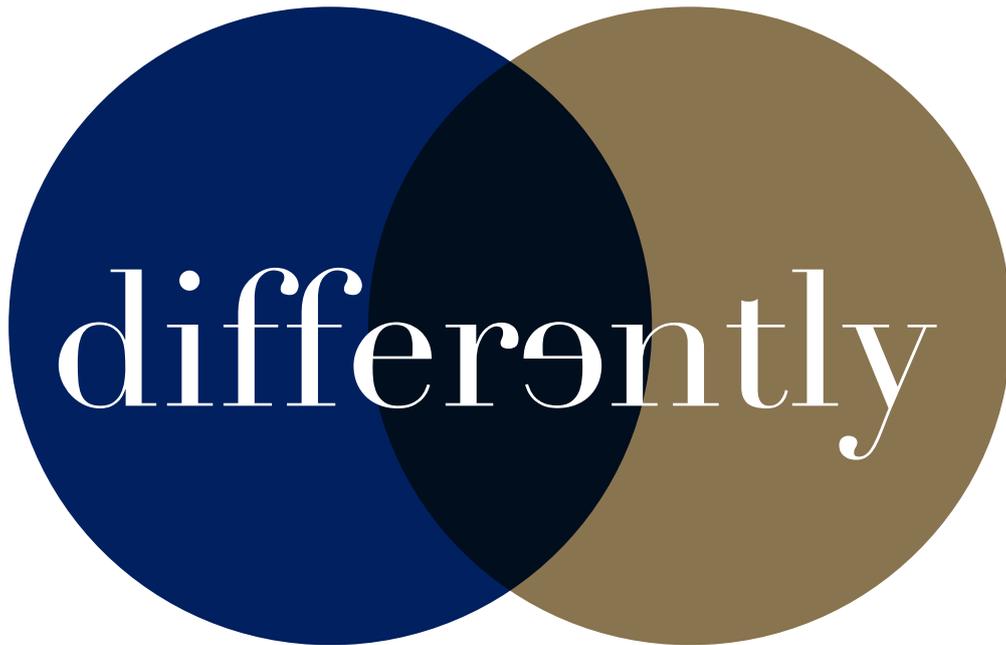


Looking at growing investments



Ceylon Investment PLC

Annual Report 2014/15

(A Carson Cumberbatch Company)



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

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Looking at growing investments differently

At Ceylon Investment PLC, we look at the business of growing investments in innovative and progressive ways, helping our shareholders discover the benefits of diversified growth and enduring value.

about us

Ceylon Investment PLC is a part of the Ceylon Guardian Investment Trust Group. It is focused on investing in listed equity investment portfolios to create long term value to shareholders.

financial highlights

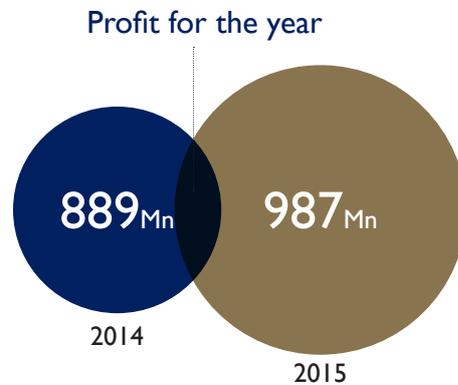
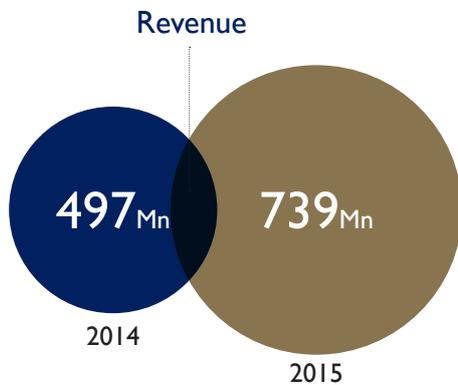
For the year ended / as at 31st March	2015	2014	Change %
Revenue	739,237	496,779	49
Profit from operations	701,534	457,551	53
Share of profit of equity accounted investee net of tax	299,714	463,626	(35)
Profit before taxation	1,001,114	919,541	9
Profit for the year	986,862	889,482	11
Other comprehensive income / (expense) for the year net of tax	781,179	(1,769,823)	(144)
Total comprehensive income / (expense) for the year	1,768,041	(880,341)	(301)
Net cash used in operating activities	(87,556)	(178,891)	(51)
Total equity	13,102,170	11,580,416	13
Return on ordinary shareholders' funds (%)	7.53	7.68	(2)
Earnings per share (Rs)	10.02	9.03	11
Dividend per share (Rs) - Cash *	2.50	2.50	-
Dividend per share (Rs) - Scrip *	1.00	-	100
Net assets value per share (Rs.) **	133.00	117.55	13
Ceylon Investment PLC - Fund value ***	13,351,117	11,865,566	13
Price to book value ratio (times)	0.68	0.63	8
Stock market data			
All share price index (points)	6,820	5,968	14
S&P SL 20 Index (points)	3,852	3,280	17
Market capitalisation (000')	8,964,854	7,339,358	22
Share price (Rs.)			
- Year end	91.00	74.50	22
- High	114.00	102.00	12
- Low	73.10	73.10	-

* Based on proposed / interim dividend.

** Arrived after fair valuation of the Company's portfolio.

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

Key Performance Indicators



» Discretionary Portfolio Performance

23%

ASPI Growth for the year - 14%

» Discretionary Fund Value - Company

4,637 Mn

» Market Capitalisation

8,965 Mn

Market Price discount to Net Asset Value - 31.6%

» Total Fund Value - with Associate Company

13,351 Mn

chairman's statement

“Our Performance highlights the long term track record of Ceylon Investment taking into account different market cycles. Our view is that consistency and steadiness in portfolio performance is more important than intermittent superlative growth spurts since the Ceylon Investment portfolio is built for long term sustainability and continuity.”

We believe that the long term development potential of Sri Lanka will flow through to its equity markets if we continue to adopt good policy frameworks that provide a strong foundation for economic activity and a good governance structure. Needless to say serious investor confidence will improve when policy makers as well as corporates take action to demonstrate vibrancy with stability.

Dear Shareholders,

PERFORMANCE IS ENCOURAGING

The year under review has been a memorable one with the Colombo Stock Exchange recording a strong positive growth of 14.28%, after two years of subdued activity. The Ceylon Investment portfolio, now valued at Rs. 4.6 bn outperformed the market this year with a growth of 23% against a market index appreciation of 14.28%. On a longer tenure of three and five years the discretionary portfolio outperformed the market by 7.68% and 5.86% respectively, where the market annual average growth was 7.96% and 12.86% respectively. Thus the actively managed portfolio maintained consistency in its track record backed by a strong investment base.

The Company recorded a profit after tax of Rs. 986.8 mn given exuberant market conditions. Our portfolio value increased to Rs. 13.35 bn from Rs. 11.86 bn a year earlier; recording an appreciation of 12.52%, without adjusting for the distribution of dividend and inclusive of the strategic portfolio. On highlighting the medium term performance inclusive of strategic holdings, five year compounded growth rate was 16.33% p.a. on market

value basis and 11.36% p.a. on market capitalisation, vis-à-vis an All Share Index growth of 12.86% p.a for the same period. The underperformance on market capitalisation basis is explained by the fact that the share trades at a continuing discount to its intrinsic value.

OPERATIONAL AND MANAGEMENT STRENGTHS UNDERLIE PERFORMANCE

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

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

MEDIUM TO LONG TERM PROSPECTS ARE POSITIVE

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

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

The current macro challenges faced by the country are likely to ease off with the conclusion of parliamentary elections that will bring in a stable government. In the short term we see multiple concerns on the economic front in terms of meeting fiscal deficit targets, easing the pressure on exchange rates & reserves, maintaining lower interest rates, and spurring growth momentum to higher levels. We believe medium term policies that concentrate on export led, private sector growth, and increase in consumption demand will form a strong foundation for sustainable development. In the long cycle structural reforms, transparency and better governance will bring investor capital to the country by way of FDI and portfolio investments and boost rates of return.

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

(Sgd.)

I. Paulraj
Chairman

Colombo
13th July 2015

management discussion and analysis

The market price of the share was at Rs. 91 recording a gain of 22% for the financial year, but it still trades at a discount of 31.6% to the NAV.

PORTFOLIO PERFORMANCE

The Ceylon Investment portfolio grew 23.03% for the year under review, exceeding the benchmark All Share Price Index by 8.72%. The portfolio divided into long term core holdings and a short term trading portfolio collectively turned in this performance, supported by a fundamental bottom up approach to investing which is very much research based. Our research models are driven by cash flow based and relative valuations and our buy/sell decisions are influenced by whether share prices are above/below intrinsic values. Our evaluations are also supported by qualitative factors pertaining to competitive positioning, financial strength, management capability and expansion possibility.

When the portfolio of the associate company Rubber Investment Trust Limited is factored in, performance drops to 14.62%. This company holds a strategic portfolio which turned in a performance of 14.74% which is slightly above the market; whilst its actively managed long term and short term portfolio gained only 1.12%. The Company portfolio and share of associate company portfolio comes to a total of Rs. 13.35 bn at the close of the year, from Rs. 11.86 bn at the previous year's close, an appreciation of 12.52%, against the benchmark All Share index of +14.28% and S&P SL 20 index of +17.45% for the same period. The composite is detailed below. This performance as mentioned in the note, is after distribution of dividend. If the cash paid out is added back to performance then it improves significantly.

As at 31st March	2015	2014	Change %
Discretionary portfolio ('000)	4,636,733	3,971,624	16.75 *
Total portfolio ('000)	13,351,117	11,865,566	12.52 *
Benchmark – ASPI (Points)	6,820	5,968	14.28

* The total cash outflow from the distribution of dividend by the Group was Rs. 249.57 mn during the period. If the impact of such distribution is factored, the performance of the discretionary portfolio and the total portfolio would be 23.03 % and 14.62 % respectively, which is a growth above the market.

KEY INVESTMENTS AND DIVESTMENTS

During the year divestment of holdings generated sales proceeds of Rs. 1.52 bn and we added Rs. 1.67 bn in terms of purchases. Hence, Ceylon investment has been a net buyer in the market.

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

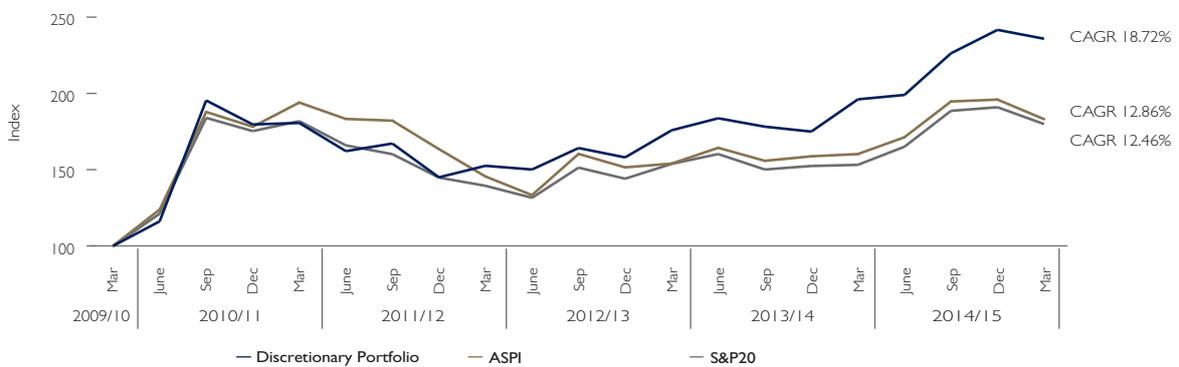
John Keells Holdings, the largest market cap company, traditionally carried a high weightage in the portfolio. We have now moderated our exposure to this stock, taking advantage of the spike in share

Our portfolio continues to lean heavily on the banking & finance sector mainly coming from Hatton National Bank, Commercial Bank of Ceylon, Sampath Bank and Central Finance Company. We are very bullish on the banking & finance sector, which we believe will yield good medium to long term returns capturing the first economic tide of the country.

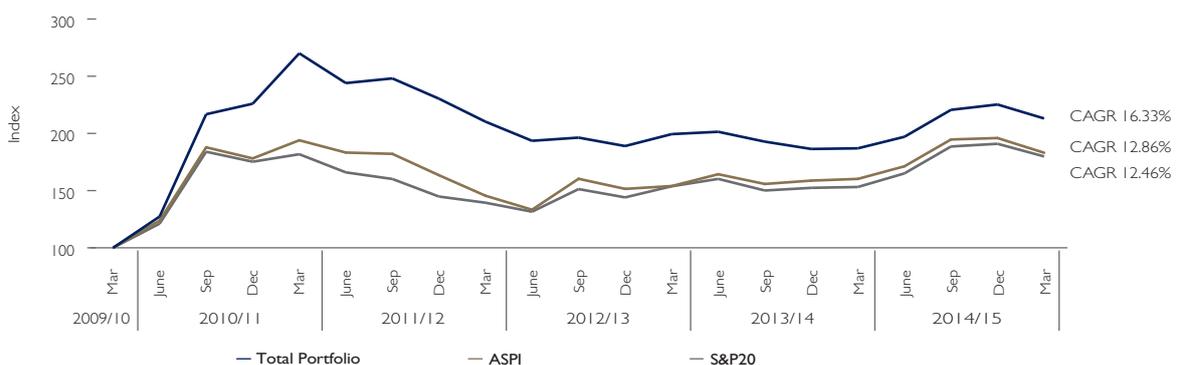
» Five Year CAGR of Discretionary portfolio

18.7%

Five Year Track Record Discretionary Portfolio - Company



Five Year Track Record Total Portfolio - With Share of Associate Companies



» management discussion and analysis

prices during mid-year. We await the outcome of its new mega real estate development project and see stable performance in its diverse sectors going forward.

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

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

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

We regularly re-balance our existing portfolio and transform from overvalued to undervalued stocks. Similarly, we may make calls where we totally get out of a stock and remain in cash until such time as we discover a potential undervalued company that fits our investment profile.

TOP 5 HOLDINGS AS AT 31ST MAR 2015

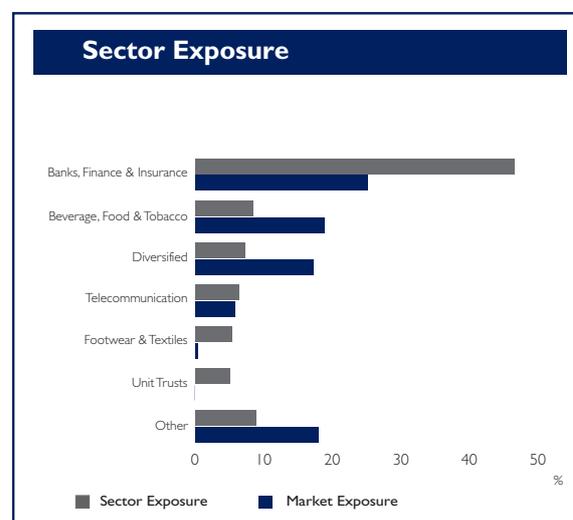
Our portfolio continues to lean heavily on the banking & finance sector mainly coming from Hatton National Bank, Commercial Bank of Ceylon, Sampath Bank and Central Finance Company. We are very bullish on the banking & finance sector, which we believe will yield good medium to long term returns capturing the first economic tide of the country. The mix of banks in our portfolio ranges from higher risk balance sheets to conservative; and from large size to medium size commanding varying market shares. All

are currently undervalued in terms of forecast valuations. In the footwear & textiles sector we also carry an over weight position due to our holding in Hayleys MGT. We continue to be bullish on a turnaround in the Company and industry prospects.

Top Five Holdings

Company	Market value of the holding ('000)	Holding as a % of Discretionary portfolio
Hatton National Bank PLC	489,935	10.6
Distilleries Company of Sri Lanka PLC	390,321	8.4
Commercial Bank of Ceylon PLC	382,723	8.3
Sampath Bank PLC	372,696	8.0
Central Finance Company PLC	337,083	7.3

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



FINANCIAL REVIEW AND SHAREHOLDER RETURNS

The Company's profit which also consists of share of profit of its equity accounted investee was Rs. 986.86 mn for the year. This is a growth of 11% compared to Rs. 889.48 mn recorded for previous year. The profits earned on Company's investment activities which consist of revenue from realised gains on disposals of investments, dividend income, interest income and unrealised fair value gains / losses recognised in profit or loss, achieved a significant growth in the current year. The Company booked Rs. 538.29 mn as net realised gains from the disposals that took place in the long term portfolio during the year under review.

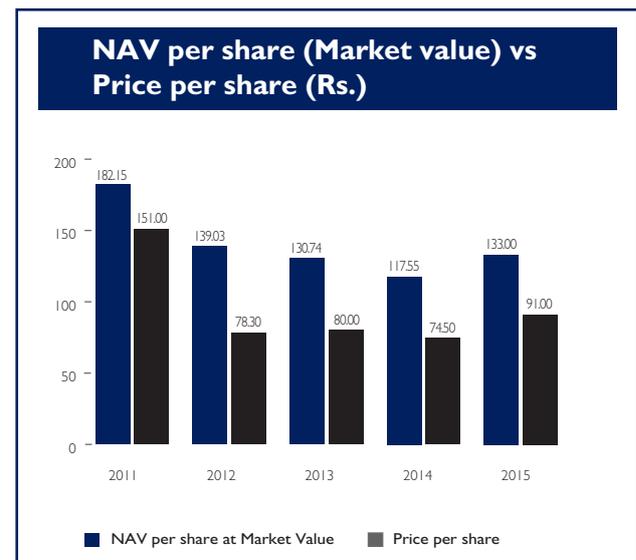
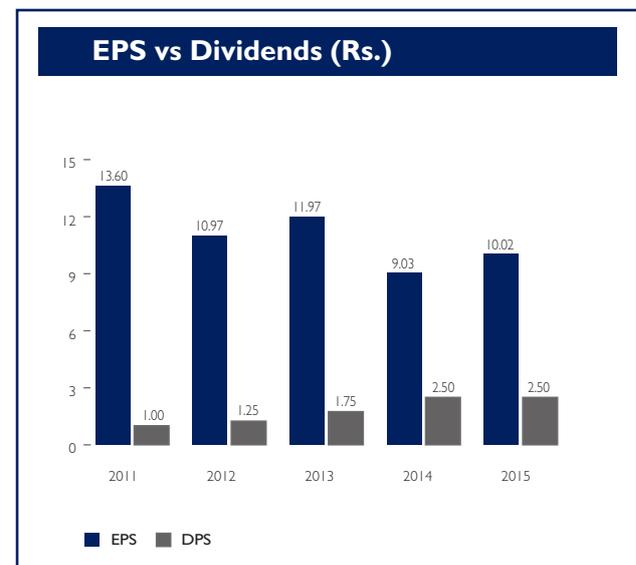
Cash used in operations amounted to Rs. 58 mn for the period under review. The total net cash position of the Company was Rs. 552.4 mn as at the reporting date.

The Company's share of its associate company "Rubber Investment Trust Limited (RITL)", indicates a drop of 35% which mainly depends on the pattern of investment activities and the fair value changes of its portfolio. This year the associate company realised lower capital gains than the previous year. The share of other comprehensive income was Rs. 603.96 mn as opposed to other comprehensive expense of Rs. 1,554.5 mn reported in the previous year. This is mainly due to variation in market prices of the investment in Bukit Darah PLC held by RITL which accounts for 79% of its total portfolio. The share price of Bukit Darah was Rs. 678.00 as at 31st March 2015 (2014 – Rs. 590.90). With the adoption of new accounting standards, RITL requires to reclassify its investment in Bukit Darah PLC, from investment in associate into "available for sale financial assets" category. Hence, this investment has been recognised at fair value in the statement of financial position and the changes in fair values have been recognised in Other Comprehensive Income in accordance with LKAS 39 - "Financial Instruments; Recognition and Measurement", in the financial statements of Rubber Investment Trust Limited.

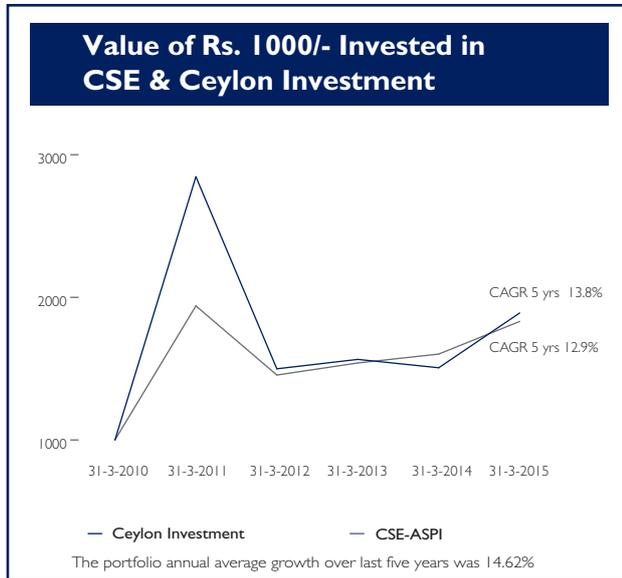
The Company's earnings per share (EPS) increased to Rs. 10.02 from Rs. 9.03, an increase of 11%. The Company paid an interim dividend of Rs. 2.50 per share which is similar to the dividend of Rs. 2.50 paid for 2013/14. Also, it proposed a second interim dividend of Rs. 1.00 in the form of scrip dividend. The Company has been maintaining a consistent dividend policy to match shareholder expectations. The dividend yield of the Company has increased to 3.85% (2014 – 3.36%).

The net value appreciation of the Company's portfolio including the net asset value of the stake in RITL, was Rs. 1.46 bn during the financial year under review, against depreciation of Rs. 0.9 bn recorded last financial year.

The net asset value per share (NAV) of the Company amounted to Rs. 133 which is based on fair value of its portfolio. However the Company's share has been trading at a discount in the CSE over the past years. As of 31st March 2015, the market price of the share was at Rs. 91 recording a gain of 22% for the year but it still trades at a discount of 31.6% to the NAV. Shareholder wealth gain during the year was 26.8% taking into account of both share price appreciation and dividend for the year.



» management discussion and analysis



ASSET MANAGEMENT CAPABILITY

The Investment Manager of the Company, Guardian Fund Management Ltd (GFM), which is a fully owned subsidiary of the Company's parent entity, Ceylon Guardian Investment Trust PLC, is registered with the Securities and Exchange Commission of Sri Lanka. It has expanded its operation to offer its fund management capabilities to companies outside the Group and built a portfolio of prestigious institutional clients consisting of provident funds, pension funds, corporate clients and banks to whom fund management solutions are provided in both equity and fixed income asset classes. Thus the fund management company has currently built up its assets under management (AUM) to over Rs. 20.1 bn primarily on the equity asset class. GFM complements its service offering with a range of equity and money market unit trusts, catering to a wider retail and corporate clientele. This is carried out as a joint venture between Ceylon Guardian and Acuity Partners, who bring in the network and client reach of the HNB and DFCC banks.

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

audit process to monitor client interest independently and ensure objectives are being met.

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

OUR FUTURE VIEW

Sri Lanka's growth forecast has been reduced slightly to a range of 7.00% from GDP growth of 7.9% forecast earlier; the main reason being change in policy with economic growth drivers to come from consumption and export led growth vs infrastructure led growth. The review of some of the big infrastructure projects is likely to have a slowing effect on the economy in the short term, although consumption boost will offset this in time to come.

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

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

Being an election year, and pending parliamentary elections, much volatility is expected in markets which may offer opportunities for selective buying. However after the conclusion of the parliamentary elections we are likely to see a stable window of growth in the next five years. The development plans of the country are supported by improvements in ease of doing business, better governance and transparency. Thus the equity market is expected to perform well in the medium to long term as Sri Lanka delivers on its growth potential which will flow through to capital markets. However the main uncertainty facing

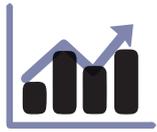
emerging and frontier markets is the speed and rate at which US interest rates are likely to be raised. It's inevitable that flight of capital from these markets would follow through. We will follow a cautious approach given likely market and currency volatility depending on how foreign investors react. Despite uncertainties clouding the Colombo Bourse, we remain confident in the long term on the potential of equities. We believe that in the long term equities offer above average returns in long cycles and hence are not reluctant to commit long term capital to good companies at attractive price levels, following our bottom up investment strategy. We believe the catalyst to market performance would be the underlying corporate earnings of the companies and remain confident that earnings growth would strengthen, thus making the country's GDP growth flow down to listed company earnings.

Guardian Fund Management Limited

Investment Managers

Colombo

13th July 2015

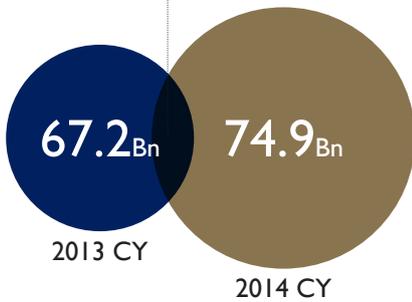


Economy & Market Review



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

Gross Domestic Product (USD)

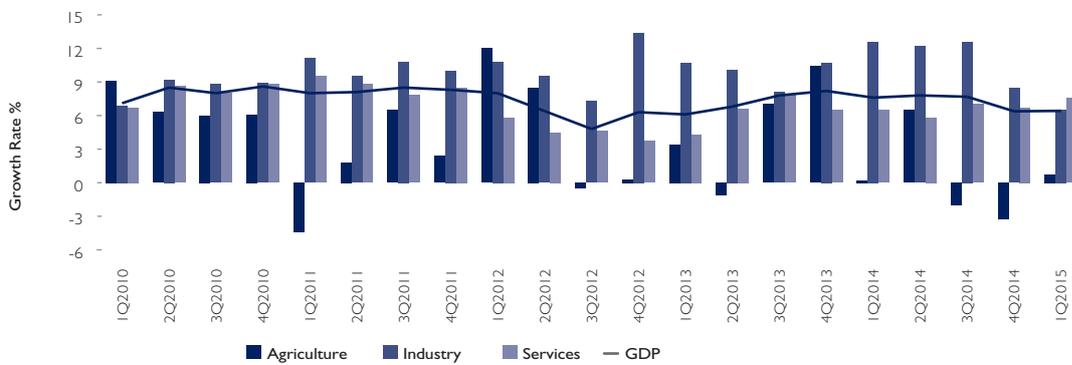


Ease of doing business in Sri Lanka remains a challenge that could be overcome by stability and continuity in the policy framework that governs business.

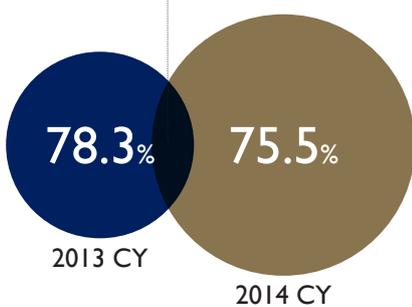
Economy

Sri Lanka has been a beneficiary of the peace dividend and political stability in the last five years where an average economic growth rate of 7.4% has been recorded, as opposed to the 6.0% recorded in the preceding five year period. This growth

GDP & Sector Growth Rates



Debt to GDP



momentum if it continues, is likely to double the country's per capita income levels to US\$ 7,500 by the end of the decade. This would bring about a change in the sectors generating growth, lifestyles, consumption patterns and economic activity, which would present new and innovative opportunities for investment. A GDP growth of 7.4% was recorded in 2014, up from 7.2% recorded in year 2013, driven mainly by the industry and service sectors. We believe that since our domestic economy is small and import dependent, our future success would lie in enhancing export earnings, improving our knowledge based capabilities, exploiting our geographic locational advantage and enhancing & diversifying the sources of our FDI inflows.

» management discussion and analysis

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

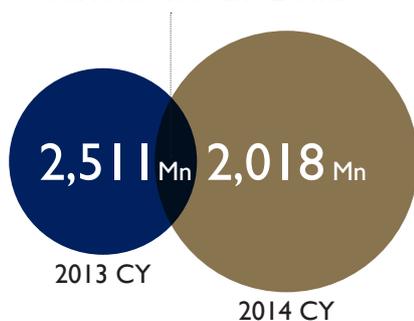
On key macroeconomic indicators, the country has progressed positively where, along with an improvement in the fiscal position, the target is to reduce debt to GDP ratio levels below the current 75%. Whilst this is a good measure, cutting down on essential capital expenditure should proceed with caution. Sri Lanka once upon a time was on a high inflationary trajectory,

however recently with the help of low global crude oil prices, headline and core inflation has been at 2% & 4% respectively. The outlook remains positive with no food price shocks in 2015, and we therefore expect inflation to remain at 4- 5% levels. This would help interest rates to remain low. Deceleration in credit growth has also enabled the easing of monetary policy. However, fiscal management and the method of funding the deficit going forward, would be one of the key drivers that determine interest rate outlook. The pressure on the current account would also add to interest rate pressure.

The country's GDP per capita increased to US\$ 3,625 in 2014 from US\$ 3,280 in 2013. Total Gross Domestic Product (GDP) of the country currently stands at US\$ 75 bn. The growth has come



Current Account Deficit



from the industrial sector and the services sector; and was largely construction led. Exports grew by 7.1% to reach US\$ 11.13 bn for the year led by 9.9% growth in textiles and garments, while imports increased in 2014 by 7.9% to US\$ 19.4 bn on account of an increase in consumer and intermediate goods by 21.1% and 8.0% respectively. The overall trade deficit increased to US\$ 8.3 bn which is an increase of 8.9% compared to the deficit of US\$ 7.6 bn in 2013. However, the surplus in the services account which came about via a growth in earnings from tourism and workers' remittances partially offset the deficits in the trade and income accounts, thereby resulting in a lower deficit of US\$ 2.0 bn in the current account in 2014 compared to the deficit of US\$ 2.5 bn in 2013. Further, as a percentage of GDP, the current account deficit narrowed to 2.7% in 2014 compared to 3.8% in 2013. Inflows in the form of foreign direct investment (FDI) amounted to US\$ 944 mn in 2014. The gross official reserves by end March 2015 amounted to US\$ 6.8 bn equivalent to 4.3 months of imports respectively.

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

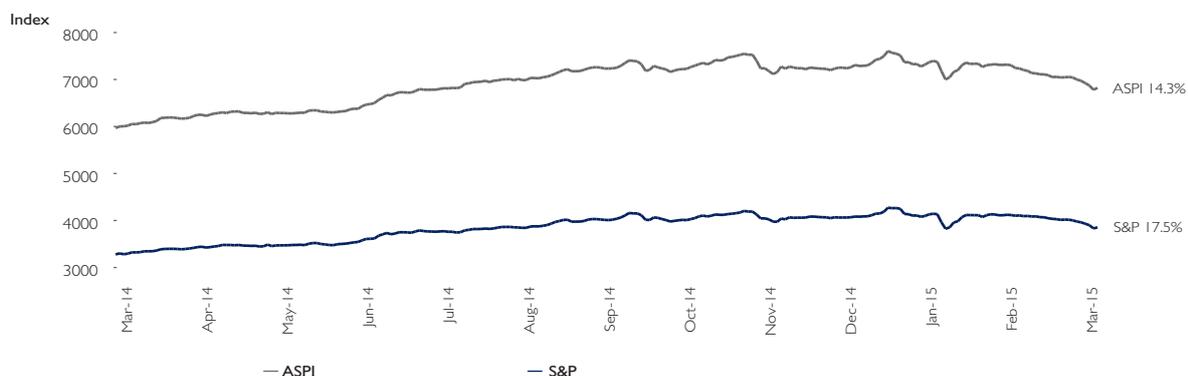
The Central Bank reduced policy rates one time during the year 2014 and maintained the same thereafter. However a cut of 50 basis points was seen in 2015, bringing a significant decline in the overall interest rate structure. Thus the Standing Deposit Facility Rate and Standing Lending Facility Rate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

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

Equity Markets

The All Share Price Index (ASPI) increased by 24.3% for the calendar year 2014. For the financial year April 2014 to March 2015 the ASPI increased by 14.3%. The market buoyancy that prevailed in 2014 was dampened with the onset of elections. A wait and see approach was followed during the 1st qtr of 2015 where the market lost ground with politics playing a pivotal role. However, though locals stayed on the sidelines, foreign buying was evident during the period under review with net foreign inflow of Rs. 2,816.8 mn during the year 2015 (Jan-Mar) and Rs. 21,364 mn in year 2014 was focused mostly on banks, conglomerates and multinationals.

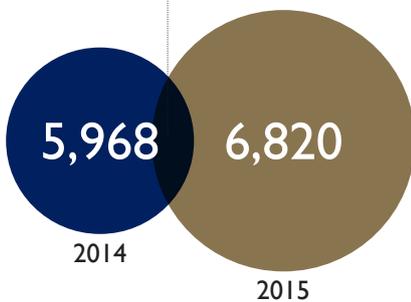
ASPI and S&P SL 20 Movement (FY 2014-15)



» management discussion and analysis

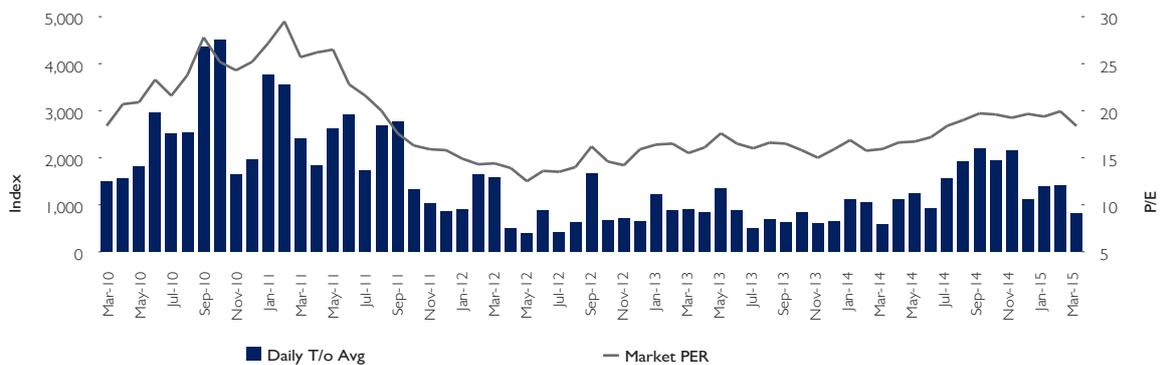
	31st Dec 2013	31st March 2014	31st Dec 2014	31st March 2015	Movement for 2014	Movement for F/Y 2014-2015
ASPI	5,912	5,968	7,298	6,820	23.4%	14.2%
Avg T/O Rs.Mn	641	594	1,105	822	72.4%	38.3%
Market Cap Rs. Bn	2,459	2,498	3,105	2,891	26.2%	15.7%
Market PE Ratio	15.9	15.9	19.6	18.3	23.6%	15.6%

All Share Price Index



On the global front, equity markets were seen reaching new heights i.e. – Dow Jones Industrial index, S & P 500 index, FTSE 100 index, Nikkei 225 index. Frontier and emerging markets showed mixed signals with domestic issues coming into play and a cautious approach to the inevitable US interest rate hike and anticipated flight of capital from such markets. However higher turnover volumes were evident at the CSE with institutional investor activity and the foreign side driving the daily average turnover of the market from Rs. 828Mn in 2013 to Rs. 1,414Mn in 2014. The All Share Price Index closed at 6820 levels and during

Daily Average Turnover Vs Market PE



the period of review, market traded between a low of ASPI 6,001 index level and high of ASPI 7,605 index level, giving a trading band of 1,600 basis points.

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

Market capitalisation of the CSE crossed the Rs. 3 trillion mark, with domestic participation at 74% and foreign participation at 26% as at end March 2015. Attractive market valuations plus the structural downward movement of interest rates have drawn funds to the equity asset class from fixed income. The CSE has re-rated and is currently trading at 18.38 times (CSE) PE ratio based on last year's earnings, up from 15.93 times recorded end Mar 2014. The average Price Earnings (PE) band we have witnessed at the Colombo Stock market has been 14.5 times taking a long cycle, on which the market is now trading at a higher multiple. On our universe of stocks covered, the 1 year forward

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

earnings of the market is trading at 13.8 times and 2 year forward earnings is trading at 12.3 times, giving an earnings growth of 5% in 2015/16 and 12% in 2016/17. However the CSE remains fairly valued vis-à-vis other regional markets. CSE market cap to GDP is 31% from 28% recorded previously. This has much potential to grow with most developed countries at 70 – 100% levels.

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

risk management

THE RISK MANAGEMENT STRUCTURE

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

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

The Board of Directors of the Company carries ultimate responsibility for risk management. Hence the Board is supported by an organisation structure that covers the entire risk management framework through an independent Compliance Officer drawn from group level as well as the internal audit function of the Carson Cumberbatch Group, to which the Ceylon Investment Company belongs. The Audit Committee of the Company has oversight over the financial reporting function of the Company, the system of internal controls as well as the audit, compliance and risk management processes. Further, an Investment Committee drawn from across the Carsons Group directorate provides advice and insights to the fund management team to further sharpen and refine their decision making process. This organisation structure determines the objectives and policies of our risk management framework and promotes a culture of risk awareness and balanced risk-taking within the Company.

RISK CATEGORIES

Ceylon Investment has identified and categorised its risks into four categories, namely macro environmental risks, portfolio risks, compliance risks and operational risks.

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

MACRO ENVIRONMENTAL RISKS

Country Risks

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

Currency Risk

Where investments are denominated in currencies other than our primary reference currency which is the Sri Lanka Rupee, and where the Company is required to convert funds from one currency to another upon making investments, as well as in receiving the returns from those investments, the Company is exposed to the risk of the foreign exchange rates moving against one's investment.

This risk is not currently applicable to the Ceylon Investment as the current exposure of the Company to investments denominated in foreign currencies is nil. Looking ahead we would address currency risks in our investments on a global context, when we invest overseas.

Market Risk - Domestic

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

Market risks are inherent in every security and are thus collectively considered at the portfolio level to take into account the asset allocation decisions of the portfolio. Thus market risks affecting a particular class of security are mitigated by switching to asset classes that are assessed to be less risky in a particular scenario.

All market participants such as Ceylon Investment, develop their business model, taking into account exposure limits and parameters to sustain itself when faced with market risks that can affect portfolio values. The mitigating process has been to develop a sound research base to determine changing economic fundamentals of the country, determine the impact on equity vs fixed income investments and the prompt shifting of funds between asset classes. The process of assessing market risks on investee companies also forms a vital part of our research process, where sensitivity of stock valuations to changes in economic indicators are continuously monitored.

Market Risk - International and External

These risks cannot be diversified or mitigated by the Company. There is an indirect impact of risks of other markets to our domestic market as clearly seen in the past. In the global world of cross border trade and investment flows, the impact of changing economic indicators and policy such as interest rates, exchange rates, inflation, budget deficits, as well as global commodity prices is high impact for the domestic economy, especially in a country such as ours which is import dependent for vital commodities.

The entry and exit of foreign investor interest in the local market is also determined by the macro economic trends prevailing in foreign markets and relative valuations of our market vis-à-vis developed and other comparative Asian markets. Information to monitor and interpret global developments in capital markets is vital to assess and mitigate this risk.

We would build expertise in foreign markets going forward, as we would look to invest overseas gradually. In mitigating the risk we would tie up or collaborate with foreign entities that have expertise in such markets in order to gain knowledge

PORTFOLIO RISKS

General Securities Risk

These risks arise as a result of the overall risks faced by the issuing entity which affects its ability to provide a return to the investors holding the securities issued by it. Particularly in the case of equities, past performance of any investment is not necessarily indicative of future performance. Our approach focuses on the fact that there is no substitute for fundamental security assessment. Our portfolio management and investment selection process is designed to maximise the risk/return tradeoff to our shareholders and we employ a bottom up investment selection process.

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

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

Liquidity Risk

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

We mitigate this risk by investing in companies with a reasonable free float and where securities are heavily traded. Also by limiting the portfolio's buy list to highly traded stocks, the risk of illiquidity is mitigated.

In instances where we are presented with a promising investment opportunity, being short of funds to pursue that opportunity is

» risk management

also an extension of liquidity risk. To guard against this risk, we have arranged several overdraft facilities to draw on if and when opportunities and needs arise.

Performance Volatility Risks

The composition of the portfolio will determine the portfolio's ability to outperform the market. If more volatile stocks are selected, there is a likelihood that the portfolio will outperform the benchmark All Share Price Index in a growing market, while in a downturn it can underperform the market.

Measuring portfolio volatility through calculation of a portfolio beta is one method of keeping ourselves aware of the sensitivities of the portfolio. In the case of the long term portfolio, we would hold onto fundamentally strong stocks and ride out low performing cycles. For this, we ensure adequate cash generation by way of dividend and other income flows to keep our daily operations running smoothly. On the other hand, in the case of the trading portfolio, it is necessary to keep an even closer tab on market volatility, since it needs to regularly encash its profitable positions to remain a high performing portfolio.

Investment Performance Risk

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

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

COMPLIANCE RISKS

The legal support services to Guardian Fund Management comes through the management services company of the Carson Cumberbatch Group. The legal function proactively identifies and advises GFM to set up appropriate systems and processes for legal and regulatory compliance in respect of all our investments and regulated activities. We also ensure legal and regulatory compliance in any foreign country through legal counsel retained in those jurisdictions.

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

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

OPERATIONAL RISKS

Professionalism in Operational Dealings

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

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

The compliance with the Code of Ethics ensures that the conduct of fund managers and other staff members do not violate the code of ethics to which employees are signatories, and ensures absence of conflicts of interests with clients.

Systems and Process Risks

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

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

Also in order to deal with unexpected contingencies, we have developed and implemented a business continuity plan, which looks after aspects such as staff deployment and systems backup in case of an unexpected disruption to the business.

The internal audit function of the Carsons Group, ensures the safeguarding of Company assets and recommends process improvements in areas where process control failures are noted. Compliance with the investment objectives of each portfolio involves checking whether fund managers have adhered to the investment guidelines for each portfolio operating within set limits. Further compliance with the operating process manual involves checking the application of proper internal controls such as segregation of duties, authority limits, approvals and that cash management processes are in order.

Staff Risks

A fund management operational unit requires qualified professionals with experience in the fund management industry. Knowledge of the operating mechanism of the market as well as its norms and ethics is of importance. We attempt to pass on this valuable local knowledge to our staff at all levels. Having diversity in the team, developing a strong second level, training and development opportunities, are standard practices of the industry, which we benchmark ourselves with. A performance related incentive scheme for the staff is in place and is being reviewed continuously. The networking ability of key staff to source business is important in running a successful fund management operation.

A strong research team has been developed to complement the fund management operation and raise the standard of the investment decision making process. Staff training and development is identified as an important area of concern.

Reputation Risk

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

Guardian Fund Management Limited

Investment Managers

Colombo

13th July 2015

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

The Board of Directors of Ceylon Investment PLC has pleasure in presenting to the shareholders this Report, together with the Audited Financial Statements for the year ended 31st March 2015.

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

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

1. GENERAL

Ceylon Investment PLC (the "Company") is a public limited liability Company incorporated in Sri Lanka in 1919.

2. PRINCIPAL ACTIVITY OF THE COMPANY

The principal activities of the Company and its associate company are to act as specialised investment vehicles focusing on listed equity investments.

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

3. REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

The Chairman's Statement and the Management discussion and analysis on pages 4 to 17 provide an overall assessment of the business performance of the Company and its future developments. These reports, together with the audited financial statements reflect the state of affairs of the Company.

4. FINANCIAL STATEMENTS

The Financial Statements which include the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flow, Statement of Changes in Equity and Notes to the Financial Statements of the Company for the year ended 31st March 2015 are set out on pages 42 to 86 of this Report. These Financial Statements do comply with the requirements of the Companies Act, No. 07 of 2007.

4.1 Revenue

The Company generated a revenue of Rs. 739.2 mn (2014 – Rs.496.8 mn). A detailed analysis of the revenue for the period is given in note 11 to the financial statements.

4.2 Financial results and appropriations

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

(In Rupees Thousands) For the year ended 31st March	2015	2014 Restated
Profit for the year	687,148	425,856
Retained earnings brought forward from previous year	2,161,963	1,930,957
Transfers	(37,302)	28,910
Dividend from associate Company	83,235	194,928
Profit available for appropriations from which the following appropriations/ distributions have been made :	2,895,044	2,580,652
Dividends	(246,287)	(418,688)
Retained earnings carried forward	2,648,757	2,161,963

4.3 Significant accounting policies

The accounting policies adopted in the preparation of these financial statements are given on pages 46 to 56.

The impact of change in accounting policies due to adoption of new Sri Lanka Accounting Standard (SLFRS / LKAS) which have become effective during the financial year, is disclosed in note 28 of the Financial Statements.

4.4 Investment in Financial Instruments

– Available for sale financial assets / fair value through profit or loss financial assets

Investments in financial instruments of the Company represents investments in available for sale financial assets and investments in fair value through profit or loss financial assets, categorised into,

Fair value hierarchy Level 1 - quoted securities

Fair value hierarchy Level 2 and Level 3 – unit trusts, unquoted and private equity (unlisted equity investments).

The information on the fair values of the investments classified as “available for sale financial assets” and investments classified as fair value through profit or loss financial assets are given in notes 19 and 21 respectively.

Further, note 27.5 provides an analysis of these financial instruments which are carried at fair value, by the levels in the fair value hierarchy.

4.5 Reserves

As at 31st March 2015, the total reserves of the Company stood at Rs. 12,428.6 Mn (2014 - Rs. 10,906.9 mn).

The movements and the details are set out in the Statement of Changes in Equity and in note 24 to the financial statements.

4.6 Fair value through profit or loss financial assets reserve

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

Accordingly, during the year an amount of Rs. 37.2 mn was transferred to (2014 - Rs. 28.9 mn was transferred from) “Fair value through profit or loss financial assets reserve” resulting from the movements in fair value as shown in the Statement of Changes in Equity.

4.7 Available for sale financial assets reserve

During the year, the net positive movement of ‘Available for sale financial assets reserve’ amounted to Rs. 177.2 mn (2014 - net negative movement of Rs. 215.3 mn) arising out of transfer of realised gains and adjustment on fair valuation of investments in Available for sale financial assets.

5. STATEMENT OF DIRECTORS’ RESPONSIBILITIES

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

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

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

In preparing these Financial Statements the Directors are required to ensure that:

- appropriate accounting policies have been selected and applied consistently, while material departures, if any, have been disclosed and explained;
- all applicable Accounting Standards have been complied with; and,
- reasonable and prudent judgments and estimates have been made.

The Directors are responsible for ensuring that the Company maintains sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company in order to ensure that its Financial Statements meet with the requirements of the Companies Act, No. 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. They are also responsible for taking reasonable measures to safeguard the assets of the Company and in this regard to give proper consideration to the establishment of appropriate systems of internal control with a view to prevent, detect and rectify frauds and other irregularities.

These Financial Statements have been prepared on a Going Concern basis, since the Directors are of the view that the Company has adequate resources to continue operations, for the foreseeable future from the date of signing these financial statements.

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

6. OUTSTANDING LITIGATION

There are no litigations currently pending against the Company.

7. INDEPENDENT AUDITORS' REPORT

The Independent Auditors' Report on the financial statements is given on page 41 of the Annual Report.

8. INTERESTS REGISTER

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

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

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

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

8.1 Remuneration of Directors

Directors' remuneration for the financial year ended 31st March 2015 is given in note 12 to the financial statements on page 56 of the Annual Report.

8.2 Directors' Interest in contracts and shares

The Related Party Transactions of the Company as required by the Sri Lanka Accounting Standards LKAS 24 Related Party Disclosures are disclosed in note 26 to the Financial Statements and have been declared at Meetings of the Board of Directors. The Directors have had no direct or indirect interest in any other contracts or proposed contracts in relation to the business of the Company, while they had the following interests in the ordinary shares of the Company, as shown in the table below :

Directors	No. of shares as at	
	31st March 2015	1st April 2014
Mr. I. Paulraj (Chairman)	255	255
Mr. D. C. R. Gunawardena	255	255
Mr. A. P. Weeratunge	-	-
Mrs. M. A. R. C. Cooray	-	-
Mr. A. de Z. Gunasekera (Resigned w.e.f. 31/10/2014)	-	-
Mr. V. M. Fernando	-	-
Mr. K. Selvanathan	-	-
Mr. T. C. M. Chia (Appointed w.e.f. 01/11/2014)	-	-

9. DIRECTORS

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

9.1 Resignation and Appointment of Directors

Mr. A. de Z. Gunasekera resigned from the Board with effect from 31st October 2014.

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

9.2 Directors to retire by rotation

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

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

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

9.4 Appointment of Director over 70 years of age

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

Accordingly, subject to the approval of the shareholders being obtained at the Extraordinary General Meeting convened for 28th July 2015, the Nomination Committee and the Board recommend that Mr. l. Paulraj who is over 70 years of age be re-appointed as a Director of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the age limit stipulated in Section 210 of the Companies Act, No. 07 of 2007 shall not be applicable to him.

10. AUDITORS

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

A sum of Rs. 338,000/- was paid to them by the Company as audit fees for the year ended 31st March 2015 (2014 – Rs. 307,000/-). In addition to the above, the Auditors were paid Rs. 215,000/- (2014 – Rs. 65,000/-) as professional fees for audit related services.

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, including the level of audit and non-audit fees paid to the Auditors.

10.1 Auditors' relationship or any interest with the Company

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

11. SIGNIFICANT EVENTS DURING THE YEAR

There were no significant events during the year.

12. RELATED PARTY TRANSACTIONS EXCEEDING 10% OF THE EQUITY OR 5% OF THE TOTAL ASSETS OF THE COMPANY

The Directors declare in terms of the requirements of the Listing Rules of the Colombo Stock Exchange that the transactions carried out by the Company with its Related Parties during the year ended 31st March 2015, did not exceed 10% of Equity or 5% of the Total Assets of the Company as at 31st March 2015.

The details of the Related Party Transactions are given in note 26 on pages 69 to 71 of the Financial Statements.

12.1 Related Party Transactions Review Committee

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

13. CORPORATE GOVERNANCE

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

13.1 Regulatory Benchmarks

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

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

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

Ceylon Investment PLC is registered as an Underwriter with the Securities and Exchange Commission of Sri Lanka (SEC).

The above registration is renewed on an annual basis and the Company has to fulfil the criteria stipulated by the SEC for such renewal. These include, amongst many other provisions, the maintenance of a minimum capital, employment of qualified staff, setting in place clear systems and procedures for handling investor and regular reporting and filings with the Regulator.

13.2 Board of Directors

The following Directors held office during the period under review and their brief profiles are given on pages 32 to 34 of the Annual Report :

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

Each of the Non-Executive Directors of the Company has submitted a signed declaration on Independence/Non-Independence as per Rule 7.10.2(b) of the Listing Rules of the Colombo Stock Exchange (CSE). The said declarations were tabled at a Meeting of the Board of Directors of the Company held on 24th June 2015, in order to enable the Board of Directors to determine the Independence/Non-Independence of each of the Non-Executive Directors, in terms of Rule 7.10.3(a) of the Listing Rules of the CSE.

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

** The Board has determined that Mr. V. M. Fernando is an Independent Director in spite of being a Director of Ceylon Guardian Investment Trust PLC, in which a majority of the other Directors of the Board are also Directors and which has a

substantial shareholding in the Company, since he is not directly involved in the management of the Company.

*** The Board has determined that Mr. T. C. M. Chia is an Independent Director in spite of being a Director of Ceylon Guardian Investment Trust PLC, in which a majority of the other Directors of the Board are also Directors and which has a substantial shareholding in the Company, since he is not directly involved in the management of the Company.

The Managers of the Company is Carsons Management Services (Private) Limited.

13.3 Directors' Meetings Attendance

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

Directors	Meetings attended (out of 4)
Mr. I. Paulraj (Chairman)	4
Mr. D. C. R. Gunawardena	3
Mr. A. P. Weeraturunge	4
Mrs. M. A. R. C. Cooray	4
Mr. A. de Z. Gunasekera (Resigned w.e.f. 31/10/2014)	2
Mr. V. M. Fernando	2
Mr. K. Selvanathan	4
Mr. T. C. M. Chia (Appointed w.e.f. 01/11/2014)	2

13.4 Audit Committee

The Parent Company of the Company is Ceylon Guardian Investment Trust PLC (CGIT) and Carson Cumberbatch PLC (CCPLC) in turn is the Parent Company of CGIT. As per Rule 7.10.6 of the Listing Rules of the Colombo Stock Exchange, the Audit Committee of CCPLC functions as the Audit Committee of the Company and comprises of the following Members :

Audit Committee Members	Executive/Non- Executive/Independent
Mr. V. P. Malalasekera (Chairman)	Non-Executive/Independent Director of CCPLC
Mr. D. C. R. Gunawardena	Non-Executive Director of CCPLC
Mr. F. Mohideen	Non-Executive/Independent Director of CCPLC

The Audit Committee Report is given on pages 37 to 38 of this Annual Report.

13.5 Remuneration Committee

The Parent Company of the Company is CGIT and CCPLC in turn is the Parent Company of CGIT.

As per Rule 7.10.5 of the Listing Rules of the Colombo Stock Exchange, the Remuneration Committee of CCPLC functions as the Remuneration Committee of the Company and comprises of the following Members :

Remuneration Committee Members	Executive/Non-Executive/Independent
Mr. I. Paulraj (Chairman)	Non-Executive Director of CCPLC
Mr. D.C.R. Gunawardena	Non-Executive Director of CCPLC
Mr. R. Theagarajah	Non-Executive/Independent Director of CCPLC
Mr. W.M.R.S. Dias (Appointed w.e.f. 18/05/2015)	Non-Executive/Independent Director of CCPLC

Scope and Objective

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

A remuneration policy has been formulated based on market and industry factors and individual performance for all group Companies.

Functions and Proceedings

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

The Chief Executive Officer, Director-in-charge and other members of the senior management may be invited to attend meetings to discuss the performance of the Executive Directors and make proposals as necessary. Neither Executive nor Non-Executive Directors are involved in Remuneration Committee meetings when determinations are made in relation to the remuneration of the respective Directors.

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

The Remuneration Committee meets at least twice a year.

During the period under review the Committee had two meetings and the attendance of the Members was as follows :

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

Reporting and Responsibilities

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

Aggregated remuneration paid to the Non-Executive Directors of the Company is disclosed under note 12 on page 56 of the Annual Report. Executive Directors are not compensated for their role on the Board.

14. NOMINATION COMMITTEE

The Nomination Committee of Ceylon Guardian Investment Trust PLC (CGIT), the Parent Company functions as the Nomination Committee of the Company and comprises of the following Members :

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

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 nomination of members to represent the Company in group companies/investee companies.

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

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 the senior management may be invited to attend Meetings of the Nomination Committee. The Committee may also invite appointed external consultants to aid the Committee in the discharge of its duties.

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

The Nomination Committee meets at least twice a year.

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

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

15. BOARD EVALUATION

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

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

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

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

16. INTERNAL CONTROL AND RISK MANAGEMENT

The ultimate responsibility to establish, monitor and review a Group-wide internal control system rests with the Board of Directors. The intensity, depth and the tolerance limits for each component of the internal control system would be based on the weight of the element of risk imposed on the sustenance of the business by the respective area of operation. Whilst a strong internal control system would mitigate the 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, risk identification and mitigation is handed down to the respective members of the senior management within the guidelines of benchmark policies, procedures and authority limits clearly laid down.

Group Internal Audit, whose scope of scrutiny is entirely driven by the grading of the risk involved will be monitoring and providing the feedback to the management and the respective Audit Committee. Regular submission of compliance and internal solvency certificates vouched by the heads of the respective divisions as a mandatory agenda item keeps the Directors abreast of the health of the Company is 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. More detailed description of the risk management strategies of the Company is given on pages 18 to 21.

17. HUMAN RESOURCES

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

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 Company and to ensure that its employees are developing the skills and knowledge required for the future success of the Company, centered around the core competencies required by an investment house.

18. EQUITABLE TREATMENT TO SHAREHOLDERS

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

19. DIVIDENDS

19.1 The Company paid a 1st Interim Dividend of Rs.2/50 per share resulting in a total outflow of Rs.246,287,185/-, during the year.

19.2 Subject to the approval of the shareholders at the forthcoming Extraordinary General Meeting (EGM), the Board of Directors recommend that a Second Interim Dividend of Rs.1/- per share be distributed in the form of a Scrip Dividend amounting to a total sum of Rs.98,514,874/-, out of which Rs.14,291,620/- would be paid out of dividend income received during the year 2014/15 and would not be subject to a 10% withholding tax, whilst the balance Rs.84,223,254/- would be paid out of profits of the financial year 2014/15 and be subject to a 10% withholding tax for the financial year ended 31st March 2015 by issuing a maximum of 937,487 Ordinary shares (subject to appropriate adjustments being made to such number based on actual residual fractions of shares arising as at the date of the entitlement) in the ratio of One (01) new ordinary share for every 105.083934 Ordinary shares held by the shareholders as at end of trading on 28th July 2015.

The above dividend payable has not been accounted for until it is approved at the forthcoming EGM.

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

20. SOLVENCY TEST

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

21. STATED CAPITAL

The Stated Capital of the Company as at 31st March 2015 was Rs. 673,500,000/- comprising of 98,514,874 Ordinary Shares. The movement in Stated Capital of the Company is given in Note 23 to the Financial Statements. There was no change in the Stated Capital of the Company during the year.

22. INVESTMENTS

Investments represent, investments in associates, investments in available for sale financial assets and investments in fair value through profit or loss financial assets.

- Details on investment in associate company is given in note 18 in page 59.
- Details on available for sale financial assets are disclosed in note 19 in pages 60 to 64 comprising those investments which are held for a longer tenure, usually over 3-5 years. The fair value of the said investment portfolio stood at Rs. 3,418.7 mn (2014 - Rs. 2,520.3 mn) at the end of the financial year.
- The fair value through profit or loss portfolio engaged in active trading to realise the benefits of the movements in the stock market and is carried in the Statement of financial position at fair value as given in note 21 in pages 65 to 67. The carrying value of the fair value through profit or loss financial assets of the Company as at 31st March 2015 was Rs. 665.4 mn (2014 - Rs. 644.8 mn).

23. CAPITAL EXPENDITURE

The Company has not incurred any capital nature expenditure during the year under review (2014 - Nil).

24. 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.

25. 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 a Going Concern concept.

26. EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting date, no circumstances have arisen, which would require adjustments to or disclosures in the financial statements, other than those disclosed in note 31 to the financial statements.

27. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Contingent liabilities and commitments made on account of capital expenditure as at 31st March 2015 are given in note 32 to the financial statements.

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

28. CORPORATE DONATIONS

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

29. SHARE INFORMATION

The details relating to earnings, net assets, market value per share and information on share trading is given on pages 87 to 88 and pages 96 to 97 of the Annual Report.

30. TWENTY MAJOR SHAREHOLDERS

The Parent Company, Ceylon Guardian Investment Trust PLC holds 64.36% of the total ordinary shares in issue of the Company.

Twenty major shareholders with comparatives :

Name of Shareholder	As at 31st March			
	2015 No. of shares	%	2014 No. of shares	%
Ceylon Guardian Investment Trust PLC A/c No.3	63,407,518	64.36	63,407,518	64.36
Mrs. M. L. De Silva	1,305,380	1.33	1,305,380	1.33
Mr. K. C. Vignarajah	1,284,779	1.30	1,244,769	1.26
Miss. G. I. A. De Silva	1,277,422	1.30	1,277,422	1.30
Associated Electrical Corporation Ltd	1,200,000	1.22	215,000	0.22
Thurston Investments Limited	1,052,020	1.07	1,924,006	1.95
Waldock Mackenzie Ltd/Mr. H. M. S. Abdulhussein	917,365	0.93	997,944	1.01
Mr. G. J. W. De Silva	854,000	0.87	854,000	0.87
Oakley Investments Limited	795,600	0.81	795,600	0.81
Mellon Bank N. A. - Commonwealth of Massachusetts	783,946	0.80	-	-
Mr. Y. H. Abdulhussein	752,110	0.76	752,110	0.76
Mrs. S. E. Lokhandwalla	566,171	0.57	569,176	0.58
Commercial Bank of Ceylon Ltd/Mr. K. C. Vignarajah	496,122	0.50	496,122	0.50
DFCC Bank PLC A/c I	485,592	0.49	765,000	0.78
Mr. H. A. Van Starrex	466,923	0.47	64,000	0.06
Waldock Mackenzie Ltd/Mr. M. A. N. Yoosufali	446,053	0.45	443,760	0.45
Bank of Ceylon No. 1 Account	442,000	0.45	442,000	0.45
Aitken Spence PLC-A/c No. 2	440,339	0.45	440,339	0.45
Akbar Brothers Pvt Ltd- A/c No. 1	414,887	0.42	-	-
Mercantile Bank (Agency) Private Limited	409,045	0.42	409,045	0.42

31. ANNUAL REPORT

The Board of Directors on 13th July 2015 approved the Financial Statements of the Company, together with the Reviews which form part of the Annual Report. 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 the applicable time frames.

32. ANNUAL GENERAL MEETING

The 69th Annual General Meeting of the Company will be held on Tuesday, the 11th day of August 2015 at 9.00 a.m. at Taj Samudra Hotel, "Crystal Room", Upper Floor, No.25, Galle Face Center Road, Colombo 3, Sri Lanka.

The Notice of the Annual General Meeting setting out the business which will be transacted thereat is on page 98 of the Annual Report.

Signed on behalf of the Board,

(Sgd.)

I. Paulraj

Chairman

(Sgd.)

D.C.R. Gunawardena

Director

(Sgd.)

K.D. De Silva (Mrs.)

Director

Carsons Management Services (Private) Limited

Secretaries

Colombo

13th July 2015

profiles of the directors

ISRAEL PAULRAJ

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

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

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

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

CHANDIMA GUNAWARDENA

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

Mr. Gunawardena has over four decades of experience in varied fields of business and commercial activities and has held senior positions in Corporate, Mercantile and State Institutions. He was appointed to the Carsons Group Directorate in 1990.

He has served in the Management Committee of The Ceylon Chamber of Commerce for over 10 years and was a Founder Council member of the Sri Lanka Institute of Directors (SLID) and continued to serve in the council for over 10 years.

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

AJITH WEERATUNGE

Ajith Weeratunge is a Director of the Carson Cumberbatch Group's Management Company, Carsons Management Services (Private) Limited and holds the position of Head of Finance. He is also a Director of Equity One PLC and Equity Two PLC, as well as the Group's Investment Sector - Rubber Investment Trust Limited and Guardian Fund Management Limited and Leisure Sector - Equity Hotels Limited. He accounts for more than 34 years of finance related experience in the mercantile sector and has held positions in Lanka Walltile Ltd., Union Apparels (Pvt) Ltd., John Keells Holdings PLC, Phoenix Industries (Pvt) Ltd. and Ceylon Beverage Holdings PLC.

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

ROSE COORAY

Rose Cooray is a Director of Ceylon Guardian Investment Trust PLC, Prime Grameen Micro Finance Limited and Hatton National Bank PLC. She is the Chairperson of HNB Assurance PLC, HNB General Insurance Limited and Sithma Development (Pvt) Ltd. She also functions as the Chairperson of the Board Integrated Risk Committees and as a Member of several Board sub-committees at Hatton National Bank PLC and Prime Grameen Micro Finance Limited. She is a retired Deputy Governor of the Central Bank of Sri Lanka where she served for over 35 years.

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

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

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

ASOKA DE Z. GUNASEKERA

(Resigned with effect from 31st October 2014)

Asoka Gunasekera was a Director of Ceylon Investment PLC and Ceylon Guardian Investment Trust PLC. He is a Director of Guardian Capital Partners PLC and Pegasus Hotels of Ceylon PLC. He serves as Alternate Director to Mr. I.W. Senanayake (Chairman) of IWS Holdings (Pvt) Ltd and in most Group companies. Past Chairman of the National Chamber of Commerce of Sri Lanka and Past President of the Ceylon National Chamber of Industries. He is a Past International Director and a Board Appointee of Lions Clubs International and was also a Member of the National Police Commission of Sri Lanka. He served as Legal Advisor and Secretary to the Ministry of Posts and Telecommunications; Co-ordinating Secretary to the Ministry of Power and Energy and Ministry of Highways and was the Acting Secretary to the Ministry of Policy Planning.

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

MANILAL FERNANDO

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

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

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

» profiles of the directors

KRISHNA SELVANATHAN

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

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

TIMOTHY CHIA

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

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

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

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

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

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

He is a Senior Adviser to EQT Funds Management Ltd.

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

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

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

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

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

management team profiles

RUVINI FERNANDO

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

NILOO JAYATILAKE

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

THARINDA JAYAWARDANA

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

SUMITH PERERA

Fund Manager, Guardian Fund Management Ltd. Has over 10 years' experience in the field of Asset Management working as a Fund Manager for CAAM Saudi Fransi LLC (Kingdom of Saudi Arabia), Investment Analyst for Eagle NDB Fund Management (Sri Lanka) and as a Financial Analyst for John Keells Stockbrokers. He holds a Bsc (Hons) in Economics and Business Finance from Brunel University, UK and is an Associate Member of the Chartered Institute of Management Accountants.

SISIRA WICKRAMASINGHE

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

» management team profile

ASANKA JAYASEKERA

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

LAKMAL WICKRAMAARACHCHI

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

CHAMPA PERERA

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

audit committee report

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

The Audit Committee consists of the following Members :

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

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

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

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

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

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

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

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

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

Meetings attended (out of five)

Mr.Vijaya Malalasekera (Chairman)	05
Mr. Chandima Gunawardena	05
Mr. Faiz Mohideen	05

The Chief Executive Officer-Investment Sector, Financial Controller-Carsons Management Services (Private) Limited-Managers, internal auditors and senior management staff members of the Investment Sector also attended the Audit Committee Meetings by invitation.

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

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

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

The objectives of the GIA work was to have an independent review of the system of internal controls as established by the management, its adequacy and integrity vis-à-vis objectives served and to determine the extent of adherence to the controls by staff responsible for the function and to take corrective/preventive action where necessary.

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

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

The draft financial statements of Ceylon Investment PLC for the year ended 31st March 2015 were reviewed at a Meeting of the Audit Committee, together with the External Auditors, Messrs. KPMG, prior to release of same to the Regulatory Authorities and to the shareholders. The Audit Committee was provided with confirmations and declarations as required by the Managers, Carsons Management Services (Private) Limited that the said financial statements were prepared in accordance with the Sri Lanka Accounting Standards and the information required by the Companies Act No. 7 of 2007 therein and presented a true and fair view of the Company's state of affairs as at that date and the Company's activities during the year under review.

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

The Audit Committee has concurred to recommend to the Board of Directors the re-appointment of Messrs. KPMG, Chartered Accountants, as Auditors for the financial year ending 31st March 2016, subject to the approval of the shareholders of Ceylon Investment PLC at the Annual General Meeting.

(Sgd.)

V. P. Malalasekera

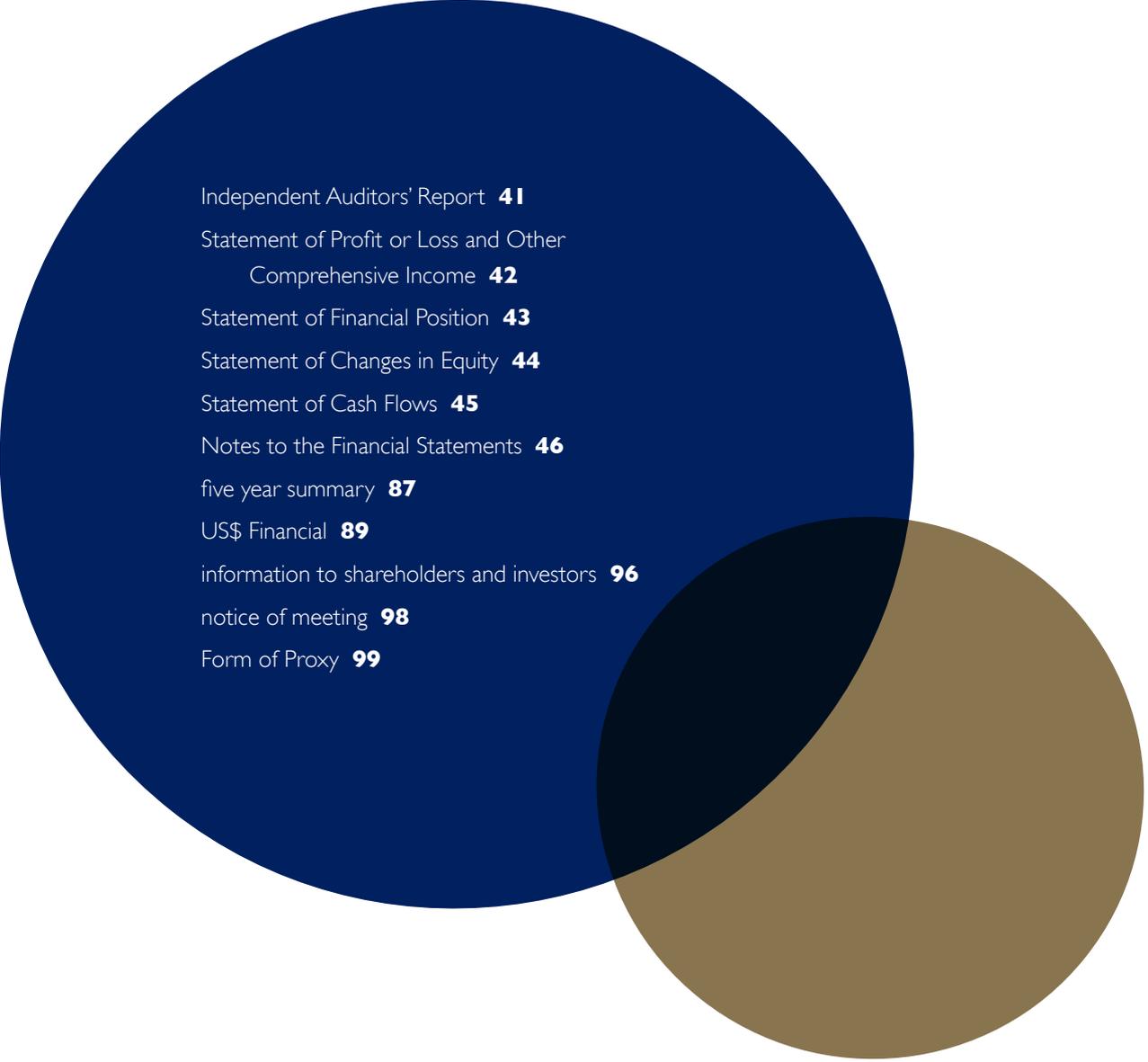
Chairman – Audit Committee

Carson Cumberbatch PLC

Colombo

13th July 2015

financial statements



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financial calendar

FINANCIAL CALENDAR

Financial year end	31st March 2015
69th Annual General Meeting to be held on	11th August 2015

ANNOUNCEMENT OF RESULTS

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

1st Quarter ended 30th June 2014	14th August 2014
2nd Quarter ended 30th September 2014	14th November 2014
3rd Quarter ended 31st December 2014	13th February 2015
4th Quarter ended 31st March 2015	29th May 2015

» Independent Auditors' Report



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(Chartered Accountants)
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CEYLON INVESTMENT PLC

Report on the Financial Statements

We have audited the accompanying financial statements of Ceylon Investment PLC, ("the Company"), which comprise the statement of financial position as at March 31, 2015, and the statements of profit or loss and other comprehensive income, changes in equity and, cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information set out on pages 42 to 86.

Board's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

- The basis of opinion and scope and limitations of the audit are as stated above.
- In our opinion we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company and the financial statements of the Company, comply with the requirements of section 151 of the Companies Act No 07 of 2007.

CHARTERED ACCOUNTANTS

Colombo
13th July 2015

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

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

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

» Statement of Profit or Loss and Other Comprehensive Income

In Rupees Thousands

For the year ended 31st March	Note	2015	2014 Restated
Revenue	11	739,237	496,779
Impairment loss on available for sale financial assets		(38,890)	-
Net change in fair value of fair value through profit or loss financial assets		50,330	303
Profit on investment activities		750,677	497,082
Administrative and other operating expenses		(49,143)	(39,531)
Profit from operations	12	701,534	457,551
Finance expense	13	(134)	(1,636)
Profit from operations after finance expense		701,400	455,915
Share of profit of equity accounted investee net of tax	14	299,714	463,626
Profit before taxation		1,001,114	919,541
Income tax expense	15	(14,252)	(30,059)
Profit for the year		986,862	889,482
Other comprehensive income			
Items that are / or may be reclassified to profit or loss			
Share of other comprehensive income / (expense) of equity accounted investee net of tax		603,963	(1,554,505)
Net change in fair value of available for sale financial assets		584,415	32,955
Transfer of realised gains on disposal of available for sale financial assets		(409,689)	(253,761)
Foreign currency differences arising on translation of available for sale financial assets		2,490	5,488
Other comprehensive income / (expense) for the year net of tax		781,179	(1,769,823)
Total comprehensive income/ (expense) for the year		1,768,041	(880,341)
Earnings per share (Rs.)	16	10.02	9.03

The notes to the financial statements from pages 46 to 86 form an integral part of these financial statements.

Figures in brackets indicate deductions.

» Statement of Financial Position

In Rupees Thousands

As at 31st March	Note	2015	2014 Restated	1st April 2013 Restated
ASSETS				
Non-current assets				
Investment in equity accounted investee	18	8,714,384	7,893,942	9,179,749
Available for sale financial assets	19	3,418,774	2,520,325	2,210,275
Total non-current assets		12,133,158	10,414,267	11,390,024
Current assets				
Trade and other receivables	20	16,226	7,027	48,969
Fair value through profit or loss financial assets	21	665,488	644,802	503,630
Cash and cash equivalents	22	562,115	809,194	962,421
Total current assets		1,243,829	1,461,023	1,515,020
Total assets		13,376,987	11,875,290	12,905,044
EQUITY AND LIABILITIES				
Equity				
Stated capital	23	673,530	673,530	673,530
Capital reserves	24.1	187,141	187,141	187,141
Revenue reserves	24.2	12,241,499	10,719,745	12,018,774
Total equity		13,102,170	11,580,416	12,879,445
Current liabilities				
Trade and other payables	25	264,674	276,382	18,437
Current tax liabilities		499	15,795	6,716
Bank overdraft	22	9,644	2,697	446
Total current liabilities		274,817	294,874	25,599
Total liabilities		274,817	294,874	25,599
Total equity and liabilities		13,376,987	11,875,290	12,905,044
Net assets value per share (Rs.)		133.00	117.55	130.74

The notes to the financial statements from pages 46 to 86 form an integral part of these financial statements.

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 07 of 2007.

(Sgd.)

V. R. Wijesinghe

Financial Controller

Carsons Management Services (Private) Limited

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Approved and signed on behalf of the Investment Managers,

Approved and signed on behalf of the Board,

(Sgd.)

W. Y. R. Fernando

Director

(Sgd.)

I. Paulraj

Chairman

(Sgd.)

D. C. R. Gunawardena

Director

Guardian Fund Management Limited

Colombo

13th July 2015

» Statement of Changes in Equity

In Rupees Thousands

	Stated capital		Capital reserves			Revenue reserves				Total equity
	Investment reserve	Other capital reserve	Associate company's capital reserve	Associate company's reserve	Fair value through profit or loss financial assets reserve	Available for sale financial asset reserve	General reserve	Retained earnings		
Balance as at 1st April 2013 (As previously reported)	673,530	178,740	2,338,760	-	43,436	837,711	27,217	461,594	8,723,789	
Impact of changes in Accounting Policies (note 28)	-	-	(2,338,760)	9,179,453	-	-	-	(2,685,037)	4,155,656	
Balance as at 1st April 2013 (Restated)	673,530	178,740	-	9,179,453	43,436	837,711	27,217	1,930,957	12,879,445	
Profit for the year (Restated)	-	-	-	463,676	-	-	-	425,856	889,482	
Other comprehensive expense for the year (Restated)	-	-	-	(1,554,505)	-	(215,318)	-	-	(1,769,823)	
Total comprehensive expense for the year (Restated)	-	-	-	(1,090,879)	-	(215,318)	-	425,856	(880,341)	
Dividend received from associate company	-	-	-	(194,928)	-	-	-	194,928	-	
Dividend	-	-	-	-	-	-	-	(418,688)	(418,688)	
Transfers	-	-	-	-	(28,910)	-	-	28,910	-	
Balance as at 31st March 2014	673,530	178,740	-	7,893,646	14,526	622,393	27,217	2,161,963	11,580,416	
Balance as at 1st April 2014	673,530	178,740	-	7,893,646	14,526	622,393	27,217	2,161,963	11,580,416	
Profit for the year	-	-	-	299,714	-	-	-	687,148	986,862	
Other comprehensive income for the year	-	-	-	603,963	-	177,216	-	-	781,179	
Total comprehensive income for the year	-	-	-	903,677	-	177,216	-	687,148	1,768,041	
Dividend received from associate company	-	-	-	(83,235)	-	-	-	83,235	-	
Dividend	-	-	-	-	-	-	-	(246,287)	(246,287)	
Transfers	-	-	-	-	37,302	-	-	(37,302)	-	
Balance as at 31st March 2015	673,530	178,740	-	8,714,088	51,828	799,609	27,217	2,648,757	13,102,170	

The notes to the financial statements from pages 46 to 86 form an integral part of these financial statements.

Figures in brackets indicate deductions.

» Statement of Cash Flows

In Rupees Thousands

For the year ended 31st March	Note	2015	2014 Restated
Cash flows from operating activities			
Profit before taxation		1,001,114	919,541
Adjustments for:			
Impairment loss on available for sale financial assets		38,890	-
Net change in fair value of fair value through profit or loss financial assets		(50,330)	(303)
Finance expense	13	134	1,636
Share of profit of equity accounted investee net of tax	14	(299,714)	(463,626)
Operating profit before changes in working capital		690,094	457,248
(Increase)/ decrease in trade and other receivables		(9,199)	41,942
Net increase in investments		(730,479)	(666,237)
Increase/(decrease) in trade and other payables		(8,424)	9,136
Cash used in operations		(58,008)	(157,911)
Income tax paid		(29,548)	(20,980)
Net cash used in operating activities		(87,556)	(178,891)
Cash flows from investing activities			
Dividend received from equity accounted investee	11	83,235	194,928
Net cash generated from investing activities		83,235	194,928
Cash flows from financing activities			
Finance expense paid		(134)	(1,636)
Dividend paid		(249,571)	(169,879)
Net cash used in financing activities		(249,705)	(171,515)
Net decrease in cash and cash equivalents during the year		(254,026)	(155,478)
Cash and cash equivalents at the beginning of the year		806,497	961,975
Cash and cash equivalents at the end of the year	22	552,471	806,497

The notes to the financial statements from pages 46 to 86 form an integral part of these financial statements.

Figures in brackets indicate deductions.

» Notes to the Financial Statements

1. Reporting Entity

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

The registered office and principal place of business of the Company is located at No 61 Janadhipathi Mawatha, Colombo 1.

The financial statements of the Company as at and for the year ended 31 March 2015 comprise the financial information of Company and the company's interest in associate company.

The principal activities of the Company is to act as specialised investment vehicles to undertake listed equity and fixed income investments and to 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.

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

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

2. Basis of Preparation

(a) Statement of compliance

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

The 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 the Companies Act, No. 7 of 2007.

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

(b) Basis of measurement

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

- Non-derivative financial instruments classified as fair value through profit or loss are measured at fair value;
- Available-for-sale financial assets are measured at fair value;

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

(c) Functional and Presentation Currency

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

(d) Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

Assumptions and estimation uncertainties:

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

The Company 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 is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to present value using appropriate discount rates that reflects the current market assessments of the time value of money and risks specific to the asset.

ii. Current taxation

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

Measurement of Fair values

iii. Fair value of financial instruments

Where the fair values of financial instruments recorded on the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in

which the investee operates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(e) Materiality and aggregation

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

3. Significant Accounting Policies

The Accounting Policies set out below have been applied consistently to all periods presented in the Financial Statements, except for changes explained in the note 28.

(a) Investments in associates (equity-accounted investees)

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 percent and 50 percent of the voting power of another entity.

Investments in associates are accounted for under the equity method and are recognised initially at cost. The cost of the investment includes transaction costs.

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

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

» Notes to the Financial Statements

(b) Foreign currency

(i) Foreign currency transactions

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

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

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

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

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

(c) Financial instruments

(i) Non-derivative financial assets

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

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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

Financial assets at fair value through profit or loss

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

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

Loans and receivables

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

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

Specific instruments

Cash and cash equivalents

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

Investment in reverse repurchase agreement

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

Available-for-sale financial assets

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

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

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

(ii) Non-derivative financial liabilities

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

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

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

Other financial liabilities comprise overdrafts and trade and other payables.

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

(iii) Stated capital

Ordinary shares

Ordinary shares are classified as equity. Costs attributable to the issue of ordinary shares are recognised in profit or loss.

(d) Impairment

(i) Non derivative financial assets

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

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

» Notes to the Financial Statements

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

Financial assets measured at amortised cost

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

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

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

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the

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

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

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

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

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated

Impairment losses are recognised in profit or loss.

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.

(e) Provisions

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

(i) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company 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. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. The Company does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(f) Revenue

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

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

(i) Dividend Income

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

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

Profits or losses on disposal of investments are accounted for in the profit or loss on the basis of realised net profit.

(iii) Interest income

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

(iv) Other income

On accrual basis.

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

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

(ii) Finance income and finance expense

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

» Notes to the Financial Statements

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.

(h) Fee and commission expenses

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

(i) Income tax expense

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

(i) Current taxation

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

(ii) Tax exposures

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

(iii) Economic Service Charge (ESC)

As per the provisions of Economic Service Charge Act No. 13 of 2006 and amendments thereto, is payable on "Liable

Turnover" and is deductible from the income tax payments. Any unclaimed ESC can be carried forward and settled against the income tax payable in the four subsequent years.

4. Earnings per share

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

5. Related party transactions

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

6. Events after the Reporting Period

All material and important events which occur after the reporting date have been considered and disclosed in note 31.

7. Dividends on ordinary Shares

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

8. Segment reporting

Segment results that are reported to the Board of directors include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly audit, directors and legal fee and other operating expense.

9. Presentation

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

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

(i) Off setting Income and Expenses

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

(ii) Off setting Assets and Liabilities

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

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

10. Determination of Fair Values

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

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

- Level 1 - Input that are quoted market prices (unadjusted) in active markets for identifiable assets and liabilities
- Level 2- Inputs other than quoted prices included in Level 1 that are observable from the asset or liability either directly (as prices) or indirectly (derived prices)
- Level 3 – Inputs from the asset or liability that are not based on observable market data (unobservable inputs) This category includes all financial instruments for which the valuation techniques include inputs not based on

observable data and unobservable inputs have significant effect on the instrument's valuation.

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

(a) Equity and debt securities

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

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

(b) Trade and other receivables

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

(c) Other non-derivative financial liabilities

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

Statement of cash flows

Indirect Method of preparing cash flows in accordance with the Sri Lanka Accounting Standard (LKAS) 7, "Statement of cash flows".

» Notes to the Financial Statements

Cash and cash equivalents as referred to in the statement of cash flows are comprised of those items as explained in note 22.

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

Directors' responsibility

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

New Accounting Standards which have been applied in these financial statements during the year

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

SLFRS 10, 'Consolidated financial statements', builds on existing principles by identifying the concept of control as the determining factor when assessing whether an entity should be included within the consolidated financial statements of the parent company. The Standard provides additional guidance to assist in the determination of control where it is difficult to assess. The effect of this Standard on consolidated financial statements have been disclosed in note 28.

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

recognised assets, liabilities and comprehensive income of the group.

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

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

New Accounting Standards issued but not effective as at reporting date

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

SLFRS 9 Financial Instruments

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

Effective date of IFRS 9 is 01st January 2018.

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

SLFRS 15 Revenue from Contracts with Customers

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

SLFRS 15 is effective for annual reporting periods beginning on or after 01st January 2018.

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

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

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

» Notes to the Financial Statements

In Rupees Thousands

For the year ended 31st March	2015	2014
11 Revenue		
Net gain from disposal of fair value through profit or loss financial assets	46,765	19,603
Net gain from disposal of available for sale financial assets (note 11.1)	538,290	304,297
Dividend income	183,292	252,761
Interest income on financial assets carried at amortised cost (note 11.2)	54,125	115,046
	822,472	691,707
Dividend received from equity accounted investees	(83,235)	(194,928)
	739,237	496,779
11.1 Net gain from disposal of available for sale financial assets		
Proceeds from disposal of available for sale financial assets	984,651	661,555
Carrying value of available for sale financial assets disposed	(856,050)	(611,019)
Transfer of realised gains on disposal of available for sale financial assets	409,689	253,761
	538,290	304,297
11.2 Interest income on financial assets carried at amortised cost		
Cash at bank	798	1,063
Securities purchased under resale agreements	46,073	9,268
Placements with Banking Institutions	7,254	104,715
	54,125	115,046
12 Profit from operations		
Profit from operations is stated after charging all expenses including the following:		
Auditors' remuneration and expenses		
- Audit fees	338	307
- Audit related fees	215	65
- Non-audit fees	-	-
Directors' fees (note 26.3)	3,875	2,100
Personnel cost (note 12.a)	-	-
Professional Services (note 12.b)	317	-
Donations	2,500	2,500
Impairment loss on available for sale financial assets	38,890	-
Support service fees (note 26.4)	11,132	9,341
12.a The Company had no employees of its' own during the financial year under review.		
12.b Professional Services		
Valuation services	291	-
Other professional service	26	-
	317	-
13 Finance expense		
Interest on bank overdraft and borrowings	134	1,629
Exchange losses	-	7
Finance expense	134	1,636

14 Share of profit of equity accounted investee net of tax

For the year ended 31st March	Revenue		Net profit for the year		Company's share of profit net of tax	
	2015	2014 Restated	2015	2014 Restated	2015	2014 Restated
Rubber Investment Trust Limited	609,804	925,618	600,043	928,204	299,714	463,626
	609,804	925,618	600,043	928,204	299,714	463,626

15 Income tax expense

For the year ended 31st March	2015	2014
Provision for the year (note 15.1)	14,270	30,099
Over provision for previous years	(18)	(40)
Total tax expense for the year	14,252	30,059

15.1 Reconciliation between accounting profit and taxable profits

For the year ended 31st March	2015	2014 Restated
Accounting profit before taxation	1,001,114	919,541
Less: share of profit of equity accounted investee net of tax	(299,714)	(463,626)
Dividend income (excluding dividend received from the Associate Company)	(100,057)	(57,833)
Exempt net profit on sale of quoted public shares (note 15.2 (ii))	(585,055)	(323,900)
Net change in fair value of fair value through profit or loss financial assets	(50,330)	(303)
Impairment loss on available for sale financial assets	38,890	-
Disallowed expenses	3,381	2,945
Expenses attributable to exempt profits	42,737	30,671
Taxable profit for the year	50,966	107,495
Less: Utilisation of brought forward tax losses (note 15.2 (iii))	-	-
Taxable income	50,966	107,495
Income taxation thereon (note 15.2 (i))	14,270	30,099

15.2 Current taxation on profits

- i) "In accordance with the provisions of the Inland Revenue Act, No. 10 of 2006 and amendments thereto, the Company is liable to income tax at 28% (2014 - 28%).
- ii) In terms of Section 13 (t) of Inland Revenue Act, No. 10 of 2006 and amendments thereto, profits derived on the sale of shares on which Share Transaction Levy (STL) has been paid is exempt from income tax.
- iii) Utilisation of brought forward tax losses is restricted to 35% of current year's Statutory Income. Unabsorbed tax losses can be carried forward indefinitely.

» Notes to the Financial Statements

In Rupees Thousands

16 Earnings per share

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

The following reflects the earning and share data used for the computation of earnings per share:

For the year ended 31st March	2015	2014 Restated
Amount used as the numerator		
Profit for the year (Rs'000)	986,862	889,482
Amount used as the denominator		
Weighted average number of ordinary shares outstanding during the year	98,514,874	98,514,874
Earnings per share (Rs.)	10.02	9.03

17 Dividend

For the year ended 31st March	2015	2014
Dividend paid		
First and final dividend		
- Total dividend paid	-	172,401
- Dividend Per Share (Rs.)	-	1.25
Dividend proposed during the year		
First interim dividend proposed and paid - Cash		
- Total dividend paid	246,287	246,287
- Dividend Per Share (Rs.)	2.50	2.50
Proposed second interim dividend - Scrip *		
- Total dividend proposed	98,515	-
- Dividend Per Share (Rs.)	1.00	-
Total dividend per share for the year (Rs.)	3.50	2.50

* After satisfying the solvency test in accordance with Section 57 of the Company's Act, No. 7 of 2007, the Directors have recommended a second interim dividend in the form of Scrip dividend of Rs. 1/- (2014 – Nil) per ordinary share for the year ended 31st March 2015 amounting to Rs. 98,514,874/- (2014 - Nil) which is to be approved at the forthcoming Extraordinary General Meeting of the Company. The maximum number of shares to be issued is 937,487 in the ratio of 1 share for every 105.083934 existing shares at a value of Rs. 96.10 per share.

18 Investment in equity accounted investee**18.a Investment in associate**

As at 31st March	2015			2014			1st April 2013		
	No. of shares	Cost	Carrying value	No. of shares	Cost	Carrying value (Restated)	No. of shares	Cost	Carrying value (Restated)
Rubber Investment Trust Limited	3,948,445	296	8,714,384	3,948,445	296	7,893,942	3,948,445	296	9,179,749
Total investment in associate	3,948,445	296	8,714,384	3,948,445	296	7,893,942	3,948,445	296	9,179,749

18.b Movement of investment in associate**For the year ended 31st March**

	2015		2014	
	Holding %	Carrying value	Holding %	Carrying value (Restated)
Investment at cost		296		296
Investor's share of reserves				
At the beginning of the year	49.95	7,893,646	49.95	9,179,453
Share of profit of equity accounted investee net of tax	-	299,714		463,626
Share of other comprehensive income/(expenses) of equity accounted investee net of tax	-	603,963		(1,554,505)
Dividend income	-	(83,235)		(194,928)
At the end of the year		8,714,088		7,893,646
The carrying value of investment in associate on equity method of accounting		8,714,384		7,893,942

18.c Summarised financial information of the Associate Company - Rubber Investment Trust Limited**For the year ended / As at 31st March**

	2015	2014 Restated
Revenue	609,804	984,010
Profit for the year	600,043	928,204
Other comprehensive income / (expense) for the year	1,216,437	(3,093,377)
Total comprehensive income / (expense) for the year	1,816,480	(2,165,173)
Current assets	2,060,273	1,625,499
Non-current assets	15,433,890	14,219,577
Current liabilities	47,495	40,978
Total equity	17,446,668	15,804,098

» Notes to the Financial Statements

In Rupees Thousands

19 Available for sale financial assets

19.a Summary

As at 31st March	Note	2015		2014		1st April 2013	
		Cost	Fair value	Cost	Fair value	Cost	Fair value
Investments in equity securities							
Quoted	19.1	2,604,007	3,187,634	1,862,382	2,333,412	1,213,614	1,834,874
Unquoted	19.2	973	973	973	973	543	543
Private equity	19.3	-	-	-	-	133,877	191,031
Total investment in equity securities		2,604,980	3,188,607	1,863,355	2,334,385	1,348,034	2,026,448
Investments in unit trusts							
Unlisted	19.4	164,718	230,166	162,280	185,939	162,280	183,826
Total investment in unit trusts		164,718	230,166	162,280	185,939	162,280	183,826
Investments in debentures							
Unquoted	19.5						
Total investment in debentures		 					
Total investment in available for sale financial assets		2,769,699	3,418,774	2,025,636	2,520,325	1,510,315	2,210,275

Note

- The fair values of the investments in equity securities - Quoted : are based on the volume weighted average prices as at 31st March, published by the Colombo Stock Exchange.
- The fair values of investments in equity securities - Unquoted and Private equity : are arrived based on valuation techniques such as discounted cash flow method, net asset valuation, earnings based valuation or expected realisable values in an arm's length transaction as appropriate.
- The fair values of investments in unit trusts - Unlisted : are based on the "redemption unit prices" published by the Unit Trust Managers as at 31st March.

**19.b Movement in available for sale financial assets
For the year ended 31st March 2015**

	Fair value as at 1st April 2014	Additions	Disposals	Change in fair value	Fair value as at 31st March 2015
Investments in equity securities	2,334,385	1,204,046	(856,050)	506,226	3,188,607
Investments in unit trusts	185,939	2,438	-	41,789	230,166
Investments in debentures	1	-	-	-	1
	2,520,325	1,206,484	(856,050)	548,015	3,418,774

	Fair value as at 1st April 2013	Additions	Disposals	Change in fair value	Fair value as at 31st March 2014
Investments in equity securities	2,026,448	882,626	(611,019)	36,330	2,334,385
Investments in unit trusts	183,826	-	-	2,113	185,939
Investments in debentures	1	-	-	-	1
	2,210,275	882,626	(611,019)	38,443	2,520,325

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

Due to significant / prolonged decline in fair value of identified equity securities in available for sale financial assets below its cost, an impairment loss which amounted to Rs. 38.89 Mn has been recognised in profit or loss for the year (2014 – Nil) as required by LKAS – 39 “Financial Instruments; recognition and measurement”. LKAS – 39 also requires to recognise fair value gains and losses arising from assets classified as available for sale, other than impairment losses, in other comprehensive income. Accordingly, gains of Rs. 584.41 Mn and Rs. 32.95 Mn have been recognised in financial years 2015 and 2014 respectively.

» Notes to the Financial Statements

In Rupees Thousands

19.1 Investments in equity securities - quoted

As at 31st March	2015			2014			1st April 2013		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
Banks, Finance & Insurance									
Central Finance Company PLC	1,347,795	272,516	337,083	915,969	162,580	165,790	668,698	116,679	120,366
Commercial Bank of Ceylon PLC	2,039,677	136,618	337,363	4,751,486	314,705	584,432	6,682,396	442,595	755,111
DFCC Bank PLC	25,000	5,309	5,070	-	-	-	-	-	-
Hatton National Bank PLC	1,590,971	322,797	353,196	-	-	-	-	-	-
Hatton National Bank PLC - Non Voting	384,721	68,733	63,479	-	-	-	-	-	-
Nations Trust Bank PLC	3,173,595	201,826	317,677	2,542,368	155,330	165,000	-	-	-
Peoples' Leasing & Finance PLC	5,050,536	88,807	111,617	7,902,045	138,946	112,999	6,954,891	125,188	91,109
Sampath Bank PLC	1,478,367	342,450	372,696	1,478,367	342,450	269,211	707,023	210,325	159,009
		1,439,056	1,898,181		1,114,011	1,297,432		894,787	1,125,595
Beverage, Food & Tobacco									
Distilleries Company of Sri Lanka PLC	1,345,061	316,857	323,487	-	-	-	-	-	-
		316,857	323,487		-	-		-	-
Constructions & Engineering									
Access Engineering PLC	2,000,000	73,225	38,400	-	-	-	-	-	-
		73,225	38,400		-	-		-	-
Diversified									
Aitken Spence PLC	1,674,000	168,425	166,563	1,674,000	168,425	163,885	-	-	-
Hemas Holdings PLC	-	-	-	802,116	27,069	30,240	-	-	-
John Keells Holdings PLC	140,641	8,466	28,044	1,366,896	82,277	310,285	1,610,641	68,500	397,828
John Keells Holdings PLC - Warrants 2015	-	-	-	82,600	-	5,666	-	-	-
John Keells Holdings PLC - Warrants 2016	-	-	-	82,600	-	5,939	-	-	-
		176,891	194,607		277,771	516,015		68,500	397,828
Footwear & Textiles									
Hayleys MGT Knitting Mills PLC	14,152,954	166,384	250,507	-	-	-	-	-	-
		166,384	250,507		-	-		-	-

As at 31st March	2015			2014			1st April 2013		
	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value	No. of shares	Cost	Fair value
Health Care									
Asiri Surgical Hospitals PLC	-	-	-	-	-	-	7,465,290	75,951	85,104
Ceylon Hospitals PLC	313,378	17,623	35,694	813,378	45,742	93,538	813,378	45,742	81,338
		17,623	35,694		45,742	93,538		121,693	166,442
Hotels & Travels									
Aitken Spence Hotel Holdings PLC	1,959,575	128,634	131,292	1,959,575	128,634	137,170	1,959,575	128,634	145,009
Serendib Hotels PLC	549,890	19,462	15,397	-	-	-	-	-	-
		148,096	146,689		128,634	137,170		128,634	145,009
Motors									
Diesel & Motor Engineering PLC	62,556	31,443	39,410	62,556	31,443	31,591	-	-	-
		31,443	39,410		31,443	31,591		-	-
Telecommunication									
Dialog Axiata PLC	25,063,413	234,432	260,659	28,629,514	264,781	257,666	-	-	-
		234,432	260,659		264,781	257,666		-	-
Total investment in equity securities - quoted		2,604,007	3,187,634		1,862,382	2,333,412		1,213,614	1,834,874

20 Trade and other receivables

As at 31st March	2015	2014	1st April 2013
Financial			
Trade receivable	-	4,555	28,052
Dividend receivable	16,201	2,422	20,703
	16,201	6,977	48,755
Non financial			
Prepaid expenses	25	50	214
	25	50	214
	16,226	7,027	48,969

21 Fair value through profit or loss financial assets

21.a. Summary

As at 31st March	Note	Fair value		
		2015	2014	1st April 2013
Investments in equity securities				
Quoted	21.1	665,488	644,802	503,630
Total investment in fair value through profit or loss financial assets		665,488	644,802	503,630

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

21.b. Movement in fair value through profit or loss financial assets

For the year ended 31st March 2015	Fair value as at 1st April 2014	Additions	Disposals	Change in fair value	Fair value as at 1st April 2015
Investments in equity securities	644,802	464,707	(494,351)	50,330	665,488
	644,802	464,707	(494,351)	50,330	665,488
For the year ended 31st March 2014	Fair value as at 1st April 2013	Additions	Disposals	Change in fair value	Fair value as at 1st April 2014
Investments in equity securities	503,630	626,147	(485,278)	303	644,802
	503,630	626,147	(485,278)	303	644,802

The change in fair value represent unrealised gains/(losses) on fair value adjustment of investment portfolio.

» Notes to the Financial Statements

In Rupees Thousands

21.1 Investments in equity securities - quoted

As at 31st March	2015		2014		1st April 2013	
	No. of shares	Fair value	No. of shares	Fair value	No. of shares	Fair value
Banks, Finance & Insurance						
Commercial Bank of Ceylon PLC	274,243	45,360	270,000	33,210	706,284	79,810
DFCC Bank PLC	157,616	31,965	100,200	14,419	-	-
Hatton National Bank PLC	330,000	73,260	265,000	39,750	-	-
Hatton National Bank PLC - Non Voting	262,953	43,387	100,000	12,000	-	-
National Development Bank PLC	-	-	395,078	70,561	350,000	58,555
Seylan Bank PLC	400,000	40,000	-	-	-	-
Softlogic Capital PLC	600,000	3,600	-	-	-	-
Union Bank of Colombo PLC	1,128,971	27,208	-	-	-	-
		264,780		169,940		138,365
Beverage, Food & Tobacco						
Ceylon Tobacco Company PLC	-	-	22,827	24,105	24,827	19,382
Distilleries Company of Sri Lanka PLC	277,896	66,834	277,896	56,413	1,026,002	170,831
		66,834		80,518		190,213
Construction and Engineering						
Access Engineering PLC	2,000,000	38,400	350,000	7,875	-	-
		38,400		7,875		-
Diversified						
Aitken Spence PLC	510,000	50,745	510,000	49,929	-	-
Expolanka Holdings PLC	-	-	1,772,669	15,422	-	-
Hemas Holdings PLC	633,600	46,696	633,600	23,887	-	-
John Keells Holdings PLC	-	-	286,221	64,972	-	-
John Keells Holdings PLC - Warrants 2015	257,900	8,279	333,300	22,864	-	-
John Keells Holdings PLC - Warrants 2016	-	-	755,000	54,285	-	-
Softlogic Holdings PLC	2,965,000	39,138	-	-	-	-
Trade Finance and Investments PLC	-	-	136,600	2,554	594,188	146,764
		144,858		233,913		146,764
Health Care						
The Lanka Hospital Corporation PLC	448,000	17,875	473,000	19,677	-	-
		17,875		19,677		-
Hotels & Travels						
Serendib Hotels PLC - Non Voting	266,296	5,725	66,296	1,240	-	-
		5,725		1,240		-

As at 31st March	2015		2014		1st April 2013	
	No. of shares	Fair value	No. of shares	Fair value	No. of shares	Fair value
Land & Property						
Overseas Realty (Ceylon) PLC	1,047,050	24,606	600,000	12,300	291,423	8,888
		24,606		12,300		8,888
Manufacturing						
Kelani Tyres PLC	250,000	19,500	300,000	15,660	-	-
Piramal Glass Ceylon PLC	2,000,000	11,400	-	-	-	-
Royal Ceramics Lanka PLC	-	-	250,000	19,825	2,000,000	12,200
		30,900		35,485		12,200
Power and Energy						
Lanka IOC PLC	293,000	11,808	1,110,000	42,735	-	-
Laugfs GAS PLC	-	-	185,200	6,019	-	-
Vallibel Power Erathna PLC	2,900,000	22,910	-	-	-	-
		34,718		48,754		-
Telecommunications						
Dialog Axiata PLC	3,537,695	36,792	3,900,000	35,100	800,000	7,200
		36,792		35,100		7,200
Total fair value through profit or loss financial assets- quoted		665,488		644,802		503,630

22 Cash and cash equivalents

As at 31st March	2015	2014	1st April 2013
Cash at bank	1,759	2,009	14,952
Placements with banking institutions	-	599,052	759,042
Securities purchased under resale agreements	560,356	208,133	188,427
Total cash and cash equivalents	562,115	809,194	962,421
Bank overdraft	(9,644)	(2,697)	(446)
Total bank overdrafts	(9,644)	(2,697)	(446)
Net cash and cash equivalents for the purpose of statement of cash flows	552,471	806,497	961,975

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23 Stated capital

As at 31st March	2015		2014		1st April 2013	
	No. of shares	Value	No. of shares	Value	No. of shares	Value
Ordinary shares						
Issued and fully paid	98,514,874	673,530	98,514,874	673,530	98,514,874	673,530
		673,530		673,530		673,530

24 Capital and revenue reserves

24.1 Capital reserves

As at 31st March	Note	2015	2014 (Restated)	1st April 2013 (Restated)
Investment reserve	24.1.1	8,401	8,401	8,401
Other capital reserve	24.1.1	178,740	178,740	178,740
		187,141	187,141	187,141

24.1.1 Investment reserve and other capital reserve

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

24.2 Revenue reserves

As at 31st March	Note	2015	2014 (Restated)	1st April 2013 (Restated)
Fair value through profit or loss financial assets reserve	24.2.1	51,828	14,526	43,436
Available for sale financial assets reserve	24.2.2	799,609	622,393	837,711
General reserve	24.2.3	27,217	27,217	27,217
Retained earnings		2,648,757	2,161,963	1,930,957
Associate Company's reserve	24.2.4	8,714,088	7,893,646	9,179,453
		12,241,499	10,719,745	12,018,774

24.2.1 Fair value through profit or loss financial assets reserve

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

An amount of Rs. 37.3 mn was transferred to (2014 - Rs. 28.9 mn was transferred from) "fair value through profit or loss financial assets reserve" resulting from the change in fair value of Fair value through profit or loss financial asset as shown in the Statement of Changes in Equity.

24.2.2 Available for sale financial assets reserve

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

24.2.3 General reserve

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

24.2.4 Associate Company's reserve

This represents the Company's share of net assets of the equity accounted investee. The movement of the reserve is given in the statement of changes in equity.

25 Trade and other payables

As at 31st March	2015	2014	1st April 2013
Financial			
Trade payables	-	9,000	-
Dividend payable (note 25.1)	238,583	246,286	-
Other payables	23,867	19,203	16,681
	262,450	274,489	16,681
Non Financial			
Provisions and accrued expenses	2,224	1,893	1,756
	2,224	1,893	1,756
	264,674	276,382	18,437

25.1 Amounts due to parent Company

Dividend payable includes dividend payable to parent Company Ceylon Guardian Investment Trust PLC, amounting to Rs. 153.6 mn (2014 - Rs. 158.5 mn)

26 Related party transactions

The Company carried out transactions in the ordinary course of its business on an arm's length basis with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24) - "Related Party Disclosures", the details of which are reported below.

26.1 Parent and ultimate controlling party

Ceylon Guardian Investment Trust PLC is the immediate Parent Company of Ceylon Investment PLC. In the opinion of the Directors, Carson Cumberbatch PLC is the Parent Company of Ceylon Guardian Investment Trust PLC and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Ceylon Investment PLC.

26.2 Transactions with Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard (LKAS 24) - "Related Party Disclosures", Key Management Personnel (KMP) are those having authority and responsibility for planning and controlling the activities of the entity. Accordingly, the Directors of the Company and its parent company (including executive and non-executive directors) have been classified as Key Management Personnel of the Company.

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No transaction have taken place between the company and its KMP during the year, except as disclosed below.

26.3 Key management personnel compensation comprised the following:

For the year ended 31st March	2015	2014
Short-term employee benefits	3,875	2,100
Post-employment benefits	-	-
Termination benefits	-	-
Other long-term benefits	-	-
Non cash benefits	-	-
	3,875	2,100

26.4 Transactions with the related companies

Name of the related company	Name/s of the common Director/s	Nature of transactions	Value of the transaction	
			2015	2014
Parent company				
Ceylon Guardian Investment Trust PLC	I. Paulraj D. C. R. Gunawardena Mrs. M. A. R. C. Cooray A. de Z. Gunasekera (Resigned w.e.f. 31/10/2014) V. M. Fernando K. Selvanathan T. C. M. Chia (Appointed w.e.f. 01/11/2014)	Dividend paid	153,560	267,474
Associate				
Rubber Investment Trust Limited	I. Paulraj D. C. R. Gunawardena A. P. Weeratunge	Dividends received	83,235	194,928
Fellow subsidiaries				
Guardian Fund Management Limited (GFM)	K. Selvanathan A. P. Weeratunge	Portfolio management fees paid *	19,601	16,501
Carsons Management Services (Private) Limited (CMSL)	A. P. Weeratunge K. Selvanathan	Support service fees paid ** Computer fees paid Secretarial fees paid	11,132 420 360	9,341 420 300

26.4 Transactions with the related companies

Name of the related company	Name/s of the common Director/s	Nature of transactions	Value of the transaction	
			2015	2014
Other entities				
Guardian Acuity Fixed Income Fund	D. C. R. Gunawardena	Dividend re-investment	2,438	-
	K. Selvanathan	Dividend received	-	2,438
Hatton National Bank PLC	Mrs. M.A. R. C. Cooray	Interest income received	10,313	-
		Placement in demand deposits	854	831
		Securities purchased under re-sale agreements	534,318	-

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

Amounts due to related entities are disclosed in note 25.1.

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

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

26.5 Significant holdings

As at 31st March	Holding %		
	2015	2014	1st April 2013
Associate			
Rubber Investment Trust Limited	49.95%	49.95%	49.95%

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27 Financial instruments

Financial risk management - Overview

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

Credit risk

Liquidity risk

Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Page 18 to 21 also include a review of risks faced by the Company and the approach of managing such risks.

Risk management framework

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

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

The Company's investment portfolio comprises listed and unlisted equity / fixed income securities. The Company's investment manager has been given discretionary authority to manage the asset in line with the Company's investment objectives.

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

27.1 Credit risk

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

27.1.1 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	Carrying Amount		
		2015	2014	1st April 2013
Available for sale financial assets - Investment in unit trusts	19.4	230,166	185,939	183,826
Available for sale financial assets - debentures	19.5	1	1	1
Trade and other receivables*	20	16,201	6,977	48,755
Cash and cash equivalents - Cash at bank	22	1,759	2,009	14,952
Cash and cash equivalents - Placements with banking institutions	22	-	599,052	759,042
Cash and cash equivalents - Securities purchased under resale agreements	22	560,356	208,133	188,427
		808,483	1,002,111	1,195,003

* Prepaid expenses which are not financial assets are excluded.

Available for sale financial assets

Debentures

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

Investment in unit trusts

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

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

A due evaluation process has been carried out by the Company prior to these investments, which included an assessment in to their ability to repay, in the event the Company wishes to withdraw.

» Notes to the Financial Statements

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Trade and other receivables

A significant portion of the trade and other receivable comprise of proceeds receivable on disposal of quoted securities and dividends receivable.

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

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

Age profile of trade and other receivables

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

As at 31st March	2015	2014	1st April 2013
Less than 30 days	16,201	6,977	48,755
	16,201	6,977	48,755

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

Cash and cash equivalents

The Company held cash and equivalents in the form of short term fixed deposits, Repo investments and demand deposits with banks/financials institution counter parties. Hence the Company is exposed to the risk that such counter parties failing to meet the contractual obligations.

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

An analysis of banking / financial institutional counter parties with whom the balances were held at each reporting period end is presented below.

As at 31 st March	2015	2014	1st April 2013
Credit rating			
Risk free	21,321	-	-
AAA	231	240	240
AA+	-	238,205	947,470
AA	4,623	208,133	831
AA-	535,266	361,679	-
Unrated	674	937	13,880
	562,115	809,194	962,421

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

27.2 Liquidity risk

Liquidity risk is the risk that the Company encounters difficulty in meeting the obligations associated with its financial liabilities that are required to be settled by delivering cash and/or another financial asset.

27.2.1 Exposure to liquidity risk

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

As at 31st March 2015	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*	262,450	262,450	262,450	-	-
Bank overdraft	9,644	9,644	9,644	-	-
	272,094	272,094	272,094	-	-

As at 31st March 2014	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*	274,489	274,489	274,489	-	-
Bank overdraft	2,697	2,697	2,697	-	-
	277,186	277,186	277,186	-	-

As at 1st April 2013	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*	16,681	16,681	16,681	-	-
Bank overdraft	446	446	446	-	-
	17,127	17,127	17,127	-	-

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

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

As at 31st March	2015	2014	1st April 2013
Total liquid assets	562,115	809,194	962,421
Liquid assets as a % of total net assets	4%	7%	7%

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27.2.2 Management of liquidity risk

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

The Company maintains a portion of its assets in highly liquid form; demand deposits and securities purchased under resale agreements in order to capitalise on the opportunities arising in volatile market conditions and to meet its contractual obligations during the normal course of its operations.

A significant portion of the Company's investment portfolio comprises listed equity investments which provides the Company with exposure to adequate liquidity, given the ability to convert in to cash and cash equivalents within a very short period of time.

In addition, the Company has access to approved financing arrangements in the form of an inter-changeable overdraft facility with Ceylon Guardian Investment Trust PLC, the parent company, an analysis of which as at each of the reporting dates are given below.

As at 31st March	2015	2014	1st April 2013
Unutilised short term credit facilities	1,050,000	1,050,000	1,050,000
	1,050,000	1,050,000	1,050,000

27.3 Market risk

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

27.3.1 Interest rate risk

The Company is exposed to interest rate risk, arising from its placements with banking institutions, Securities purchased under resale agreements and short-term financing facilities, in the event such have been utilised.

Profile

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

As at 31st March	Carrying Amount		
	2015	2014	1st April 2013
Financial assets			
Placements with banking institutions	-	599,052	759,042
Securities purchased under resale agreements	560,356	208,133	188,427
	560,356	807,185	947,469
Financial liabilities			
Bank overdraft	9,644	2,697	446
	9,644	2,697	446

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

As at 31st March	Carrying Amount		
	2015	2014	1st April 2013
Commercial Banks Averaged Weighted Prime Lending Rate (AWPLR) *	6.95%	8.81%	13.86%
Commercial Banks Averaged Weighted Fixed Deposit Rate (AWFDR) *	6.45%	10.47%	13.94%

* Monthly average rate

» Notes to the Financial Statements

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Sensitivity Analysis

A change of 1% 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	Profit or loss	
	Increase in 1%	Decrease in 1%
As at 31st March 2015		
- On interest earning assets	5,604	(5,604)
- On interest bearing liabilities	(96)	96
	5,507	(5,507)
As at 31st March 2014		
- On interest earning assets	8,072	(8,072)
- On interest bearing liabilities	(27)	27
	8,045	(8,045)
As at 1 April 2013		
- On interest earning assets	9,475	(9,475)
- On interest bearing liabilities	(4)	4
	9,471	(9,471)

27.3.2 Other market price risks

Equity price risk

The Company being an investment house, where the principal activity of the Company being to act as a specialised investment vehicle to undertake, among others; listed and private equity investments, the Company is exposed to equity price risk. Accordingly having a substantial portion, 83% (2014 – 75%), of its discretionary investment portfolio designated as listed investments in the Colombo Stock Exchange and private equity investments, market volatilities bring in significant volatility to the Company's earnings and to the value of its asset base.

Listed equity investments

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

Private equity investments

Due evaluations are carried out before-hand, extending to both financial and operational feasibility of the private equity projects that the Company ventures into, with a view to ascertain the Company's investment decision and the risks involved.

"Continuous monitoring of the operations against the budgets and the industry standards ensure that the projects meet the desired outcome, and thereby the returns. Further, the Company generally carries investment agreements with the parties concerned, which carry specific 'exit clauses' to private equity projects - typically an 'Initial Public Offering' or a 'Buy-out' at a specified price agreed, which provides cover to a certain extent against movements in market conditions".

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

As at 31st March	Note	Carrying Amount		
		2015	2014	1st April 2013
Available for sale financial assets - investments in equity securities	19.a	3,188,607	2,334,385	2,026,448
Available for sale financial assets - investment in unit trusts -				
Guardian Acuity Equity Fund		20,425	15,438	14,350
The Sri Lanka Fund		161,499	125,688	126,876
Fair value through profit or loss financial assets - investments in equity securities	21.a	665,488	644,802	503,630
		4,036,019	3,120,313	2,671,304

A broad analysis of the investments made by the Company, based on the industry/sector is given in notes 19.1 and 21.1.

27.3.3 Currency risk

The Company is exposed to currency risk on its investments made that are denominated in a currency other than the respective functional currency of the Company, which is Sri Lankan Rupees. Accordingly, the Company is exposed to currency risk primarily arising from its investment in 'The Sri Lanka Fund' – a country fund incorporated in Caymans Islands, to which the Company has infused promoters capital.

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

As at 31st March	Currency	Carrying Amount		
		2015	2014	1st April 2013
Investments in Unit Trusts - The Sri Lanka Fund	LKR ('000')	161,499	125,688	126,876
	USD	1,211,364	961,432	1,012,497
Exchange rates applied as at the reporting dates - USD / LKR		133.32	130.73	125.31

Sensitivity Analysis

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

Movement in exchange rate	Equity	
	Strengthening	Weakening
As at 31 March 2015		
- United State Dollars (1% movement)	(1,615)	1,615
	(1,615)	1,615
As at 31 March 2014		
- United State Dollars (1% movement)	(1,257)	1,257
	(1,257)	1,257
As at 1 April 2013		
- United State Dollars (1% movement)	(1,269)	1,269
	(1,269)	1,269

No impact to profit or loss arises from a movement in the foreign exchange rates, provided such movements are related to equity instruments classified under 'Available for sale financial assets'. Such movements are required to be recognised in other comprehensive income, as provided for in Sri Lanka Accounting Standard (LKAS - 39) "Financial Instruments; Recognition and measurement".

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27.4 Accounting classification and fair values

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

As at 31st March 2015	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total carrying amount	Fair value
Financial assets measured at fair value							
Available for sale financial assets	-	-	-	3,418,774	-	3,418,774	3,418,774
Fair value through profit or loss financial assets	665,488	-	-	-	-	665,488	665,488
Financial assets not measured at fair value							
Trade and other receivables	-	-	16,201	-	-	16,201	
Cash and cash equivalents	-	-	562,115	-	-	562,115	
Total financial assets	665,488	-	578,316	3,418,774	-	4,662,578	
Financial liabilities not measured at fair value							
Trade and other payables	-	-	-	-	262,450	262,450	
Bank overdraft	-	-	-	-	9,644	9,644	
Total financial liabilities	-	-	-	-	272,094	272,094	

As at 31st March 2014	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total carrying amount	Fair value
Financial assets measured at fair value							
Available-for-sale financial assets	-	-	-	2,520,325	-	2,520,325	2,520,325
Fair value through profit or loss financial assets	644,802	-	-	-	-	644,802	644,802
Financial assets not measured at fair value							
Trade and other receivables	-	-	6,977	-	-	6,977	
Cash and cash equivalents	-	-	809,194	-	-	809,194	
Total financial assets	644,802	-	816,171	2,520,325	-	3,981,298	
Financial liabilities not measured at fair value							
Trade & other payables	-	-	-	-	274,489	274,489	
Bank overdraft	-	-	-	-	2,697	2,697	
Total financial liabilities	-	-	-	-	277,186	277,186	
As at 1st April 2013							
As at 1st April 2013	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total carrying amount	Fair value
Financial assets measured at fair value							
Available-for-sale financial assets	-	-	-	2,210,275	-	2,210,275	2,210,275
Fair value through profit or loss financial assets	503,630	-	-	-	-	503,630	503,630
Financial assets not measured at fair value							
Trade and other receivables	-	-	48,755	-	-	48,755	
Cash and cash equivalents	-	-	962,421	-	-	962,421	
Total financial assets	503,630	-	1,011,176	2,210,275	-	3,725,081	
Financial liabilities not measured at fair value							
Trade & other payables	-	-	-	-	16,681	16,681	
Bank overdraft	-	-	-	-	446	446	
Total financial liabilities	-	-	-	-	17,127	17,127	

» Notes to the Financial Statements

In Rupees Thousands

27.5 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: Inputs other than quoted prices included within 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).

	Level 1	Level 2	Level 3	Total
As at 31st March 2015				
Available for sale financial assets	3,187,634	230,166	974	3,418,774
Fair value through profit or loss financial assets	665,488	-	-	665,488
	3,853,122	230,166	974	4,084,262
As at 31st March 2014				
Available for sale financial assets	2,333,412	185,939	974	2,520,325
Fair value through profit or loss financial assets	644,802	-	-	644,802
	2,978,214	185,939	974	3,165,127
As at 1st April 2013				
Available for sale financial assets	1,834,874	374,857	544	2,210,275
Fair value through profit or loss financial assets	503,630	-	-	503,630
	2,338,504	374,857	544	2,713,905

No movements have occurred in the fair value measurements in Level 3 of the fair value hierarchy, during the year (2014 – Nil).

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

28 Changes in accounting policies.

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

28.1 Associates

With the adoption of SLFRS 10 - "Consolidated Financial Statement", the Company's associate Company "Rubber Investment Trust Limited" requires to reclassify its investment in Bukit Darah PLC, from investment in associate accounted on equity method of accounting under LKAS 28 - "Investments in Associates", in to "available for sale financial assets" category. Hence, said investment has been recognised at fair value in the Statement of Financial Position and the changes in fair values have been recognised in Other Comprehensive Income in accordance with LKAS 39 - "Financial Instruments; Recognition and Measurement", in the financial statements of Rubber Investment Trust Limited.

The impact to the financial statements:

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March	2014
Share of profit of equity accounted investee net of tax	(262,875)
Other Comprehensive Income	
Share of other comprehensive expense of equity accounted investee net of tax	(737,737)
Net impact to Total Comprehensive Income	(1,000,612)

Statement of Financial position

As at 31st March	2014	1st April 2013
Assets		
Investments in equity accounted investee	3,155,044	4,155,656
Net impact to equity	3,155,044	4,155,656

» Notes to the Financial Statements

In Rupees Thousands

28.2 Reconciliation of Statement of Profit or Loss and Other Comprehensive Income For the year ended 31st March

	2014		
	As Previously Reported	Restatement	Restated
Revenue	496,779	-	496,779
Net change in fair value of fair value through profit or loss financial assets	303	-	303
Profit on investment activities	497,082	-	497,082
Administrative and other operating expenses	(39,531)	-	(39,531)
Profit from operations	457,551	-	457,551
Finance expense	(1,636)	-	(1,636)
Profit from operations after finance expense	455,915	-	455,915
Share of profit of equity accounted investee net of tax	726,501	(262,875)	463,626
Profit before taxation	1,182,416	(262,875)	919,541
Income tax expense	(30,059)	-	(30,059)
Profit for the period	1,152,357	(262,875)	889,482
Other comprehensive income			
Items that are / or may be reclassified to profit or loss			
Share of other comprehensive expense of equity accounted investee net of tax	(816,768)	(737,737)	(1,554,505)
Net change in fair value of available for sale financial assets	32,955	-	32,955
Transfer of realised gains on disposal of available for sale financial assets	(253,761)	-	(253,761)
Foreign currency differences arising from the translation of available for sale financial assets	5,488	-	5,488
Other comprehensive expense for the period	(1,032,086)	(737,737)	(1,769,823)
Total comprehensive income/(expense) for the period	120,271	(1,000,612)	(880,341)

28.3 Reconciliation of Statement of Financial Position

	As at 31st March 2014			As at 1st April 2013		
	As previously reported	Restatement	Restated	As previously reported	Restatement	Restated
ASSETS						
Non-current assets						
Investment in equity accounted investee	4,738,898	3,155,044	7,893,942	5,024,093	4,155,656	9,179,749
Available for sale financial assets	2,520,325	-	2,520,325	2,210,275	-	2,210,275
Total non-current assets	7,259,223	3,155,044	10,414,267	7,234,368	4,155,656	11,390,024
Current assets						
Trade and other receivables	7,027		7,027	48,969		48,969
Fair value through profit or loss financial assets	644,802		644,802	503,630		503,630
Cash and cash equivalents	809,194		809,194	962,421		962,421
Total current assets	1,461,023	-	1,461,023	1,515,020	-	1,515,020
Total assets	8,720,246	3,155,044	11,875,290	8,749,388	4,155,656	12,905,044
EQUITY AND LIABILITIES						
Equity						
Stated capital	673,530		673,530	673,530		673,530
Capital reserves	1,709,133	(1,521,992)	187,141	2,525,901	(2,338,760)	187,141
Revenue reserves	6,042,709	4,677,036	10,719,745	5,524,358	6,494,416	12,018,774
Total equity	8,425,372	3,155,044	11,580,416	8,723,789	4,155,656	12,879,445
Current liabilities						
Trade and other payables	276,382		276,382	18,437		18,437
Current tax liability	15,795		15,795	6,716		6,716
Bank overdraft	2,697		2,697	446		446
Total current liabilities	294,874	-	294,874	25,599	-	25,599
Total liabilities	294,874	-	294,874	25,599	-	25,599
Total equity and liabilities	8,720,246	3,155,044	11,875,290	8,749,388	4,155,656	12,905,044

29 Segmental Reporting

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

» Notes to the Financial Statements

In Rupees Thousands

30 Other matters

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

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

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

31 Events after the reporting date

After satisfying the solvency test in accordance with Section 57 of the Company's Act, No. 7 of 2007, the Directors have recommended a second interim dividend in the form of Scrip dividend of Rs. 1/- (2014 – Nil) per ordinary share for the year ended 31st March 2015 amounting to Rs. 98,514,874/- (2014 - Nil) which is to be approved at the forthcoming Extraordinary General Meeting. In accordance with Sri Lanka Accounting Standard (LKAS 10) - "Events after the reporting period" this proposed dividend has not been recognised as a liability as at 31st March 2015.

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

32 Commitments and contingent liabilities

32.1 Capital expenditure commitments

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

32.2 Contingent liabilities

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

33 Responsibility for Financial Statements

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

» Five Year Summary

In Rupees Thousands

For the year ended / As at 31st March	SLFRS/LKAS				SLAS
	2015	2014	2013	2012	2011
Financial highlights					
Revenue					
Net gain on disposal of investments	585,055	323,900	282,639	671,129	556,884
Dividend income	183,292	252,761	134,591	129,763	80,394
Interest income	54,125	115,046	72,180	36,126	11,303
	822,472	691,707	489,410	837,018	648,581
Less :					
Dividend received from associate company	(83,235)	(194,928)	(43,433)	(40,970)	(25,193)
	739,237	496,779	445,977	796,048	623,388
Net fair value adjustment - unrealised	11,440	303	52,667	(322,893)	112,410
Profit on investment activities	750,677	497,082	498,644	473,155	735,798
Profit before taxation					
	1,001,114	919,541	1,200,571	1,087,196	1,341,057
Income tax expense	(14,252)	(30,059)	(18,603)	(6,129)	(434)
Profit for the year	986,862	889,482	1,181,968	1,081,067	1,340,623
Dividend paid	246,287	418,688	123,144	98,515	129,421
Statement of financial position					
Capital employed					
Stated capital	673,530	673,530	673,530	673,530	673,530
Reserves	12,428,640	10,906,886	8,050,259	7,093,279	6,994,586
Total equity	13,102,170	11,580,416	8,723,789	7,766,809	7,668,116
Assets employed					
Non current assets	12,133,158	10,414,267	7,234,368	6,719,319	7,169,723
Current assets	1,243,829	1,461,023	1,515,020	1,065,141	713,597
Total assets	13,376,987	11,875,290	8,749,388	7,784,460	7,883,320
Current liabilities	(274,817)	(294,874)	(25,599)	(17,651)	(215,204)
Net assets	13,102,170	11,580,416	8,723,789	7,766,809	7,668,116
Cash Flow Statements					
Net cash generated from/(used in) from operating activities	(87,556)	(178,891)	449,453	841,237	(111,434)
Net cash generated from investing activities	83,235	194,928	43,433	40,970	25,193
Net cash generated from/(used in) financing activities	(249,705)	(171,515)	(122,305)	(96,272)	(125,720)
Net (decrease)/increase in cash & cash equivalents	(254,026)	(155,478)	370,581	785,935	(211,961)

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

» Five Year Summary

In Rupees Thousands

For the year ended / As at 31st March	SLFRS/LKAS				SLAS
	2015	2014	2013	2012	2011
Ratios & statistics					
Operational ratios					
Return on ordinary shareholders funds (%)	7.53	7.68	13.55	13.91	17.48
Liquidity ratios					
Current ratio (Times)	4.53	4.95	59.18	60.34	3.32
Investor ratios					
Earnings per share (Rs.)	10.02	9.03	12.00	10.97	13.61
Dividend per share proposed/ Interim (Rs.) *	3.50	2.50	1.75	1.25	1.00
Dividend cover (times)	2.86	3.61	6.84	8.78	13.61
Dividend growth (%)	40	43	40	25	(85)
Dividend yield (%)	3.85	3.36	2.19	1.60	0.66
Dividend payout ratio (%)	34.94	27.69	14.62	11.39	7.35
Net assets value per share (Rs.)	133.00	117.55	130.74	139.03	180.61
Market value per share (Rs.) **	91.00	74.50	80.00	78.30	151.00
Price earnings ratio (times)	9.08	8.25	6.67	7.14	11.10
Price to book value ratio (times)	0.68	0.63	0.61	0.56	0.84
Fair value of investment portfolio	13,351,117	11,865,566	12,855,629	13,697,271	17,797,997
Market capitalisation (Rs. 000')	8,964,854	7,339,358	7,881,190	7,713,715	14,875,746
All Share Price Index (points)	6,820	5,968	5,736	5,420	7,226
S&P SL 20 Index (points)	3,852	3,280	3,294	2,986	3,893

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

* Based on proposed / interim dividends.

** As at 31st March.

US\$ Financial

Preparation of US Dollar Financial Statements

The Financial Statements of the Company are stated in Sri Lankan Rupees. The translation of Sri Lankan Rupee amounts into US Dollar amounts is included solely for the convenience of Shareholders, Investors, Bankers and other users of Financial Statements. US Dollar Financial do not form part of the audited Financial Statements of the Company.

» Financial Highlights - US \$

In United States Dollars

For the year ended 31st March	2015	2014	Change %
Revenue	5,634,428	3,818,146	48
Profit from operations	5,347,057	3,516,647	52
Share of profit of equity accounted investee net of tax	2,284,405	3,563,339	(36)
Profit before taxation	7,630,441	7,067,412	8
Profit for the year	7,521,814	6,836,385	10
Other comprehensive income / (expense) for the year	5,954,108	(13,602,514)	(144)
Total comprehensive income / (expense) for the year	13,475,922	(6,766,129)	299
Net cash generated from / (used in) operating activities	(32,932)	123,259	(127)
Total equity	98,276,102	88,582,697	(11)
Return on ordinary shareholders' funds (%)	3.92	10.61	(63)
Earnings per share (USD)	0.08	0.07	14
Dividend per share (USD) *	0.02	0.02	-
Net assets value per share	1.00	0.90	11
Ceylon Investment PLC - Fund value **	100,143,392	90,763,903	10
Market capitalisation (Company)	67,243,126	56,141,345	20

* Based on proposed / interim dividends

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

» Statement of Profit or Loss and Other Comprehensive Income

In United States Dollars

For the year ended 31 st March	2015	2014 Restated
Revenue	5,634,428	3,818,146
Impairment loss on available for sale financial assets	(296,418)	-
Net change in fair value of fair value through profit or loss financial assets	383,613	2,329
Profit on investment activities	5,721,623	3,820,475
Administrative and other operating expenses	(374,566)	(303,828)
Profit from operations	5,347,057	3,516,647
Finance expense	(1,021)	(12,574)
Profit from operations after finance expense	5,346,036	3,504,073
Share of profit of equity accounted investee net of tax	2,284,405	3,563,339
Profit before taxation	7,630,441	7,067,412
Income tax expense	(108,627)	(231,027)
Profit for the year	7,521,814	6,836,385
Other comprehensive income		
Items that are / or may be reclassified to profit or loss		
Share of other comprehensive income / (expense) of equity accounted investee net of tax	4,603,377	(11,947,621)
Net change in fair value of available for sale financial assets	4,454,383	253,286
Transfer of realised gains on disposal of available for sale financial assets	(3,122,631)	(1,950,359)
Foreign currency differences arising on translation of available for sale financial assets	18,979	42,180
Other comprehensive income / (expense) for the year net of tax	5,954,108	(13,602,514)
Total comprehensive income/ (expense) for the year	13,475,922	(6,766,129)
Earnings per share	0.08	0.07

» Statement of Financial Position

In United States Dollars

As at 31st March	2015	2014 Restated
ASSETS		
Non-current assets		
Investment in equity accounted investee	65,364,416	60,383,554
Available for sale financial assets	25,643,369	19,278,857
Total non-current assets	91,007,785	79,662,411
Current assets		
Trade and other receivables	121,707	53,752
Fair value through profit or loss financial assets	4,991,659	4,932,319
Cash and cash equivalents	4,216,285	6,189,811
Total current assets	9,329,651	11,175,882
Total assets	100,337,436	90,838,293
EQUITY AND LIABILITIES		
Equity		
Stated capital	5,868,428	5,868,428
Capital reserves	1,431,508	1,431,508
Revenue reserves	90,976,166	81,282,761
Total equity	98,276,102	88,582,697
Current liabilities		
Trade and other payables	1,985,254	2,114,144
Current tax liabilities	3,743	120,822
Bank overdraft	72,337	20,630
Total current liabilities	2,061,334	2,255,596
Total liabilities	2,061,334	2,255,596
Total equity and liabilities	100,337,436	90,838,293
Net assets per ordinary share	1.00	0.90

» Notes to the Financial Statements

In United States Dollars

1 Basis of conversion

The translation of Sri Lankan Rupee amounts in to US Dollar amounts is solely for the convenience of the shareholders, investors, bankers and other users of financial statements.

The translation of the financial statements in to US Dollar were effected based on the following exchange rates.

For the year ended / As at 31st March	2015	2014
Statement of profit or loss and other comprehensive income - Average rate	131.20	130.11
Monetary assets and liabilities - Closing rate	133.32	130.73
Non-monetary assets and liabilities - Closing rate	133.32	130.73
Ordinary share capital - Historical rate		

Gains or losses on conversion are accounted for in the revenue reserve.

2 Revenue reserve

For the year ended 31st March	2015	2014
Beginning of the year	81,282,761	94,747,923
Net movement during the year	11,598,735	(9,984,083)
	92,881,496	84,763,840
Currency fluctuations	(1,905,330)	(3,481,079)
As at the end of the year	90,976,166	81,282,761

» Five Year Summary

In United States Dollars

Year ended / As at 31st March	SLFRS/LKAS			SLAS	
	2015	2014	2014	2012	2011
Financial highlights					
Revenue					
Net gain on disposal of investments	4,459,261	2,489,432	2,181,186	5,982,608	5,071,372
Dividend income	1,397,043	1,942,672	1,038,668	1,156,739	699,748
Interest income	412,538	884,221	557,029	322,036	98,381
	6,268,842	5,316,325	3,776,883	7,461,383	5,869,501
Less :					
Dividend received from associate company	(634,414)	(1,498,179)	(335,171)	(365,216)	(219,288)
	5,634,428	3,818,146	3,441,712	7,096,167	5,650,213
Fair value adjustment - unrealised	87,195	2,329	406,444	(2,878,348)	1,018,853
Profit on investment activities	5,721,623	3,820,475	3,848,156	4,217,819	6,669,066
Profit before taxation					
	7,630,441	7,067,412	9,245,054	9,691,531	12,154,963
Income tax expense	(108,627)	(231,027)	(143,564)	(54,635)	(3,934)
Profit for the year	7,521,814	6,836,385	9,101,490	9,636,896	12,151,029
Dividend paid	1,877,188	3,217,954	1,330,460	961,308	892,911
Statement of financial position					
Capital employed					
Stated capital	5,868,428	5,868,428	5,868,428	5,868,428	5,868,428
Reserves	92,407,674	82,714,269	62,904,051	54,762,399	63,589,144
Total Equity	98,276,102	88,582,697	68,772,479	60,630,827	69,457,572
Assets employed					
Non current assets	91,007,785	79,662,411	57,030,887	52,453,701	64,943,134
Current assets	9,329,651	11,175,882	11,943,398	8,314,918	6,463,741
Total assets	100,337,436	90,838,293	68,974,285	60,768,619	71,406,875
Current liabilities	(2,061,334)	(2,255,596)	(201,806)	(137,792)	(1,949,303)
Net assets	98,276,102	88,582,697	68,772,479	60,630,827	69,457,572
Cash flow statements					
Net cash generated from / (used in) from operating activities	(667,345)	(1,374,921)	3,468,525	7,457,159	(980,646)
Net cash generated from investing activities	634,413	1,498,178	335,183	365,217	224,677
Net cash used in financing activities	(1,903,242)	(1,318,231)	(943,854)	(831,592)	(1,102,034)
Net (decrease) / increase in cash & cash equivalents	(1,936,174)	(1,194,974)	2,859,854	6,990,784	(1,858,003)

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

RATIOS & STATISTICS

Year ended 31st March In US \$	SLFRS/LKAS			SLAS	
	2015	2014	2014	2011	
Operating ratio					
Return on ordinary shareholders' funds (%)	7.65	7.72	13.23	15.89	17.49
Liquidity ratio					
Current ratio (times)	4.53	4.95	59.18	60.34	3.32
Investor ratios					
Earnings per share	0.08	0.07	0.09	0.08	0.12
Net assets per share	1.00	0.90	1.03	1.09	1.64

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

» Information to Shareholders and Investors

1. Stock Exchange Listing

Ceylon Investment 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 Investment Trust PLC shares is "CINV".

2. Share Valuation

The market price of the Company's shares as at 31st March 2015 was Rs. 91/- per share (2014 – Rs.74/50).

3. Ordinary Shareholders

As at 31st March	2015	2014
Number of Shareholders	2,646	2,338

The number of Ordinary Shares held by non-residents as at 31st March, 2015 was 4,376,004 which amounts to 4.44% (2014 – 4,405,177 / 4.47%).

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	1,559	462,233	0.48	06	3,495	-	1,565	465,728	0.48
1,001 - 10,000	750	2,763,208	2.80	24	116,835	0.12	774	2,880,043	2.92
10,001 - 100,000	214	6,741,414	6.84	29	797,475	0.81	243	7,538,889	7.65
100,001 - 1,000,000	50	15,696,916	15.93	08	2,406,179	2.44	58	18,103,095	18.37
Above 1,000,000	05	68,475,099	69.51	01	1,052,020	1.07	06	69,527,119	70.58
Total	2,578	94,138,870	95.56	68	4,376,004	4.44	2,646	98,514,874	100.00

Categories of shareholders	No. of shareholders	No. of shares	%
Individuals	2,408	20,864,325	21.18
Institutions	238	77,650,549	78.82
Total	2,646	98,514,874	100.00

3.1 Public Shareholding

The percentage of Ordinary Shares held by the public as at 31st March 2015 was 35.19% (2014 - 35.19%) and the number of public shareholders were 2,631.

4. Market performance - Ordinary Shares For the year

	2015	2014
Share price as at 31 March (Rs.)	91.00	74.50
Highest (Rs.)	114.00	102.00
Lowest (Rs.)	73.10	73.10
Value of the shares traded (Rs.)	1,084,063,352	241,309,176
No. of shares traded	11,226,373	2,996,697
Volume of transactions (Nos.)	7,385	2,138

5. Market capitalisation

Market capitalisation of the Company, which is the number of ordinary shares in issue multiplied by the market value of an ordinary share was Rs.8,964,853,534/- as at 31st March 2015 (as at 31st March 2014 – Rs.7,339,358,113/-).

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

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

Year ended 31st March	Month	Issue	Basis	No. of Shares	Cumulative No. of shares
1919		Initial Capital	-	547,343	547,343
1954		Bonus	1:10	54,734	602,077
1956		Bonus	1:10	60,208	662,285
1988		Bonus	1:1	662,285	1,324,570
1991		Bonus	1:5	264,914	1,589,484
1999		Bonus	1:4	397,371	1,986,855
2000		Bonus	1:4	496,714	2,483,569
2002	April	Rights	1:4	620,892	3,104,461
	May	Bonus	1:4	776,115	3,880,576
2003	June	Rights	1:3	1,293,525	5,174,101
	August	Bonus	1:6	862,350	6,036,451
2004	July	Rights	1:2	3,018,225	9,054,676
	September	Bonus	1:2	4,527,338	13,582,014
2005	March	Rights	1:3	4,527,338	18,109,352
	June	Bonus	1:3	6,036,451	24,145,803
2009	October	Repurchase	1:5	(4,829,161)	19,316,642
2010	October	Subdivision	5:1	77,266,568	96,583,210
	October	Capitalisation of reserves	1:50	1,931,664	98,514,874

7. Dividends

7.1 A 1st Interim Dividend of Rs.2/50 per share for the financial year ended 31st March 2015, amounting to Rs.246,287,185/- was declared and paid on 8th April 2015.

7.2 The Board of Directors has recommended a Second Interim Dividend of Rs. 1/- in the form of a Scrip Dividend for the financial year ended 31st March 2015.

8. Major shareholders

A list of major shareholders of the Company as at the balance sheet date is provided in the Annual Report of the Board of Directors, on page 30.

» Notice of Meeting

NOTICE IS HEREBY GIVEN that the SIXTY NINTH Annual General Meeting of CEYLON INVESTMENT PLC will be held on Tuesday, the 11th day of August 2015 at 9.00 a.m. at Taj Samudra Hotel, "Crystal Room", Upper Floor, No. 25, Galle Face Center Road, Colombo 3, Sri Lanka for the following purposes :

1. To receive and adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2015, together with the Independent Auditors' Report thereon.
2. To re-elect Mr.D.C.R. Gunawardena who retires in terms of Articles 89, 90 and 91 of the Articles of Association of the Company.
3. To re-elect Mr.V.M. Fernando who retires in terms of Articles 89, 90 and 91 of the Articles of Association of the Company.
4. To re-elect Mr.T.C.M. Chia as a Director in terms of Articles 88 and 95 of the Articles of Association of the Company.
5. To re-appoint Mr. I. Paulraj as a Director of the Company who is over Seventy years of age and to consider and if deemed fit to pass the following resolution :
 "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not be applicable to Mr. I. Paulraj who is 78 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 authorise the Directors to determine their remuneration.

By Order of the Board

(Sgd.)

K.D. De Silva (Mrs.)

Director

Carsons Management Services (Private) Limited
Secretaries

Colombo

13th July 2015

Notes

1. A member is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. A Form of Proxy accompanies this notice.
2. The completed Form of Proxy must be deposited at the Registered Office, No.61, Janadhipathi Mawatha, Colombo 1, not later than 9.00 a.m. on 9th August 2015.
3. A person representing a Corporation is required to carry a certified copy of the resolution authorising him/her to act as the representative of the Corporation. A representative need not be a member.
4. The transfer books of the Company will remain open.
5. Security Check

We shall be obliged if the shareholders/proxies attending the Annual General Meeting, produce their National Identity Card to the security personnel stationed at the entrance lobby.

» Form of Proxy

*I/ We
 of
 being *a Member/Members of Ceylon Investment PLC hereby appoint
 of

bearing NIC No./ Passport Noor failing him/her

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

as *my/our proxy to attend at the 69th Annual General Meeting of the Company to be held on Tuesday, the 11th day of August 2015 at 9.00 a.m. at Taj Samudra Hotel, "Crystal Room", Upper Floor, No.25, Galle Face Center Road, Colombo 3, Sri Lanka and at any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
(1) To adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2015, together with the Independent Auditors' Report thereon.	<input type="checkbox"/>	<input type="checkbox"/>
(2) To re-elect Mr.D.C.R. Gunawardena who retires in terms of Articles 89, 90 and 91 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(3) To re-elect Mr.V.M. Fernando who retires in terms of Articles 89, 90 and 91 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(4) To re-elect Mr.T.C.M. Chia who retires in terms of Articles 88 and 95 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(5) To re-appoint Mr.I. Paulraj who is over Seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(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 authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

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

.....
 Signature /s

Note:

- * Please delete the inappropriate words.
- A shareholder entitled to attend and vote at a General Meeting of the Company, is entitled to appoint a proxy to attend and vote instead of him/her and the proxy need not be a shareholder of the Company. A proxy so appointed shall have the right to vote on a show of hands or on a poll and to speak at the General Meeting of the shareholders.
- A shareholder is not entitled to appoint more than one proxy to attend on the same occasion.
- Instructions are noted on the reverse hereof.

» 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.

3. In terms of Article 71 of the Articles of Association of the Company:

The instrument appointing a proxy shall be in writing and :

- (i) in the case of an individual shall be signed by the appointor or by his attorney; and
- (ii) in the case of a corporation shall be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.

The Company may, but shall not be bound to, require evidence of the authority of any such attorney or officer. A proxy need not be a member of the Company.

4. In terms of Article 66 of the Articles of Association of the Company:

In the case of joint-holders of a share, the senior who tenders a vote, whether in person or by proxy or by attorney or by representative, shall be accepted to the exclusion of the votes of the other joint-holders and for this purpose seniority shall be determined by the order in which the names stands in the Register of members in respect of the joint holding.

5. To be valid the completed form of proxy should be deposited at the Registered Office of the Company situated at No.61, Janadhipathi Mawatha, Colombo 1 not later than 9.00 a.m. on 9th August 2015.

Please fill in the following details :

Name :

Address :

:

:

Jointly with :

Share Folio No. :

» Corporate Information

Name of Company

Ceylon Investment PLC
(A Carson Cumberbatch Company)

Company Registration No.

PQ 68

Domicile and Legal Form

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

The Company was incorporated in Sri Lanka in 1919.

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

Ceylon Guardian Investment Trust PLC

Ultimate Parent and Controlling Entity

Bukit Darah PLC

Directors

Mr. I. Paulraj (Chairman)
Mr. D.C.R. Gunawardena
Mr. A.P. Weeratunge
Mrs. M.A.R.C. Cooray
Mr. A. de Z. Gunasekera (Resigned w.e.f. 31st October 2014)
Mr. V.M. Fernando
Mr. K. Selvanathan
Mr. T.C.M. Chia (Appointed w.e.f. 1st November 2014)

Bankers

Standard Chartered Bank
HSBC
Commercial Bank of Ceylon PLC
Deutsche Bank AG
Hatton National Bank PLC

Auditors

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

Managers & Secretaries

Carsons Management Services (Private) Limited
No. 61, Janadhipathi Mawatha,
Colombo 1,
Sri Lanka

Telephone No.: +94-11-2039200

Fax No.: +94-11-2039300

Investment Managers

Guardian Fund Management Limited
No. 61, Janadhipathi Mawatha,
Colombo 1,
Sri Lanka.

Telephone No.: +94-11-2039200

Fax No.: +94-11-2439777

Registered Office and Principal Place of Business

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

Telephone No.: +94-11-2039200

Fax No.: +94-11-2039300

Corporate Website

www.carsoncumberbatch.com

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emagewise

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www.carsoncumberbatch.com

CEYLON INVESTMENT PLC - PQ 68

ADDITIONAL INFORMATION TO SHAREHOLDERS

We are herewith circulating the portfolio of the Company's Associate Company, Rubber Investment Trust Limited. The investment in Associate Company is accounted in "Equity Method" of accounting in the Company's published financial statements as required by the Sri Lanka Accounting Standard - LKAS 28 "Investments in Associates".

INVESTMENT PORTFOLIO OF RUBBER INVESTMENT TRUST LIMITED

(Amounts expressed in Sri Lankan Rupee thousands)

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

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

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

2 Fair value through profit or loss financial assets

2.1 Investment in equity securities - Quoted

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

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