
Share of profit of equity accounted investees net of tax	805	(2,805)	-	-
Operating losses incurred during the year	2,003	2,305	-	-
Utilisation of tax losses (note 16.4)	(7,291)	(5,978)	-	-
Adjusted profit for taxation	463,172	359,737	137,325	103,139
Current tax expense of the Company (note 16.5 i)				
Tax at 24%	32,941	11,935	10,389	-
Taxable dividend at 14%	45,629	43,401	13,165	14,439
	78,570	55,336	23,554	14,439

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.

16.4 Movement in tax losses

For the year ended 31st March	Group		Company	
	2022	2021	2022	2021
Tax losses brought forward	7,920	8,616	-	-
Adjustment on losses (Finalization/write-off/conversions)	1,667	2,977	-	-
Tax losses incurred during the year	2,003	2,305	-	-
Utilisation of tax losses during the year	(7,291)	(5,978)	-	-
Tax losses carried forward	4,299	7,920	-	-

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 those companies. Adjustment for taxation on the losses from overseas operations are made in accordance with the provisions of the relevant statutes in those countries.

16.5 Summary of provision applicable under relevant tax legislation

(i) Current Tax in Sri Lanka

The income tax provision of Ceylon Guardian Investment Trust PLC, its subsidiaries and equity accounted investee which are resident in Sri Lanka is calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and its amendments thereto. In terms of above, the income tax provisions of companies have been calculated on their adjusted profits at the standard rate of 24% (2021 - 24%) 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 uncalmable 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 are applicable for companies within the Group

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

(iv) Surcharge tax

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

The Surcharge Tax Bill was approved by the parliament on 8th April 2022, hence cannot be considered as enacted as at the date. Accordingly, the Group and the Company has not provided for the surcharge tax liability in the financial statements for the year ended 31st March 2022 in accordance with the 'Statement of Alternative Treatment on Accounting for surcharge tax levied under the Surcharge Tax Act No. 14 of 2022 issued by the Institute of Chartered Accountants of Sri Lanka on 22nd April 2022.

Notes to the Financial Statements

In Rupees Thousands

17 DISCONTINUED OPERATIONS / ASSET HELD-FOR-SALE

17.1 Discontinued operations

During the year ended 31st March 2021, Guardian Capital Partners PLC (GCP) was classified as an Asset held-for-sale and its profit for the year was recognised under discontinued operations in accordance with Sri Lanka Financial Reporting Standard (SLFRS 5) - "Non-current Assets Held for Sale and Discontinued Operations". As disclosed in note 43, on 28th October 2021, Ceylon Guardian Investment Trust PLC (CGIT) disposed its entire holding in GCP and profit up to the disposal date, along with the disposal loss arising from the said transaction has been presented under discontinued operations below.

A. Results of discontinued operations

As at 31st March	2022	2021
Revenue	14,367	101,032
Inter-group transactions	-	(12,455)
	14,367	88,577
Administrative and other operating expenses	290	(4,394)
Income tax expense	(3,455)	(4,970)
Results from operating activities, net of tax	11,202	79,213
Loss on sale of discontinued operation (note 23.8)	(156,021)	-
Profit / (loss) from discontinued operations, net of tax	(144,819)	79,213

B. Cash flows from discontinued operations

For the year ended 31st March	2022	2021
Net cash from operating activities	11,202	530,002
Net cash from investing activities	786,613	-
Net cash flows for the period	797,815	530,002

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

For the year ended 31st March	Note	2022	2021
Cash and cash equivalents		797,815	-
Trade and other payable		(334)	-
Tax payable		(1,456)	-
Net assets and liabilities		796,025	-
Consideration received	23.8	695,878	-
Net cash outflows on disposal	23.8	87,280	-

17.2 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 31st March 2021. 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.

As at 31st March	Group		Company	
	2022	2021	2022	2021
Assets				
Investment in subsidiary	-	-	-	658,660
Cash at bank	-	787,938	-	-
Assets held-for-sale	-	787,938	-	658,660
Liabilities				
Provisions and unclaimed dividends	-	(2,428)	-	-
Current tax liabilities	-	(684)	-	-
Liabilities directly associated with assets held-for-sale	-	(3,112)	-	-
Net assets directly associated with assets held-for-sale	-	784,826	-	658,660

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18 EARNINGS / (LOSS) PER SHARE

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

Group

For the year ended 31st March	2022			2021		
	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	(776,022)	(121,605)	(897,627)	2,654,505	66,516	2,721,021
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 / (loss) per share (Rs.)	(8.74)	(1.37)	(10.11)	29.90	0.75	30.65

Company

For the year ended 31st March	2022	2021
Amount used as the numerator		
Profit / (loss) for the year attributable to the shareholders of the parent	(63,817)	1,274,965
Amount used as the denominator		
Weighted average number of ordinary / deferred shares outstanding during the year*	88,780,335	88,780,335
Basic earnings / (loss) per share (Rs.)	(0.72)	14.36

*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.

19 DIVIDEND PER SHARE

For the year ended 31st March	Company	
	2022	2021
19.1 Dividend paid during the year		
Final dividend - cash		
Cash dividend - ordinary / deferred shares	142,048	102,097
	142,048	102,097
19.2 Dividend proposed during the year		
Proposed First interim dividend - cash*		
-On ordinary shares	165,036	-
-On deferred shares	11,538	-
Total proposed dividend	176,574	-
Dividend per share (Rs.)	2.00	-

For the year ended 31st March	Company	
	2022	2021
Proposed Final dividend		
-On ordinary shares	-	132,766
-On deferred shares	-	9,282
Total proposed dividend	-	142,048
Dividend per share (Rs.)	-	1.60
Total dividend per share (Rs.)	2.00	1.60

*After satisfying the Solvency Test in accordance with section 57 of the Companies Act No. 07 of 2007, on 1st June 2022 the Board of Directors have approved the payment of a first interim dividend of Rs. 2.00 per ordinary share and deferred share for the year ended 31st March 2022 amounting to Rs. 176,574,262/- The entitlement / record date for the above first interim dividend was 16th June 2022. In accordance with Sri Lanka Accounting Standard (LKAS 10) - "Events after the reporting period" this proposed first interim dividend has not been recognised as a liability as at 31st March 2022.

20 PROPERTY, PLANT AND EQUIPMENT - GROUP

	Office equipment	Computer equipment	Furniture and fittings	Total 2022	Total 2021
Cost					
Balance as at the beginning of the year	258	8,152	5,094	13,504	12,220
Additions during the year	-	1,532	-	1,532	1,384
Disposals during the year	-	-	-	-	(100)
Balance as at the end of the year	258	9,684	5,094	15,036	13,504
Accumulated depreciation					
Balance as at the beginning of the year	253	6,673	4,037	10,963	10,179
Charge for the year	5	1,040	281	1,326	884
Disposals during the year	-	-	-	-	(100)
Balance as at the end of the year	258	7,713	4,318	12,289	10,963
Carrying value as at end of the year	-	1,971	776	2,747	2,541

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

As at 31st March	Group	
	2022	2021
Office equipment	258	186
Furniture and fittings	2,340	2,142
Computer equipment	6,206	5,962
	8,804	8,290

20.2 No borrowing costs were capitalized for property, plant and equipment during the year (2021 - Nil).

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

21 INTANGIBLE ASSETS - GROUP

	Goodwill on consolidation	Computer software	Total 2022	Total 2021
Cost				
Balance as at the beginning of the year	231,917	37,577	269,494	269,494
Additions during the year	-	-	-	-
Disposal of Guardian Capital Partners PLC	(231,917)	-	(231,917)	-
Balance as at the end of the year	-	37,577	37,577	269,494
Amortisation and impairment				
Balance as at the beginning of the year	48,445	30,538	78,983	74,538
On disposal of Guardian Capital Partners PLC	(48,445)	-	(48,445)	-
Charge for the year	-	4,445	4,445	4,445
Balance as at the end of the year	-	34,983	34,983	78,983
Carrying value as at the end of the year	-	2,594	2,594	190,511

As at 31st March	2022	2021
21.1 Details of fully amortised intangible assets are as follows:		
Computer software	15,350	15,350
	15,350	15,350

21.2 Impairment assessment on goodwill

Goodwill arising on business combinations - Guardian Capital Partners PLC

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

As explained in note 43, Ceylon Guardian Investment Trust PLC (CGIT) disposed its entire holding in GCP. Along with the disposal, goodwill allocated to GCP was derecognised.

22 RIGHT-OF-USE ASSETS - GROUP

As at 31st March	Group	
	2022	2021
Carrying value at the beginning of the year	15,407	6,348
Additions during the year	-	15,407
Amortization for the year	(7,704)	(6,348)
Carrying value at the end of the year	7,703	15,407

Right-of-use assets and related lease liability (given in note 36) are recognised 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 Sri Lanka Financial Reporting Standard (SLFRS 16) - "Leases", these liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate.

Notes to the Financial Statements

In Rupees Thousands

23 INVESTMENT IN SUBSIDIARIES

As at 31st March	Group		No. of shares	Company		No. of shares	2021	
	2022	2021		2022			Cost	Fair value
	Effective holdings %	%		Cost	Fair value			
23.1 Quoted investments								
Ceylon Investment PLC	65.94	65.94	66,167,066	1,392,009	2,454,798	66,822,185	1,405,792	4,256,573
Guardian Capital Partners PLC (note 23.5)	-	83.97	-	-	-	21,692,800	-	-
				1,392,009	2,454,798		1,405,792	4,256,573
23.2 Unquoted investments								
Rubber Investment Trust Limited	82.98	82.98	3,955,609	316	5,414,443	3,955,609	316	5,285,722
Guardian Fund Management Limited	100.00	100.00	2,848,678	73,321	54,271	2,848,678	73,321	40,699
Guardian Fund Management LLC	82.97	82.97	44,250	8,261	9,221	35,000	6,361	5,689
Guardian Value Fund LLC	82.97	82.97	1,965,000	357,139	569,010	1,965,000	357,139	391,776
				439,037	6,046,945		437,137	5,723,886
				1,831,046	8,501,743		1,842,929	9,980,459
Provision for impairments (note 23.4)				(45,500)			(45,500)	
Total investment in subsidiaries				1,785,546	8,501,743		1,797,429	9,980,459

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, Guardian Value Fund LLC and Guardian Fund Management LLC are based on the net asset values of those companies as at the reporting date.

23.3 Investments in overseas fund structure

In 2020, the Company, and its subsidiaries, Ceylon Investment PLC and Rubber Investment Trust Limited invested USD 2 Mn, USD 2 Mn and USD 0.5 Mn respectively to commence its overseas investment initiative. In order to facilitate the venture, a fund structure was set up in Republic of Mauritius. The Structure is fully regulated by the Financial Service Commission of Mauritius, the regulatory authority responsible for the regulation, supervision and inspection of all financial services other than banking institutions and global business in Mauritius. As at 31st March 2022, value of the total fund structure amounted to USD 4.43 Mn (2021: USD 4.49 Mn).

23.4 Impairment of investment in subsidiaries

The Company has provided for impairment provision amounting to Rs. 45.5 Mn on the investment in subsidiary "Guardian Fund Management Limited" due to the depletion in net asset value. During the year ended 31st March 2021, the Company reversed an impairment provision of Rs. 48.4 Mn recognised in 2019/20 for its investment in subsidiary company, Guardian Capital Partners PLC.

23.5 Asset held-for-sale

During the year ended 31st March 2021, Guardian Capital Partners PLC (GCP / Subsidiary) was classified as an asset held-for-sale. Accordingly, the carrying value of the investment in GCP amounting to Rs. 658.6 Mn as at 31 March 2021 is recorded as asset held for sale in the Company. As disclosed in notes 17 and 43, Ceylon Guardian Investment Trust PLC disposed its entire holding in GCP on 28th October 2021.

23.6 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 - %	
		2022	2021
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

23.7 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	
	2022	2021	2022	2021	2022	2021
Revenue	338,754	521,315	475,820	512,682	20,751	10,476
Net change in fair value through profit or loss financial assets	(568,280)	554,393	(755,395)	582,418	(17,101)	3,685
Profit / (loss) for the year	(497,777)	1,484,197	(358,883)	1,018,347	(11,228)	1,250
Total other comprehensive income / (expense) for the year	534,355	1,551,037	699,122	3,065,719	-	-
Total comprehensive income / (expense) for the year	36,578	3,035,234	340,239	4,084,066	(11,228)	1,250
Non-current assets	5,982,936	5,673,681	7,538,325	6,839,203	-	-
Current assets	3,424,507	3,768,480	3,305,104	3,727,631	1,286,735	885,862
Total assets	9,407,443	9,442,161	10,843,429	10,566,834	1,286,735	885,862
Current liabilities	(129,808)	(32,247)	(23,053)	(3,694)	(3,928)	(2,622)
Net assets	9,277,635	9,409,914	10,820,376	10,563,140	1,282,807	883,240
Net cash generated from / (used in) operating activities	410,956	398,091	322,497	159,010	(192,277)	(336,354)
Net cash generated from / (used in) investing activities	(62,475)	16,781	-	-	-	-
Net cash generated from / (used in) financing activities	(68,871)	(387,181)	(83,011)	(166,135)	-	335
Net increase / (decrease) in cash and cash equivalents	279,610	27,691	239,486	(7,125)	(192,277)	(336,019)

In Rupees Thousands

23.8 Disposal / liquidation of Subsidiary Company - Guardian Capital Partners PLC (GCP) / The Sri Lanka Fund (SLF)

For the year ended 31st March	Group		Company	
	2022	2021	2022	2021
Net assets directly associated with disposal entity / Cost of the investment	(796,025)	(162,587)	(658,660)	(54,210)
Carrying amount of the non-controlling interest as at the disposal date	127,598	57,050	-	-
Cash consideration received from the disposal of Group shares / units	695,878	127,268	695,878	63,634
Reversal of Goodwill	(183,472)	-	-	-
Profit / (loss) from disposal / liquidation	(156,021)*	21,731	37,218	9,424
Consideration paid for non-controlling interests				
Cash and cash equivalents as at 1st April	787,938	167,833	-	-
Net cash consideration received from disposal of Group shares / units	(695,878)	(127,268)	695,878	63,634
Net expenses paid / exchange difference	(4,780)	(201)	-	-
Net cash outflow on disposal	87,280	40,364	-	-

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

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 in July 1994. On 3rd June 2020, the Company and its subsidiary, Ceylon Investment PLC redeemed the entire holding of 687,376 units held in SLF, and the Group recorded a profit from disposal of investment in subsidiary amounting to Rs. 21.7 Mn and company recorded profit of Rs. 9.4 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.

*Disposal loss from this transaction has been presented under discontinued operations in note 17.1.A.

24 INVESTMENT IN EQUITY ACCOUNTED INVESTEE

24.1 Group

As at 31st March	2022		2021	
	Cost	Carrying value	Cost	Carrying value
Investment in jointly controlled entity (note 24.3)	35,000	50,034	35,000	52,112
	35,000	50,034	35,000	52,112

24.2 Company

As at 31st March	2022		2021	
	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.

24.3 Movement of investment in jointly controlled entity

For the year ended 31st March	2022	2021
	Carrying value	Carrying value
Percentage of holding	50%	50%
Investment at cost	35,000	35,000
Investors' share of net assets		
As at the beginning of the year	17,112	17,839
Share of profit / (loss) of equity accounted investee, net of tax	(805)	2,805
Dividend received from equity accounted investee	(1,400)	(3,500)
Share of other comprehensive income / (expense) net of taxation	127	(32)
As at the end of the year	15,034	17,112
Carrying value of total investment in jointly controlled entity on equity method	50,034	52,112

24.4 Summarised financial information of the jointly controlled entity

For the year ended 31st March / As at 31st March	2022	2021
Revenue	26,011	34,711
Profit / (loss) for the year	(1,610)	5,610
Total other comprehensive income / (expense) for the year	254	(64)
Total comprehensive income / (expense) for the year	(1,356)	5,546
Applicable to the group (50%)	(678)	2,773
Total non-current assets	1,090	1,476
Total current assets	110,600	117,107
Total assets	111,690	118,583
Total non-current liabilities	(1,424)	(1,686)
Total current liabilities	(10,198)	(12,673)
Net assets	100,068	104,224
Applicable to the group (50%)	50,034	52,112

In Rupees Thousands

25 INVESTMENTS IN FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - GROUP

25.1 Summary

As at 31st March	2022 Fair value	2021 Fair value
Investment in Equity Securities - Quoted Shares	7,393,538	6,739,514
Total investments in fair value through other comprehensive income	7,393,538	6,739,514

25.2 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 2022						
Investment in equity securities	6,739,514	-	-	-	654,024	7,393,538
	6,739,514	-	-	-	654,024	7,393,538
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

25.3 Investment in equity securities

	2022		2021	
	No. of shares	Fair value	No. of shares	Fair value
Food, Beverage & Tobacco				
Bukit Darah PLC	20,438,250	7,393,537	20,438,250	6,739,513
Bukit Darah PLC - Preference Shares - 8% participative cumulative	31,875	1	31,875	1
		7,393,538		6,739,514

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.

26 DEFERRED TAX ASSET - GROUP

As at 31st March	2022	2021
Balance as at the beginning of the year	2,447	3,544
Charge / (reversal) for the year (note 26.1)	(1,087)	(1,097)
Balance as at the end of year	1,360	2,447
26.1 Charge / (reversal) for the year		
The amounts recognised in the statement of profit or loss are as follows:		
Property, plant and equipment	1,206	98
Right-of-use assets	1,849	(1,920)
Employee benefits	376	(533)
Lease creditor on right-of-use assets	(1,778)	1,795
Tax losses	(1,348)	(1,064)
	305	(1,624)
The amounts recognised in the statement of other comprehensive income are as follows:		
Employee benefits	(1,392)	527
	(1,392)	527
Charge / (reversal) for the year	(1,087)	(1,097)
26.2 Deferred tax assets		
Employee benefits	2,011	3,027
Lease creditor on right-of-use assets	1,919	3,698
Tax losses	-	1,348
Total deferred tax asset	3,930	8,073
26.3 Deferred tax liability		
Property, plant and equipment	722	1,928
Right-of-use assets	1,848	3,698
Total deferred tax liabilities	2,570	5,626
Net deferred tax asset	1,360	2,447

26.4 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.

26.5 Deferred tax has been computed using a tax rate of 24% (2021 – 24%), which is substantively enacted as at the reporting date.

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27 TRADE AND OTHER RECEIVABLES

As at 31st March	Group		Company	
	2022	2021	2022	2021
Financial				
Trade receivables	56,606	5,143	-	-
Dividend receivable	111,910	107,999	34,851	39,721
Amounts due from a related company (note 38.5)	-	-	67,281	-
Cash receivable on pending allotments	-	91,372	-	30,146
Other receivable	-	64	-	-
	168,516	204,578	102,132	69,867
Non-financial				
Advances and prepaid expenses	5,518	15,750	709	5,110
	5,518	15,750	709	5,110
	174,034	220,328	102,841	74,977

28 INVESTMENTS IN EQUITY AND DEBT SECURITIES

28.1 Summary

As at 31st March	Note	Group		Note	Company	
		2022	2021		2022	2021
Investment in Equity Securities - Quoted Shares - Fair value through profit or loss (FVTPL)	28.2	7,855,156	9,275,831	28.7	2,770,227	3,323,388
Investment in Equity Securities - Unquoted Shares - Fair value through profit or loss (FVTPL)	28.3	42,093	37,015	28.8	42,083	37,005
Investment in Equity Securities - Private Equity (Unlisted) - Fair value through profit or loss (FVTPL)	28.4	303	126,663	28.9	303	126,663
Investment in Debt Securities - Corporate Bonds - Fair value through profit or loss (FVTPL)	28.5	297,188	246,833		-	-
Total Investments in equity and debt securities		8,194,740	9,686,342		2,812,613	3,487,056

Information about the Group's exposure to credit and market risks and fair value measurement are included in note 39.

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

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

28.1.1 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 2022							
Investment in equity securities	9,439,509	3,659,711	(3,557,017)	-	139,334	(1,783,985)	7,897,552
Investment in bonds	246,833	228,329	(269,397)	1,938	96,279	(6,794)	297,188
	9,686,342	3,888,040	(3,826,414)	1,938	235,613	(1,790,779)	8,194,740
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 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

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

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28.2 Investment in equity securities - Quoted Shares - Group

As at 31st March	2022		2021	
	No. of shares	Fair value	No. of shares	Fair value
Banks				
Commercial Bank of Ceylon PLC	7,348,275	460,737	10,823,936	925,447
Hatton National Bank PLC	3,419,974	373,632	4,730,858	596,088
Hatton National Bank PLC - Non voting	-	-	3,540,508	344,137
National Development Bank PLC	421,971	23,504	421,971	34,095
Sampath Bank PLC	6,907,851	316,380	8,138,757	437,865
Seylan Bank PLC	514,858	16,269	506,710	24,829
		1,190,522		2,362,461
Capital goods				
Hemas Holdings PLC	19,857,024	917,395	12,816,618	1,068,906
John Keells Holdings PLC	2,379,916	345,088	2,377,436	353,049
Richard Pieris and Company PLC	461,008	6,131	-	-
Royal Ceramics Lanka PLC	252,500	10,276	-	-
		1,278,890		1,421,955
Consumer Durables & Apparel				
Teejay Lanka PLC	4,697,389	186,956	-	-
		186,956		-
Consumer service				
Aitken Spence Hotel Holdings PLC	5,153,438	182,947	5,653,438	170,734
John Keells Hotels PLC	-	-	760,206	7,222
		182,947		177,956
Diversified Financials				
Central Finance Company PLC	19,278,648	1,312,876	20,991,728	1,694,032
People's Leasing & Finance PLC	33,916,185	274,721	28,467,935	335,922
		1,587,597		2,029,954
Food, Beverage & Tobacco				
Ceylon Cold Stores PLC	1,150,780	44,765	15,000	9,326
Ceylon Grain Elevators PLC	214,928	13,111	-	-
Distilleries Company of Sri Lanka PLC	33,719,352	458,583	27,478,608	546,824
Melstacorp PLC	624,687	25,675	5,276,312	232,158
Sunshine Holdings PLC	1,294,419	47,376	6,887,229	182,512
Nestle Lanka PLC	149,400	140,249	-	-
Watawala Plantations PLC	106,821	9,966	-	-
		739,725		970,820
Food & Staples Retailing				
Cargills (Ceylon) PLC	2,020,788	368,794	3,516,215	826,311
		368,794		826,311
Insurance				
Ceylinco Insurance PLC - Non voting	325,266	393,408	325,266	357,792
HNB Assurance PLC	8,703,922	376,880	6,172,514	366,030
Union Assurance PLC	197,763	59,973	199,000	62,188
		830,261		786,010

As at 31st March	2022		2021	
	No. of shares	Fair value	No. of shares	Fair value
Materials				
Alumex PLC	1,570,000	11,461	-	-
Chevron Lubricants Lanka PLC	844,944	73,595	555,944	50,035
Tokyo Cement Company (Lanka) PLC	775,000	26,272	-	-
		111,328		50,035
Real Estate				
Overseas Realty (Ceylon) PLC	-	-	500,000	7,750
		-		7,750
Software and services				
hSenid Business Solutions PLC	17,976,090	323,570	-	-
		323,570		-
Telecommunication Services				
Dialog Axiata PLC	59,212,359	592,124	38,823,074	504,700
		592,124		504,700
Utilities				
LVL Energy Fund PLC	1,257,100	10,684	1,257,100	12,194
Vallibel Power Erathna PLC	-	-	2,270,000	16,797
		10,684		28,991
Foreign equity investments - Guardian Value Fund LLC				
Anheuser-Busch Inbev SA	3,540	63,305	4,250	54,196
British American Tobacco PLC	7,550	92,922	-	-
CK Hutchison Holdings Limited	29,200	63,598	22,700	36,244
FedEx Corporation	700	47,599	-	-
PayPal Holdings Inc	2,940	99,919	-	-
Reckitt Benckiser Group PLC	2,000	44,938	-	-
Thai Beverage Public Company Limited	253,500	39,477	187,000	18,448
		451,758		108,888
Total Investment in equity securities - Quoted Shares		7,855,156		9,275,831

28.3 Investment in equity securities - Unquoted Shares - Group

As at 31st March	2022			2021		
	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	42,073	1,428,496	15,714	36,995
Total Investment in Equity Securities - Unquoted Shares		15,734	42,093		15,734	37,015

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. 5.1 Mn to Rs. 42.1 Mn from the previous year's valuation of Rs. 37 Mn.

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

As at 31st March	2022			2021		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
Findmyfare (Pvt) Ltd	302,791	51,751	303	302,791	51,751	303
hSenid Business Solutions (Private) Ltd	-	-	-	163,419	40,005	126,360
Swiss Institute For Service Industry Development (Private) Limited						
- Ordinary shares	847	-	-	847	-	-
- 10% cumulative preference shares	1,273	-	-	1,273	-	-
Total investment in equity securities - Private Equity (Unlisted)		51,751	303		91,756	126,663

Valuation of Private Equity Investments

The fair value of the Group's unlisted investment portfolio is based on the valuations carried out by the investment manager, Guardian Fund Management Limited. Information about the valuation techniques and significant unobservable inputs used in the said valuations are given in note 39.6.

Valuation of Findmyfare (Pvt) Ltd (FMF)

FMF's business operations were affected by the prolonged COVID-19 situation. The Company is gradually recovering from the pandemic-induced slump but the financial situation is yet to improve. Based on this premise, it was deemed appropriate to maintain the previous year's valuation. Accordingly, as of 31st March 2022, the investment value of FMF was recorded at Rs. 0.3 Mn.

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

hSenid was listed on the Colombo Stock Exchange on 21st December 2021. Therefore, it has been classified under Investment in equity securities - Quoted Shares.

Swiss Institute For Service Industry Development (Private) Limited

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

28.5 Investment in debt securities - Group

28.5.1 Investment in Corporate Bonds

As at 31st March	Maturity date	Coupon Rate	2022		2021	
			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	1.875%	-	-	USD400,000	81,215
ICIC Bank Ltd/Dubai	09/09/2022	3.25%	USD400,000	117,805	USD200,000	41,044
IOI Investment L Bhd	27/06/2022	4.375%	USD200,000	59,545	-	-
State Bank of India/London	28/09/2023	4.50%	USD400,000	119,838	USD200,000	43,029
Total investment in corporate bonds				297,188		246,833

28.6 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 2022					
Investment in equity securities	3,487,056	842,512	(1,072,880)	(444,075)	2,812,613
	3,487,056	842,512	(1,072,880)	(444,075)	2,812,613
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

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

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28.7 Investment in equity securities - Quoted Shares - Company

As at 31st March	2022		2021	
	No. of shares	Fair value	No. of shares	Fair value
Banks				
Commercial Bank of Ceylon PLC	1,923,794	120,621	4,228,326	361,521
Hatton National Bank PLC	1,437,108	157,004	1,692,429	213,246
Hatton National Bank PLC - Non voting	-	-	948,536	92,198
Seylan Bank PLC	237	7	222	11
Sampath Bank PLC	2,756,725	126,259	3,376,725	181,668
		403,891		848,644
Capital goods				
Hemas Holdings PLC	5,863,483	270,892	2,719,168	226,778
John Keells Holdings PLC	367,151	53,238	364,671	54,154
		324,130		280,932
Consumer service				
Aitken Spence Hotel Holdings PLC	2,557,315	90,785	2,557,315	77,231
		90,785		77,231
Diversified Financials				
Central Finance Company PLC	6,070,801	413,423	6,064,799	489,430
People's Leasing & Finance PLC	4,303,576	34,858	4,010,550	47,324
		448,281		536,754
Food Beverage & Tobacco				
Ceylon Cold Stores PLC	541,780	21,075	-	-
Distilleries Company Of Sri Lanka PLC	6,991,460	95,084	5,884,960	117,111
Melstacorp PLC	166,595	6,847	1,288,644	56,700
Nestle Lanka PLC	60,400	56,701	-	-
Sunshine Holdings PLC	594,277	21,750	1,540,233	40,816
		201,457		214,627

As at 31st March	2022		2021	
	No. of shares	Fair value	No. of shares	Fair value
Food & Staples Retailing				
Cargills (Ceylon) PLC	1,807,002	329,778	3,202,429	752,572
		329,778		752,572
Insurance				
Ceylinco Insurance PLC - Non voting	115,256	139,402	115,256	126,782
HNB Assurance PLC	6,945,224	300,732	5,678,400	336,730
		440,134		463,512
Software and services				
hSenid Business Solutions PLC	17,976,090	323,568	-	-
		323,568		-
Telecommunication				
Dialog Axiata PLC	20,820,454	208,203	11,470,454	149,116
		208,203		149,116
Total investment in equity securities - Quoted Shares		2,770,227		3,323,388

28.8 Investment in equity securities - Unquoted Shares - Company

As at 31st March	2022			2021		
	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	42,073	1,428,496	15,714	36,995
Total investment in equity Securities - Unquoted Shares		15,724	42,083		15,724	37,005

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

As at 31st March	2022			2021		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
Findmyfare (Pvt) Ltd	302,791	28,948	303	302,791	28,948	303
hSenid Business Solutions (Private) Ltd	-	-	-	163,419	123,158	126,360
Swiss Institute For Service Industry Development (Private) Limited						
- Ordinary shares	847	-	-	847	-	-
- 10% cumulative preference shares	1,273	-	-	1,273	-	-
Total investment in equity securities - Private Equity (Unlisted)		28,948	303		152,106	126,663

On 21st December 2021, hSenid was listed on the Colombo Stock Exchange. Accordingly, it has been classified under Investment in equity securities - Quoted Shares.

29 INVESTMENT IN UNIT TRUSTS

29.1 Movement in investment in unit trusts

	Group		Company	
	2022	2021	2022	2021
Balance as at the beginning of the year	162,063	506,030	50,754	44,937
Investments during the year	2,224,858	527,000	832,643	297,500
Disposals during the year	(2,033,747)	(876,906)	(725,134)	(293,453)
Fair value adjustment	10,787	5,939	4,645	1,770
	363,961	162,063	162,908	50,754

29.2 Investment in unit trusts

As at 31st March	Group				Company			
	2022		2021		2022		2021	
	No. of Units	Fair value	No. of Units	Fair value	No. of Units	Fair value	No. of Units	Fair value
Investment in unit trusts								
Guardian Acuity Equity Fund	620,159	10,274	620,159	11,204	310,079	5,137	310,079	5,602
Guardian Acuity Money Market Fund	6,730,185	145,557	7,376,952	150,859	3,926,724	84,925	2,207,928	45,152
Guardian Acuity Income Fund	20,000,000	208,130	-	-	7,000,000	72,846	-	-
Total Investment in unit trusts		363,961		162,063		162,908		50,754

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.

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30 CASH AND CASH EQUIVALENTS

As at 31st March	Group		Company	
	2022	2021	2022	2021
Cash at bank and cash in hand	1,315,353	256,883	407,391	42,528
Placements with banking and financial institutions	1,455,902	1,328,864	598,739	304,238
Securities purchased under resale agreements	-	13,889	-	-
Total cash and cash equivalents	2,771,255	1,599,636	1,006,130	346,766
Cash at banks attributable to discontinued operations	-	787,938	-	-
	-	787,938	-	-
Net cash and cash equivalents for the purpose of cash flow statement	2,771,255	2,387,574	1,006,130	346,766

31 STATED CAPITAL

As at 31st March	2022		2021	
	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 31.1)	5,801,487	85,039	5,801,487	85,039
	88,780,355	1,128,726	88,780,355	1,128,726

The Company made a Repurchase Offer via Offer document dated 11th February 2022 whereby, 460,994 Ordinary Shares and 32,230 Deferred Shares were repurchased by the Company at a price of Rs. 204.01 per share. The said offer was closed on 17th March 2022. The share repurchase transaction amounting to Rs.100.6 Mn was accounted through retained earnings and repurchased shares were cancelled on 12th May 2022. Accordingly, as at 12th May 2022 the stated capital amounted to Rs. 1,128.7 Mn which consists of 82,517,874 (prior to the repurchase - 82,978,868) Ordinary Shares and 5,769,257 (prior to the repurchase - 5,801,487) fully paid Deferred Shares.

31.1 Superior voting rights attached to the deferred shares

The Company has in issue 5,769,257 fully paid shares (as at 31 March 2022) titled "Deferred Shares". The Deferred Shares are subordinated to the ordinary shares in respect of dividend entitlement wherein, right to a dividend does not arise unless and until a minimum specified dividend has been declared on the ordinary shares. The Deferred Shares confer on the holders present in person, by proxy or by attorney at any General Meeting of the Company the right to as many votes as the number of votes conferred by all other shares for the time being issued and each holder as aforesaid present in person, by proxy or by attorney or by an authorized representative in the case of a corporation at any such meeting shall be entitled to such proportion of the votes conferred by the Deferred Shares collectively as the number of his Deferred Shares bears to the full number of the Deferred Shares. The Deferred Shares rank equally and pari passu for all other purposes including capitalisation of reserves or profits and participation in the surplus assets of the Company in a winding up with the ordinary shares of the Company and as aforesaid except for voting rights and dividend rights.

32 CAPITAL RESERVES

As at 31st March	Group		Company	
	2022	2021	2022	2021
Investment reserve (note 32.1)	7,805	7,805	7,805	7,805
Other capital reserve (note 32.1)	316,741	316,741	200,855	200,855
Jointly controlled entity's capital reserve (note 32.2)	290	163	-	-
	324,836	324,709	208,660	208,660

32.1 Investment reserve and other capital reserve

These reserves represent the amounts set aside to meet any contingencies.

32.2 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.

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

33 REVENUE RESERVES

As at 31st March	Group		Company	
	2022	2021	2022	2021
Currency translation reserve (note 33.1)	412,872	67,168	-	-
Fair value through OCI financial asset reserve (note 33.2)	6,100,102	5,557,423	-	-
General reserve (note 33.3)	32,668	32,668	14,961	14,961
Retained earnings	8,502,126	9,631,436	4,742,410	5,045,031
	15,047,768	15,288,695	4,757,371	5,059,992

33.1 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.

33.2 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.

33.3 General reserve

This represents the amounts set aside to meet any contingencies.

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

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34 EMPLOYEE BENEFITS - GROUP

34.1 Employee benefits

As at 31st March	2022	2021
Balance as at the beginning of the year	12,615	10,834
Payments made during the year	-	(3,500)
Provision for the year (note 34.3)	(4,233)	5,281
Balance as at the end of the year	8,382	12,615

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

Interest cost	948	1,138
Current service cost	1,090	1,946
Past service credit	(470)	-
Charged for the year	1,568	3,084

34.3 The amounts recognised in other comprehensive income are as follows:

Actuarial gain / (loss)	(5,801)	2,197
Recognised for the year	(5,801)	2,197
Provision for the year	(4,233)	5,281

The gratuity liability as at 31st March 2022 amounting to Rs. 8,381,512/- (2021 - Rs. 12,615,246/-) 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 Standard (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	15.2% p.a. (2021 - 7.5%)
Rate of pay increase	10% p.a. (2021 - 10%)
Retirement age	60 years (2021 - 55 years)
Mortality	A 1967/70 Mortality Table, issued by the Institute of Actuaries, London was used.
Withdrawal rate	5% for age up to 54 and Zero thereafter (2021 - 5% for age up to 49 and Zero thereafter).

Weighted average duration of the

defined benefit obligation 9.91 years

The Group is a going concern.

The above liability is not externally funded.

During the year ended 31st March 2022, gratuity liability was adjusted to reflect the new legal requirement in the country regarding the retirement age. As a result of the plan amendment, the Group's defined benefit obligation decreased by Rs. 469,683. A corresponding past service credit was recognised in the profit or loss during the year ended 31st March 2022.

34.4 Sensitivity analysis

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

As at 31st March	2022	2021
1% increase in discount rate	(673)	(1,401)
1% decrease in discount rate	778	1,657
1% increase in salary escalation rate	845	1,647
1% decrease in salary escalation rate	(738)	(1,420)

34.5 Maturity analysis of the payments

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

As at 31st March	2022	2021
Less than one year	668	467
One to two years	1,228	930
Two to five years	1,526	1,393
Five to ten years	1,771	1,783
More than ten years	3,189	8,042
	8,382	12,615

35 TRADE AND OTHER PAYABLES

As at 31st March	Group		Company	
	2022	2021	2022	2021
Financial				
Trade payables	11,026	12,764	-	7,919
Amounts due to a related company (note 38.6)	69,733	-	69,733	-
Other payables	81,591	50,340	24,698	23,635
	162,350	63,104	94,431	31,554
Non-financial				
Accruals and provisions	25,389	28,266	4,465	4,049
	25,389	28,266	4,465	4,049
	187,739	91,370	98,896	35,603

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36 LEASE LIABILITIES

36.1 Movement of lease creditor

	Group	
	2022	2021
Balance as at the beginning of the year	15,407	6,797
Additions on new lease contracts	-	15,407
Discounts received	-	(453)
Interest expense charged to the income statement	871	449
Payment of lease liabilities	(8,280)	(6,793)
Balance as at the end of the year	7,998	15,407
Due within one year	7,998	8,346
Due after one year	-	7,061
	7,998	15,407

36.2 Lease commitments - Contractual undiscounted cash flows

	Group	
	2022	2021
Lease rentals payable within one year	8,280	8,280
Lease rentals payable within one to two years	-	8,280
	8,280	16,560

36.3 Amounts recognised in profit or loss

	Group	
	2022	2021
Interest on lease liabilities	871	449

36.4 Amounts recognised in the statement of cash flows

	Group	
	2022	2021
Total cash outflow on leases	(8,280)	(6,793)

37 SHORT TERM BORROWINGS

As at 31st March	Group		Company	
	2022	2021	2022	2021
Balance as at the beginning of the year	212,040	1,054,316	212,040	587,548
Loans obtained during the year	398,285	1,206,400	298,285	1,106,400
Accrued interest	244	640	244	640
Payments made during the year	(552,040)	(2,049,316)	(452,040)	(1,482,548)
Balance as at the end of the year	58,529	212,040	58,529	212,040

Details of the short term borrowings

As at 31st March	Currency	Facility amount	Year of maturity	2022	2021
				Carrying amount	Carrying amount
Commercial Bank	LKR	750,000	N/A	58,529	152,367
Hatton National Bank	LKR	300,000	N/A	-	59,673
		1,050,000		58,529	212,040

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

38 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.

38.1 Parent and ultimate controlling party

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

38.2 Group entities

As at 31st March	Ownership interest %	
	2022	2021
Subsidiaries		
Ceylon Investment PLC	65.94	65.94
Rubber Investment Trust Limited	82.98	82.98
Guardian Capital Partners PLC	-	83.97
Guardian Fund Management Limited	100.00	100.00
Guardian Fund Management LLC	82.97	82.97
Guardian Value Fund LLC	82.97	82.97
Jointly controlled entity		
Guardian Acuity Asset Management Limited	50.00	50.00

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38.3 Transactions with Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard (LKAS 24) - "Related party disclosures", Key Management Personnel (KMP) are those having authority and responsibility for planning and controlling the activities of the entity directly or indirectly. Accordingly, the Directors of the Company, Directors of Guardian Fund Management Limited, Director - Finance and a Director of Carsons Management Services (Private) Limited, 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	
	2022	2021	2022	2021
Short-term employee benefits	31,829	35,387	14,771	16,064
Post-employment benefits	350	352	-	-
Termination benefits paid	-	3,500	-	-
Other long-term benefits	-	-	-	-
Non-cash benefits	184	240	-	-
	32,363	39,479	14,771	16,064

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

38.4 Transactions with related companies

Name of the Company	Relationship	Nature of the transactions	Group		Company	
			2022	2021	2022	2021
Carson Cumberbatch PLC	Parent Company	Dividends paid	98,440	70,757	98,440	70,754
		Share repurchases	69,733	-	69,733	-
Ceylon Investment PLC	Subsidiary	Dividends received	-	-	46,776	65,577
		Sale proceeds from repurchase of shares	-	-	67,281	-
Guardian Fund Management Limited (GFM)	Subsidiary	Portfolio management fees paid*	-	-	42,528	36,237
Rubber Investment Trust Limited	Subsidiary	Dividends received	-	-	41,534	16,811
Guardian Acuity Asset Management Limited	Jointly controlled entity	Portfolio management fees received*	6,000	6,000	-	-
		Dividends received	-	-	1,400	3,500
Bukit Darah PLC	Ultimate Controlling entity	Dividends received on ordinary shares	20,438	12,263	-	-
		Dividends received on 8% participative cumulative preference shares	256	154	-	-
Carsons Management Services (Private) Limited (CMSL)	Affiliate entity	Support Service Fees paid**	36,850	27,034	15,563	9,745
		Computer fees paid	1,290	1,315	420	420
		Secretarial fees paid	1,302	1,672	444	444
Equity Two PLC	Affiliate entity	Rental charges paid	8,280	7,246	-	-

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

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

38.5 Amounts due from related party - on share repurchase

Name of the Company	Relationship	Group		Company	
		2022	2021	2022	2021
Ceylon Investment PLC	Subsidiary	-	-	67,281	-
		-	-	67,281	-

38.6 Amounts due to related party - on share repurchase

Name of the Company	Relationship	Group		Company	
		2022	2021	2022	2021
Carson Cumberbatch PLC	Parent Company	69,733	-	69,733	-
		69,733	-	69,733	-

39 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 Investment Managers and Carsons Management Services (Private) Limited, the managers; who are responsible for developing and monitoring the Group's risk management policies and reports regularly to the Board of Directors on its activities.

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

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

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

39.1 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.

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39.1.1 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	
		2022	2021	2022	2021
Investments in debt securities	28	297,188	246,833	-	-
Investment in unit trusts	29	363,961	162,063	162,908	50,754
Trade and other receivables*	27	168,516	204,578	102,132	69,867
Investment in fixed deposits		982,954	930,938	360,028	184,378
Cash and cash equivalents - Cash at bank	30	1,315,293	1,044,761	407,391	42,528
Cash and cash equivalents - Placements with banking and financial institutions	30	1,455,902	1,328,864	598,739	304,238
Cash and cash equivalents - Securities purchased under resale agreements	30	-	13,889	-	-
		4,583,814	3,931,926	1,631,198	651,765

*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 to provide short term returns
Guardian Acuity Income Fund	Income fund	Fixed income securities that focus on providing medium term returns
Guardian Acuity Equity Fund	Equity fund	Listed equity securities

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 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 fourteen (14) market days and no risk of default, based on past experience in the industry.

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

Age profile of trade and other receivables

As at 31st March	Group Carrying Amount		Company Carrying Amount	
	2022	2021	2022	2021
Less than 30 days	168,289	203,559	102,132	69,867
30 – 60 days	191	554	-	-
61 – 90 days	12	163	-	-
91 – 120 days	-	-	-	-
More than 120 days	24	302	-	-
	168,516	204,578	102,132	69,867

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

Investment in fixed deposits

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

Cash and cash equivalents

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

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

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

As at 31st March	Group Carrying Amount		Company Carrying Amount	
	2022	2021	2022	2021
Credit rating				
AAA	19,481	1,099,038	17,805	78,400
AA+	-	32,256	-	-
AA-	1,338,738	1,208,096	605,169	335,507
A+	1,675,184	196,159	618,345	46,444
A	194,454	222,543	123,287	61,231
BBB+	3,142	15,859	1,552	9,562
A1*	151,840	80,673	-	-
A2*	-	81,215	-	-
Baa2*	59,545	-	-	-
Baa3*	608,953	629,446	-	-
Unrated	60	60	-	-
	4,051,397	3,565,345	1,366,158	531,144

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

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39.2 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.

39.2.1 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 2022	Carrying amount	Total undiscounted cash flows	Contractual cash flows		
			up to 3 months	3-12 months	More than a year
Non derivative financial liabilities					
Trade and other payables *	162,350	162,350	162,350	-	-
Short term loans	58,529	58,529	58,529	-	-
Lease liabilities	7,998	8,280	2,070	6,210	-
	228,877	229,159	222,949	6,210	-

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 loans	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

Company

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

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 loans	212,040	212,040	212,040	-	-
	243,594	243,594	243,594	-	-

* 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	
	2022	2021	2022	2021
Cash and cash equivalents	2,771,255	2,387,574	1,006,130	346,766
Investment in unit trusts	363,961	162,063	162,908	50,754
Total liquid assets	3,135,216	2,549,637	1,169,038	397,520
Liquid assets as a % of the total net assets	16%	13%	19%	6%

39.2.2 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	
	2022	2021	2022	2021
Unutilised overdraft facilities	991,715	838,600	991,715	838,600
	991,715	838,600	991,715	838,600

39.3 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.

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39.3.1 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.

The Monetary Board of the Central Bank of Sri Lanka, at its meeting held on 08th April 2022, decided to increase the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) of the Central Bank by 700 basis points to 13.50 percent and 14.50 percent, respectively, effective from the close of business on 8th April 2022. The policy response was made by the Central Bank of Sri Lanka after the reporting period and consequently, no adjustments were necessary to the amounts recognised in the financial statements. Given the continuing volatility of interest rate movement that resulted as a consequence, the Group is not able to make an estimate of its financial effect with acceptable precision.

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	
	2022	2021	2022	2021
Variable rate instruments				
Financial assets - Securities under resale agreements	-	13,889	-	-
- Investment in unit trusts	353,687	150,859	157,771	45,152
- Cash at bank	1,315,353	1,044,821	407,391	42,528
	1,669,040	1,209,569	565,162	87,680
Fixed rate instruments				
Financial assets - Placement with banking and financial institutions	1,455,902	1,328,864	598,739	304,238
- Investment in fixed deposits	982,954	930,938	360,028	184,378
- Investment in corporate bonds	297,188	246,833	-	-
Financial liabilities - Short term borrowings	(58,529)	(212,040)	(58,529)	(212,040)
	2,677,515	2,294,595	900,238	276,576

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

As at 31st March	2022	2021
Commercial Banks Averaged Weighted Prime Lending Rate (AWPLR) *	9.47%	5.67%
Commercial Banks Averaged Weighted Deposit Rate (AWDR) *	5.17%	5.20%

* Monthly averaged rate as at reporting date.

Sensitivity Analysis

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

Movement in interest rate	Group Profit or Loss		Company Profit or Loss	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
As at 31st March 2022				
- Variable rate instruments	16,690	(16,690)	5,652	(5,652)
	16,690	(16,690)	5,652	(5,652)
As at 31st March 2021				
- Variable rate instruments	12,096	(12,096)	877	(877)
	12,096	(12,096)	877	(877)

39.3.2 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 65% (2021 - 72%) 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.

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As at 31st March	Note	Group Carrying Amount		Company Carrying Amount	
		2022	2021	2022	2021
Investments in equity securities	25,28.2-28.4,28.7-28.9	15,291,090	16,179,023	2,812,613	3,487,056
Investment in unit trusts - Guardian Acuity Equity Fund	29	10,274	11,204	5,137	5,602
		15,301,364	16,190,227	2,817,750	3,492,658

A broad analysis of the investments made by the Company based on the industry / sector is given in note 28.

39.3.3 Currency risk

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

The Sri Lankan Rupee was pegged against the US Dollar during the year with tight exchange control moves by the Central Bank of Sri Lanka (CBSL). However, CBSL abandoned the pegged exchange rate in March 2022 which resulted in a steep depreciation of the LKR. The impact from this currency depreciation on the Company is expected from the translation of its Mauritius operations, which is recorded under other comprehensive income on the financial statements.

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

For the year ended	Conversion rate	
	2022	2021
LKR / USD		
Assets and liabilities	293.87	199.83
Income and expenses	205.10	188.62

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

As at 31st March	Group			
	Carrying Amount		Carrying Amount	
	2022		2021	
	LKR (000')	USD	LKR (000')	USD
Investments in equity and debt securities	748,946	2,548,549	355,718	1,780,105
Receivables	33,787	114,986	151	755
Cash and cash equivalents	523,151	1,780,212	544,350	2,724,064
Payables	(4,304)	(14,646)	(2,224)	(11,129)
Net exposure	1,301,580	4,429,101	897,995	4,493,795

Sensitivity Analysis

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

	Strengthening	Weakening
	LKR (000')	LKR (000')
Movement in exchange rate		
As at 31st March 2022		
- United State Dollars (15% movement)	195,237	(195,237)
	195,237	(195,237)
As at 31st March 2021		
- United State Dollars (1% movement)	8,980	(8,980)
	8,980	(8,980)

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39.4 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 2022	Fair value through profit or loss financial assets	Financial assets at amortised cost	Fair value through other comprehensive income financial assets	Other financial liabilities	Total carrying amount	Fair value
Financial assets measured at fair value						
Investments in equity and debt securities	8,194,740	-	7,393,538	-	15,588,278	15,588,278
Investments in unit trusts	363,961	-	-	-	363,961	363,961
Financial assets not measured at fair value						
Trade and other receivables	-	168,516	-	-	168,516	
Investment in fixed deposits	-	982,954	-	-	982,954	
Cash and cash equivalents	-	2,771,255	-	-	2,771,255	
Total financial assets	8,558,701	3,922,725	7,393,538	-	19,874,964	
Financial liabilities not measured at fair value						
Trade and other payables	-	-	-	162,350	162,350	
Short term borrowings	-	-	-	58,529	58,529	
Lease liabilities	-	-	-	7,998	7,998	
Total financial liabilities	-	-	-	228,877	228,877	

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
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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	

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Company

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

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
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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	

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39.5 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 2022				
Investments in equity and debt securities	15,248,694	297,188	42,396	15,588,278
Investments in unit trusts	-	363,961	-	363,961
	15,248,694	661,149	42,396	15,952,239

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

Company

	Level 1	Level 2	Level 3	Total
As at 31st March 2022				
Investments in equity and debt securities	2,770,227	-	42,386	2,812,613
Investments in unit trusts	-	162,908	-	162,908
	2,770,227	162,908	42,386	2,975,521

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

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

For the year ended 31st March	Group		Company	
	2022	2021	2022	2021
Opening balance	163,678	175,086	163,668	35,426
Change in fair value	5,080	(11,408)	5,080	(23,864)
Transfer to level 1	(126,362)	-	(126,362)	-
Additions	-	-	-	152,106
Disposal / write off of investments	-	-	-	-
Closing balance	42,396	163,678	42,386	163,668

39.6 Valuation techniques and significant unobservable inputs

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

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

40 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.

41 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, no circumstances have arisen which would require adjustments to or disclosures in the financial statements, other than those disclosed in notes 16.5 (iv), 19.2 and 31.

In Rupees Thousands

42 IMPACT FROM UNCERTAIN AND VOLATILE MACRO ECONOMIC CONDITIONS

The present challenging circumstances of the country in the forms of shortage of foreign currency reserves, interruptions to the smooth supply of essential items and utilities, and continuing political instability may create economic uncertainties and thus impact the normal operations of many businesses in the country. This includes the disruption to capital markets, deteriorating credit quality, liquidity concerns, increasing unemployment, decline in consumer discretionary spending and savings, reduction in production etc. As national recovery plans are still in development and/or negotiation stage, we are yet to witness the effectiveness of the Government's and Central Bank's short and medium-term corrective measures to support businesses and consumers through this economic trough. This situation also has significantly increased the estimation uncertainty when preparing financial statements. However, the management continues to adhere to prudent internal investment controls, financial reporting controls and monitor predetermined investment criteria to ensure quality of the underlying investments and financial reporting.

43 DISPOSAL OF MAJORITY HOLDING IN GUARDIAN CAPITAL PARTNERS PLC BY CEYLON GUARDIAN INVESTMENT TRUST PLC

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

44 COMMITMENTS AND CONTINGENCIES

44.1 Commitments

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

44.2 Contingencies

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

44.3 Litigation and claims

On 8th November 2021, M/s Gazelle Asset Management Pte Ltd a company incorporated in Singapore with whom the Company had signed a Share Sale and Purchase Agreement filed action in the Commercial High Court claiming Rs.100 million as damages from the Company alleging wrongful termination of the said Agreement together with an enjoining order against the Company from drawing on the escrow funds. The said claim against the Company has been withdrawn and court proceedings terminated pursuant to a settlement between the parties.

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

45 COMPARATIVE FIGURES

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

46 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	2022	2021	2020	2019	2018
Statement of profit or loss and other comprehensive income					
Revenue					
Dividend income	694,063	571,392	397,791	433,707	777,670
Net gain on disposal of investments	456,542	1,000,480	175,602	(65,396)	603,773
Interest income	137,386	122,002	112,565	230,191	150,948
Management fee	135,130	126,075	128,341	115,250	107,040
	1,423,121	1,819,949	814,299	713,752	1,639,431
Less: Inter-group transactions	(254,142)	(215,286)	(112,967)	(195,470)	(439,307)
	1,168,979	1,604,663	701,332	518,282	1,200,124
Fair value adjustment - unrealised	(1,779,992)	1,869,267	(1,828,266)	(2,539,648)	(133,924)
Impairment on goodwill	-	-	(48,445)	-	-
Profit / (loss) on investment activities	(611,013)	3,473,930	(1,175,379)	(2,021,366)	1,066,200
Profit / (loss) before taxation	(835,857)	3,221,390	(1,424,364)	(2,285,381)	847,016
Income tax expense	(84,956)	(56,652)	(35,021)	(58,288)	(50,697)
Profit / (loss) for the year from continuing operations	(920,813)	3,164,738	(1,459,385)	(2,343,669)	796,319
Profit / (loss) for the year	(1,065,632)	3,243,951	(1,472,613)	(2,343,669)	796,319
Non-controlling interest	168,005	(522,930)	227,737	422,017	(179,692)
Profit / (loss) attributable to the equity holders of the parent	(897,627)	2,721,021	(1,244,876)	(1,921,652)	616,627
Statement of financial position					
Capital employed					
Stated capital	1,128,726	1,128,726	1,128,726	1,128,726	1,128,726
Reserves	15,372,604	15,613,404	10,406,752	11,959,216	13,940,944
Total equity attributable to equity holders of the parent	16,501,330	16,742,130	11,535,478	13,087,942	15,069,670
Non-controlling interest	3,148,737	3,319,563	2,332,108	2,629,463	3,197,287
Total equity	19,650,067	20,061,693	13,867,586	15,717,405	18,266,957
Assets employed					
Current assets	12,486,944	13,398,628	11,091,812	11,413,584	4,292,327
Current liabilities	(286,471)	(319,791)	(1,152,006)	(334,324)	(237,937)
Net current assets	12,200,473	13,078,837	9,939,806	11,079,260	4,054,390
Non-current assets	7,457,976	7,002,532	3,938,614	4,645,903	14,219,993
Non-current liabilities	(8,382)	(19,676)	(10,834)	(7,758)	(7,426)
Net assets	19,650,067	20,061,693	13,867,586	15,717,405	18,266,957
Statement of cash flows					
Net cash generated from / (used in) operating activities	518,706	1,025,567	1,372,857	(416,756)	(220,092)
Net cash generated from / (used in) investing activities	46	2,440	(160)	(59,465)	(19,908)
Net cash generated from / (used in) financing activities	(551,731)	(1,065,338)	823,726	(24,194)	(616,020)
Net increase / (decrease) in cash & cash equivalents	(32,979)	(37,331)	2,196,423	(500,415)	(856,020)

Five Year Summary

In Rupees Thousands

For the year ended / As at 31st March	2022	2021	2020	2019	2018
Ratios & statistics					
Operational ratio					
Return on ordinary shareholders funds (%)	(5.44)	16.25	(10.79)	(14.68)	4.09
Liquidity ratio					
Current ratio (times)	43.59	41.90	9.63	34.14	18.04
Investor ratio					
Earnings / (loss) per share (Rs.)	(10.11)	30.65	(14.02)	(21.65)	6.95
Dividend per share (Rs.) *	2.00	1.60	1.15	0.75	3.00
Dividend cover (times)	(5.06)	19.16	-	-	2.32
Dividend growth (%)	25	39	53	(75)	(25)
Dividend yield (%)	2.55	1.33	1.60	1.21	3.66
Dividend payout ratio (%)	(19.78)	5.22	N/A	N/A	43.17
Net assets value per share - (Rs.)	185.87	188.58	129.93	147.42	169.74
Market value per share (Rs.) **	78.50	120.00	71.80	61.80	82.00
Price earning ratio (times)	(7.76)	3.92	(5.12)	(2.85)	11.80
Price to book value ratio (times)	0.42	0.64	0.55	0.42	0.48
Market capitalisation	6,513,841	9,957,464	5,957,883	5,128,094	6,804,267
Fair value of investments	19,647,919	19,694,391	13,665,962	15,510,443	18,135,671
All Share Price Index (points)	8,904	7,121	4,572	5,557	6,477
S&P SL 20 Index (points)	3,031	2,850	1,947	2,739	3,650

* 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	2022	2021	Change %
Revenue	5,699,556	8,507,385	(33)
Profit / (loss) from operations	(4,040,268)	17,314,860	(123)
Share of profit/ (loss) of equity accounted investee, net of tax	(3,925)	14,871	(126)
Profit / (loss) before taxation	(4,075,363)	17,078,729	(124)
Profit / (loss) for the year from continuing operations	(4,489,580)	16,778,379	(127)
Profit / (loss) for the year	(5,195,670)	17,198,340	(131)
Other comprehensive income / (expense) for the year	5,242,418	16,469,785	(68)
Total comprehensive income / (expense) for the year	46,748	33,668,125	(100)
Net cash generated from operating activities	2,529,039	5,437,212	(53)
Total equity attributable to equity holders of the parent	56,151,801	83,781,863	(33)
Earnings / (loss) per share	(0.05)	0.16	(131)
Dividend per share *	0.01	0.01	-
Net assets per share	0.63	0.94	(33)
Ceylon Guardian - Fund value **	66,859,220	98,555,727	(32)

* Based on proposed / interim dividends

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

Statement of Profit or Loss and Other Comprehensive Income

In United States Dollars

For the year ended 31st March	Group	
	2022	2021
Continuing operations		
Revenue	5,699,556	8,507,385
Net change in fair value through profit or loss financial assets	(8,678,654)	9,910,227
Profit / (loss) on investment activities	(2,979,098)	18,417,612
Administrative and other operating expenses	(1,061,170)	(1,102,752)
Profit / (loss) from operations	(4,040,268)	17,314,860
Profit from disposal of investment in subsidiary	-	115,210
Net finance income / (expense)	(31,170)	(366,212)
Profit / (loss) from operations after net finance income / (expense)	(4,071,438)	17,063,858
Share of profit / (loss) of equity accounted investee, net of tax	(3,925)	14,871
Profit / (loss) before taxation	(4,075,363)	17,078,729
Income tax expense	(414,217)	(300,350)
Profit / (loss) for the year from continuing operations	(4,489,580)	16,778,379
Discontinued operations		
Profit/(loss) after tax for the period from discontinued operations	(706,090)	419,961
Profit / (loss) for the year	(5,195,670)	17,198,340
Other comprehensive income		
Items that will never be reclassified to profit or loss		
Actuarial gain / (loss) on employee benefit obligation	28,284	(11,648)
Related tax on employee benefits	(6,787)	2,794
Net change in fair value through other comprehensive income financial assets	3,188,805	16,226,423
Items that are or may be reclassified to profit or loss		
Share of other comprehensive income / (expense) of equity accounted investee, net of tax	619	(170)
Net exchange differences on translation of foreign operations	2,031,497	252,386
Other comprehensive income / (expense) for the year	5,242,418	16,469,785
Total comprehensive income / (expense) for the year	46,748	33,668,125
Profit / (loss) attributable to:		
Equity holders of the parent	(4,376,533)	14,425,940
Non controlling interest	(819,137)	2,772,400
	(5,195,670)	17,198,340
Total comprehensive income / (expense) attributable to:		
Equity holders of the parent	(22,959)	28,093,149
Non controlling interest	69,707	5,574,976
	46,748	33,668,125
Earnings / (loss) per share (USD)	(0.05)	0.16

Statement of Financial Position

In United States Dollars

As at 31st March	Group	
	2022	2021
ASSETS		
Non-current assets		
Property, plant and equipment	9,348	12,716
Intangible assets	8,827	953,365
Right of use assets	26,212	77,101
Investment in equity accounted investee	170,259	260,782
Investments in fair value through other comprehensive income	25,159,213	33,726,237
Deferred tax asset	4,628	12,245
Total non-current assets	25,378,487	35,042,446
Current assets		
Trade and other receivables	592,214	1,102,577
Current tax assets	-	56,963
Investments in equity and debt securities	27,885,596	48,472,912
Investments in unit trusts	1,238,510	811,004
Investment in fixed deposits	3,344,860	4,658,650
Cash and cash equivalents	9,430,207	8,004,984
Total current assets	42,491,387	63,107,090
Asset held for sale	-	3,943,042
Total assets	67,869,874	102,092,578
EQUITY AND LIABILITIES		
Equity		
Stated capital	8,834,775	8,834,775
Capital reserves	754,423	753,804
Revenue reserves	46,562,603	74,193,284
Total equity attributable to equity holders of the parent	56,151,801	83,781,863
Non controlling interest	10,714,728	16,611,935
Total equity	66,866,529	100,393,798
Non-Current Liabilities		
Employee benefits	28,523	63,129
Lease liabilities	-	35,335
Total non-current liabilities	28,523	98,464
Current liabilities		
Trade and other payables	638,851	457,239
Lease liabilities	27,216	41,766
Current tax liabilities	109,589	24,636
Short term borrowings	199,166	1,061,102
Total current liabilities	974,822	1,584,743
Liabilities directly associated with assets held for sale	-	15,573
Total liabilities	1,003,345	1,698,780
Total equity and liabilities	67,869,874	102,092,578
Net assets per ordinary / deferred share (USD)	0.63	0.94

Five Year Summary

In United States Dollars

For the year ended /As at 31st March	2022	2021	2020	2019	2018
Statement of income					
Revenue					
Dividend income	3,384,022	3,029,329	2,219,073	2,616,633	5,069,226
Net gain on disposal of investments	2,225,948	5,304,210	979,594	(394,546)	3,935,682
Interest income	669,849	646,814	627,943	1,388,784	983,952
Management fee	658,849	668,407	715,949	695,324	697,738
	6,938,668	9,648,760	4,542,559	4,306,195	10,686,598
Less: Inter-group transactions	(1,239,112)	(1,141,375)	(630,185)	(1,179,306)	(2,863,614)
	5,699,556	8,507,385	3,912,374	3,126,889	7,822,984
Profit / (loss) before taxation	(4,075,363)	17,078,729	(7,945,799)	(13,788,121)	5,521,257
Income tax expenses	(414,217)	(300,350)	(195,364)	(351,662)	(330,467)
Profit / (loss) for the year from continuing operations	(4,489,580)	16,778,379	(8,141,163)	(14,139,783)	5,190,790
Profit / (loss) for the year	(5,195,670)	17,198,340	(8,214,955)	(14,139,783)	5,190,790
Non controlling interest	819,137	(2,772,400)	1,270,428	2,546,106	(1,171,319)
Profit / (loss) attributable to the equity holders of the parent	(4,376,533)	14,425,940	(6,944,527)	(11,593,677)	4,019,471
Statement of financial position					
Capital employed					
Stated capital	8,834,775	8,834,775	8,834,775	8,834,775	8,834,775
Reserves	47,317,026	74,947,088	51,907,039	65,490,524	88,014,003
Total equity attributable to equity holders of the parent	56,151,801	83,781,863	60,741,814	74,325,299	96,848,778
Non controlling interest	10,714,728	16,611,935	12,280,070	14,932,495	20,548,117
Total equity	66,866,529	100,393,798	73,021,884	89,257,794	117,396,895
Assets employed					
Current assets	42,491,387	67,050,132	58,405,624	64,816,764	27,585,648
Current liabilities	(974,822)	(1,600,316)	(6,066,062)	(1,898,597)	(1,529,158)
Net current assets	41,516,565	65,449,816	52,339,562	62,918,167	26,056,490
Non-current assets	25,378,487	35,042,446	20,739,370	26,383,684	91,388,130
Non-current liabilities	(28,523)	(98,464)	(57,048)	(44,057)	(47,725)
Net assets	66,866,529	100,393,798	73,021,884	89,257,794	117,396,895
Cash Flow Statements					
Net cash generated from / (used in) operating activities	2,529,039	5,437,212	7,658,468	(2,514,365)	(1,434,665)
Net cash generated from / (used in) investing activities	224	12,936	(893)	(358,763)	(129,770)
Net cash generated from / (used in) financing activities	(2,690,059)	(5,648,065)	4,595,147	(145,967)	(4,015,514)
Net increase/ (decrease) in cash & cash equivalents	(160,796)	(197,917)	12,252,722	(3,019,095)	(5,579,949)

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	2022	2021
Statement of profit or loss and other comprehensive income - average rate	205.10	188.62
Monetary assets and liabilities - closing rate	293.87	199.83
Non-monetary assets and liabilities - closing rate	293.87	199.83
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	2022	2021
Beginning of the year	74,193,284	51,153,065
Net movement during the year	(2,860,219)	28,023,820
	71,333,065	79,176,885
Currency fluctuations	(24,770,462)	(4,983,601)
As at the end of the year	46,562,603	74,193,284

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 2022 was Rs. 78.50 per share (2021 – Rs. 120.00)

3. ORDINARY SHAREHOLDERS

As at 31st March	2022	2021
Number of Shareholders	1,548	1,630

The number of ordinary shares held by Non-Residents as at 31st March 2022 was 7,175,645 (2021 – 7,347,225) which amount to 8.65% (2021 – 8.85%).

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	1,046	178,357	0.21	10	2,623	0.01	1,056	180,980	0.22
1001-10,000	306	990,068	1.20	14	51,761	0.06	320	1,041,829	1.26
10,001-100,000	100	2,808,517	3.38	24	708,694	0.85	124	3,517,211	4.23
100,001-1,000,000	34	11,611,966	13.99	9	2,525,193	3.04	43	14,137,159	17.04
Above 1,000,000	3	60,214,315	72.56	2	3,887,374	4.68	5	64,101,689	77.24
Grand Total	1,489	75,803,223	91.35	59	7,175,645	8.65	1,548	82,978,868	100

Categorization of Shareholders as at 31st March 2022

Categories of Shareholders	No. of Shareholders	No. of Shares	%
Individuals	1,388	12,206,796	14.71
Institutions	160	70,772,072	85.29
Total	1,548	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 7.14.1.a. of the Listing Rules of Colombo Stock Exchange, under Option 5, i.e. Float-adjusted Market Capitalization of less than Rs. 2.5 Bn with 500 Public Shareholders and a Public Holding percentage of 20%.

The Company's Public Holding as at 31st March 2022

- Market Capitalization of the Public Holding - Rs. 2.15 Bn
- Percentage of ordinary shares held by the public - 33.09% (2020 – 32.71%)
- Number of Public Shareholders – 1,536

5. MARKET PERFORMANCE - ORDINARY SHARES

For the year ended 31st March	2022	2021
Share price as at 31st March (Rs.)	78.50	120.00
Highest (Rs.)	136.75	170.00
Lowest (Rs.)	74.00	49.00
Value of the shares traded (Rs.)	327,147,195	387,296,080
No. of shares traded	3,003,325	3,351,163
Volume of transactions (Nos.)	5,240	4,925
Market capitalization (Rs.)	6,513,841,138	9,957,464,160

6. RECORD OF BONUS ISSUES, RIGHT ISSUES REPURCHASE AND SUBDIVISION OF SHARES

The undermentioned share issues / repurchases have been made by the Company to date, in relation to its ordinary shares.

Year ended	Issue	Basis	No. of shares	Cumulative No. of shares
1951	-	Initial Capital	-	757,525
1990	-	Bonus	1:01	1,515,050
1992	-	Bonus	1:08	1,704,431
1999	-	Bonus	1:04	2,130,539
2000	-	Bonus	1:04	2,663,173
2002	- April	Rights	1:07	3,043,626
	- May	Bonus	1:04	3,804,532
2003	- July	Rights	1:05	4,565,438
	- August	Bonus	1:06	5,326,344
2004	- July	Rights	1:02	7,989,516
2004	- September	Bonus	1:03	10,652,688
2005	- March	Rights	1:03	14,203,584
	- June	Bonus	1:03	18,938,112
2009	- October	Repurchase	3.2	16,097,396
2010	- November	Subdivision	5:01	80,486,980
		Capitalisation of Reserves	1:50	82,096,719
2015	- August	Scrip	1:93	82,978,868
2022	- May	Repurchase	1:180	82,517,874

7. DIVIDEND

The Company paid a First Interim Dividend of Rs.2/- per Ordinary Share and Deferred Share for the year ended 31st March 2022. (2021 - First and final dividend of Rs.1.60 per share).

8. NUMBER OF EMPLOYEES

The Company had no employees at the balance sheet date (2021 - Nil). The Group had 23 (2021 - 22) employees as at the balance sheet date.

9. MAJOR SHAREHOLDERS

A list of major shareholders of the Company as at the 31st March 2022 is provided in the Annual Report of the Board of Directors, on page 27.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the SEVENTIETH Annual General Meeting of CEYLON GUARDIAN INVESTMENT TRUST PLC will be held on Tuesday, the 9th day of August 2022 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 (Virtual Meeting), 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 2022 together with the Independent Auditors' Report thereon.
2. To re-elect Mr. Krishna Selvanathan who retires by rotation in terms of Articles 72,73 and 74 of the Articles of Association of the Company.
3. To re-elect Mr. Anthony Dirk Pereira as a Director in terms of Article 68 of the Articles of Association of the Company.
4. To re-appoint Mr. Christopher William 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. Christopher William Knight who is seventy nine 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. Mirihana Arachchige Rose Chandralatha 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. Mirihana Arachchige Rose Chandralatha Cooray who is seventy three 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. Vernon Manilal 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. Vernon Manilal Fernando who is seventy two 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. Don Chandima Rajakaruna Gunawardena as a Director of the Company who is over Seventy years of age and to consider and if deemed fit to pass the following 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. Don Chandima Rajakaruna Gunawardena 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."

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.
9. To amend the Articles of Association of the Company and to consider and if deemed fit to pass the following Resolution as a Special Resolution;

Notice of Meeting

SPECIAL RESOLUTION

"IT IS HEREBY RESOLVED to amend the Articles of Association of the Company in the following manner;

- i. To amend Article 16(2) by deleting the words 'an interim dividend' and replacing the same with the words 'interim and final dividends', appearing between the words 'of' and 'to' in lines 1 and 2 thereof;

"16(2) The Board may from time to time approve the payment of interim and final dividends to Shareholders, where that appears to be justified by the Company's profits, without the need for approval by an Ordinary Resolution of the Shareholders."

- ii. To amend Article 17 by inserting the words 'without the need for approval of Shareholders' in between the words 'Board' and 'and' in line 4 thereof.

"17. The Company may agree to purchase or otherwise acquire its own Shares (which shall include a particular class of shares in the Company), from one or more of the Shareholders or from all of the Shareholders with the approval of the Board without the need for approval of the Shareholders and in accordance with the provisions of the Act."

By Order of the Board

(Sgd).

K. D. De Silva (Mrs.)

Director

Carsons Management Services (Private) Limited

Secretaries

Colombo

15th July 2022

Notes

1. **THIS NOTICE SHOULD BE READ IN CONJUNCTION with the attached document titled "Procedure to be followed at the 70th Annual General Meeting of the Company scheduled for 9th August 2022".**
2. As permitted by Article 43(b) of the Articles of Association of the Company, the Board of Directors decided on 15th July 2022 to convene the AGM of the Company through an "audio-visual" technology in view of protecting public health and safety.
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 9th August 2022"**.
4. The Annual Report 2021/22 and the Notice convening the Annual General Meeting (AGM) together with the procedure to be followed at the AGM will 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_2021_2022/ceylon-guardian-annual-report-2021-22.pdf
5. 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.
6. 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 7th August 2022,**
 - via email to CGITAGM2022@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.
7. 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.
8. The transfer books of the Company will remain open

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 or failing him,
Anthony Dirk Pereira

as *my/our proxy to attend at the 70th Annual General Meeting of the Company to be held on Tuesday, the 9th day of August 2022 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) 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"/>
(ii) To re-elect Mr. A.D. Pereira as a Director in terms of Article 68 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 over 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"/>
(viii) SPECIAL RESOLUTION Amendments to the Articles of Association of the Company	<input type="checkbox"/>	<input type="checkbox"/>

Signed this.....day of Two Thousand and Twenty Two.

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 54(2) 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 appointer or by his attorney; and
 - ii. in the case of a corporation shall be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.
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 50 of the Articles of Association of the Company:

In the case of joint-holders of a share, the senior who tenders a vote, whether in person or by proxy or by attorney or by representative, shall be accepted to the exclusion of the votes of the other joint- holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.
6. To be valid the completed Form of Proxy should be submitted to the Company not later than 4.45 p.m. on 7th August 2022;
 - via email to **CGITAGM2022@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. A. D. Pereira – Appointed w.e.f 21st October 2021

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

DFCC Bank PLC

National Development Bank PLC

AUDITORS

Messrs. KPMG

Chartered Accountants,

No. 32A, Sir Mohamed Macan Markar Mawatha,
Colombo 3.

INVESTMENT MANAGERS

Guardian Fund Management Limited

No. 61, Janadhipathi Mawatha,
Colombo 1, Sri Lanka.

Tele: +94-11-2039200

Fax: +94-11-2039385

MANAGERS & SECRETARIES

Carsons Management Services (Private) Limited

No. 61, Janadhipathi Mawatha,
Colombo 1.

Tele: +94-11-2039200 Fax: +94-11-2039300

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

No. 61, Janadhipathi Mawatha,
Colombo 1.

Tele: +94-11-2039200 Fax: +94-11-2039300

CORPORATE WEBSITE

www.carsoncumberbatch.com

The Company is a member of the Carson Cumberbatch Group of companies

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