

Ceylon Guardian Investment Trust PLC

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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 manages 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. 24.94 billion as at the end of March 2024.

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

Financial Highlights

All figures are in Sri Lankan Rupees Thousands

For the year ended / As at 31st March	2024	2023	Change %
Revenue	2,287,656	1,114,610	105
Profit / (loss) from operations	3,747,634	1,709,903	119
Profit / (loss) before taxation	3,670,375	1,575,783	133
Profit / (loss) for the year from continuing operations	3,392,371	1,428,470	137
Profit / (loss) for the year	3,392,371	1,429,199	137
Other comprehensive income / (expense) for the year	(571,287)	1,530,420	(137)
Total comprehensive income / (expense) for the year	2,821,084	2,959,619	(5)
Profit / (loss) attributable to equity holders of the parent company	2,846,045	1,207,073	136
Total comprehensive income / (expense) attributable to equity holders of the parent	2,371,255	2,477,231	(4)
Net cash generated from / (used in) operating activities	1,576,729	(2,658,616)	(159)
Net increase / (decrease) in cash and cash equivalents	1,917,642	(2,493,413)	(177)
Total equity attributable to equity holders of the parent	20,814,675	18,734,602	11
Total equity	24,801,498	22,324,486	11
Total assets	26,276,316	23,053,549	14
Return on ordinary shareholders funds (%)	13.68	6.44	112
Earnings / (loss) per share (Rs.)	32.31	13.70	136
Dividend per share (Rs.) *	-	2.20	(100)
Net assets per ordinary / deferred share (Rs.)	237.08	212.20	12
Guardian actively managed Portfolio **	16,613,019	13,706,990	21
Guardian fund value **	24,936,497	22,475,000	11
Stock market data			
All Share Price Index (points)	11,444	9,301	23
S&P SL 20 Index (points)	3,318	2,683	24
Market capitalisation	7,311,496	5,611,215	30
Share price (Rs.)			
Year end	89.10	68.00	31
High	115.00	85.00	35
Low	55.00	50.00	10

* Based on proposed / interim dividends

** Based on fair value of portfolio after adjusting for cash and cash equivalents. Total Fund value includes 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 is my pleasure to present to you the Annual Report for the financial year ended 31 March 2024.

The year under review saw the economy demonstrate signs of recovery from the financial crisis, largely due to the country adhering to the economic policies prescribed by the IMF programme. We witnessed a series of much-needed reforms introduced in areas related to tax administration, the pricing of essentials and state-owned enterprises (SOEs). The partial implementation of such reforms assisted with economic stabilisation and laid the foundation for a potential recovery. We experienced a recovery in tourist arrivals and stronger remittance flows which brought much needed foreign currency into the economy. The gross official reserves improved to \$5.0 billion as at March 2024, while interest rates declined significantly from crisis levels to low double-digit levels. However, significant efforts are further required to enable continued economic recovery, with more immediate challenges centring primarily on debt sustainability.

The positive developments on the economic front filtered through into the Colombo Stock Exchange (CSE), creating a cautionary but optimistic sentiment. As a result, the All Share Price Index (ASPI) experienced a strong performance of 23.04% while the S&P SL20 index also increased to 23.66%. Investor participation was more vibrant as declining interest rates encouraged increased investor participation in equities and a notable transition from fixed income. I am pleased to say that your Company was able to benefit from these positive developments and capture the upturn through its performance.

The Ceylon Guardian Group's discretionary portfolio recorded a performance of 23.74% (adjusted for dividend and share repurchases) and reported a consolidated profit after tax of Rs. 3.4 Bn for the financial year 2024. The strong financial performance was largely attributable to the gain of Rs. 1.9 Bn from fair value through the profit or loss of financial assets due to the upward movement of equity holdings of the portfolio.

I would like to thank the staff for their proactive efforts in managing the Company in very challenging times. I would also like to express my heartfelt gratitude to our shareholders, loyal clients and investors for placing their trust in the Company. I share my appreciation with the regulators and service providers for their ongoing support. Mr. Don Chandima Rajakaruna Gunawardena resigned from the Board in March 2024, and I take this opportunity to thank him for his valuable contribution to the Company and wish him success in his future endeavours. I welcome Mr. Christopher Thorburn Knight who joined the Board of Directors in July 2023 and look forward to his contributions to the Company and its future. I further express my deep appreciation of my fellow Board Members and the members of the Audit Committee, Remuneration Committee, Nomination Committee and Related Party Transactions Review Committee for their continued diligence.

(Sgd.)

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

Chairperson

Colombo

1st July 2024

Management Discussion and Analysis

GUARDIAN GROUP PORTFOLIO PERFORMANCE

We experienced another eventful year, as we witnessed the Sri Lankan economy begin its much-needed consolidation with the peak of the crisis behind it. Despite the many challenges that lie ahead, economic stabilisation began to take hold due to implementation of a number of key structural reforms and policy adjustments. Furthermore, the announcement of the Domestic Debt Optimisation (DDO) after the first quarter of the financial year resulted in declining policy and market interest rates, thereby moving the economic strategy into a more expansionary one. However, for the economy to remain on a more sustainable footing, with objectives of growth and prosperity in mind, considerable work is in store in terms of managing debt, fiscal reforms, governance and strategizing for economic growth.

CGIT's discretionary portfolio was well-positioned to grow during this recovery period and capture the uptick in the share market while also benefitting from the high yielding fixed income investments made in the previous financial year.

The discretionary portfolio grew by 23.74% (adjusted for dividends and share repurchases) for the financial year to close at Rs. 16.61 bn. This performance was higher than the ASPI of 23.04% and the average bank fixed deposit rates for the year of approximately 11.80%. Our equity philosophy of focusing on fundamentally strong companies that trade at significant discounts to their fair value contributed well to the overall performance. The total portfolio, which includes the strategic stake in Bukit Darah PLC, grew by 12.50% to Rs. 24.94 Bn (adjusted for dividends and share repurchases).

	As at			As at 31-Mar 2024 (Dividend Repurchase adjusted)	Dividend/Repurchase adjusted performance
	31-Mar-24	31-Mar-23	Change %		
Discretionary portfolio (Rs. '000) *	16,613,019	13,706,990	21.20%	16,961,301	23.74%
Total Portfolio (Rs. '000)*	24,936,497	22,475,000	10.95%	25,284,779	12.50%
ASPI (Points)	11,444	9,301	23.04%		23.04%
S&P 20 (Points)	3,318	2,683	23.66%		23.66%

*After the addition of the total cash outflow from the distribution of dividend and repurchases by the Group which was Rs.348.2 Mn during the period under review.

Initial adherence to the IMF program has been forthcoming, and as a result, there have been positive effects thus far. However, keeping in line with the program poses challenges largely in the form of fiscal revenue generation targets and overall debt curtailment in the years ahead. Despite the sharp upward tax adjustments that the country has experienced through income and indirect taxes, some favourable trends began to emerge such as the appreciation of the exchange rate, stronger remittances and tourism receipts. These factors along with declining interest rates contributed towards the positive sentiment and upbeat performance of the ASPI. The ASPI recorded a robust performance of 21.87% in the first half of the financial year largely driven by announcement of the Domestic Debt Optimization (DDO) and a subsequent 0.96% for the second half of the year. The announced DDO was not as deep or broad-based as what was initially anticipated which led to it being accepted positively by majority of market participants. Most companies listed on the CSE continued to experience reduced demand and cost escalations, which

resulted in declining profitability. However, economic stabilization and an upward trajectory in some key macroeconomic variables such as economic growth, gross official reserves and reduced inflation has provided for some level of optimism.

Interest rates experienced a sharp decline throughout the financial year owing to the easing of monetary policy and the gradual dissipation of the threat of inflation. The 364-day Treasury bill saw a large decrease from 24.31% at the start of the financial year to close the year at 10.28%. This was facilitated through the combined effects of the conclusion of the DDO, cumulative policy rate reductions of 7%, improved foreign exchange flow into financial institutions, relaxation of stressed interbank market liquidity and easing inflation. Larger bank fixed deposit rates also eased from 18.00-20.00% levels to reach the prevailing 8.00-8.75% levels. We continue to enjoy higher interest rates on Rs. 4.6 Bn of the longer-term fixed deposit portfolio, which was deployed in a timely manner towards the peak of the interest rate movement during the crisis period.

The remaining fixed income investments are deployed in short-term investments, which are either awaiting higher interest rates to lock in or are to be deployed into identified equity opportunities.

The strong performance of the share market has resulted in majority of our investee companies experiencing upward share price movements. We have monitored each position carefully, adjusted such positions based on our fundamental outlook on each company and their respective discounts to intrinsic value and growth potential. We have also considered that next year, being an election year, carries with it a heightened political risk. With all these considerations, we have been a net seller in the market for the financial year, by selling Rs. 3.69 Bn worth of equity holdings and purchasing Rs. 1.87 Bn. Our equity strategy continues to focus on picking fundamentally strong stocks, which are able to navigate the challenging operating environment and offer growth potential, thus providing the prospect of long-term returns. The ability to select good businesses with strong management expertise is paramount in growing the portfolio in a difficult environment.

The highest equity company exposure in the discretionary portfolio continues to be Central Finance PLC, with a position of Rs. 1.51 Bn as at 31 March 2024. The company still maintains a high buffer over its minimal capital adequacy, thereby providing ample room to steer through the challenging operating environment. Profitability across the industry has declined with restrictions on vehicle imports, high interest rates and reduced disposable incomes. With sharp interest rate reductions in the last quarter of the financial year and the potential to relax import restrictions in the future, the company should experience improved profitability on the horizon. The company continues to trade at very attractive price-to-book value multiples, implying a significant upside.

We also hold a Rs. 1.27 Bn exposure to Hemas Holdings, which is a conglomerate operating in the consumer, healthcare and mobility sectors. Hemas consumer segment boasts a strong portfolio in home & personal care and learning segments. The company is also the market leader in pharmaceutical distribution, has a presence in pharmaceutical drug manufacturing and operates two hospitals. These key segments were affected adversely by the crisis through drastic reduction in disposable incomes, sharp inflation and exchange rate swings. However, the company proved resilient through the crisis and we expect a continued recovery to occur in volumes while positioning itself for future growth potential. The company currently trades at a discount to fair value and thereby provides a significant upside along with long-term growth potential.

The Distilleries Company of Sri Lanka maintains the highest market share in the core arrack segment through its 'extra special arrack' and a wide distribution network. We reduced our exposure in this regard as its share price increased throughout the year and as at 31 March 2024, maintain a position of Rs. 599 Mn. The company has been experiencing lower sales volumes, due to sharp upward price adjustments necessitated by tax increases. Despite defending its margins, one of the key threats to the business is continuous price hikes leading to consumers shifting into the illicit alcohol segment, resulting in further volume declines. However, improving consumer patterns and the potential recovery of disposable incomes through wage hikes are potential positives for the company to recover volumes. As opposed to a standard business operation, the liquor business is exposed to a higher amount of political and regulatory risk, which we monitor closely.

Ceylon Tobacco Company is the only legal manufacturer and supplier of cigarettes in Sri Lanka and is a subsidiary of British American Tobacco. As at March 2024, we held an investment of Rs. 500 Mn in the company. Over the years, the company has experienced sharp increases in excise duty and taxes, which were passed on with higher price increases resulting in declining sales volumes. However, despite volume declines the profit after tax has been on an upward trend as a result of strategies in re-pricing and cost rationalisation. Due to the company's favourable dividend pay-out ratio and high profitability, Ceylon Tobacco continues to offer attractive dividend yields. However, as prices increase more smokers will turn to the beedi market which is not subject to such taxation. We will continue to monitor the progress of the company's volume and profitability aspects.

Dialog Axiata is a telecom provider with the highest market share in the industry and also maintains a presence in broadband and Pay TV. We sold approximately Rs. 214 Mn of the company in the course of financial year resulting in a remaining exposure of Rs. 166 Mn as at year-end. The company was able to improve its revenue through price revision across data and call segments while improving on its international segment. Although the company was able to recover some of its EBITDA margins since the economic crisis, overall it remains at a reduced level. This is largely a result of increased cost structure and an inability to make significant price revisions. With the country's plans on SOE reforms there is potential for competition to intensify and we are watching the process closely and its impact on Dialog.

Management Discussion and Analysis

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

TOP TEN HOLDINGS

Company	Market Value of the holding (Rs. '000)	Holding as a % discretionary holding
Central Finance Company PLC	1,510,677	9.09%
Hemas Holdings PLC	1,269,154	7.64%
Distilleries Company of Sri Lanka PLC	599,333	3.61%
HNB Assurance PLC	598,041	3.60%
Ceylon Tobacco Company PLC	499,949	3.01%
John Keells Holdings PLC	478,132	2.88%
Sunshine Holdings PLC	456,008	2.74%
People's Leasing & Finance PLC	405,477	2.44%
Cargills (Ceylon) PLC	367,484	2.21%
Aitken Spence Hotel Holdings PLC	304,790	1.83%
	6,489,045	39.06%

A smaller component of the discretionary portfolio constitutes some overseas investments. Despite global markets being relatively up-beat, the investment outlook has been cautious with most central banks maintaining hawkish policy rates on inflation fears. Furthermore, critical elections to take place in key countries along with the escalation of geo-political conflicts has resulted in our Company using a more cautious investment approach. However, we remain consistent in applying our investment philosophy of seeking out longer-term opportunities through both equity and fixed income asset classes.

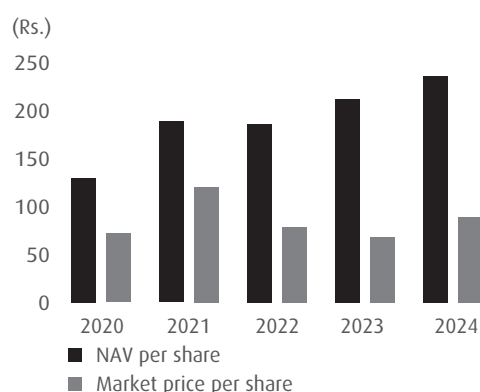
FINANCIAL REVIEW

As at 31 March, 2024, the Group's consolidated revenue reached Rs. 2.3 Bn, marking a substantial 105% increase from the previous year. Interest income for the same period totalled Rs. 1.1 Bn, reflecting a significant 62% growth compared to the preceding year.

Ceylon Guardian Investment Trust PLC reported a consolidated profit after tax of Rs. 3.4 Bn for the financial year ended 31 March, 2024, exhibiting a significant growth from the Rs. 1.4 Bn profit recorded in the previous year. The positive financial performance was largely driven by a gain of Rs. 1.9 Bn from 'financial assets fair value through profit or loss,' resulting from the upward movement in equity prices. This growth in profit after tax was despite a 36% increase in administrative and operating expenses and an 89% increase in income tax compared to the previous year.

For the financial year ended 31 March, 2024, the Group's Net Asset Value (NAV) per share increased by 11.72% to Rs. 237.08. However, the market price of the Group's share stood at Rs. 89.10, indicating a discount of 62% compared to the NAV per share.

NAV per share vs Share price



As at 31st March	2024	2023	Change %
ASPI	11,444	9,301	23.04
NAV per share (Rs.)	237.08	212.20	11.72
Market price per share (Rs.)	89.10	68.00	31.03
Discount of NAV to market price per share	62%	68%	

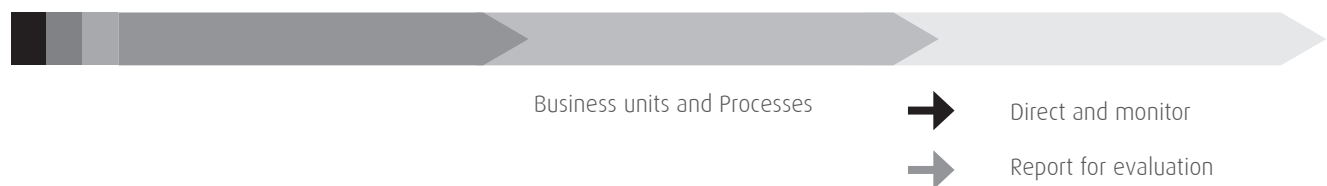
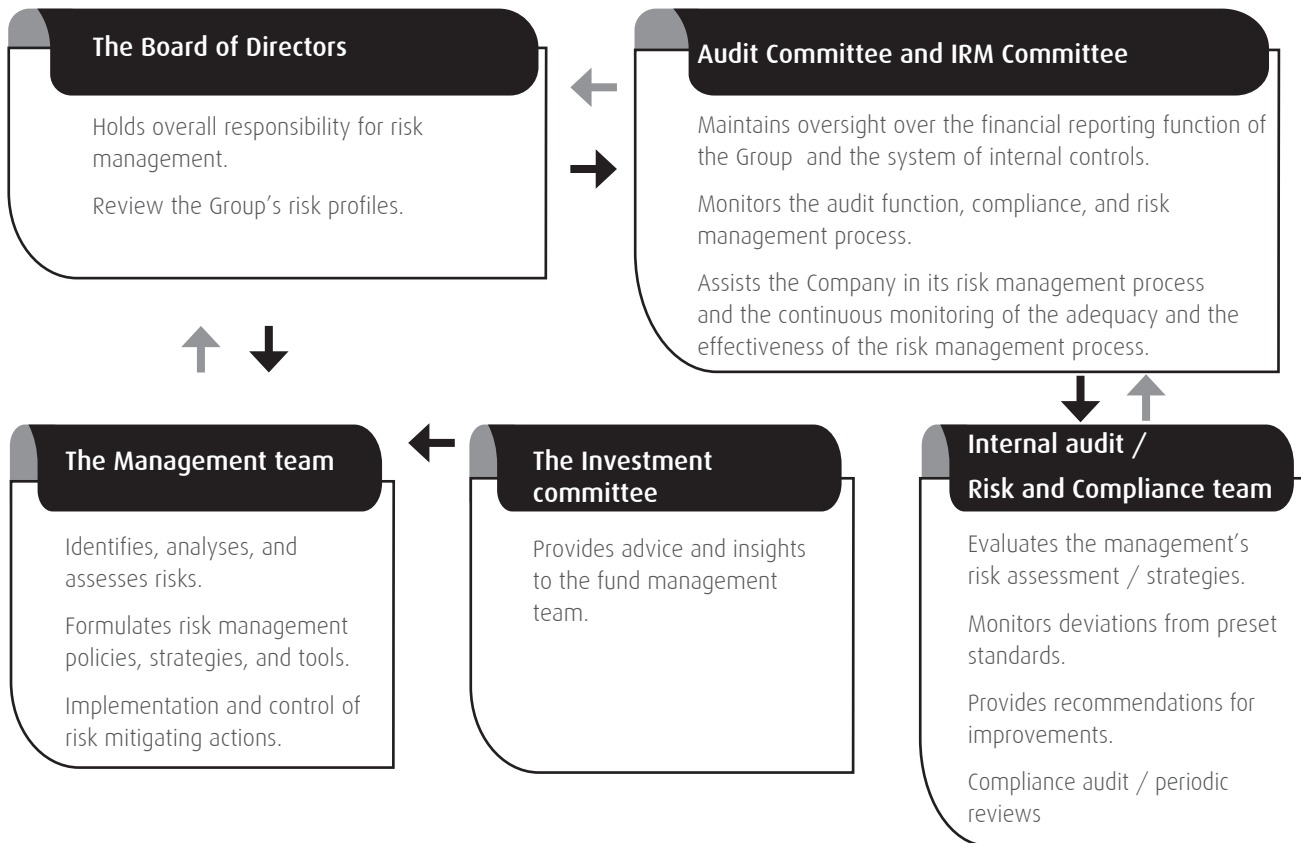
Risk Management

Overview of Risk Management

Risk management is the process of identifying and assessing risks that may arise due to factors which are either internal or external to the entity and involves the implementation of mitigating actions to address such risks. The management of risk helps to avoid or minimize the likelihood of incurring unanticipated losses. It is not a one-time or periodic assessment, rather it is a continuous process which serves as an integral aspect of daily 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 the 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 Group risk identification, risk assessment and risk management, in addition to 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 their 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. The Group Internal Audit and Compliance Department conducts periodic compliance audits/reviews and reports to the IRM Committee as well as the Audit Committee, as appropriate. Furthermore, an Investment Committee provides advice and insights to the fund management team to further sharpen and refine their decision-making process. This organisational structure determines the objectives and policies of the risk management framework and promotes a culture of risk awareness and balanced risk-taking within the Company.

RISK CATEGORIES

The Ceylon Guardian Group is responsible for the portfolio and asset management sector of the Carsons Group. The Group business operations include the management of the Ceylon Guardian Group portfolio which consists of listed equities, private equities, and fixed income securities, in addition to providing portfolio management services to external customers. The Group faces a wide range of risks, some of which are applicable across all the asset classes under management, while others are merely applicable to specific business operations or a particular asset category. The key risks are monitored and managed as a continuous process to ensure the Group remains responsive to potential risks and mitigates their impact on operations.

A comprehensive risk management framework has been previously established within the Ceylon Guardian Group; however, with the economic crisis unfolding particular risks have become heightened. For instance, certain risks related to investments have increased, including economic risk, interest rate risk, and credit risk. Upon identifying the implications of such risks, mitigating activities have been conducted to reduce/contain such impacts on the Group's business and investment portfolios.

Risk Category	Impact and mitigating strategies
MACRO ENVIRONMENTAL RISKS	
The overall macro-economic landscape and political environment affects the risk profile of the Company. Changes in macro-economic variables such as GDP growth, interest rates, inflation, exchange rates, changes in the political environment and government policies affect the achievement of the Company's business and financial objectives.	
Economic risk	<ul style="list-style-type: none"> The impact of economic risks are heightened due to Sri Lanka's economic crisis. Hence, investments are carried out in a cautious manner with continuous macroeconomic monitoring. Equity exposures have been closely monitored and fixed income investments are conducted with high credit quality institutions.
Interest rate risk	<ul style="list-style-type: none"> The maturity profile is constantly monitored by the management team. The risk of local interest rates increasing due to potential macro-economic pressures in the future has been mitigated by maintaining shorter tenors for new fixed deposits. Longer fixed deposits have been locked in at higher interest rates.

Risk Category	Impact and mitigating strategies
Credit risk	<ul style="list-style-type: none"> An approved list of investee institutions by the Investment Committee, is maintained with individually defined exposure limits by the institution, risk grading of the institutions and tenor. The limitations are reviewed frequently based on the research department's findings on investable institutions in order to mitigate the risk of being exposed to high-risk institutions.
Market risk - Domestic	<ul style="list-style-type: none"> The exposure to adverse movements in both the equity / fixed income securities market can result in the loss of value and/or variations in the anticipated returns from those securities. Market risks are inherent in every security and are thus collectively considered at the portfolio level to assess the asset allocation decisions of the portfolio. The risks affecting a particular class of security are mitigated by switching to asset classes that are determined to hold less risks in a particular scenario. The sectoral and security exposure of the Group's portfolio is continuously monitored. A sound research base to determine changing economic fundamentals of the country help 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.
Country risks	<ul style="list-style-type: none"> These comprise the risks arising due 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 foreign country of operations or Sri Lanka. Guardian Value Fund LLC and Guardian Fund Management LLC which are domiciled in Mauritius are subject to foreign and global economic, social, and political risks. The fund's domicile, Mauritius, is facing some emerging risks due to changing global conditions. As a precaution, the Group is assessing alternative locations for possible relocation as a proactive measure to manage these emerging risks.

Risk Category	Impact and mitigating strategies
Currency risks	<ul style="list-style-type: none"> The risk associated with any fluctuations of foreign exchange rates against the Sri Lankan Rupee may impact performance. Guardian Value Fund LLC and Guardian Fund Management LLC of which the reporting currency is US Dollars, are exposed to the risk of currency impact on translation. The mitigation strategies used involve limiting to stocks denominated in developed market currencies, with Investment Committee approval required for investments in other currencies. The management team monitors and identifies signs of possible adverse movements/over-valuation of the currency or weak macro-conditions on a quarterly basis, or as needed.
Market risk - External	<ul style="list-style-type: none"> Monitoring global developments in capital markets is vital to assess and mitigate this risk. The building of expertise in foreign markets continue, as the Group gradually increases its investments overseas. In mitigating the risk, the Group aims to partner or collaborate with foreign entities that have expertise in such markets to gain knowledge and insulate against potential risks.
PORTFOLIO RISKS	
<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>	
Concentration risk	<ul style="list-style-type: none"> This risk relates to the overexposure of a portfolio to a particular sector/ sector or a security / securities, resulting in the risk and return of the portfolio being overdependent on the performances/risk profiles of said sectors or securities. The Group monitors sector exposure and limits the degree of single company/group exposure of the portfolio as a diversification and 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.
Liquidity risk	<ul style="list-style-type: none"> In the event that investment instruments of the portfolio are less liquid, the execution of fund management decisions are affected. Upon the acquisition of shares, the Group considers factors such as free float, market turnover, major shareholders etc. In fixed income instruments, liquidity is considered in tradable securities such as debentures and is factored in when setting instrument exposure limits.

Risk Category	Impact and mitigating strategies
Regulatory and compliance risk	<ul style="list-style-type: none"> • The Company is operating in an industry under the supervision and monitoring of several regulatory authorities, including the Securities and Exchange Commission of Sri Lanka (SEC) and adheres to provisions of other regulatory requirements including the Companies Act, the Listing Rules of the Colombo Stock Exchange, and the Central Bank of Sri Lanka. • 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 requirements leads to the risk of cancellation / suspension of some licenses issued by SEC, in addition to facing actions being taken by the respective regulatory authorities etc. The management together with the Carson Group's legal division pro-actively identify and set up appropriate systems and processes for legal and regulatory compliance with respect to the Company's operations. • Periodic training programmes are conducted for staff to ensure they remain cognisant of any changes in applicable laws and regulations. • Guardian Value Fund LLC and Guardian Fund Management LLC which are domiciled in Mauritius are subject to laws and regulations imposed by the country's regulatory authorities. 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 in this regard. • Reviews are conducted on a regular basis by the compliance team and the certification of compliance with relevant laws and regulations is ensured on a periodic basis. • The compliance team regularly monitors compliance with all regulatory provisions and internal operational procedures.

Risk Category	Impact and mitigating strategies
<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 risk identification and assessment and the implementation of measures to address such risks, which specifically covers the following key areas which are significant within the context of investment and asset management operations.</p> <p>Systems and process risks</p>	<ul style="list-style-type: none"> • The management of systems and process risk consists 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. The correct application of recommended practices where back-up procedures are followed on a routine basis to ensure data and information security. The Group's accounting systems and portfolio management systems are regularly backed up to prevent loss of data. • A business continuity plan describes how to resume business after a disruption occurs in terms of either business process, location, and/or system. Hence, a Disaster Recovery Plan is available at the Carson Group level which pertains to the recovery of Information Technology infrastructure, and facilitates critical operations to be active in an alternate location, etc. following a disaster or disruptive event. • 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 Carsons Group ensures the safeguarding of the Company's assets, in addition to recommending process improvements in areas where process control failures are noted, and ensuring compliance with regulatory requirements, etc.
<p>Reputation risk</p>	<ul style="list-style-type: none"> • This is a critical risk, as a financial entity that experiences any loss/theft or misappropriation of cash/financial assets can face the permanent and/or long-term loss of business. • A sound system of internal controls and regular reviews are carried out by the compliance department to insulate against such risks. • A Code of Ethics is signed by all staff members, with constant education and awareness maintained with respect to the implications of maintaining the code at all levels. • Regular staff communication is maintained.

Risk Category	Impact and mitigating strategies
Staff risks	<ul style="list-style-type: none"> <li data-bbox="734 595 1476 943">• 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 vital importance. Maintaining diversity in the team, developing a strong second layer, and providing training and development opportunities, are standard practices of the industry which are maintained at the highest level within the organisation. A performance-related incentive scheme for the staff is in place and reviewed on a regular basis. The networking ability of key staff to source clients and deals is an imperative towards running a successful fund management operation. <li data-bbox="734 976 1476 1254">• The staff of the Group are all professionally qualified with a strong track record of industry experience. A skilled 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, with opportunities for career progression and an HR-oriented culture. Collectively these steps help the organisation to establish an effective succession plan and ensure long-term value.

Profiles of the Directors

MRS. ROSE COORAY

(Chairperson)

Rose Cooray is the Chairperson of Ceylon Investment PLC, Ceylon Guardian Investment Trust PLC and Guardian Fund Management Limited and functions as the Chairperson of the Integrated Risk Committees of the Guardian Group of companies. After retirement from the Central Bank of Sri Lanka, she has served as a Director on the Boards of Hatton National Bank PLC, HNB Finance PLC and served as the Chairperson of HNB Assurance PLC and HNB General Insurance Limited.

She is a retired Deputy Governor of the Central Bank of Sri Lanka where she served for over 35 years. She counts over 50 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.

MANILAL FERNANDO

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

KRISHNA SELVANATHAN

Krishna Selvanathan serves as a Director of Carsons Management Services (Private) Limited and is the CEO of Guardian Fund Management Limited. He also serves as a Director of Lion Brewery (Ceylon) PLC and Pegasus Hotels of Ceylon PLC.

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

DIRK PEREIRA

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

Dirk served as Director/ CEO of Union Assurance PLC, one of the largest life insurance companies 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.

CHRISTOPHER THORBURN KNIGHT
(Appointed w.e.f.31/07/2023)

Christopher Knight has 25 years of experience in global equity markets with a focus on Asia and Emerging Markets. He worked for JPMorgan for 22 years up until September 2022, with 20 of them based in Asia (Hong Kong, Singapore & India) covering large Asset Managers and Sovereign Wealth Funds. During his time in India, he successfully ran JPMorgan's equity business and navigated it through the global financial crisis. Since December 2022, he has been Head of Investor Relations for Merlin Fidelis Asset Management, which runs an Emerging Markets Equities Fund.

He holds a BA in Politics from Newcastle University, the Investment Management Certificate and the CFA Certificate in ESG Investing.

CHANDIMA GUNAWARDENA
(Resigned w.e.f. 31/03/2024)

Chandima Gunawardena served as a Non-Executive Director of the Company and resigned with effect from 31st March 2024. During his tenure at Carsons Group, he has served on the Boards of most of its subsidiaries in Sri Lanka and overseas and continues to serve on some of the subsidiary Boards as of date.

Mr. Gunawardena has over five decades of experience in varied fields of business and commercial activities and has held senior positions in Corporate, Mercantile and State Institutions.

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

Management Team

KRISHNA SELVANATHAN

(BA, Accounting & Finance and Business Administration)

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

SUMITH PERERA

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

Director/ Head of Portfolio Management, Guardian Fund Management Ltd. and Director of Ceylon Investment PLC. He has over 19 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 JAYASEKARA

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

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

PRABATH EKANAYAKE

(BBA, Business Administration (Sp), FCA)

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

He has over 14 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)

Senior Vice President - Operations, Guardian Fund Management Ltd. Has over 12 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 (Hons), ACMA)

Senior Vice President - Research, Guardian Fund Management Limited. Crishani is an experienced professional in the fields of asset management and investment research. Crishani has over 12 years of industry experience working as a Financial Analyst and a Fund Manager at Guardian Fund Management. Prior to joining Guardian, she worked as a Financial Analyst at Asia Securities & Softlogic Stockbrokers. Crishani holds a B.Sc. Finance (Hons) degree from the University of Sri Jayewardenepura. She is also an Associate member of the Chartered Institute of Management Accountants (CIMA), UK.

HARINDI HETTIGAMAGE

(ACMA)

Senior Vice President - Research at Guardian Fund Management Ltd. She has over 10 years' experience in the field of asset management and investment research. Prior to joining the Ceylon Guardian Group, she worked as a Senior Investment Analyst at HNB Assurance PLC (subsidiary of Hatton National Bank PLC). Harindi is an Associate Member of the Chartered Institute of Management Accountants.

SHAHAN DE SILVA

(B.Bus (Hons.) Banking & Finance & Business Law)

Senior Vice President - Research at Guardian Fund Management Ltd, with over 7 years' experience in the field of investment research. Prior to joining the Ceylon Guardian Group, he worked as a Senior Research Analyst at CT CLSA Securities (Pvt) Ltd (part owned by CITIC CLSA, a Hong-Kong based leading capital markets & investment group). Shahan holds a B.Bus (Hons) in Banking & Finance & Business Law from Monash University, Australia, and was part of the Deans Honour List.

Portfolio Operations Team

Shewantha Peiris, Thamara Sandeepa, Yashara Binali

Finance Team

Omesha Piyumi, Prabath Dissanayake, Sandun Balasooriya

Research Team

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 has pleasure in presenting to the shareholders this Report together with the Audited Financial Statements for the year ended 31st March 2024.

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 01st July 2024.

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 is 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 06 provide an overall assessment of the business performance of the Company and the Group and its future developments. These reports together with the audited consolidated financial statements reflect the state of affairs of the Company and the Group.

4. FINANCIAL STATEMENTS

The consolidated financial statements which comprise of the Statement of Profit or Loss and other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and Notes to the financial statements of the Company and the Group for the year ended 31st March 2024 are set out on pages 42 to 112. These financial statements do comply with the requirements of the Companies Act No. 07 of 2007.

4.1. Revenue

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

4.2. Financial results and appropriation

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

In Rupees Thousands For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
Retained earnings brought forward from previous year	9,467,212	8,502,126	5,189,782	4,742,410
Surcharge tax for the year of assessment 2020/21	-	(73,194)	-	(25,609)
Adjusted retained earnings brought forward from previous year	9,467,212	8,428,932	5,189,782	4,716,801
Profit for the year	2,846,045	1,207,073	1,345,400	645,550
Other comprehensive income / (expense) for the year	(4,502)	1,682	-	-
Cash dividend	(194,232)	(176,574)	(194,232)	(176,574)
Re-purchase of Shares	(104,081)	-	(104,081)	-
Forfeiture of unclaimed dividends	7,131	5,809	4,733	4,005
Transfers	-	290	-	-
Retained earnings carried forward	12,017,573	9,467,212	6,241,602	5,189,782

4.3. Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are given on pages 47 to 63.

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 22.

Details of investments in equity and debt securities are given in Notes 27 and 28.

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

Details of investments in unit trusts are given in Note 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 Auditors' Report.

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

The financial statements comprise of *inter alia*:

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

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

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

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

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

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

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

6. OUTSTANDING LITIGATION

There is no litigation currently pending against the Company.

7. INTERESTS REGISTER

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

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

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

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

7.1. Remuneration of Directors

Directors' Remuneration for the financial year ended 31st March 2024 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 repurchases	134,603 72,493
Ceylon Investment PLC	D. C. R. Gunawardena (Resigned w.e.f.31/03/2024) Mrs. M. A. R. C. Cooray V. M. Fernando K. Selvanathan	Dividends received Sale proceeds from repurchase of shares	36,392 68,346
Rubber Investment Trust Limited	D. C. R. Gunawardena (Resigned w.e.f.31/03/2024)	Dividends received	121,437
Guardian Fund Management Limited (GFM)	Mrs. M. A. R. C. Cooray K. Selvanathan	Portfolio management fees paid	76,114
Carsons Management Services (Private) Limited (CMSL)	K. Selvanathan	Support service fees paid Computer fees paid Secretarial fees paid	33,141 420 613

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

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

Directors	No. of shares as at	
	31st March 2024	31st March 2023
Mrs. M.A.R.C. Cooray (Chairperson)	-	-
Mr. D.C.R. Gunawardena (Resigned w.e.f.31/03/2024)	257	257
Mr. V.M. Fernando	-	-
Mr. K. Selvanathan	-	-
Mr. A. D. Pereira	-	-
Mr.C.T.Knight (Appointed w.e.f 31/07/2023)	-	-

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. Changes in the Directorate

Upon the recommendation of the Nomination Committee, Mr.C.T.Knight was appointed as Non-Executive/ Independent Director of the Company with effect from 31st July 2023.

Mr.D.C. R.Gunawardena, Non-Executive Director resigned from the Board with effect from 31st March 2024.

8.2. Re-election of newly appointed Director, since the last AGM

In terms of Rule 9.11.5 (ii) of the Listing Rules of the Colombo Stock Exchange, the Nomination Committee recommended the re-election of Mr.C.T. Knight who was appointed as a Non-Executive Independent Director to the Board since the last Annual General Meeting. Further, in terms of Rule 9.7.2 of the Listing Rules of the Colombo Stock Exchange the Board has ensured that Mr. C.T. Knight is fit and proper based on the "Fit and Proper Criteria" stipulated in the Listing Rules.

Accordingly, in terms of Article 68 of the Articles of Association of the Company, shareholder approval is sought to re-elect Mr. C. T. Knight at the Annual General Meeting to be held on Thursday, 25th July 2024.

8.3. Directors to retire by rotation

In terms of Rule 9.11.5 (ii) of the Listing Rules of the Colombo Stock Exchange, the Nomination Committee recommended the re-election of Mr. A. D. Pereira who retires by rotation. Further, in terms of Rule 9.7.2 of the Listing Rules of the Colombo Stock Exchange the Board has ensured that Mr. A. D. Pereira is fit and proper based on the 'Fit and Proper Criteria' stipulated in the Listing Rules.

Accordingly, in terms of Articles 72, 73 and 74 of the Articles of Association of the Company, shareholder approval is sought to re-elect Mr. A .D. Pereira who retires by rotation and being eligible, offer himself for re-election.

8.4. Re-appointment of Directors who are over 70 years of age

Mr. V. M. Fernando and Mrs. M. A. R. C. Cooray - Independent Non-Executive Directors who were over 70 years of age were appointed as Directors of the Company in terms of Section 210 of the Companies Act, No.07 of 2007 at the AGM held on 25th July 2023 for a period of one year commencing from the conclusion of the said AGM, i.e. till 24th July 2024.

In terms of Rule 9.11.5 (ii) of the Listing Rules of the Colombo Stock Exchange, the Nomination Committee recommended the re-election of Mr. V.M. Fernando and Mrs. M.A.R.C. Cooray who are over 70 years of age. Further, in terms of Rule 9.7.2 of the Listing Rules of the Colombo Stock Exchange the Board has ensured that Mr. V. M. Fernando and Mrs. M. A. R. C. Cooray are fit and proper based on the 'Fit and Proper Criteria' stipulated in the Listing Rules.

Accordingly, Mr. V. M. Fernando and Mrs M.A.R.C. Cooray who are over 70 years of age are to be reappointed 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 them.

9. AUDITORS

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

A sum of Rs. 734,000/- and Rs. 6,340,605/- was paid to them by the Company and the Group respectively, as audit fees for the year ended 31st March 2024 (2023 - Rs. 655,000/- and Rs. 6,199,405/-).

In addition to the above, Rs 80,000/- and Rs. 240,000/- (2023 – Rs. 70,000/- and Rs. 210,000/-) was paid as professional fees for non-audit services for the Company and Group respectively.

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

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

9.1. Auditors’ relationship or any interest with the Company

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

9.2. Independent Auditors’ Report

The Independent Auditors’ Report on the financial statements is given on pages 38 to 41 of the Annual Report.

10. SIGNIFICANT EVENTS DURING THE YEAR

There were no significant events during the year.

11. COMPLIANCE WITH RULES OF THE COLOMBO STOCK EXCHANGE

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

11.1. Regulatory Benchmarks

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

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

11.2. Board of Directors

The following Directors held office during the period under review and their brief profiles are given on pages 14 to 15 of the Annual Report.

Directors	Executive / Non-Executive / Independent
Mrs. M. A. R. C. Cooray (Chairperson)	Non-Executive / Independent*
Mr. D. C. R. Gunawardena (Resigned w.e.f. 31/03/2024)	Non-Executive
Mr. V. M. Fernando	Non-Executive / Independent*
Mr. K. Selvanathan	Executive
Mr. A. D. Pereira	Non-Executive / Independent
Mr. C. T. Knight (Appointed w.e.f.31/07/2023)	Non-Executive / Independent

The Company obtained an annual declaration from the Directors as per Rule 9.7.3 and 9.7.4 of the Listing Rules of the Colombo Stock Exchange (CSE) confirming that they have continuously satisfied the specified Fit and Proper Assessment Criteria set out in the Rules during the Financial Year and as at the reporting date. The said declarations were tabled and reviewed at the Board Meeting of the Board of Directors of the Company held on 14th June 2024. Therefore, no Director was identified as a person who has failed to fulfil the required assessment criteria during the year under review.

Each of the Independent Directors of the Company have submitted a signed declaration on Independence/ Non-Independence as per Rule 9.8.5 of the Listing Rules of the Colombo Stock Exchange (CSE). The said declarations were tabled at a Board Meeting of the Board of Directors of the Company held on 14th June 2024 in order to enable the Board of Directors to determine the Independence/ Non-Independence of each of the Independent Directors, in terms of Rule 9.8.3 of the Listing Rules of the CSE.

*Mrs. M. A. R. C. Cooray and Mr. V. M. Fernando have served as Directors for over 9 aggregate years and the Board has determined that since they do not exert control over the Company and are able to make unfettered judgments and act impartially, they are nevertheless independent.

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

11.3. Directors' Attendance at Board Meetings

During the period under review, the Board of Directors had four (04) Board Meetings and the attendance of the Directors were as follows;

Directors	Meetings Attended
Mrs. M. A. R. C. Cooray	4/4
Mr. D. C. R. Gunawardena (Resigned w.e.f. 31/03/2024)	4/4
Mr. V. M. Fernando	4/4
Mr. K. Selvanathan	4/4
Mr. A. D. Pereira	4/4
Mr. C.T. Knight (Appointed w.e.f.31/07/2023)	2/2

11.4. Board Evaluation

Each Director individually appraises the Board's performance to ensure discharging its responsibilities satisfactorily. This process takes into 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 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 33 to 34 of this Annual Report.

11.6. Remuneration Committee

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

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

Scope and Objective

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

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

Functions and Proceedings

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

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

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

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

Reporting and Responsibilities

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

Aggregated remuneration paid to the Non-Executive Directors of the Company are disclosed under Note 12 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 (Resigned w.e.f.31/03/2024)	Non-Executive Director
Mr. V. M. Fernando	Non-Executive/Independent Director

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

Scope and Objective

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

Functions and Proceedings

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

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

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

The Nomination Committee Charter requires the Committee to meet at least twice a year. As allowed by the Nomination Committee Charter, the Committee held two (02) 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 (Resigned w.e.f.31/03/2024)	2/2
Mr. V. M. Fernando	2/2

11.8 Related Party Transactions Review Committee

As per 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/ Non-Executive Director of CCPLC w.e.f. 06th November 2023
Mr. M. Selvanathan	Executive Director of CCPLC/ Non-Executive Director of CCPLC w.e.f. 06th November 2023

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

The Related Party Transactions Review Committee Report is given on pages 35 to 36 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 2024, did not exceed 10% of Equity or 5% of the Total Assets of the Company as at 31st March 2024.

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 2024.

Recurrent Related Party Transactions

There were no recurrent related party transactions where the aggregate value of the Recurrent Related Party Transactions exceeded 10% of the Gross Revenue / Income of the Company, as per the latest Audited Financial Statements.

11.9. Integrated Risk Committee

The Integrated Risk Committee consists of the following members;

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

SCOPE AND OBJECTIVES

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

During the period under review, the Committee held three (03) meetings and the attendance is given below.

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	3/3

REPORTING AND RESPONSIBILITIES

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

12. BOARD SUB COMMITTEES

The Company is in the process of establishing three (03) Board Sub-Committees which is a mandatory requirement as per the amended Section 9.1.4 (4) of the Listing Rules, which is effective from 01st October 2024. Accordingly, the Company will establish its own Audit Committee, Remuneration Committee and Related Party Transactions Review Committee. All Sub-Committees will function under the oversight of its respective Chair and function as per the Committee Charter.

13 COMPLIANCE WITH SECTION 9 OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE ON CORPORATE GOVERNANCE

Rule No.	Subject	Criteria	Compliance Status	Details
9.1.3.	Applicability of Corporate Governance Rules	All Listed Entities shall publish a statement confirming the extent of compliance with the Corporate Governance Rules set out herein, in the Annual Report of the Entity	Compliant	Please refer to page 21 of the Annual Report of the Board of Directors
9.2	Policies	Policies	Not Applicable	Considering the effective date of 01 October 2024, the Company is in the process of reviewing existing policies and establishing new policies to comply with the stipulated timeline.
9.3	Board Committees	Board Committees	Compliant	Please refer to pages 22 to 24 of the Annual Report of the Board of Directors. Considering the effective date of 01 October 2024, the Company is in the process of establishing Board Sub committees.
9.4.1.	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders	Listed Entities shall maintain records of all resolutions and information pertaining to its adoption	Compliant	The Company Secretaries maintain records of all resolutions and requisite information
9.4.2	Communication and Relations with shareholders and investors	Communications and Relations with shareholders and investors	Compliant	Please refer to page 30 of the Annual Report of the Board of Directors. Considering the effective date of 01st October 2024, the Company is in the process of introducing policies to comply with the stipulated timeline.

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

Rule No.	Subject	Criteria	Compliance Status	Details
9.5	Policy on matters relating to the Board of Directors	Policy on matters relating to the Board of Directors	Compliant	Considering the effective date of 01 October 2024, the Company is in the process of introducing policies to comply within the stipulated timeline.
9.6.1	Chairperson and CEO	The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual.	Compliant	Chairman is an Independent Non-Executive Director
9.6.2	Chairperson and CEO	Where the Chairperson of a Listed Entity is an Executive Director and/ or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement	Not Applicable	Chairman is an Independent Non-Executive Director and the positions of the Chairperson and CEO are not held by the same individual
9.6.3. and 9.6.4.	The Requirement for a SID	SID to be appointed in the following instances; i. The positions of the Chairperson and CEO are held by the same individual. ii. The Chairperson is an Executive Director. iii. The Chairperson and CEO are Close Family Members or Related Parties.	Not Applicable	Chairman is an Independent Non-Executive Director, the positions of the Chairperson and CEO are not held by the same individual and the Chairman and CEO are not Close Family Members or Related Parties.
9.7	Fitness of Directors and CEO	Fitness of Directors and CEO	Compliant	The Company obtained annual declaration from the Directors confirming that they have continuously satisfied the specified Fit and Proper Assessment Criteria. All Directors met the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the CSE.
9.8.1	Board Composition	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Compliant	The Board comprises of 05 Directors. The Company has set out Special Resolutions in the notice of Meeting to change the Articles of Association of the Company to align the Articles with the Listing Rule requirement

Rule No.	Subject	Criteria	Compliance Status	Details
9.8.2/9.8.3 and 9.8.5.	Independent Directors	Minimum no. of Independent Directors / Criteria for defining independence and declaration & disclosures relating to Directors	Compliant	Please refer page 21 of the Annual Report of the Board of Directors.
9.9	Alternate Director	Alternate Director	Compliant	No Alternate Directors were appointed to the Board throughout the reporting period. The Company has set out Special Resolutions in the Notice of Meeting to change the Articles of Association of the Company to align with the Listing Rule requirement.
9.10.4.(a) and 9.10.4(b)	Disclosure relating to Directors	Company shall publish a brief resume in the Annual Report including expertise in relevant functional areas of each Director	Compliant	Please refer the Profile of the Directors on pages 14 and 15.
9.10.4.(c)	Disclosure relating to Directors	Whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity	Compliant	As at the conclusion of the last AGM and throughout the financial year, none of the Directors or Close Family Members have had any material business relationship with other Directors of the Company.
9.10.4.(d) /9.10.4.(e)/ 9.10.4.(f)/ 9.10.4.(g) and 9.10.4.(h)	Disclosure relating to Directors	Disclosure relating to Directors	Compliant	Please refer to point page 29 of the Annual Report of the Board of Directors.
9.11	Nomination and Governance Committee	Nomination and Governance Committee	Compliant	Please refer to page 23 of the Annual Report of the Board of Directors. Considering the effective date of 01st October 2024, the Company is in the process of establishing Board Sub-committees.
9.12	Remuneration Committee	Remuneration Committee	Compliant	Please refer to page 22 of the Annual Report of the Board of Directors. Considering the effective date of 01st October 2024, the Company is in the process of establishing Board Sub-committees.

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

Rule No.	Subject	Criteria	Compliance Status	Details
9.13	Audit Committee	Audit Committee	Compliant	Please refer to page 22 of the Annual Report of the Board of Directors. Considering the effective date of 01st October 2024, the Company is in the process of establishing Board Sub-committees.
9.14	Related Party Transactions Review Committee	Related Party Transactions Review Committee	Compliant	Please refer to page 23 and 24 of the Annual Report of the Board of Directors. Considering the effective date of 01st October 2024, the Company is in the process of establishing Board Sub-committees.
9.16.(i)	Additional Disclosures	Board of Directors should declare all material interests in contracts involving in the Entity and whether they have refrained from voting on matters in which they were materially interested	Compliant	Directors declared at a Board Meeting that they have no material interests in contracts involving the Company and there were no matters in which they were materially interested.
9.16.(ii)	Additional Disclosures	Board of Directors should conduct a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith.	Compliant	The Board, having reviewed the system of internal controls covering financial, operational and compliance controls and risk management, is satisfied with the Company's adherence to and effectiveness of these controls for the period up to the date of signing the Financial Statements.
9.16.(iii)	Additional Disclosures	Board of Directors should make arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to the Listing Rules and applicable capital market provisions.	Compliant	The Board of Directors have declared that the Company and the Board of Directors have complied with applicable laws, rules and regulations and also are aware of changes particularly to the Listing Rules of the Colombo Stock Exchange including the new Rules on Corporate Governance initially issued in October 2023 and all other applicable capital market provisions.
9.16.(iv)	Additional Disclosures	Board of Directors should disclose relevant areas of any material non compliance with laws or regulations and any fines, which are material, imposed by any government or regulatory authority in any jurisdictions where the Entity has operations.	Compliant	The Board of Directors have no disclosures to be made of any material non-compliance with laws or regulations and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Company has operations.

14 DISCLOSURE IN RELATING TO THE DIRECTORS AS PER SECTION 9.10.4 (E) OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE

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

Name of the Director	Name of the Company, functioning capacity, Listed /Unlisted
Mrs. M. A. R. C. Cooray (Total No. of Directorships – 05) As at 01/07/2024, Total No. of Directorships - 04	<p>Carson Cumberbatch PLC Group of Companies; She is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Companies - Ceylon Investment PLC and Ceylon Guardian Investment Trust PLC</p> <p>She is a Director and Key Management Personnel in another Unlisted Company within the Carson Cumberbatch PLC Group.</p> <hr/> <p>Other Companies; She was a Non-Executive / Non-Independent Director and Key Management Personnel in the mentioned Listed Company until 23rd May 2024 – HNB Assurance PLC</p> <p>She is a Non-Executive / Non-Independent Director in the mentioned unlisted Company - HNB General Insurance Limited</p>
Mr. V. M. Fernando (Total No. of Directorships – 08)	<p>Carson Cumberbatch PLC Group of Companies; He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Companies – Ceylon Investment PLC and Ceylon Guardian Investment Trust PLC</p> <hr/> <p>Other Companies; He is a Director and Key Management Personnel in the mentioned Unlisted Companies - Serdaka Global (Pvt) Ltd, Ariyana Investment (Pvt) Ltd, Dynamic A.V. Technologies (Pvt) Ltd, Shipping & Cargo Logistics (Pvt) Ltd, Ortho Lanka (Pvt) Ltd, Swiss Ceylon Associates (Pvt) Ltd</p>
Mr. K. Selvanathan (Total No. of Directorships – 13) (Total No. of Companies within the Carson Cumberbatch PLC Group where Mr.K. Selvanathan is a Key Management Personnel but not a Director – 03)	<p>Carson Cumberbatch PLC Group of Companies; He is an Executive Director and Key Management Personnel in the mentioned Listed Companies - Ceylon Investment PLC and Ceylon Guardian Investment Trust PLC</p> <p>He is a Non-Executive Director and Key Management Personnel in the mentioned Listed Companies – Lion Brewery (Ceylon) PLC and Pegasus Hotels of Ceylon PLC</p> <p>He is a Director and/ or Key Management Personnel in other Unlisted Companies within the Carson Cumberbatch PLC Group</p> <hr/> <p>Other companies; He is a Director and Key Management Personnel in the mentioned Unlisted Companies - Ceylon Securities and Investments (Pvt) Ltd, S. Kanapathy Chetty (Pvt) Ltd, Tower Investments (Pvt) Ltd, Sri Krishna Corporation (Pvt) Ltd, Interkrish Investment Company (Pvt) Ltd, Hambros Investments (Pvt) Ltd and Aurora Studio (Pvt) Limited.</p>
Mr. A. D. Pereira (Total No. of Directorships (01)	<p>He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Company - Ceylon Guardian Investment Trust PLC</p>
Mr. C. T. Knight (Total No. of Directorships – 02)	<p>Carson Cumberbatch PLC Group of Companies; He is a Non-Executive Independent Director and Key Management Personnel in the mentioned Listed Company – Ceylon Guardian Investment Trust PLC</p> <hr/> <p>Other Companies; He is a Director and Key Management Personnel in the mentioned Unlisted Company – Thorburn Capital Limited</p>

15. INTERNAL CONTROL AND RISK MANAGEMENT

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

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

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

This allows the Board to have total control of the fulfilment of governance requirements by providing opportunity to take timely preventive action in case of potential deterioration of status quo. A comprehensive description of the risk management strategies of the Company are given on pages 07 to 13 in the Annual Report.

16. 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 2024 was 17 (31st March 2023 – 21).

17. EQUITABLE TREATMENT TO SHAREHOLDERS

The Company ensures that the rights of all shareholders are preserved and has established procedures to ensure the fair and equitable treatment of all shareholders, also, an array of measures is also in place to ensure that shareholder views are identified and fully considered.

Shareholders' concerns are brought to the attention of the Board of Directors through the Company Secretaries who serve as a point of contact for all shareholders.

18. DIVIDEND

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

The details of the said Dividend payment is given on page 70 of the Annual Report.

The Board of Directors have not recommended a Final Dividend for the year ended 31st March 2024.

19. STATED CAPITAL

Stated Capital of the Company amounted to Rs. 1,128,726,009/- which consists of 82,059,441 Ordinary Shares and 5,737,205 fully paid Deferred Shares as at 31st March 2024.

19.1 Repurchase of Shares

- 1) The Company announced a Repurchase of Shares on 23rd June 2023 at a ratio of 01 Share for every 180 Shares held and accordingly, the Company repurchased a maximum 458,433 Ordinary Shares and 32,052 Deferred Shares from the Shareholders at a price of Rs. 212/20 per share, and the effective date of the Repurchase was 26th October 2023. Subsequent to the Share Repurchase, the Stated Capital of the Company was Rs. 1,128,726,000/- comprising of 82,059,441 Ordinary Shares and 5,737,205 Deferred Shares.
- 2) The Company announced a Repurchase of Shares on 22nd May 2024 at a ratio of 01 Ordinary Share for every 41 Ordinary Shares held and accordingly, the Company would repurchase a maximum 2,001,450 Ordinary Shares and 139,932 Deferred Shares from the Shareholders at a price of Rs. 237/09 per share.

20. SOLVENCY TEST

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

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

21. CAPITAL EXPENDITURE

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

In Rupees Thousands	Group	
	2024	2023
Property, plant, & equipment	3,273	1,280
Intangible assets	-	-

22. 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.

23. GOING CONCERN

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

24. 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 Note 41 to the Financial Statements.

25. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The contingent liabilities and commitments made on account of capital expenditure as at 31st March 2024 are given in Note 43 to the Financial Statements, if any.

26. SHARE INFORMATION

The details relating to earnings, net assets, market value per share and information on share trading are given on pages 115 to 116 of the Annual Report.

27. TWENTY MAJOR SHAREHOLDERS WITH COMPARATIVES

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

Name of shareholders	31-Mar-24		31-Mar-23	
	No. of shares	%	No. of shares	%
1 Carson Cumberbatch PLC A/C No.2	55,106,205	67.15	55,414,060	67.15
Carson Cumberbatch PLC A/C No.1	307,856	0.38	309,575	0.38
2 Employees' Provident Fund	2,936,613	3.58	2,953,018	3.58
3 Thurston Investments Limited	1,790,272	2.18	1,936,128	2.35
4 GF Capital Global Limited	1,588,019	1.94	1,608,591	1.95
5 Citibank Hong Kong S/A Hostplus Pooled Superannuation Trust	1,049,866	1.28	708,195	0.86
6 SSBT-Sunsuper Pty. Ltd. as trustee for Sunsuper Superannuation Trust	942,642	1.15	813,967	0.99
7 Mr. G.J.W. De Silva	882,750	1.07	881,655	1.07
8 Mr. L.H.S Peiris	879,313	1.07	879,313	1.07
9 Mrs. M.L. De Silva	867,030	1.06	866,845	1.05
10 Mr. K.C. Vignarajah	715,685	0.87	702,501	0.85
11 Miss M.P. Radhakrishnan	707,351	0.86	686,026	0.83
12 Mr. R. Maheswaran (Deceased)	685,016	0.83	685,016	0.83
13 Miss A. Radhakrishnan	682,215	0.83	686,026	0.83
14 People's Leasing & Finance PLC/Mr.M.A.N.Yoosufali	590,000	0.72	562,700	0.68
15 Mr. S. Vasudevan	532,459	0.65	539,035	0.65
16 Employees Trust Fund Board	490,998	0.60	490,998	0.60
17 Northern Trust Company S/A Hosking Global Fund PLC	469,406	0.57	503,380	0.61
18 Miss R.H. Abdulhussein	462,931	0.56	462,931	0.56
19 J.B. Cocoshell (Pvt) Ltd	419,149	0.51	421,507	0.51
20 Miss G. N. A. De Silva	349,327	0.43	351,278	0.43

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

28. AMENDMENT TO ARTICLES OF ASSOCIATION OF THE COMPANY

The Board of Directors have proposed that the Articles 59, 79(1), 79(5), 79(8), 79(9), 79(10), 79(11), 79(12), 89 and 99(3), be amended and the requisite Special Resolutions to give effect to the above is set out in the Notice Convening the Annual General Meeting on pages 119 to 122 of the Annual Report

29. 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 01st July 2024.

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.

30. ANNUAL GENERAL MEETING

The 72nd Annual General Meeting of the Company will be held on **Thursday, 25th July 2024 at 11.30 a.m.** at the Auditorium of The Institute of Chartered Accountants of Sri Lanka (Ground Floor), No. 30A, Malalasekera Mawatha, Colombo 7, Sri Lanka.

The Notice of the Annual General Meeting, setting out the business which will be transacted thereat is on page 119 to 122 of the Annual Report.

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

(Sgd.)
V. M. Fernando
Director

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

Colombo
01st July 2024

Audit

Committee Report

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

The Members of the Audit Committee are as follows:

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

MEETINGS OF THE AUDIT COMMITTEE

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

CCPLC-Audit Committee held 06 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 (physical & virtual) attended (out of 06)
Mr.A.S. Amaratunga (Chairman)	6/6
Mr.D.C.R. Gunawardena	6/6
Mr.Y.H. Ong	6/6

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

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

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

PURPOSE OF THE AUDIT COMMITTEE

To assist the Board of Directors in fulfilling its oversight responsibilities of 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.

An Audit Committee Charter is in place.

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.

The financial statements, audit opinion and external audit matters of Ceylon Guardian Investment Trust PLC for the year ended 31st March 2024 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 and the Investment Managers, Guardian Fund Management Limited that the said financial statements were

Audit Committee Report

prepared in accordance with the Sri Lanka Accounting Standards and the information required by the Companies Act, No. 7 of 2007 therein and presented a true and fair view of the Company's state of affairs as at that date and the Company's activities during the year under review.

INTERNAL AUDIT

The objectives of the Group Internal Audit work is to have an independent review of the system of internal controls as established by the management, its adequacy and integrity vis-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 2023/2024 and the Group Internal Audit carried out relevant reviews 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.

RISK MANAGEMENT

The Committee reviews the Risk Management Reports, Dashboard/Risk Register and the activities of the risk management function, especially the processes adopted with management to identify, assess and mitigate risks through appropriate and timely action.

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 all matters raised by the External Auditors after the final review.

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 written 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.

Messrs.KPMG have been the External Auditors of the Company since 1951 and the Audit Engagement Partner for the financial year ended 31st March 2024 is Ms. Thamali Rodrigo, who was appointed in 2019 following the rotation of the previous partner.

The Committee reviews the Non-audit services obtained from Messrs. KPMG and the fees paid to them for such services, at quarterly Audit Committee Meetings.

After deliberating the performance, independence and other matters relevant, 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 2025, subject to the approval of the shareholders of Ceylon Guardian Investment Trust PLC at the Annual General Meeting.

The Committee is aware of the new Colombo Stock Exchange Listing Rules which were initially released in October 2023 and had several deliberations on same and on its impact to the Company. The Company is in the process of taking necessary steps to ensure compliance with Section 9.13 of the said Rules by 1st October 2024.

(Sgd.)

A.S. Amaratunga

Chairman – Audit Committee
Carson Cumberbatch PLC

1st July 2024

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	Non-Executive (CCPLC)*
Mr.M. Selvanathan	Non-Executive (CCPLC)*
Mr.S.K. Shah	Non-Executive (CCPLC)
Mr.R. Theagarajah	Non-Executive, Independent (CCPLC)

*Mr.H. Selvanathan – Non-Executive Director w.e.f. 6th November 2023

*Mr.M. Selvanathan – Non-Executive Director w.e.f. 6th November 2023

The RPTRC is compliant with Rule 9.14.2(1) of the Listing Rules of the Colombo Stock Exchange.

MEETINGS OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

CCPLC-RPTRC held One (01) Meeting in each calendar quarter and a total of Four (04) RPTRC Meetings were held during the financial year. In addition, the approval of the RPTRC Members were sought via 21 Circular Resolutions during the financial year.

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

RPTRC Members	Meetings (physical & virtual) attended (out of 04)
Mr.W.M.R.S. Dias (Chairman)	4/4
Mr.D.C.R. Gunawardena	4/4
Mr.H. Selvanathan	4/4
Mr.M. Selvanathan	4/4
Mr.S.K. Shah	3/4
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 2023 to 31st March 2024 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.

In accordance with Rule 9.14.8 (1) of the Listing Rules of the Colombo Stock Exchange there were no Non-Recurrent Related Party Transactions entered into by the Company, where the aggregate value of the Non-Recurrent Related Party Transactions exceeded 10% of the Shareholders' equity or 5% of the total assets, whichever is lower, of the Company, as per the Audited Financial Statements as at 31st March 2024.

Further, as per Rule 9.14.8 (2) of the Listing Rules of the Colombo Stock Exchange there were no Recurrent Related Party Transactions entered into by the Company, where the aggregate value of the Recurrent Related Party Transactions exceeded 10% of the gross revenue/ income of the Company, as per the Audited Financial Statements as at 31st March 2024.

The Committee is aware of the new Colombo Stock Exchange Listing Rules which were initially released in October 2023 and had several deliberations on same and on its impact to the Company. The Company is in the process of taking necessary steps to ensure compliance with Section 9.14 of the said Rules with effect from 1st October 2024.

The Company is in compliance with the existing Rules pertaining to RPTs.

(Sgd.)
W.M.R.S. Dias
Chairman – Related Party Transactions Review Committee
Carson Cumberbatch PLC

Colombo
1st July 2024

Financial Calendar

Financial Year end **31st March 2024**

72nd Annual General Meeting 25th July 2024

ANNOUNCEMENT OF RESULTS

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

1st Quarter ended 30th June 2023 14th August 2023

2nd Quarter ended 30th September 2023 14th November 2023

3rd Quarter ended 31st December 2023 14th February 2024

4th Quarter ended 31st March 2024 31st May 2024

Independent Auditor's Report



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
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TO THE SHAREHOLDERS OF CEYLON GUARDIAN INVESTMENT TRUST PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Ceylon Guardian Investment Trust PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries, which comprise the statement of financial position as at 31 March 2024 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 material accounting policies and other explanatory information as set out on pages 42 to 112.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 31 March 2024, and of its financial performance and its 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 Company in accordance with the Code of Ethics for professional Accountants 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 and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company 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.



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

Refer to notes 3 (D), 24, 27, 28, 29, and 39 (pages 52, 77, 80, 88, 89 and 98) to these financial statements.

Risk Description	Our Response
<p>The financial investments of the Group as at 31 March 2024 comprise of FVTPL financial assets amounting to Rs. 9,863 Mn, which is 38% of total assets and FVOCI financial assets amounting to Rs. 8,323 Mn which represents 32% of the total assets. As at the reporting date, the Group's FVTPL portfolio is made up of listed equity investments amounting to Rs. 8,916 Mn, unquoted and unlisted equity investments amounting to Rs. 30 Mn, investments in bonds amounting to Rs. 583 Mn and unit trust investments amounting to Rs. 334 Mn.</p> <p>Investments in listed equity instruments are measured based on quoted market prices. Investments in unit trust investments are measured using level 2 inputs. Unquoted and unlisted equity instruments require the exercise of judgement, 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 volatile macro-economic environment, the market is volatile compared to past years. There is uncertainty with regard to market conditions when compared to past years.</p> <p>Due to the materiality of FVTPL and FVOCI financial instruments in the context of financial statements and measurement uncertainty created due to the uncertain volatile macro-economic environment we considered the valuation of FVTPL and FVOCI financial instruments as a key audit matter.</p>	<p>Our audit procedures include,</p> <ul style="list-style-type: none"> • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's controls in relation to the investment valuation process; • Obtaining the CDS statements and verify the existence, completeness and accuracy of the number of quoted shares and agreeing the market price as of 31 March 2024 with the CSE prices. • Checking the number of units and the unit price as at 31 March 2024 with external confirmations received from 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 31 March 2024. • 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.

Independent Auditor's Report



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 will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 scepticism 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'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 Company'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 Company 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.

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 relevant ethical requirements 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, actions taken to eliminate threats or safeguards applied.

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
01 July 2024

Statement of Profit or Loss and Other Comprehensive Income

All figures are in Sri Lankan Rupees Thousands

For the year ended 31st March	Note	Group		Company	
		2024	2023	2024	2023
Continuing operations					
Revenue	11	2,287,656	1,114,610	980,741	466,842
Reversal of impairment on investment in a subsidiary	22.4	-	-	-	33,229
Net change in fair value of financial assets at fair value through profit or loss		1,868,222	896,359	628,798	376,552
Profit on investment activities		4,155,878	2,010,969	1,609,539	876,623
Administrative and other operating expenses		(408,244)	(301,066)	(162,231)	(118,177)
Profit from operations		3,747,634	1,709,903	1,447,308	758,446
Profit from disposal of investment in a joint venture	23.4	-	-	-	15,763
Other income	13	-	-	54,699	-
Net finance income / (expense)	14	(77,259)	(134,120)	(31,635)	(62,964)
Profit before taxation		3,670,375	1,575,783	1,470,372	711,245
Income tax expense	15	(278,004)	(147,313)	(124,972)	(65,695)
Profit for the year from continuing operations		3,392,371	1,428,470	1,345,400	645,550
Discontinued operations					
Profit after tax from discontinued operations	16	-	729	-	-
Profit for the year		3,392,371	1,429,199	1,345,400	645,550
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Actuarial gain / (loss) on employee benefit obligation	34	(6,432)	2,403	-	-
Related tax on actuarial gain / loss	25	1,929	(721)	-	-
Net change in fair value of investments at fair value through other comprehensive income	24	(444,532)	1,374,472	-	-
Items that are or may be reclassified to profit or loss					
Net exchange differences on translation of foreign operations		(122,252)	154,266	-	-
Other comprehensive income / (expense) for the year		(571,287)	1,530,420	-	-
Total comprehensive income / (expense) for the year		2,821,084	2,959,619	1,345,400	645,550
Profit attributable to:					
Equity holders of the parent		2,846,045	1,207,073	1,345,400	645,550
Non-controlling interest		546,326	222,126	-	-
		3,392,371	1,429,199	1,345,400	645,550
Total comprehensive income attributable to:					
Equity holders of the parent		2,371,255	2,477,231	1,345,400	645,550
Non-controlling interest		449,829	482,388	-	-
		2,821,084	2,959,619	1,345,400	645,550
Earnings / (loss) per share (Rs.)	17	32.31	13.70	15.27	7.33
Earnings / (loss) per share (Rs.) - Continuing operations	17	32.31	13.69	15.27	7.33
Dividend per share	18	-	2.20	-	2.20

The notes to the financial statements from pages 47 to 112 form an integral part of these financial statements. Figures in brackets indicate deductions.

Statement of Financial Position

All figures are in Sri Lankan Rupees Thousands

As at 31st March	Note	Group		Company	
		2024	2023	2024	2023
ASSETS					
Non-current assets					
Property, plant and equipment	19	4,523	2,683	-	-
Right-of-use assets	21	5,473	10,947	-	-
Investments in subsidiaries	22	-	-	1,874,751	1,822,198
Investments at fair value through other comprehensive income	24	8,323,478	8,768,010	-	-
Deferred tax asset	25	4,997	2,345	-	-
Investments in fixed deposits		4,607,102	3,770,560	2,183,847	1,786,841
Total non - current assets		12,945,573	12,554,545	4,058,598	3,609,039
Current assets					
Trade and other receivables	26	37,323	49,614	1,107	5,795
Investments in equity securities	27	8,945,943	8,278,233	2,724,653	2,645,150
Investments in debt securities	28	582,987	420,002	-	-
Investments in unit trusts	29	334,017	230,843	217,103	92,290
Investments in fixed deposits		1,202,975	1,088,204	102,842	346,942
Cash and cash equivalents	30	2,227,498	432,108	972,854	49,447
Total current assets		13,330,743	10,499,004	4,018,559	3,139,624
Total assets		26,276,316	23,053,549	8,077,157	6,748,663
EQUITY AND LIABILITIES					
Equity					
Stated capital	31	1,128,726	1,128,726	1,128,726	1,128,726
Capital reserves	32	324,546	324,546	208,660	208,660
Revenue reserves	33	19,361,403	17,281,330	6,256,563	5,204,743
Total equity attributable to equity holders of the parent		20,814,675	18,734,602	7,593,949	6,542,129
Non - controlling interest		3,986,823	3,589,884	-	-
Total equity		24,801,498	22,324,486	7,593,949	6,542,129
Non-current liabilities					
Employee benefits	34	16,244	7,891	-	-
Lease liabilities	36	-	5,474	-	-
Total non - current liabilities		16,244	13,365	-	-
Current liabilities					
Trade and other payables	35	99,019	153,561	26,778	27,208
Lease liabilities	36	6,131	5,472	-	-
Current tax liabilities		65,921	43,705	27,483	19,404
Short term borrowings	37	1,287,503	512,960	428,947	159,922
Total current liabilities		1,458,574	715,698	483,208	206,534
Total liabilities		1,474,818	729,063	483,208	206,534
Total equity and liabilities		26,276,316	23,053,549	8,077,157	6,748,663
Net assets per ordinary / deferred share (Rs.)		237.08	212.20	86.49	74.10

The notes to the financial statements from pages 47 to 112 form an integral part of these financial statements.

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

(Sgd).

P.C. Ekanayake

Senior Vice President - Finance

Guardian Fund Management Limited

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

Approved & Signed on behalf of the Managers,

Approved & Signed on behalf of the Board,

(Sgd).

K. Selvanathan

Director

Carsons Management Services (Private) Limited

(Sgd).

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

Chairperson

(Sgd).

V. M. Fernando

Director

Colombo

1st July 2024

Statement of Changes In Equity

All figures are in Sri Lankan Rupees Thousands

Group	Stated capital	Capital reserves				Revenue reserves			Attributable to equity holders of parent	Non controlling interest	Total equity
		Investment reserve	Other capital reserve	Jointly controlled entity's capital reserve	Currency translation reserve	General reserve	Fair value through OCI financial assets reserve	Retained earnings			
Balance as at 1st April 2022	1,128,726	7,805	316,741	290	412,872	32,668	6,100,102	8,502,126	16,501,330	3,148,737	19,650,067
Surcharge tax for the year of assessment 2020/21 (Note 15.5 (iv))	-	-	-	-	-	-	-	(73,194)	(73,194)	(16,533)	(89,727)
Balance as at 1st April 2022 (adjusted)	1,128,726	7,805	316,741	290	412,872	32,668	6,100,102	8,428,932	16,428,136	3,132,204	19,560,340
Profit for the year	-	-	-	-	-	-	-	1,207,073	1,207,073	222,126	1,429,199
Other comprehensive income / (expense) for the year	-	-	-	127,996	-	1,140,480	-	1,682	1,270,158	260,262	1,530,420
Total comprehensive income / (expense) for the year	-	-	-	127,996	-	1,140,480	-	1,208,755	2,477,231	482,388	2,959,619
Cash dividend	-	-	-	-	-	-	-	(176,574)	(176,574)	(25,640)	(202,214)
Forfeiture of unclaimed dividends	-	-	-	-	-	-	-	5,809	5,809	932	6,741
Transfers	-	-	-	(290)	-	-	-	290	-	-	-
Balance as at 31st March 2023	1,128,726	7,805	316,741	-	540,868	32,668	7,240,582	9,467,212	18,734,602	3,589,884	22,324,486
Balance as at 1st April 2023	1,128,726	7,805	316,741	-	540,868	32,668	7,240,582	9,467,212	18,734,602	3,589,884	22,324,486
Profit for the year	-	-	-	-	-	-	-	2,846,045	2,846,045	546,326	3,392,371
Other comprehensive income / (expense) for the year	-	-	-	(101,434)	-	(368,854)	-	(4,502)	(474,790)	(96,497)	(571,287)
Total comprehensive income / (expense) for the year	-	-	-	(101,434)	-	(368,854)	-	2,841,543	2,371,255	449,829	2,821,084
Cash dividend	-	-	-	-	-	-	-	(194,232)	(194,232)	(18,826)	(213,058)
Repurchase of shares (Note 31.1.B)	-	-	-	-	-	-	-	(104,081)	(104,081)	(35,303)	(139,384)
Forfeiture of unclaimed dividends	-	-	-	-	-	-	-	7,131	7,131	1,239	8,370
Balance as at 31st March 2024	1,128,726	7,805	316,741	439,434	32,668	6,871,728	12,017,573	20,814,675	3,986,823	24,801,498	

The notes from pages 47 to 112 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 2022	1,128,726	7,805	200,855	14,961	4,742,410	6,094,757
Surcharge tax for the year of assessment 2020/21 (Note 15.5 (iv))	-	-	-	-	(25,609)	(25,609)
Balance as at 1st April 2022 (adjusted)	1,128,726	7,805	200,855	14,961	4,716,801	6,069,148
Profit for the year	-	-	-	-	645,550	645,550
Other comprehensive income / (expense) for the year	-	-	-	-	-	-
Total comprehensive income / (expense) for the year	-	-	-	-	645,550	645,550
Cash dividend	-	-	-	-	(176,574)	(176,574)
Forfeiture of unclaimed dividends	-	-	-	-	4,005	4,005
Balance as at 31st March 2023	1,128,726	7,805	200,855	14,961	5,189,782	6,542,129
Balance as at 1st April 2023	1,128,726	7,805	200,855	14,961	5,189,782	6,542,129
Profit for the year	-	-	-	-	1,345,400	1,345,400
Other comprehensive income / (expense) for the year	-	-	-	-	-	-
Total comprehensive income / (expense) for the year	-	-	-	-	1,345,400	1,345,400
Cash dividend	-	-	-	-	(194,232)	(194,232)
Repurchase of shares (note 31.1.B)	-	-	-	-	(104,081)	(104,081)
Forfeiture of unclaimed dividends	-	-	-	-	4,733	4,733
Balance as at 31st March 2024	1,128,726	7,805	200,855	14,961	6,241,602	7,593,949

The notes from pages 47 to 112 form an integral part of these financial statements.
Figures in brackets indicate deductions.

Statement of Cash Flows

All figures are in Sri Lankan Rupees Thousands

For the year ended 31st March	Note	Group		Company	
		2024	2023	2024	2023
Cash flows from operating activities					
Profit before taxation		3,670,375	1,576,512	1,470,372	711,245
Adjustments for:					
Share of loss of equity accounted investee, net of tax		-	4,271	-	-
Depreciation on property, plant & equipment	19	1,433	1,344	-	-
Amortisation of intangible assets	20	-	2,594	-	-
Amortisation of right-of-use assets	21	5,474	7,704	-	-
Provision for employee benefits	34	2,450	2,441	-	-
Net finance (income) / expense	14	77,259	134,120	31,635	62,964
Reversal of impairment in investments in a subsidiary	22.4	-	-	-	(33,229)
Disposal (gain)/loss on investment in subsidiary/investment in equity accounted investee	23.4	-	(5,000)	-	(15,763)
Profit from shares repurchased	13	-	-	(54,699)	-
Net charge in fair value through profit or loss financial assets		(1,868,222)	(896,359)	(628,798)	(376,552)
Operating profit before working capital changes		1,888,769	827,627	818,510	348,665
(Increase) / decrease in trade and other receivables		12,291	124,420	4,688	97,046
(Increase) / decrease in investments		934,352	525,981	424,482	614,633
(Increase) / decrease in investment in fixed deposits		(951,313)	(3,875,810)	(152,906)	(1,773,755)
Increase / (decrease) in trade and other payables		(50,331)	(33,058)	703	(71,224)
Cash generated from / (used in) operations		1,833,768	(2,430,840)	1,095,477	(784,635)
Employee benefits paid	34	(529)	(529)	-	-
Income tax paid		(256,510)	(137,520)	(116,893)	(59,175)
Surcharge tax paid	15.5.iv	-	(89,727)	-	(25,609)
Net cash generated from / (used in) operating activities		1,576,729	(2,658,616)	978,584	(869,419)
Cash flows from / (used in) investing activities					
Acquisition of property, plant & equipment	19	(3,273)	(1,280)	-	-
Net investments in subsidiaries		-	-	(66,200)	(3,423)
Proceeds received from shares repurchased		-	-	68,346	-
Finance income received		1,505	527	-	-
Net cash generated from / (used in) investing activities		(1,768)	(753)	2,146	(3,423)
Cash flows from / (used in) financing activities					
Dividends paid		(190,632)	(173,033)	(190,632)	(173,033)
Dividends paid to non-controlling interest		(18,266)	(23,557)	-	-
Re-purchase of shares	31.1.B	(104,081)	-	(104,081)	-
Re-purchase of shares held by minority shareholders		(35,303)	-	-	-
Short term borrowings obtained	37	3,367,600	1,200,000	1,308,000	500,000
Short term borrowings paid	37	(2,599,332)	(750,244)	(1,041,592)	(400,244)
Payment of lease liabilities	36	(6,834)	(8,281)	-	-
Disposal of a subsidiary/joint venture, net of cash		-	50,763	-	50,763
Finance expense paid		(70,471)	(129,692)	(29,018)	(61,327)
Net cash generated from / (used in) financing activities		342,681	165,956	(57,323)	(83,841)
Net increase / (decrease) in cash and cash equivalents		1,917,642	(2,493,413)	923,407	(956,683)
Cash and cash equivalents at the beginning of the year		432,108	2,771,255	49,447	1,006,130
Net exchange differences on translation of foreign operations		(122,252)	154,266	-	-
Cash and cash equivalents at the end of the year	30	2,227,498	432,108	972,854	49,447

The notes from pages 47 to 112 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 incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange.

The registered office and principal place of business of the Company and its subsidiaries 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 2024 comprise 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, one of which is listed on the Colombo Stock Exchange. The details of this subsidiary are set out in note 22 to the financial statements.

(B) PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

The Group's principal activities include serving as specialised investment vehicles for investing in publicly traded equity securities, private equity securities, mutual funds, fixed-income investments, and fund management operations.

The nature of the Company and Group's principal activities did not significantly change during the financial year under review.

The investment operations 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

At the end of the financial year, the Group had 17 (2023 – 21) employees. The Company had no employees as of the reporting date (2023—Nil), and the relevant services are provided by Guardian Fund Management Limited and Carsons Management Services (Private) Limited.

2 BASIS OF PREPARATION

(A) STATEMENT OF COMPLIANCE

The financial statements of the Company and Group comprise 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 01 st July 2024.

(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 are measured at fair value and classified as fair value through profit or loss or fair value through other comprehensive income and
- Defined benefit obligations are measured at their present value based on an actuarial valuation.

(C) GOING CONCERN BASIS OF ACCOUNTING

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

(D) MATERIALITY AND AGGREGATION

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

(E) FUNCTIONAL AND PRESENTATION CURRENCY

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

(F) USE OF ESTIMATES AND JUDGEMENTS

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

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

Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year 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 reflect 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 probable future benefits no longer support it. Goodwill is allocated to CGU for the purpose of impairment testing.

ii. Deferred taxation – utilisation 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 utilised. Management judgment is required to determine the carrying value of the related deferred tax asset that can be recognised based on the level of future taxable profits together with future tax planning strategies.

iii. Defined benefit plans

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

iv. Current taxation

Current tax liabilities arise from various jurisdictions to the Group. These liabilities are provided in the financial statements by applying the relevant tax statutes and regulations that the management believes reflect the actual liability. There can be instances where the Inland Revenue Department contests the stand taken by the Group on transactions. Any additional costs for 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 the 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 categorised in its entirety at 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 note 39.

A. EQUITY SECURITIES

The fair values of investments in equity securities are determined using their quoted closing bid price at the measurement date or, if unquoted, 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 interest rate 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 on each annual reporting date.

D. COMPARATIVE FIGURES

Comparative figures have been rearranged where necessary to conform to the current year's presentation.

3 MATERIAL ACCOUNTING POLICIES

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 the financial statements of the Company and its subsidiaries as of and for the year ended 31st March 2024. 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 the 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 a 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.

The consolidated financial statements are prepared for a common financial year ending on 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 from 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 a fair value through other comprehensive income financial assets, depending on the influence retained.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, as well as any unrealised income and expenses arising from intra-group transactions, are eliminated when 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.

(vi) Financial year-end

All companies in the Group have a common financial year that ends on 31 March.

The effects of significant transactions or events that occur between the date of the financial statements and the date of the 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 of the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate as of that date.

The foreign currency gain or loss on monetary items is the difference between the 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 valued at fair value in a foreign currency are converted to functional currency using the exchange rate at the time the fair value was determined. Non-monetary items valued 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 from the 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 on 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 wholly owned subsidiary, 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, are recognised in other comprehensive income, and are 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 earliest 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 one entity's financial asset and another entity's financial liability or equity instrument.

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.

The Group's financial assets classified and measured at amortised cost are limited to trade and other receivables, related party receivables, short-term investments, securities purchased under 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 at fair value through profit or loss. Equity instruments are classified either at fair value through profit or loss or 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 of whether contractual cash flows are solely payments of principal and interest

For 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, the credit risk associated with the principal amount outstanding during a particular period, and 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 determining 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 the 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 the statement of profit or loss. Any gain or loss on derecognition is also recognised in the profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, and 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 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 the statement of profit or loss. Any gain or loss on de-recognition is also recognised in the 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, 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 the 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.

(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 a financial asset's credit risk 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, including forward-looking information.

The Group assumes that a financial asset's credit risk 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 12 months after the reporting date (or a shorter period if the instrument's expected life is less than 12 months).

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

Measurement of ECLs

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

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

Credit-impaired financial assets

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

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

Presentation of allowance for ECL in the statement of financial position

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

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

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 such an indication exists, 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 with respect to 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 equipment are initially recorded at cost.

Subsequent to the initial recognition, property, plant, and equipment are carried at cost less accumulated depreciation 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 as part of 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

Property, plant, and equipment are depreciated from the date they are available for use or, with respect to self-constructed assets, from the date the asset is completed and ready for use.

Depreciation is calculated to write down 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, which is recognised net within other income in the statement of profit or loss.

(G) INTANGIBLE ASSETS AND GOODWILL

(i) Recognition and measurement

Goodwill

Goodwill arising from the acquisition of subsidiaries is accounted for as intangible assets for the measurement of goodwill at initial recognition.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. With respect to 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 licenses for use by the Group that are not integrally related to the associated hardware, can be clearly identified, reliably measured, and are probable to lead to future economic benefits are included under the category intangible assets in the statement of financial position and carried at cost less accumulated amortisation and impairment losses if any. These costs are amortised and charged to profit or loss using the straight-line method over 3 to 10 years.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in 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) ASSETS-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, or 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 the inception of a contract, the Group assesses whether it is, or contains, a lease. A contract is, or contains, a lease if it 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 the 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 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 the type of 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 if it has been reduced to zero, it is recorded in profit or loss.

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. Instead, 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 shares are recognised as expenses.

(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 bonuses 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 to 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 employees render related services.

(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 with respect to defined benefit plans is the present value of the defined benefit obligation as of 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 are 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 gains or losses on actuarial valuations 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 that expire beyond a period of one year from the reporting date. All known liabilities have been accounted for when preparing the financial statements.

(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 a 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 the portfolio management fee income for the portfolio management service provided to external clients, and the Group recognises revenue when it provides the service at a point in time.

The Group recognises the revenue using 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 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, fees, and points paid or received, which are integral to the rate. Transaction costs include incremental costs 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

They represent the realised trading gains on the disposal of government securities, quoted shares, unquoted shares, and listed debentures. These are presented in direct income as the sale of financial investments at fair value through profit or loss in the statement of profit or loss.

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

They represent the realised trading gain / (loss) on the disposal of an investment in a unit trust, which are presented in direct income as the sale of financial investments at fair value through profit or loss in the statement of profit or loss.

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

They represent the realised capital gain / (loss) on the disposal of investment in equity securities classified as financial assets measured at fair value through other comprehensive income, which are presented in other comprehensive income.

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

They account for 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.

(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 the business's day-to-day operations have been charged in arriving at the profit or loss for the year. Also, provisions have 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 the statement of profit or loss when the related services are performed.

(P) INCOME TAX EXPENSE

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of profit or loss except to the extent that they relate to a business combination or items recognised directly in equity or 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 has therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities, and Contingent Assets.

(i) Current taxation

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable with respect to 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. The 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 in 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 any uncertainty related to income taxes.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and if they relate to taxes levied by the same tax authority on the same taxable entity or 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. They 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 related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. Material transactions with related parties have been disclosed in these financial statements.

(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 occurring after the reporting date have been considered and disclosed in the notes to these financial statements.

4 DIVIDENDS ON ORDINARY SHARES

Dividends on ordinary shares are recognised as a liability and deducted from equity when the Group's shareholders approve them. 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 reported to the Board of Directors include items directly attributable to a segment and those that can be allocated reasonably.

6 STATEMENT OF CASH FLOWS

The statement of cash flows has been prepared using the indirect method 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 the Group uses in the management of its short-term commitments, which are subject to insignificant risk of changes in fair value. 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 currently 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 preparing and presenting the financial statements. The relevant clause in the Directors' Report more fully describes this.

10 NEW ACCOUNTING STANDARDS ISSUED

New accounting standards issued but not effective as of the reporting date

The following amendments have been made to the Accounting Standards from annual periods beginning on or after 1 January 2024. However, the Company did not adopt the amended standards early in preparing these financial statements.

- A) LKAS 1 Presentation of Financial Statements-Classification of Liabilities as Current or Non-current
- B) LKAS 1 Presentation of Financial Statements-Non-current Liabilities with Covenants
- C) LKAS 7 Statement of Cash Flows and SLFRS 7 Financial Instrument Disclosures-Supplier Finance Arrangements
- D) LKAS 12 Income Taxes-International Tax Reform-Pillar Two Model Rule
- E) SLFRS 16 Leases-Lease Liability in a Sale and Leaseback
- F) SLFRS S1 General Requirements for Disclosure of Sustainability related Financial Information
- G) SLFRS S2 Climate-related Disclosures

The Directors do not expect that adopting the Standards listed above will have a material impact on the Company's financial statements.

Notes to the Financial Statements

All figures are in Sri Lankan Rupees Thousands

11. REVENUE

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
Dividend income	767,472	579,718	287,422	226,957
Interest income on financial assets carried at amortised cost (note 11.1)	1,123,349	694,333	498,228	306,791
Management fees	216,372	166,347	-	-
Net gain / (loss) from disposal of investment in equity and debt securities	659,984	(88,583)	192,795	(75,159)
Net gain from disposal of investment in unit trusts	4,777	23,098	2,296	8,253
	2,771,954	1,374,913	980,741	466,842
Intra - group transactions	(484,298)	(260,303)	-	-
Total external revenue	2,287,656	1,114,610	980,741	466,842
11.1 Interest income on financial assets carried at amortised cost				
Placements with banking and financial institutions	1,070,444	513,114	485,089	245,536
Savings deposits	38,200	124,853	13,139	59,779
Securities purchased under resale agreements	-	3,835	-	1,476
Interest income from treasury bills, bonds and corporate bonds	14,705	52,531	-	-
	1,123,349	694,333	498,228	306,791

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	
	2024	2023	2024	2023
Auditors' remuneration & expenses				
- Audit and audit related fees	6,341	6,199	734	655
- Non audit services	240	210	80	70
Directors' fees	18,945	22,148	12,705	19,592
Support service fees (note 38.4)*	78,748	43,847	33,141	19,991
Depreciation (note 19)	1,433	1,344	-	-
Amortisation	5,474	10,298	-	-
Professional services (note 12.a)	14,065	10,022	1,094	2,336
Personnel cost (note 12.b)	139,421	103,175	-	-

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

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
12.a Professional services				
Legal services	2,643	2,160	-	2,160
Valuation services	1,560	816	492	-
Other professional services	9,862	7,046	602	176
	14,065	10,022	1,094	2,336
12.b Personnel cost				
Salaries, wages and other related expenses	128,288	92,532	-	-
Defined benefit plan cost (note 34.2)	2,450	2,441	-	-
Defined contribution plan cost	8,683	8,202	-	-
	139,421	103,175	-	-
The above include:				
Directors' emoluments	47,519	28,257	-	-
	47,519	28,257	-	-

13 OTHER INCOME

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
Proceeds received from shares repurchased	-	-	68,346	-
Cost of the repurchased shares	-	-	(13,647)	-
	-	-	54,699	-

Ceylon Investment PLC, subsidiary of Ceylon Guardian Investment Trust PLC, made a share repurchase offer, via an offer document dated 11th August 2023. Accordingly, the Company accepted its full entitlement of 648,696 Ceylon Investment PLC shares at a consideration of Rs.105.36 per share at a total consideration of Rs. 68.35 Mn, which resulted in a profit of Rs.54.7 Mn.

Notes to the Financial Statements

All figures are in Sri Lankan Rupees Thousands

14 NET FINANCE INCOME / (EXPENSE)

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
Finance income				
Interest income	1,505	527	-	-
Exchange gain	-	551	-	-
	1,505	1,078	-	-
Finance expense				
Exchange loss	630	-	-	-
On short - term borrowings	76,115	134,915	31,635	62,964
Lease interest (note 36)	2,019	283	-	-
	78,764	135,198	31,635	62,964
Net finance income / (expense)	(77,259)	(134,120)	(31,635)	(62,964)

15 INCOME TAX EXPENSE

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
15.1 Current tax expense				
Provision for the year (note 15.3)	279,408	150,266	125,219	66,361
Over provision for previous year	(681)	(1,247)	(247)	(666)
Current tax expense for the year	278,727	149,019	124,972	65,695
15.2 Deferred taxation				
On origination and reversal of temporary differences (note 25.1)	(723)	(1,706)	-	-
Deferred tax expense / (reversal) for the year	(723)	(1,706)	-	-
Total income tax expense for the year	278,004	147,313	124,972	65,695

15.3 Reconciliation between accounting profit and taxable profit

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
Accounting profit before taxation	3,670,375	1,575,783	1,470,372	711,245
Adjustments :				
Exempt (profits) / loss on sale of quoted public shares	(698,100)	41,927	(194,263)	75,159
Dividend income (Exempt)	(814,770)	(312,613)	(355,768)	(141,240)
Allowable claims	(60,077)	(44,904)	-	-
Impairment on investment in subsidiary	-	-	-	(33,229)
Net change in fair value through profit or loss financial assets	(1,868,222)	(896,359)	(628,798)	(376,552)
Unit Trust - Interest income unrealised	34,017	13,863	22,103	6,028
Disallowable expenses	481,899	263,502	103,752	39,558
Adjustment - Tax treatment difference	-	(4,768)	-	(4,768)
Transactions adjusted on consolidation	190,640	23,196	-	-
Operating losses incurred during the year	921	807	-	-
Utilisation of tax losses (note 15.4)	(781)	(7,019)	-	-
Adjusted profit for taxation	935,902	653,415	417,398	276,201
Current tax expense of the Company				
Tax at 24%	-	52,642	-	23,939
Tax at 30%	278,046	69,101	125,219	33,222
Taxable dividend at 14%	-	28,523	-	9,200
Tax paid in mauritius at 15%	1,362	-	-	-
	279,408	150,266	125,219	66,361

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

15.4 Movement in tax losses

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
Tax losses brought forward	1,643	4,299	-	-
Adjustment on losses (Finalization / conversions)	-	3,556	-	-
Tax losses incurred during the year	921	807	-	-
Utilisation of tax losses during the year	(781)	(7,019)	-	-
Tax losses carried forward	1,783	1,643	-	-

Notes to the Financial Statements

All figures are in Sri Lankan Rupees Thousands

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

15.5 Summary of provision applicable under relevant tax legislation

(i) Current Tax in Sri Lanka

- (a) The income tax provision of Ceylon Guardian Investment Trust PLC, its subsidiaries and equity accounted investee which are resident in Sri Lanka is calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and its amendments thereto. In terms of above, the income tax provisions of companies have been calculated on their adjusted profits at the standard rate of 30%. (24% up to 30th September 2022 and 30% thereafter-FY 2023) except for companies with specified sources which are exempt from tax or subject to concessionary tax rates as set out below.

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

(ii) Current tax on overseas operations

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

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

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

(iv) Surcharge tax

As per the provisions of Surcharge Tax Act No. 14 of 2022, although the Group/ Company did not become liable to pay surcharge tax as stand-alone entity, the Company and Group were liable for surcharge tax on the basis that the companies are part of the Carson Cumberbatch PLC group, of which the aggregate taxable income exceeded the threshold as stipulated in the aforesaid Act. Accordingly, the Company was liable for the surcharge tax of Rs. 25,608,612/-, out of the taxable income of Rs. 102,434,449/-pertaining to the year of assessment 2020/ 21 and the Group was liable for a surcharge tax of Rs. 89,727,650/- out of the taxable income of Rs. 358,910,600/-. The Group/ Company paid the surcharge tax liability in two equal instalments on 18th April 2022 and 18th July 2022. The expense of surcharge tax was accounted in accordance with the "Addendum to Statement of Alternative Treatment on Accounting for Surcharge Tax levied under the Surcharge Tax Act No. 14 of 2022" issued by the Institute of Chartered Accountants of Sri Lanka on 10th August 2022.

16 DISCONTINUED OPERATIONS / ASSET HELD FOR SALE

16.1 Discontinued operations

During the year ended 31st March 2023, Guardian Acuity Asset Management Limited (GAAM) 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". Ceylon Guardian Investment Trust PLC (CGIT) disposed its entire holding in GAAM and profit up to the disposal date, along with the disposal profit arising from the said transaction has been presented under discontinued operations below.

Results of discontinued operations for the group

For the year ended 31st March	2024	2023
Revenue	-	-
Share of profit / (loss) of equity accounted investee, net of tax	-	(4,271)
Inter - group transactions	-	-
	-	(4,271)
Administrative and other operating expenses	-	-
Income tax expense	-	-
Results from operating activities, net of tax	-	(4,271)
Profit / (loss) on sale of discontinued operation	-	5,000
Profit / (loss) from discontinued operations, net of tax	-	729

17 EARNINGS / (LOSS) PER SHARE

Basic Earnings / (loss) per share is calculated on the profit / (loss) attributable to the shareholders of the Company 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	2024			2023 (Restated)		
	Continued operations	Discontinued operations	Total	Continued operations	Discontinued operations	Total
Amount used as the numerator						
Profit / (loss) for the year attributable to the shareholders of the parent	2,846,045	-	2,846,045	1,206,344	729	1,207,073
Amount used as denominator						
No. of shares as at beginning of the year	88,287,131	-	88,287,131	88,287,131	88,287,131	88,287,131
Effect of Repurchase of ordinary shares	(204,369)	-	(204,369)	(204,369)	(204,369)	(204,369)
Weighted average number of ordinary/deferred shares outstanding during the year	88,082,762	-	88,082,762	88,082,762	88,082,762	88,082,762
Basic earnings / (loss) per share (Rs.)	32.31	-	32.31	13.69	0.01	13.70

Notes to the Financial Statements

All figures are in Sri Lankan Rupees Thousands

Company

For the year ended 31st March	2024	2023 (Restated)
Amount used as the numerator		
Profit / (loss) for the year attributable to the shareholders of the parent	1,345,400	645,550
Amount used as the denominator		
No. of shares as at beginning of the year	88,287,131	88,287,131
Effect of Repurchase of ordinary shares	(204,369)	(204,369)
Weighted average number of ordinary / deferred shares outstanding during the year*	88,082,762	88,082,762
Basic earnings / (loss) per share (Rs.)	15.27	7.33

The weighted average number of ordinary shares outstanding has been adjusted to reflect the effect of the share repurchase as if the event had occurred at the beginning of the earliest period presented. Therefore, the prior period EPS has been restated.

*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.

There was no dilution of ordinary shares outstanding. Therefore, diluted earnings per share is same as the basic earnings per share as shown above.

18 DIVIDEND PER SHARE

18.1 Dividend paid during the year

For the year ended 31st March	2024	2023
Final dividend - cash		
Cash dividend - ordinary / deferred shares	-	-
First interim dividend - cash		
Cash dividend - ordinary / deferred shares (2021/22)	-	176,574
Cash dividend - ordinary / deferred shares (2022/23)	194,231	-
	194,231	176,574
Total Dividend per share (Rs.)	2.20	2.00

18.2 Dividend proposed during the year

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

On 22nd June 2023 the Board of Directors approved the payment of a first interim dividend of Rs. 2.20 per ordinary share and deferred share for the year ended 31st March 2023 amounting to Rs. 194,231,688.20. The entitlement / record date for the above first interim dividend was 11th July 2023.

19 PROPERTY, PLANT AND EQUIPMENT - GROUP

	Office equipment	Computer equipment	Furniture and fittings	Total 2024	Total 2023
Cost					
Balance as at the beginning of the year	258	9,834	6,224	16,316	15,036
Additions during the year	356	2,917	-	3,273	1,280
Disposals during the year	-	(100)	-	(100)	-
Balance as at the end of the year	614	12,651	6,224	19,489	16,316
Accumulated depreciation					
Balance as at the beginning of the year	258	8,767	4,608	13,633	12,289
Charge for the year	19	1,078	336	1,433	1,344
Disposals during the year	-	(100)	-	(100)	-
Balance as at the end of the year	277	9,745	4,944	14,966	13,633
Carrying value as at end of the year	337	2,906	1,280	4,523	2,683

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

As at 31st March	2024	2023
Office equipment	258	258
Furniture and fittings	2,882	2,861
Computer equipment	9,089	6,770
	12,229	9,889

19.2 No borrowing costs were capitalized for property, plant and equipment during the year (2023 - Nil).

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

Notes to the Financial Statements

All figures are in Sri Lankan Rupees Thousands

20 INTANGIBLE ASSETS - GROUP

	Computer software	Total 2024	Total 2023
Cost			
Balance as at the beginning of the year	37,577	37,577	37,577
Additions during the year	-	-	-
Balance as at the end of the year	37,577	37,577	37,577
Amortisation and impairment			
Balance as at the beginning of the year	37,577	37,577	34,983
Charge for the year	-	-	2,594
Balance as at the end of the year	37,577	37,577	37,577
Carrying value as at the end of the year	-	-	-

20.1 Details of fully amortised intangible assets are as follows:

As at 31st March	2024	2023
Computer software	37,577	37,577
	37,577	37,577

21 RIGHT-OF-USE ASSETS - GROUP

As at 31st March	2024	2023
Carrying value at the beginning of the year	10,947	7,703
Additions during the year	-	10,948
Amortisation for the year	(5,474)	(7,704)
Carrying value at the end of the year	5,473	10,947

Right-of-use assets and related lease liability (given in note 36) are recognised in relation to the lease contract entered by the subsidiary, Guardian Fund Management Limited, for leasing of office premises to carry out the operations of the said subsidiary. As per Sri Lanka Financial Reporting Standard (SLFRS 16) - "Leases", these liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate.

22 INVESTMENTS IN SUBSIDIARIES

As at 31st March	Group		Company					
	2024	2023	2024			2023		
	Effective holdings %		No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
22.1 Quoted investments								
Ceylon Investment PLC	65.94	65.94	65,518,370	1,378,362	3,099,019	66,167,066	1,392,009	2,216,597
				1,378,362	3,099,019		1,392,009	2,216,597
22.2 Unquoted investments								
Rubber Investment Trust Limited	82.98	82.98	3,955,609	316	6,675,066	3,955,609	316	6,359,840
Guardian Fund Management Limited	100.00	100.00	2,848,678	73,321	63,284	2,848,678	73,321	61,051
Guardian Fund Management LLC	82.97	82.97	253,452	77,884	169,028	53,452	11,684	11,371
Guardian Value Fund LLC	82.97	82.97	1,965,000	357,139	535,780	1,965,000	357,139	598,629
				508,660	7,443,158		442,460	7,030,891
				1,887,022	10,542,177		1,834,469	9,247,488
Provision for impairments (note 22.4)				(12,271)	-		(12,271)	-
Total investment in subsidiaries				1,874,751	10,542,177		1,822,198	9,247,488

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

Notes to the Financial Statements

All figures are in Sri Lankan Rupees Thousands

22.3 Investments in overseas fund structure

In 2020, the Company, and its subsidiaries, Ceylon Investment PLC and Rubber Investment Trust Limited invested USD 2 Mn, USD 2 Mn and USD 0.5 Mn respectively to commence its overseas investment initiative. In order to facilitate the venture, a fund structure was set up in Republic of Mauritius. The Structure is fully regulated by the Financial Service Commission of Mauritius, the regulatory authority responsible for the regulation, supervision and inspection of all financial services other than banking institutions and global business in Mauritius. As at 31st March 2024, value of the total fund structure amounted to USD 4.52 Mn (2023: USD 4.12 Mn).

22.4 Impairment of investment in subsidiaries

During the year ended 31 March 2023, the Company reversed an impairment provision of Rs.33.2 Mn for its investment in subsidiary Company Guardian Fund Management Ltd taking in to the consideration the net assets value of the said Company. Accordingly, the total impairment provision as at 31 March 2024 stood at Rs.12.3 Mn on Guardian Fund Management Ltd. (March 2023 :Rs.12.3 Mn).

22.5 Non-controlling interest

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

As at 31st March	Nature of the business	Ownership interest held by NCI - %	
		2024	2023
Ceylon Investment PLC	Investment holding	34.06	34.06
Rubber Investment Trust Limited	Investment holding	17.02	17.02
Guardian Value Fund LLC	Investment holding	17.03	17.03

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

For the year ended / As at 31st March	Ceylon Investment PLC		Rubber Investment Trust Limited		Guardian Value Fund LLC	
	2024	2023	2024	2023	2024	2023
Revenue	653,887	314,925	782,543	380,539	14,320	13,926
Net change in fair value of financial assets at fair value through profit or loss	535,063	255,740	725,642	333,945	(20,830)	(70,817)
Profit / (loss) for the year	1,605,443	656,802	1,333,010	593,779	(33,376)	(85,870)
Total other comprehensive income / (expense) for the year	(284,965)	758,823	(460,524)	1,382,009	-	-
Total comprehensive income / (expense) for the year	1,320,478	1,415,625	872,486	1,975,788	(33,376)	(85,870)
Non-current assets	8,798,272	8,214,229	9,335,898	9,633,922	-	-
Current assets	3,631,706	2,644,136	4,243,407	3,185,090	1,215,413	1,437,682
Total assets	12,429,978	10,858,365	13,579,305	12,819,012	1,215,413	1,437,682
Current liabilities	(692,495)	(286,158)	(239,819)	(109,328)	(7,521)	(88,101)
Net assets	11,737,483	10,572,207	13,339,486	12,709,684	1,207,892	1,349,581
Net cash generated from / (used in) operating activities	499,729	(835,060)	224,736	(393,062)	(185,202)	(10,496)
Net cash generated from / (used in) investing activities	55,019	24,216	-	-	-	-
Net cash generated from / (used in) financing activities	210,117	128,340	(149,387)	24,240	-	-
Net increase / (decrease) in cash and cash equivalents	764,865	(682,504)	75,349	(368,822)	(185,202)	(10,496)

23 INVESTMENT IN EQUITY ACCOUNTED INVESTEE

23.1 Group / Company

As at 31st March	2024		2023	
	Cost	Carrying value	Cost	Carrying value
Investment in jointly controlled entity (note 23.3)	-	-	-	-
	-	-	-	-

On 13th January 2023, Ceylon Guardian Investment Trust PLC and Acuity Partners (Pvt) Limited disposed its entire holding in Guardian Acuity Asset Management Limited to CT CLSA Holding Limited.

Notes to the Financial Statements

All figures are in Sri Lankan Rupees Thousands

23.2 Movement of investment in jointly controlled entity

For the year ended 31st March	2024	2023
	Carrying value	Carrying value
Percentage of holding	-	50%
Investment at cost	-	35,000
Investors' share of net assets		
As at the beginning of the year	-	15,034
Share of loss of equity accounted investee, net of tax	-	(4,271)
As at the date of disposal	-	10,763
Disposal value	-	(45,763)
Carrying value of total investment in jointly controlled entity on equity method	-	-

23.3 Summarised financial information of the jointly controlled entity

For the year ended 31st March / As at 31st March	2024	2023
Revenue	-	15,544
Loss for the year	-	(8,542)
Total other comprehensive income / (expense) for the year	-	-
Total comprehensive income / (expense) for the year	-	(8,542)
Applicable to the group (50%)	-	(4,271)
Total non-current assets	-	-
Total current assets	-	92,290
Total assets	-	92,290
Total non-current liabilities	-	-
Total current liabilities	-	(764)
Net assets	-	91,526
Applicable to the group (50%)	-	45,763

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

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
Net assets directly associated with disposal entity / Cost of the investment	-	(45,763)	-	(35,000)
Cash consideration received from disposal of Group shares	-	50,763	-	50,763
Profit from disposal	-	5,000	-	15,763

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

24 INVESTMENTS IN FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME- GROUP

24.1 Summary

As at 31st March	2024	2023
	Fair value	Fair value
Investment in Equity Securities - Quoted Shares	8,323,478	8,768,010
Total investments in fair value through other comprehensive income	8,323,478	8,768,010

Notes to the Financial Statements

All figures are in Sri Lankan Rupees Thousands

24.2 Movement in investments in fair value through other comprehensive income

	Fair value as at the beginning of the year	Additions	Disposals	Transfers	Fair value adjustment	Fair value as at the end of the year
For the year ended 31st March 2024						
Investment in equity securities	8,768,010	-	-	-	(444,532)	8,323,478
	8,768,010	-	-	-	(444,532)	8,323,478
For the year ended 31st March 2023						
Investment in equity securities	7,393,538	-	-	-	1,374,472	8,768,010
	7,393,538	-	-	-	1,374,472	8,768,010

24.3 Investment in equity securities

	2024		2023	
	No. of shares	Fair value	No. of shares	Fair value
Food, Beverage & Tobacco				
Bukit Darah PLC	20,438,250	8,323,477	20,438,250	8,768,009
Bukit Darah PLC - Preference Shares - 8% participative cumulative	31,875	1	31,875	1
		8,323,478		8,768,010

Valuation of Listed Equity Investments

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

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

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

25 DEFERRED TAX ASSET - GROUP

As at 31st March	2024	2023
Balance as at the beginning of the year	2,345	1,360
Charge / (reversal) for the year (note 25.1)	2,652	985
Balance as at the end of year	4,997	2,345

25.1 Charge / (reversal) for the year

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

Property, plant and equipment	(52)	700
Right - of - use assets	1,644	(1,435)
Employee benefits	576	1,076
Lease creditor on right - of - use assets	(1,445)	1,365
	723	1,706

The amounts recognised in the statement of other comprehensive income are as follows;

Employee benefits	1,929	(721)
	1,929	(721)
Charge / (reversal) for the year	2,652	985

25.2 Deferred tax assets

Employee benefits	4,873	2,367
Lease creditor on right of use assets	1,840	3,284
Total deferred tax asset	6,713	5,651

25.3 Deferred tax liability

Property , plant and equipment	74	22
Right-of-use Assets	1,642	3,284
Total deferred tax liabilities	1,716	3,306
Net deferred tax asset	4,997	2,345

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

25.5 Deferred tax has been computed using a tax rate of 30% (2023 – 30%), which is enacted as at the reporting date.

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All figures are in Sri Lankan Rupees Thousands

26 TRADE AND OTHER RECEIVABLES

As at 31st March	Group		Company	
	2024	2023	2024	2023
Financial				
Trade receivables	16,650	23,322	-	-
Dividend receivable	1,821	17,715	276	4,862
Other receivable	183	67	-	-
	18,654	41,104	276	4,862
Non financial				
Advances and prepaid expenses	18,669	8,510	831	933
	18,669	8,510	831	933
	37,323	49,614	1,107	5,795

27 INVESTMENTS IN EQUITY SECURITIES

27.1 Summary

As at 31st March	Note	Group		Note	Company	
		2024	2023		2024	2023
Investment in Equity Securities - Quoted Shares- Fair value through profit or loss (FVTPL)	27.2	8,915,598	8,229,169	27.6	2,694,468	2,596,096
Investment in Equity Securities- Unquoted Shares- Fair value through profit or loss (FVTPL)	27.3	30,042	48,761	27.7	29,882	48,751
Investment in Equity Securities- Private Equity (Unlisted)-Fair value through profit or loss (FVTPL)	27.4	303	303	27.8	303	303
Total Investments in equity securities		8,945,943	8,278,233		2,724,653	2,645,150

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.

27.1.1 Movement in Investments in equity securities - Group

	Fair value as at the beginning of the year	Additions	Disposals	Amortised interest	Effect of currency translation	Fair value adjustment	Fair value as at the end of the year
For the year ended 31st March 2024							
Investment in equity securities	8,278,233	2,097,187	(3,215,949)	-	(36,022)	1,822,494	8,945,943
	8,278,233	2,097,187	(3,215,949)	-	(36,022)	1,822,494	8,945,943
For the year ended 31st March 2023							
Investment in equity securities	7,897,552	2,825,591	(3,377,363)	-	54,291	878,162	8,278,233
	7,897,552	2,825,591	(3,377,363)	-	54,291	878,162	8,278,233

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

Notes to the Financial Statements

All figures are in Sri Lankan Rupees Thousands

27.2 Investment in equity securities - quoted shares - Group

As at 31st March	2024		2023	
	No. of shares	Fair value	No. of shares	Fair value
Banks				
Hatton National Bank PLC	1,043,919	187,905	1,199,927	155,391
Nations Trust Bank PLC	560,783	60,284	12,594	806
Sampath Bank PLC	2,681,611	214,529	4,902,325	257,372
		462,718		413,569
Capital goods				
ACL Cables PLC	2,006,939	168,784	902,835	74,303
Hemas Holdings PLC	15,785,492	1,269,154	14,028,943	911,881
Hayleys PLC	622,091	51,074	410,000	29,520
John Keells Holdings PLC	2,464,597	478,132	4,383,597	613,704
Richard Pieris and Company PLC	-	-	1,461,008	30,243
Royal Ceramics Lanka PLC	1,718,480	53,444	184,468	5,090
Vallibel One PLC	404,544	20,428	-	-
		2,041,016		1,664,741
Consumer Durables & Apparel				
Dankotuwa Porcelain PLC	-	-	198,820	4,076
Hayleys Fabric PLC	-	-	586,827	14,788
Teejay Lanka PLC	5,393,548	202,797	4,907,389	157,036
		202,797		175,900
Consumer service				
Aitken Spence Hotel Holdings PLC	4,604,086	304,790	5,817,524	348,470
Asian Hotels & Properties PLC	330,500	20,161	-	-
John Keells Hotels PLC	1,465,103	27,251	5,036,213	95,184
		352,202		443,654
Diversified Financials				
Central Finance Company PLC	14,151,567	1,510,677	14,628,648	1,059,114
L B Finance PLC	1,900,000	119,130	-	-
People's Leasing & Finance PLC	36,861,515	405,477	39,232,901	309,940
		2,035,284		1,369,054
Energy				
Lanka IOC PLC	170,000	19,848	-	-
		19,848		-
Food, Beverage & Tobacco				
Ceylon Cold Stores PLC	2,771,945	149,408	4,162,219	166,489
Ceylon Grain Elevators PLC	1,212,950	206,808	1,776,345	149,035
Ceylon Tobacco Company PLC	407,042	499,949	397,042	270,286
Distilleries Company of Sri Lanka PLC	22,280,023	599,333	32,299,478	633,070
Kelani Valley Plantations PLC	226,102	16,732	-	-
Melstacorp PLC	-	-	2,873,415	157,750
Sunshine Holdings PLC	7,664,006	456,008	4,221,584	189,971
Nestle Lanka PLC	-	-	149,400	159,709
Watawala Plantations PLC	233,000	20,667	-	-
		1,948,905		1,726,310

As at 31st March	2024		2023	
	No. of shares	Fair value	No. of shares	Fair value
Food & Staples Retailing				
Cargills (Ceylon) PLC	1,020,788	367,484	2,020,788	470,844
		367,484		470,844
Insurance				
Ceylinco Holdings PLC - Non voting	325,266	276,476	325,266	342,668
HNB Assurance PLC	10,068,026	598,041	10,068,026	502,394
		874,517		845,062
Materials				
Alumex PLC	6,030,421	57,892	-	-
Chevron Lubricants Lanka PLC	-	-	619,104	56,710
Ex-Pack Corrugated Cartons PLC	-	-	1,352,918	19,753
Tokyo Cement Company (Lanka) PLC	-	-	2,829,095	141,454
		57,892		217,917
Retailing				
Diesel & Motor Engineering PLC	52,761	27,080	42,131	19,633
R I L Property PLC	5,722,359	36,051	5,722,359	31,473
United Motors Lanka PLC	389,427	22,587	389,427	23,327
		85,718		74,433
Telecommunication Services				
Dialog Axiata PLC	14,198,911	166,132	34,198,911	355,674
		166,132		355,674
Utilities				
LVL Energy Fund PLC	-	-	1,257,100	8,423
		-		8,423
Foreign equity investments - Guardian Value Fund LLC				
British American Tobacco PLC	1,750	16,053	16,400	188,786
CK Hutchison Holdings Limited	44,700	65,435	45,700	93,530
Makemytrip Ltd	845	18,038	-	-
PayPal Holdings Inc	2,107	42,406	2,107	52,344
Reckitt Benckiser Group PLC	1,520	26,147	-	-
Thai Beverage Public Company Limited	1,211,500	133,006	825,500	128,928
		301,085		463,588
Total Investment in equity securities - Quoted Shares		8,915,598		8,229,169

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

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All figures are in Sri Lankan Rupees Thousands

27.3 Investment in equity securities - Unquoted Shares - Group

As at 31st March	2024			2023		
	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	29,872	1,428,496	15,714	48,741
Nestle Lanka Limited	100	150	150	-	-	-
Total Investment in Equity Securities - Unquoted Shares		15,884	30,042		15,734	48,761

Valuation of Lanka Communications Limited

The valuation of Lanka Communications Limited has been adjusted based on the selling price as per the signed sales and purchase agreement. The investment value has been revalued down by Rs. 18.9 Mn to Rs. 29.9 Mn, compared to the previous year's valuation of Rs. 48.7 Mn.

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

As at 31st March	2024			2023		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
Findmyfare (Pvt) Ltd	302,791	51,751	303	302,791	51,751	303
Swiss Institute For Service Industry Development (Private) Limited						
- Ordinary shares	847	-	-	847	-	-
- 10% cumulative preference shares	1,273	-	-	1,273	-	-
Total investment in equity securities - Private Equity (Unlisted)		51,751	303		51,751	303

VALUATION OF PRIVATE EQUITY INVESTMENTS

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

VALUATION OF FINDMYFARE (PVT) LTD (FMF)

The valuation of FMF's holdings as of 31st March 2024 was based on the price of the company's recent rights issue.

Swiss Institute For Service Industry Development (Private) Limited

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

27.5 Movement in Investments in equity securities - Company

	Fair value as at the beginning of the year	Additions	Disposals	Fair value adjustment	Fair value as at the end of the year
For the year ended 31st March 2024					
Investment in equity securities	2,645,150	299,626	(826,817)	606,694	2,724,653
	2,645,150	299,626	(826,817)	606,694	2,724,653
For the year ended 31st March 2023					
Investment in equity securities	2,812,613	504,093	(1,040,804)	369,248	2,645,150
	2,812,613	504,093	(1,040,804)	369,248	2,645,150

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

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All figures are in Sri Lankan Rupees Thousands

27.6 Investment in equity securities - Quoted Shares - Company

As at 31st March	2024		2023	
	No. of shares	Fair value	No. of shares	Fair value
Banks				
Hatton National Bank PLC	350,561	63,101	107,220	13,885
Nations Trust Bank PLC	-	-	12,594	806
Sampath Bank PLC	828,977	66,319	1,602,691	84,141
		129,420		98,832
Capital goods				
Hemas Holdings PLC	3,451,771	277,522	2,983,216	193,909
John Keells Holdings PLC	533,787	103,555	1,379,787	193,170
		381,077		387,079
Consumer service				
Aitken Spence Hotel Holdings PLC	1,964,745	130,066	2,557,315	153,183
		130,066		153,183
Diversified Financials				
Central Finance Company PLC	5,570,801	594,683	5,570,801	403,326
People's Leasing & Finance PLC	6,320,347	69,524	6,993,040	55,245
		664,207		458,571
Food Beverage & Tobacco				
Ceylon Cold Stores PLC	1,325,463	71,442	1,325,463	53,019
Ceylon Grain Elevators PLC	-	-	97,691	8,196
Ceylon Tobacco Company PLC	48,908	60,071	48,908	33,294
Distilleries Company Of Sri Lanka PLC	6,944,799	186,815	7,169,799	140,528
Melstacorp PLC	-	-	1,430,972	78,560
Nestle Lanka PLC	-	-	60,400	64,568
Sunshine Holdings PLC	2,494,277	148,409	1,494,277	67,242
		466,737		445,407

As at 31st March	2024		2023	
	No. of shares	Fair value	No. of shares	Fair value
Food & Staples Retailing				
Cargills (Ceylon) PLC	907,002	326,521	1,807,002	421,031
		326,521		421,031
Insurance				
Ceylinco Holdings PLC - Non voting	115,256	97,968	115,256	121,422
HNB Assurance PLC	7,018,794	416,918	7,018,794	350,240
		514,886		471,662
Materials				
Tokyo Cement Company (Lanka) PLC	-	-	446,350	22,318
		-		22,318
Telecommunication				
Dialog Axiata PLC	6,970,454	81,554	13,270,454	138,013
		81,554		138,013
Total investment in equity securities - Quoted Shares		2,694,468		2,596,096

27.7 Investment in equity securities - Unquoted Shares - Company

As at 31st March	2024			2023		
	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	29,872	1,428,496	15,714	48,741
Total investment in equity Securities - Unquoted Shares		15,724	29,882		15,724	48,751

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All figures are in Sri Lankan Rupees Thousands

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

As at 31st March	2024			2023		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
Findmyfare (Pvt) Ltd	302,791	28,948	303	302,791	28,948	303
Swiss Institute For Service Industry Development (Private) Limited						
- Ordinary shares	847	-	-	847	-	-
- 10% cumulative preference shares	1,273	-	-	1,273	-	-
Total investment in equity securities - Private Equity (Unlisted)		28,948	303		28,948	303

28 INVESTMENT IN DEBT SECURITIES-GROUP

28.1 Movement in Investments in debt securities - Group

As at 31st March	Fair value as at the beginning of the year	Additions	Disposals	Amortised interest	Effect of currency translation	Fair value adjustment	Fair value as at end of the year
For the year ended 31st March 2024							
Investment in bonds	420,002	1,096,631	(913,181)	3,665	(35,841)	11,711	582,987
	420,002	1,096,631	(913,181)	3,665	(35,841)	11,711	582,987
For the year ended 31st March 2023							
Investment in bonds	297,188	1,065,028	(963,014)	(13,690)	33,646	844	420,002
	297,188	1,065,028	(963,014)	(13,690)	33,646	844	420,002

Investment in Bonds

As at 31st March	Maturity date	"Coupon Rate"	2024		2023	
			Face value	Fair value	Face value	Fair value
BAT International Finance PLC	6/15/2025	3.95%	USD 200,000	59,604	USD 200,000	64,806
Michael Kors USA INC	11/1/2024	4.00%	USD 100,000	30,191	USD 100,000	32,364
Shriram Transport Finance Co Ltd	3/13/2024	4.40%	-	-	USD 200,000	63,341
State Bank of India/London	9/28/2023	4.50%	-	-	USD 400,000	130,449
United States Treasury Bill	05/07/2023	4.14%	-	-	USD 250,000	80,800
United States Treasury Bill	10/08/2023	4.58%	-	-	USD 150,000	48,242
Reckitt Benckiser Treasury Services PLC	4/26/2024	2.75%	USD 300,000	90,158	-	-
Oracle Corp	7/8/2024	3.40%	USD 150,000	45,133	-	-
Nestle Holdings INC	9/14/2024	0.61%	USD 200,000	58,812	-	-
Hutchison Whampoa International	10/31/2024	3.63%	USD 200,000	60,309	-	-
BAT Capital Corp	9/6/2024	2.79%	USD 100,000	29,730	-	-
Bank Of America Corporation	1/22/2025	4.00%	USD 200,000	59,770	-	-
Booking Holdings INC	3/15/2025	3.65%	USD 100,000	29,626	-	-
United States Treasury Bill-I	6/15/2025	5.59%	USD 200,000	29,987	-	-
United States Treasury Bill-II	4/9/2024	5.34%	USD 100,000	44,876	-	-
United States Treasury Bill-III	4/25/2024	5.40%	USD 150,000	44,791	-	-
Total investment in corporate bonds				582,987		420,002

29 INVESTMENTS IN UNIT TRUSTS

29.1 Movement in investments in unit trusts

As at 31st March	Group		Company	
	2024	2023	2024	2023
Balance as at the beginning of the year	230,843	363,961	92,290	162,908
Investments during the year	365,000	365,033	195,000	98,528
Disposals during the year	(295,843)	(515,504)	(92,290)	(176,450)
Fair value adjustment	34,017	17,353	22,103	7,304
	334,017	230,843	217,103	92,290

29.2 Investment in unit trusts

As at 31st March	Group				Company			
	2024		2023		2024		2023	
	No. of Units	Fair value	No. of Units	Fair value	No. of Units	Fair value	No. of Units	Fair value
Investment in unit trusts								
CT CLSA Equity Fund	-	-	620,159	12,826	-	-	310,079	6,413
CT CLSA Money Market Fund	11,281,744	334,017	8,610,891	218,017	7,332,861	217,103	3,391,827	85,877
Total Investment in unit trusts		334,017		230,843		217,103		92,290

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All figures are in Sri Lankan Rupees Thousands

Valuation of unit trusts are based on the unit prices published by the unit trust managers, CT CLSA Asset Management (Pvt) Ltd as at 31st March.

30 CASH AND CASH EQUIVALENTS

As at 31st March	Group		Company	
	2024	2023	2024	2023
Cash at bank and cash in hand	424,571	432,108	26,933	49,447
Placements with banking and financial institutions	1,802,927	-	945,921	-
Total cash and cash equivalents	2,227,498	432,108	972,854	49,447
Net cash and cash equivalents for the purpose of cash flow statement	2,227,498	432,108	972,854	49,447

31 STATED CAPITAL

As at 31st March	2024		2023	
	No. of shares	Value	No. of shares	Value
Ordinary Shares				
Issued and fully paid	82,059,441	1,043,687	82,517,874	1,043,687
Deferred Shares				
Issued and fully paid (note 31.2)	5,737,205	85,039	5,769,257	85,039
	87,796,646	1,128,726	88,287,131	1,128,726

Movement of number of Ordinary / deferred shares

As at 31st March	Ordinary Shares		Deferred Shares	
	2024	2023	2024	2023
Balance as at the beginning of the year	82,517,874	82,978,868	5,769,257	5,801,487
Re - purchase of shares (note 31.1)	(458,433)	(460,994)	(32,052)	(32,230)
Balance as at the end of the year	82,059,441	82,517,874	5,737,205	5,769,257

The stated capital of the Company as at 31st March 2024 was amounted to Rs. 1,128,726,009.00 which consist of 82,059,441 ordinary shares and 5,737,205 deferred shares.

31.1 Share repurchase

- A On 22nd May 2024, the Company announced a share repurchase offer of One share for every 41 shares held. Accordingly, the Company would repurchase a maximum of 2,001,450 ordinary shares and 139,932 deferred shares from the Shareholders at a price of Rs.237/09 per share, and the total value of the share repurchase transaction amount would be Rs.507.7 Mn.
- B The Company made a Repurchase Offer via Offer document dated 21st July 2023 to repurchase one share for every 180 shares held and accordingly, the Company repurchased 458,433 Ordinary Shares and 32,052 Deferred shares from the Shareholders at a price of Rs.212/20 per share and value of the share repurchase transaction was Rs.104.1 Mn. The repurchased shares were cancelled on 26th October 2023.
- c On 11th February 2022, the Company made a Repurchase Offer whereby, 460,994 Ordinary Shares and 32,230 Deferred Shares were repurchased by the Company at a price of Rs. 204.01 per share. The said offer was closed on 17th March 2022. The share repurchase transaction amounting to Rs.100.6 Mn was accounted through retained earnings and repurchased shares were cancelled on 12th May 2022.

31.2 Superior voting rights attached to the deferred shares

The Company has in issue 5,737,205 fully paid shares (as at 31st March 2024) 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	
	2024	2023	2024	2023
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
	324,546	324,546	208,660	208,660

32.1 Investment reserve and other capital reserve

This represents the amounts set aside by the Directors to meet any contingencies. The movement of the above reserves are given in the statement of changes in equity.

33 REVENUE RESERVES

As at 31st March	Group		Company	
	2024	2023	2024	2023
Currency translation reserve (note 33.1)	439,434	540,868	-	-
Fair value through OCI financial asset reserve (note 33.2)	6,871,728	7,240,582	-	-
General reserve (note 33.3)	32,668	32,668	14,961	14,961
Retained earnings	12,017,573	9,467,212	6,241,602	5,189,782
	19,361,403	17,281,330	6,256,563	5,204,743

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All figures are in Sri Lankan Rupees Thousands

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.

34 EMPLOYEE BENEFITS - GROUP

34.1 Employee benefits

As at 31st March	2024	2023
Balance as at the beginning of the year	7,891	8,382
Benefits paid during the year	(529)	(529)
Provision for the year (note 34.3)	8,882	38
Balance as at the end of the year	16,244	7,891

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

Interest cost	1,460	1,275
Current service cost	990	1,166
Charged for the year	2,450	2,441

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

Actuarial (gain) / loss	6,432	(2,403)
Recognised for the year	6,432	(2,403)
Provision for the year	8,882	38

The gratuity liability as at 31st March 2024 amounting to Rs.16,244,392/- (2023 - Rs. 7,891,389/-) for the Group is made based on an actuarial valuation carried out by Mr. M. Poopalanathan (AIA) of Messrs Actuarial & Management Consultants (Pvt) Ltd. As recommended by Sri Lanka Accounting Standards (LKAS - 19) - "Employee benefits", the "Projected Unit Credit (PUC)" method has been used in this valuation.

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

The principal assumptions made are given below :

Rate of discount	12.6% p.a. (2023 - 18.5%)
Rate of pay increase	10% p.a. (2023 - 10%)
Retirement age	60 years (2023 - 60 years)
Mortality	A 1967/70 Mortality Table, issued by the Institute of Actuaries, London was used.
Withdrawal rate	5% for age up to 54 and Zero thereafter (2023 - 5% for age up to 54 and Zero thereafter)

The Group is a going concern.

Present value of the defined benefit plan is calculated using a discount rate determined by reference to long term interest rate. Accordingly, a decrease in the long term interest rate will increase the plan liability.

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	2024	2023
1% increase in discount rate	(1,488)	(519)
1% decrease in discount rate	1,738	590
1% increase in salary escalation rate	1,799	666
1% decrease in salary escalation rate	(1,561)	(590)

34.5 Maturity analysis of the payments

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

As at 31st March	2024	2023
Less than one year	1,039	800
One to two years	1,959	1,423
Two to five years	2,477	1,626
Five to ten years	2,967	1,688
More than ten years	7,802	2,354
	16,244	7,891
Weighted average duration of the defined benefit obligation	11.00	8.29

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All figures are in Sri Lankan Rupees Thousands

35 TRADE AND OTHER PAYABLES

As at 31st March	Group		Company	
	2024	2023	2024	2023
Financial				
Trade payables	20,513	82,057	-	-
Other payables	46,863	40,695	23,579	22,423
	67,376	122,752	23,579	22,423
Non financial				
Accruals and provisions	31,643	30,809	3,199	4,785
	31,643	30,809	3,199	4,785
	99,019	153,561	26,778	27,208

36 LEASE LIABILITIES

36.1 Movement of lease creditor

	Group	
	2024	2023
Balance as at the beginning of the year	10,946	7,998
Additions on new lease contracts	-	10,948
Interest expense charged to the income statement	2,019	281
Payment of lease liabilities	(6,834)	(8,281)
Balance as at the end of the year	6,131	10,946
Due within one year	6,131	5,472
Due after one year	-	5,474
	6,131	10,946

36.2 Lease commitments - Undiscounted contractual cash flows:

	Group	
	2024	2023
Lease rentals payable within one year	6,834	6,832
Lease rentals payable within one to two years	-	6,834
	6,834	13,666

36.3 Amounts recognised in profit or loss

	Group	
	2024	2023
Amortisation	5,474	7,704
Interest on lease liabilities	2,019	281
	7,493	7,985

36.4 Amounts recognised in the statement of cash flows

	Group	
	2024	2023
Total cash outflow on leases	(6,834)	(8,281)

37 SHORT TERM BORROWINGS

As at 31st March	Group		Company	
	2024	2023	2024	2023
Balance as at the beginning of the year	512,960	58,529	159,922	58,529
Loans obtained during the year	3,367,600	1,200,000	1,308,000	500,000
Accrued interest	6,275	4,675	2,617	1,637
Payments made during the year	(2,599,332)	(750,244)	(1,041,592)	(400,244)
Balance as at the end of the year	1,287,503	512,960	428,947	159,922

Details of the short term borrowings

As at 31st March	Currency	Borrowed capital amount	Year of maturity	2024	2023
				Carrying amount	Carrying amount
Commercial Bank of Ceylon PLC	LKR	542,329	N/A	545,824	310,941
Hatton National Bank PLC	LKR	500,000	N/A	502,503	202,019
Sampath Bank PLC	LKR	238,900	N/A	239,176	-
		1,281,229		1,287,503	512,960

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

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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 %	
	2024	2023
Subsidiaries		
Ceylon Investment PLC	65.94	65.94
Rubber Investment Trust Limited	82.98	82.98
Guardian Fund Management Limited	100.00	100.00
Guardian Fund Management LLC	82.97	82.97
Guardian Value Fund LLC	82.97	82.97

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 including, any director (whether executive or otherwise) of the entity. 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 KMP 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	
	2024	2023	2024	2023
Short - term employee benefits	61,629	48,907	12,705	19,592
Post - employment benefits	978	689	-	-
Termination benefits paid	-	-	-	-
Other long - term benefits	-	-	-	-
Non cash benefits	240	810	-	-
	62,847	50,406	12,705	19,592

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	
			2024	2023	2024	2023
Carson Cumberbatch PLC	Parent Company	Dividends paid	134,603	122,367	134,603	122,367
		Share repurchases	72,493	-	72,493	-
Ceylon Investment PLC	Subsidiary	Dividends received	-	-	36,392	49,625
		Sale proceeds from repurchase of shares	-	-	68,346	-
Guardian Fund Management Limited (GFM)	Subsidiary	Portfolio management fees paid*	-	-	76,114	57,570
Rubber Investment Trust Limited	Subsidiary	Dividends received	-	-	121,437	27,689
Guardian Acuity Asset Management Limited	Jointly controlled entity	Portfolio management fees received*	-	4,694	-	-
Bukit Darah PLC	Ultimate Controlling entity	Dividends received on ordinary shares	36,789	22,482	-	-
		Dividends received on 8% participative cumulative preference shares	456	281	-	-
Carsons Management Services (Private) Limited (CMSL)	Affiliate entity	Support Service Fees paid**	78,748	43,847	33,141	19,991
		Computer fees paid	1,290	1,290	420	420
		Secretarial fees paid	1,797	1,565	613	533
Equity Two PLC	Affiliate entity	Rental charges paid	6,834	8,281	-	-

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

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

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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 07 to 13 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 Manager 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.

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	Carrying Amount	Carrying Amount
		2024	2023	2024	2023
Investments in debt securities	28	582,987	420,002	-	-
Investment in unit trusts	29	334,017	230,843	217,103	92,290
Trade and other receivables*	26	18,654	41,104	276	4,862
Investment in fixed deposits		5,810,077	4,858,764	2,286,689	2,133,783
Cash and cash equivalents - Cash at bank	30	424,511	432,048	26,933	49,447
Cash and cash equivalents - Placements with banking and financial institutions	30	1,802,927	-	945,921	-
		8,973,173	5,982,761	3,476,922	2,280,382

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

Investment in debt securities

These represents investment in 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
CT CLSA Money Market Fund	Money market fund	Fixed income securities within the maturity period less than 365 days to provide short term returns
CT CLSA Equity Fund	Equity fund	Listed equity securities

CT CLSA Asset Management (Pvt) Ltd 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.

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All figures are in Sri Lankan Rupees Thousands

Trade and other receivables

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

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

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

Fee receivable from the clients external to the group are mostly the corporates to whom the Group provides portfolio management services. The terms and conditions which determine the fees have been agreed with the parties, in the form of a bilateral 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	
	2024	2023	2024	2023
Less than 30 days	17,416	39,909	276	4,862
30 – 60 days	198	175	-	-
61 – 90 days	-	1,020	-	-
91 – 120 days	903	-	-	-
More than 120 days	137	-	-	-
	18,654	41,104	276	4,862

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 counter parties 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	
	2024	2023	2024	2023
Credit rating				
AAA	2,835	769	1,292	282
A	6,597,717	4,447,115	2,781,199	2,056,399
A-	966,709	262,247	477,023	124,846
BBB+	-	3,353	-	1,673
BBB-	89	90	29	30
A1*	149,949	196,726	-	-
A2*	60,311	-	-	-
A3*	116,949	-	-	-
Aaa*	122,481	-	-	-
Aa3*	58,812	-	-	-
Ba1*	30,193	-	-	-
Baa2*	134,468	64,806	-	-
Baa3*	379,929	735,708	-	-
Unrated	60	60	-	-
	8,620,502	5,710,874	3,259,543	2,183,230

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

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 liquidity risk

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

Group

As at 31st March 2024	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*	67,376	67,376	67,376	-	-
Short term loans	1,287,503	1,291,500	1,291,500	-	-
Lease liabilities	6,131	6,834	1,708	5,126	-
	1,361,010	1,365,710	1,360,584	5,126	-

Notes to the Financial Statements

All figures are in Sri Lankan Rupees Thousands

39.2.1 Exposure to liquidity risk Contd.

Group

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

Company

As at 31st March 2024	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 *	23,579	23,579	23,579	-	-
Short term loans	428,947	430,604	430,604	-	-
	452,526	454,183	454,183	-	-

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

* 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	
	2024	2023	2024	2023
Cash and cash equivalents	2,227,498	432,108	972,854	49,447
Investment in unit trusts	334,017	230,843	217,103	92,290
Total liquid assets	2,561,515	662,951	1,189,957	141,737
Liquid assets as a % of the total net assets	10%	3%	16%	2%

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	
	2024	2023	2024	2023
Unutilised overdraft facilities	1,068,771	541,715	1,068,771	541,715
	1,068,771	541,715	1,068,771	541,715

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.

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.

Notes to the Financial Statements

All figures are in Sri Lankan Rupees Thousands

Exposure and management of interest rate risk

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

As at 31st March	Group Carrying Amount		Company Carrying Amount	
	2024	2023	2024	2023
Variable rate instruments				
Financial assets - Investment in unit trusts	334,017	218,017	217,103	85,877
- Cash at bank	424,571	432,108	26,933	49,447
	758,588	650,125	244,036	135,324
Fixed rate instruments				
Financial assets - Placement with banking and financial institutions	1,802,927	-	945,921	-
- Investment in fixed deposits - non-current	4,607,102	3,770,560	2,183,847	1,786,841
- Investment in fixed deposits - current	1,202,975	1,088,204	102,842	346,942
- Investment in bonds	582,987	420,002	-	-
Financial liabilities - Short term borrowings	(1,287,503)	(512,960)	(428,947)	(159,922)
	6,908,488	4,765,806	2,803,663	1,973,861

The Group invested in fixed deposits in licensed commercial banks in Sri Lanka for period of 4 months to 5 years and at interest rates between 9% - 26%.

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

As at 31st March	2024	2023
Commercial Banks Averaged Weighted Prime Lending Rate (AWPLR) *	11.11%	22.42%
Commercial Banks Averaged Weighted Deposit Rate (AWDR) *	10.30%	15.06%

* 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 2024				
- Variable rate instruments	7,586	(7,586)	2,440	(2,440)
	7,586	(7,586)	2,440	(2,440)
As at 31st March 2023				
- Variable rate instruments	6,501	(6,501)	1,353	(1,353)
	6,501	(6,501)	1,353	(1,353)

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 54% (2023 - 60%) of its discretionary portfolio as equity investments designated as listed investments in the Colombo Stock Exchange, market volatilities bring in substantial variations to the Group's earnings and value of its asset base at the reporting dates. The Group monitors its investment portfolio based on market indices, where decisions concerned with the timing of buy / sell are well supported with structured in-house research recommendations. Transactions of a major magnitude within the portfolio are subject to review and approval by the Investment Committee.

Private equity investments

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

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

As at 31st March	Note	Group Carrying Amount		Company Carrying Amount	
		2024	2023	2024	2023
Investments in equity securities	24,27	17,269,421	17,046,243	2,724,653	2,645,150
Investment in unit trusts - CT CLSA Equity Fund	29	-	12,826	-	6,413
		17,269,421	17,059,069	2,724,653	2,651,563

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

Sensitivity Analysis

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

Movement in equity market prices	Group		Company	
	Increasing	Decreasing	Increasing	Decreasing
As at 31 March 2024				
- Equity market price (10% movement)	1,726,942	(1,726,942)	272,465	(272,465)
	1,726,942	(1,726,942)	272,465	(272,465)
As at 31 March 2023				
- Equity market price (10% movement)	1,705,907	(1,705,907)	265,156	(265,156)
	1,705,907	(1,705,907)	265,156	(265,156)

Notes to the Financial Statements

All figures are in Sri Lankan Rupees Thousands

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

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	
	2024	2023
LKR / USD		
Assets and liabilities	300.44	327.14
Income and expenses	317.92	358.05

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

As at 31st March	Group			
	Carrying Amount		Carrying Amount	
	2024		2023	
	LKR (000')	USD	LKR (000')	USD
Investments in equity and debt securities	884,072	2,942,592	883,590	2,700,957
Receivables	4,917	16,367	5,627	17,201
Cash and cash equivalents	469,733	1,563,483	577,238	1,764,499
Payables	(12,210)	(40,640)	(94,134)	(287,750)
Net exposure	1,346,512	4,481,802	1,372,321	4,194,907

Sensitivity Analysis

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

	Strengthening LKR (000')	Weakening LKR (000')
Movement in exchange rate		
As at 31st March 2024		
- United State Dollars (7.5% movement)	100,988	(100,988)
	100,988	(100,988)
As at 31st March 2023		
- United State Dollars (15% movement)	205,848	(205,848)
	205,848	(205,848)

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 2024	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 securities	8,945,943	-	8,323,478	-	17,269,421	17,269,421
Investments in debt securities	582,987	-	-	-	582,987	582,987
Investments in unit trusts	334,017	-	-	-	334,017	334,017
Financial assets not measured at fair value						
Trade and other receivables	-	18,654	-	-	18,654	
Investment in fixed deposits	-	5,810,077	-	-	5,810,077	
Cash and cash equivalents	-	2,227,498	-	-	2,227,498	
Total financial assets	9,862,947	8,056,229	8,323,478	-	26,242,654	
Financial liabilities not measured at fair value						
Trade and other payables	-	-	-	67,376	67,376	
Short term borrowings	-	-	-	1,287,503	1,287,503	
Lease liabilities	-	-	-	6,131	6,131	
Total financial liabilities	-	-	-	1,361,010	1,361,010	

Notes to the Financial Statements

All figures are in Sri Lankan Rupees Thousands

39.4 Accounting classification and Fair values Contd.

As at 31st March 2023	Fair value through profit or loss financial assets	Financial assets at amortised cost	Fair value through other comprehensive income financial assets	Other financial liabilities	Total carrying amount	Fair value
Financial assets measured at fair value						
Investments in equity securities	8,278,233	-	8,768,010	-	17,046,243	17,046,243
Investments in debt securities	420,002	-	-	-	420,002	420,002
Investments in unit trusts	230,843	-	-	-	230,843	230,843
Financial assets not measured at fair value						
Trade and other receivables	-	41,104	-	-	41,104	
Investment in fixed deposits	-	4,858,764	-	-	4,858,764	
Cash and cash equivalents	-	432,108	-	-	432,108	
Total financial assets	8,929,078	5,331,976	8,768,010	-	23,029,064	
Financial liabilities not measured at fair value						
Trade and other payables	-	-	-	122,752	122,752	
Short term borrowings	-	-	-	512,960	512,960	
Lease liabilities	-	-	-	10,946	10,946	
Total financial liabilities	-	-	-	646,658	646,658	

Company

As at 31st March 2024	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 securities	2,724,653	-	-	-	2,724,653	2,724,653
Investments in unit trusts	217,103	-	-	-	217,103	217,103
Financial assets not measured at fair value						
Trade and other receivables	-	276	-	-	276	
Investment in fixed deposits	-	2,286,689	-	-	2,286,689	
Cash and cash equivalents	-	972,854	-	-	972,854	
Total financial assets	2,941,756	3,259,819	-	-	6,201,575	
Financial liabilities not measured at fair value						
Trade and other payables	-	-	-	23,579	23,579	
Short term borrowings	-	-	-	428,947	428,947	
Total financial liabilities	-	-	-	452,526	452,526	

Notes to the Financial Statements

All figures are in Sri Lankan Rupees Thousands

39.4 Accounting classification and Fair values Contd.

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

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 2024				
Investments in equity securities	17,239,076	-	30,345	17,269,421
Investments in debt securities	-	582,987	-	582,987
Investments in unit trusts	-	334,017	-	334,017
	17,239,076	917,004	30,345	18,186,425

As at 31st March 2023

Investments in equity securities	16,997,179	-	49,064	17,046,243
Investments in debt securities	-	420,002	-	420,002
Investments in unit trusts	-	230,843	-	230,843
	16,997,179	650,845	49,064	17,697,088

Company

	Level 1	Level 2	Level 3	Total
As at 31st March 2024				
Investments in equity securities	2,694,468	-	30,185	2,724,653
Investments in unit trusts	-	217,103	-	217,103
	2,694,468	217,103	30,185	2,941,756

As at 31st March 2023

Investments in equity securities	2,596,096	-	49,054	2,645,150
Investments in unit trusts	-	92,290	-	92,290
	2,596,096	92,290	49,054	2,737,440

During the year Nestle Lanka PLC was delisted on the Colombo Stock Exchange, accordingly, it has been re - classified under 'equity securities - unquoted shares and transferred to Level 3 of the fair value hierarchy (2023 - Nil).

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
Opening balance	49,064	42,396	49,054	42,386
Change in fair value	(18,869)	6,668	(18,869)	6,668
Transfer from level 1	150	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Closing balance	30,345	49,064	30,185	49,054

Notes to the Financial Statements

All figures are in Sri Lankan Rupees Thousands

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
Nestle Lanka Limited	Based on the offer made during delisting - Rs.1,500	Not Applicable	Not Applicable	Not Applicable
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 note 31.1.A

42 GOING CONCERN

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

43 COMMITMENTS AND CONTINGENCIES

43.1 Commitments

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

43.2 Contingencies

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

43.3 Litigation and claims

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

44 COMPARATIVE FIGURES

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

45 RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

Five Year Summary

All figures are in Sri Lankan Rupees Thousands

For the year ended / As at 31st March	2024	2023	2022	2021	2020
Statement of profit or loss and other comprehensive income					
Revenue					
Dividend income	767,472	579,718	694,063	571,392	397,791
Net gain on disposal of investments	664,761	(65,485)	456,542	1,000,480	175,602
Interest income	1,123,349	694,333	137,386	122,002	112,565
Management fee	216,372	166,347	135,130	126,075	128,341
	2,771,954	1,374,913	1,423,121	1,819,949	814,299
Less: Inter - group transactions	(484,298)	(260,303)	(254,142)	(215,286)	(112,967)
	2,287,656	1,114,610	1,168,979	1,604,663	701,332
Fair value adjustment - unrealised	1,868,222	896,359	(1,779,992)	1,869,267	(1,828,266)
Impairment on goodwill	-	-	-	-	(48,445)
Profit / (Loss) on investment activities	4,155,878	2,010,969	(611,013)	3,473,930	(1,175,379)
Profit / (Loss) before taxation	3,670,375	1,575,783	(835,052)	3,221,390	(1,424,364)
Income tax expense	(278,004)	(147,313)	(84,956)	(56,652)	(35,021)
Profit / (Loss) for the year from continuing operations	3,392,371	1,428,470	(920,008)	3,164,738	(1,459,385)
Profit / (Loss) for the year	3,392,371	1,429,199	(1,065,632)	3,243,951	(1,472,613)
Non controlling interest	(546,326)	(222,126)	168,005	(522,930)	227,737
Profit / (Loss) attributable to the equity holders of the parent	2,846,045	1,207,073	(897,627)	2,721,021	(1,244,876)
Statement of Financial Position					
Capital employed					
Stated capital	1,128,726	1,128,726	1,128,726	1,128,726	1,128,726
Reserves	19,685,949	17,605,876	15,372,604	15,613,404	10,406,752
Total equity attributable to equity holders of the parent	20,814,675	18,734,602	16,501,330	16,742,130	11,535,478
Non controlling interest	3,986,823	3,589,884	3,148,737	3,319,563	2,332,108
Total equity	24,801,498	22,324,486	19,650,067	20,061,693	13,867,586
Assets employed					
Current assets	13,330,743	10,499,004	12,536,978	13,398,628	11,091,812
Current liabilities	(1,458,574)	(715,698)	(286,471)	(319,791)	(1,152,006)
Net current assets	11,872,169	9,783,306	12,250,507	13,078,837	9,939,806
Non - current assets	12,945,573	12,554,545	7,407,942	7,002,532	3,938,614
Non - current liabilities	(16,244)	(13,365)	(8,382)	(19,676)	(10,834)
Net assets	24,801,498	22,324,486	19,650,067	20,061,693	13,867,586
Statement of cash flows					
Net cash generated from / (used in) operating activities	1,576,729	(2,658,616)	518,706	1,025,567	1,372,857
Net cash generated from / (used in) investing activities	(1,768)	(753)	46	2,440	(160)
Net cash generated from / (used in) financing activities	342,681	165,956	(551,731)	(1,065,338)	823,726
Net increase / (decrease) in cash & cash equivalents	1,917,642	(2,493,413)	(32,979)	(37,331)	2,196,423

Five Year Summary

All figures are in Sri Lankan Rupees Thousands

For the year ended / As at 31st March	2024	2023	2022	2021	2020
Ratios & statistics					
Operational ratio					
Return on ordinary shareholders funds (%)	13.68	6.44	(5.44)	16.25	(10.79)
Liquidity ratio					
Current ratio (times)	9.14	14.67	43.76	41.90	9.63
Investor ratio					
Earnings / (loss) per share (Rs)	32.31	13.70	(10.17)	30.65	(14.02)
Dividend per share (Rs.) *	-	2.20	2.00	1.60	1.15
Dividend cover (times)	-	6.21	(5.09)	19.16	-
Dividend growth (%)	(100)	0.10	25	39	53
Dividend yield (%)	-	3.24	2.55	1.33	1.60
Dividend payout ratio (%)	-	16.06	(19.67)	5.22	N/A
Net assets value per share - (Rs.)	237.08	212.20	185.87	188.58	129.93
Market value per share (Rs.) **	89.10	68.00	78.50	120.00	71.80
Price earning ratio (times)	2.76	4.96	(7.72)	3.92	(5.12)
Price to book value ratio (times)	0.38	0.32	0.42	0.64	0.55
Market capitalisation	7,311,496	5,611,215	6,513,841	9,957,464	5,957,883
Fair value of investments	24,936,497	22,475,000	19,647,919	19,694,391	13,665,962
All Share Price Index (points)	11,444	9,301	8,904	7,121	4,572
S&P SL 20 Index (points)	3,318	2,683	3,031	2,850	1,947

* Based on proposed / interim dividends.

** As at 31st March.

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 2024 was Rs.89.10 per share (2023 – Rs.68.00)

3. ORDINARY SHAREHOLDERS

As at 31st March	2024	2023
Number of Shareholders	1,654	1,618

The number of ordinary shares held by non-residents as at 31st March 2024 was 7,048,135 (2023 – 6,929,636) which amounts to 8.59% (2023 - 8.40%) of the total number of Ordinary Shares in issue.

Distribution of Shares	Residents			Non-Residents			Total		
	No. of share holders	No. of Shares	%	No. of share holders	No. of Shares	%	No. of share holders	No. of Shares	%
1-1,000	1,103	193,687	0.24	9	2,118	0.00	1,112	195,805	0.24
1,001-10,000	347	1,181,737	1.44	14	51,761	0.06	361	1,233,498	1.50
10,001-100,000	116	3,499,502	4.26	21	633,666	0.77	137	4,133,168	5.04
100,001-1,000,000	34	12,093,562	14.74	5	1,932,433	2.36	39	14,025,995	17.09
Above 1,000,000	2	58,042,818	70.73	3	4,428,157	5.40	5	62,470,975	76.13
Total	1,602	75,011,306	91.41	52	7,048,135	8.59	1,654	82,059,441	100.00

Categorization of Shareholders as at 31st March 2024

Categories of Shareholders	No. of Shareholders	No. of Shares	%
Individuals	1,485	13,052,773	15.91
Institutions	169	69,006,668	84.09
Total	1,654	82,059,441	100.00

4. PUBLIC SHAREHOLDING

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Main Board as per Rule 7.13.1.i (a) of the Listing Rules of the Colombo Stock Exchange, under Option 4, i.e. Float-Adjusted Market Capitalization of less than Rs.2.5 Billion with 500 Public Shareholders and a Public Holding percentage of 10%.

The Company's Public Holding as at 31st March 2024

Float Adjusted Market Capitalization	Rs. 2,364,537,868.85
Percentage of Ordinary Shares held by the Public	32.34%
Number of Public Shareholders	1,642

Information to Shareholders and Investors

5 MARKET PERFORMANCE - ORDINARY SHARES

As at 31st March	2024	2023
Share price as at 31st March (Rs.)	89.10	68.00
Highest (Rs.)	115.00	85.00
Lowest (Rs.)	55.00	50.00
Value of the shares traded (Rs.)	177,973,107	132,551,597
No. of shares traded	1,936,193	1,929,528
Volume of transactions (Nos.)	3,447	1,736
Market Capitalisation (Rs.)	7,311,496,193	5,611,215,432
No of shares	82,059,441	82,517,874

6 DIVIDENDS

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

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

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

Year ended	Issue	Basis	No. of shares	Cumulative No. of shares
1951	-	Initial Capital	-	757,525
1990	-	Bonus	01:01	757,525
1992	-	Bonus	01:08	189,381
1999	-	Bonus	01:04	426,108
2000	-	Bonus	01:04	532,634
2002	-April	Rights	01:07	380,453
	-May	Bonus	01:04	760,906
2003	-July	Rights	01:05	760,906
	-August	Bonus	01:06	760,906
2004	-July	Rights	01:02	2,663,172
2004	-September	Bonus	01:03	2,663,172
2005	-March	Rights	01:03	3,550,896
	-June	Bonus	01:03	4,734,528
2009	-October	Repurchase	03:20	(2,840,716)
2010	-November	Subdivision	05:01	64,389,584
		Capitalisation of Reserves	01:50	1,609,739
2015	-August	Scrip	01:93	882,149
2022	-May	Repurchase	1:180	(460,994)
2023	-October	Repurchase	1:180	(458,433)

8. MAJOR SHAREHOLDERS

A list of major shareholders of the Company as at 31st March 2024 is provided in the Annual Report of the Board of Directors, on page 31.

Notes

A series of horizontal dotted lines for writing notes.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the 72nd Annual General Meeting of **Ceylon Guardian Investment Trust PLC** will be held on **Thursday, 25th July 2024 at 11.30 a.m.** at the Auditorium of The Institute of Chartered Accountants of Sri Lanka (Ground Floor), 30A, Malalasekera Mawatha, Colombo 07, Sri Lanka for the following purposes :

1. To consider the Annual Report of the Board of Directors including the Financial Statements of the Company for the financial year ended 31st March 2024, together with the Report of the Auditors thereon.
2. To re-elect as a Director Mr. C. T. Knight, who has been appointed to the Board as an Independent Non-Executive Director since the last Annual General Meeting, in terms of Article 68 of the Articles of Association of the Company.
3. To re-elect Mr. A. D. Pereira who retires by rotation in terms of Articles 72, 73, and 74 of the Articles of Association of the Company.
4. To re-appoint Mrs. M. A. R. C. Cooray as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:

“**IT IS HEREBY RESOLVED** that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mrs. M. A. R. C. Cooray who is 75 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.”
5. To re-appoint Mr. V. M. Fernando as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:

“**IT IS HEREBY RESOLVED** that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to Mr. V. M. Fernando who is 74 years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year.”
6. To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154(1) of the Companies Act, No. 07 of 2007 and to authorize the Directors to determine their remuneration.
7. To amend the Articles of Association of the Company and to consider and if deemed fit to pass the following resolutions as Special Resolutions;

Notice of Meeting

SPECIAL RESOLUTION (1)

That Article 59 to be amended by the deletion of words and numbers "three (03)" and replacing the same with the words and numbers "five (05)" and by the deletion of words and numbers "seven (07)" and replacing the same with the words and numbers "eight (08)", appearing in line 3 thereof. The amended Article 59 would read as follows;

"59. Subject to the provisions of section 201 of the Act and unless otherwise determined by a Special Resolution of Shareholders, the Board shall consist of a minimum of five (05) and a maximum of eight (08) members."

SPECIAL RESOLUTION (2)

That the existing Article 79 (1) to be deleted in its entirety and be replaced by the following ;

"79(1) Alternate directors shall only be appointed in exceptional circumstances as determined by the Board. Any Director who wishes to appoint one of his co-directors or any other person as an alternate director to act in his place shall obtain the prior approval of the Board and appoint such alternate director by notice in Writing left at the Office. The provisions contained in the following sub- Articles shall apply to any such alternate director".

That the first paragraph of the existing Article 79 (5) to be deleted in its entirety and be replaced with the following new Article;

"79(5) An alternate director shall be appointed for a maximum period of one (01) year unless provided otherwise in the Listing Rules of the Colombo Stock Exchange, but he shall *ipso facto* cease to be an alternate director in any one of the following events prior to completion of his term:-"

That the following sub-articles will be introduced immediately after Article 79(7);

"79(8) If an alternate director is appointed for a Non-Executive Director such alternate should not be an executive of the Company.

79(9) If an alternate director is appointed by an Independent Director, the person so appointed should meet the criteria for independence specified in any applicable rules of the Company including the Listing Rules of the Colombo Stock Exchange and shall satisfy the requirements relating to the minimum number of Independent Directors specified therein. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made.

79(10) The Company shall make an immediate Market Announcement regarding the appointment of an alternate director. Such Market Announcement shall include the following:-

- a) the exceptional circumstances leading to such appointment;
- b) the information on the capacity in which such alternate director is appointed, i.e. whether as an Executive Director, Non-Executive Director or Independent Director;
- c) the time period for which he is appointed, which shall not exceed one (01) year from the date of appointment; and
- d) a statement by the Company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Company.

79(11) The attendance of any alternate director at any meeting, including a board committee meeting shall be counted for the purpose of quorum.

79(12) The words "Executive Director", "Independent Director", "Non-Executive Director", "Market Announcement" and "Nominations and Governance Committee" shall have the meanings and definitions applicable to them in the Listing Rules of the Colombo Stock Exchange."

SPECIAL RESOLUTION (3)

That the existing Article 89 to be deleted in its entirety and be replaced by the following ;

"89. The Board may, from time to time by Resolution, appoint any person or persons as its attorney for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such periods and subject to such conditions as the Board may from time to time think fit."

SPECIAL RESOLUTION (4)

That Article 99 to be amended by the introduction of a new sub Article as follows;

"99(3) Notwithstanding the above, the Board may by Resolution authorize any contract or other enforceable obligation executed in terms of Section 19 of the Act to be entered into on behalf of the Company in writing, without the Common Seal being affixed thereon, and signed under the name of the Company by:

- (i) any two Directors of the Company;
- (ii) any one Director signing together with the Company Secretary or any other person or class of persons duly authorized by the Board; or
- (iii) one or more Attorneys appointed by the Company".

By Order of the Board

(Sgd).

K. D. De Silva (Mrs.)

Director

Carsons Management Services (Private) Limited

Secretaries

Colombo

01st July 2024

Notice of Meeting

Notes:

1. The Annual Report 2023/24 will be made available on the Colombo Stock Exchange website www.cse.lk and on the Group's website www.carsoncumberbatch.com
2. A shareholder is entitled to appoint a proxy to attend and vote instead of him/herself. A proxy need not be a member of the Company. A Form of Proxy accompanies this Notice.
3. The completed **Form of Proxy** must be submitted to the Company **not later than 4.45 p.m. on 23rd July 2024,**
 - via email to CGITAGM2024@carcumb.com, or
 - via WhatsApp or Viber to mobile no. +94 764 765 463 or +94 767 410 683, or
 - by hand or post to the registered office of the Company, No. 61, Janadhipathi Mawatha, Colombo 1.
4. A person representing a Corporation is required to submit a certified copy of the resolution authorizing him/her to act as the representative of the Corporation. A representative need not be a member.
5. The transfer books of the Company will remain open.
6. Security Check -
We shall be obliged if the shareholders/proxies attending the Annual General Meeting, produce their National Identity Card to the security personnel stationed at the entrance lobby

Form of Proxy

*I/We.....of.....

being *a Shareholder / Shareholders of **CEYLON GUARDIAN INVESTMENT TRUST PLC** hereby appoint

of..... bearing NIC No./

Passport No..... or failing him/her

Mirihana Arachchige Rose Chandralatha Cooray (Mrs.)	or failing her,
Vernon Manilal Fernando	or failing him,
Krishna Selvanathan	or failing him,
Anthony Dirk Pereira	or failing him,
Christopher Thorburn Knight	

as *my/our proxy to attend at the 72nd Annual General Meeting of the Company to be held on **Thursday, 25th July 2024 at 11.30 a.m.**, at the Auditorium of The Institute of Chartered Accountants of Sri Lanka (Ground Floor), 30A, Malalasekera Mawatha, Colombo 07, Sri Lanka and at any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To re-elect as a Director Mr. C. T. Knight, who has been appointed to the Board as an Independent Non-Executive Director since the last Annual General Meeting in terms of Article 68 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Mr. A. D. Pereira who retires by rotation in terms of Articles 72, 73, and 74 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3. 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"/>
4. 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"/>
5. To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act, No. 07 of 2007 and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
6. To pass the Special Resolutions to amend the Articles of Association of the Company as set out in the Notice.		
Special Resolution (1)	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution (2)	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution (3)	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution (4)	<input type="checkbox"/>	<input type="checkbox"/>

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

.....
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.

Form of Proxy

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the form of proxy after filling in legibly your full name and address, by signing in the space provided. Please fill in the date of signature.
2. If you wish to appoint a person other than the Directors as your proxy, please insert the relevant details in the space provided overleaf. Shareholders could also appoint a member of the Board to act as their proxy if they so choose.
3. In terms of Article 54 of the Articles of Association of the Company:
 - (1) Any Shareholder entitled to attend and vote at a meeting shall be entitled to appoint another person (whether a Shareholder or not) as his proxy to attend and vote instead of him. A proxy so appointed shall have the same right as the Shareholder to vote on a show of hands or on a poll and to speak at the meeting.
 - (2) An instrument appointing a proxy shall be in writing and:
 - (i) in the case of an individual shall be signed by the appointer or by his attorney; and
 - (ii) in the case of a corporation shall be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.

The Directors may, but shall not be bound to, require evidence of the authority of any such attorney or officer.

4. In terms of Article 50 of the Articles of Association of the Company:

In the case of joint-holders of a share, the senior who tenders a vote, whether in person or by proxy or by attorney or by representative, shall be accepted to the exclusion of the votes of the other joint- holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.
5. To be valid the completed **Form of Proxy** should be submitted to the Registered Office of the Company **not later than 4.45 p.m. on 23rd July 2024,**
 - **via email to CGITAGM2024@carcumb.com,** or
 - via WhatsApp or Viber to mobile no. +94 764 765 463 or + 94 767 410 683, 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 & contact no. of Shareholder :

CDS Account No. / Folio No :

Name & contact no. of Proxyholder :

NIC No. of the Proxyholder :

Corporate Information

NAME OF COMPANY

Ceylon Guardian Investment Trust PLC (A Carson Cumberbatch Company)

COMPANY REGISTRATION NO.

PQ 52

DOMICILE AND LEGAL FORM

Ceylon Guardian Investment Trust PLC is a Public Quoted Company with limited liability, domiciled in Sri Lanka.

The Company was incorporated in Sri Lanka in 1951.

PRINCIPAL ACTIVITY AND NATURE OF OPERATIONS

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

PARENT COMPANY

Carson Cumberbatch PLC is the Parent Company of Ceylon Guardian Investment Trust PLC and Bukit Darah PLC is the ultimate Parent and Controlling entity of Ceylon Guardian Investment Trust PLC.

SUBSIDIARY COMPANIES

Ceylon Investment PLC
Guardian Fund Management Limited
Rubber Investment Trust Limited
Guardian Fund Management LLC, Mauritius
Guardian Value Fund LLC, Mauritius

DIRECTORS

Mrs. M.A.R.C. Cooray (Chairperson)
Mr. D.C.R. Gunawardena (Resigned 31/03/2024)
Mr. V.M. Fernando
Mr. K. Selvanathan
Mr. A. D. Pereira
Mr. C. T. Knight (Appointed 31/07/2023)

NUMBER OF EMPLOYEES

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

BANKERS

Standard Chartered Bank
Commercial Bank of Ceylon PLC
Deutsche Bank A.G.
Hatton National Bank PLC
DFCC Bank PLC
National Development Bank PLC
Sampath Bank PLC
SBI Sri Lanka
Nations Trust Bank PLC

AUDITORS

Messrs. KPMG Chartered Accountants,
No. 32A, Sir Mohamed Macan Markar Mawatha, Colombo 3.

INVESTMENT MANAGERS

Guardian Fund Management Limited
No. 61, Janadhipathi Mawatha, Colombo 1, Sri Lanka.
Tele: +94-11-2039200
Fax: +94-11-2039385

MANAGERS & SECRETARIES

Carsons Management Services (Private) Limited
No. 61, Janadhipathi Mawatha, Colombo 1.
Tele: +94-11-2039200 Fax: +94-11-2039300

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

No. 61, Janadhipathi Mawatha, Colombo 1.
Tele: +94-11-2039200 Fax: +94-11-2039300

CORPORATE WEBSITE

www.carsoncumberbatch.com

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

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