

CEYLON GUARDIAN INVESTMENT TRUST PLC

INTERIM REPORT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2017

A CARSON CUMBERBATCH COMPANY

CEYLON GUARDIAN INVESTMENT TRUST PLC

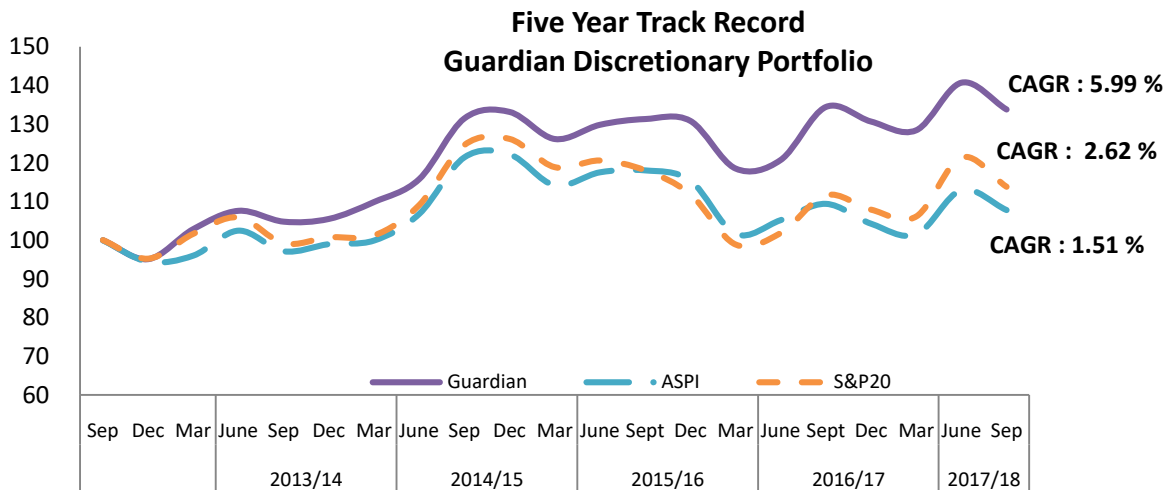
Managers' Review

For the period ended 30th September 2017

Financials and portfolio performance

The Ceylon Guardian portfolio is segmented into discretionary and non – discretionary components. The discretionary component of the portfolio is made up of a trading portfolio and long term portfolio, which are actively managed. The non- discretionary component refers to the strategic holding.

The discretionary portfolio has provided an impressive performance of 5.99% CAGR over a five-year period compared to the ASPI performance of 1.51%. The three year return for the portfolio was 0.61% CAGR thereby outperforming the ASPI which gave a return of -3.89% CAGR. The superior performance relative to market is a result of a successfully implemented value investing strategy practiced by Guardian.



The portfolio has been a net seller for the quarter ending September 2017 with total sales of Rs. 439 million and buying of Rs. 380 million. Selling from the discretionary portfolio mainly centered around Tokyo Cement and Sampath Bank. Both stocks have provided strong capital gains for the portfolio of Rs. 137 million collectively during the quarter. The country's infrastructure drive has resulted in growing demand for Tokyo Cement and recent capacity expansions are yet to be fully utilized. However, a surge in the share price has resulted in the potential growth of the company being somewhat 'factored in' and we have taken steps to gradually reduce positions despite the share having further upside. We expect the company to continue to perform well with continued cost management exercises and strong demand. The portfolio participated in the HNB rights issue based on its allocation. A new entrant into the portfolio has been Nations Trust Bank which was bought at attractive valuations given its successful retail and SME banking model. The discretionary portfolio remains largely exposed to the banking, finance & insurance sector, food & beverage sector and diversified sector.

	As at		Change %	As at 30-Sep-17 (Dividend adjusted)	Dividend adjusted performance
	30-Sep-17	31-Mar-17			
Discretionary portfolio (Rs. '000) *	13,627,350	13,078,794	4.19%	14,034,679	7.31%
Total Portfolio (Rs.'000)*	17,862,155	18,396,828	-2.91%	18,269,484	-0.69%
ASPI (Points)	6,438.24	6,061.94	6.21%		6.21%
S&P 20 (Points)	3,687.97	3,438.88	7.24%		7.24%

****After adding back the total cash outflow from the distribution of dividend by the Group which was Rs. 407.3 Mn during the period.***

Guardian continues to practice a value driven investment strategy with stock investing based on medium to long term outlooks. The total portfolio depreciated from Rs. 18.39 Bn to Rs. 17.86 Bn during the period of review. Ceylon Guardian Investment Trust PLC reported a consolidated profit after tax of Rs. 290.54 Mn for the period of six months ended 30th September 2017, compared to a profit of Rs. 404.36 Mn reported for the same period last year. As at end September 2017 the Group's earnings per share stood at Rs. 2.48 and Net Asset Value when the portfolio is valued at market prices was Rs. 167.88 per share, a decrease of 3.3% for the period. This highlights a steep discount of 42% in the traded market price per share of Rs. 98.00.

As at	30/09/2017	31/03/2017	Change %
ASPI	6,438.24	6,061.94	6.2
NAV per share (Rs.)	167.88	173.53	(3.3)
Market price per share (Rs.)	98.00	119.70	(18.1)
Discount of NAV to market price per share	42%	31%	

Update on the market

The All Share Price Index fell by 4.58% for the quarter ending Sept 2017 with heavy weights dragging down the index. Despite foreign buying persisting, market turnover reduced and selling pressure was observed resulting in the overall decline. Average daily turnover for the quarter was recorded at 903 million which improved significantly in September. Net foreign buying for the quarter was Rs. 6.7 billion after adjusting for the strategic stake outflow of Rs. 10.5 billion for Singer Sri Lanka.

Market earnings witnesses a general slowdown to 3.6% YoY for quarter ending June 2017. The slowdown is largely attributable to tight monetary policy influencing consumption and rising input costs for companies. The historical PER of the Colombo Stock Exchange was recorded at 10.7x as at 30th September 2017 revealing that the CSE remains undervalued compared to historical multiples.

The strengthening gross official reserves has resulted in more stability in the economy but debt burdens into the medium term remains a challenge for the country. Fiscal consolidation continues to improve and the implementation of the new Inland Revenue Act will see further progress made on this front. Infrastructure related projects are expected to keep the economy growing and effort on trade agreements with key partner countries can improve the trade deficit over the medium term. However, concerns still remain with respect to overall debt levels and need for foreign investment.

Private Equity and Unit Trust

Deal flow in the private equity business for the 1st half of 2017 slowed down relative to last year, with Q2 deal flow coming in weaker than Q1. The deals evaluated did not meet our investment criteria and hence no new investments were made during the period. We continue to explore avenues to exit two investments, and hope to conclude the process over the next couple of quarters.

The unit trust business, Guardian Acuity Asset Management, through our Joint Venture with Acuity Partners has grown to Rs. 7.1 billion as at September 2017 from Rs. 4.0 billion on 31st March 2017. Much of the growth has been derived from the two money market funds which have grown by Rs. 1 billion in the quarter under review. However, with the corporate tax shelter available being withdrawn we will see less participation from corporates who dominate the AUM (Assets Under Management). As a result, our marketing strategy will be more focused on individual investors utilizing the unit trusts with less corporate participation.

Guardian Fund Management Limited

Investment Managers

6th November 2017

CEYLON GUARDIAN INVESTMENT TRUST PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP

(All figures are in Sri Lankan Rupees '000)

	Three months ended			Six months ended			31-03-2017
	30th September			30th September			
	2017	2016	Change %	2017	2016	Change %	Audited
Revenue	237,786	172,105	38	419,768	359,136	17	1,742,298
Impairment loss on available for sale financial assets	(30,050)	(17,799)	69	(102,580)	(29,517)	248	(198,826)
Net change in fair value of fair value through profit or loss financial assets	(103,854)	185,192	(156)	103,571	171,576	(40)	(51,206)
Profit on investment activities	103,882	339,498	(69)	420,759	501,195	(16)	1,492,266
Administrative and other operating expenses	(59,098)	(45,106)	31	(116,578)	(98,030)	19	(217,726)
Profit from operations	44,784	294,392	(85)	304,181	403,165	(25)	1,274,540
Net finance income/(expense)	(660)	(2,877)	(77)	(3,349)	5,091	(166)	173
Profit from operations after net finance income/(expense)	44,124	291,515	(85)	300,832	408,256	(26)	1,274,713
Share of profit of equity accounted investee net of tax	894	817	9	7,878	1,673	371	2,747
Profit before taxation	45,018	292,332	(85)	308,710	409,929	(25)	1,277,460
Income tax expense	(8,772)	(2,416)	263	(18,170)	(5,564)	227	(21,126)
Profit for the period	36,246	289,916	(87)	290,540	404,365	(28)	1,256,334
Other comprehensive income							
Items that will never be reclassified to profit or loss							
Actuarial gain on employee benefit obligation	-	-	-	-	-	-	1,520
Items that are or may be reclassified to profit or loss							
Net change in fair value of available for sale financial assets	(1,377,964)	897,403	(254)	(373,326)	(257,891)	45	(1,180,280)
Transfer of net realized gains / (losses) on disposal of available for sale financial assets	(80,773)	15,077	(636)	(83,511)	(1,618)	5,061	(696,487)
Share of other comprehensive income / (expense) of equity accounted investee net of tax	-	559	(100)	(5,756)	1,022	(663)	2,505
Net exchange difference on translation of foreign operations	3,324	4,818	(31)	9,046	6,520	39	14,857
Other comprehensive income / (expense) for the period	(1,455,413)	917,857	(259)	(453,547)	(251,967)	80	(1,857,885)
Total comprehensive income / (expense) for the period	(1,419,167)	1,207,773	(218)	(163,007)	152,398	(207)	(601,551)
Profit attributable to:							
Equity holders of the parent	35,761	227,881	(84)	219,988	323,385	(32)	1,028,750
Non controlling interest	485	62,035	(99)	70,552	80,980	(13)	227,584
	36,246	289,916	(87)	290,540	404,365	(28)	1,256,334
Total comprehensive income attributable to:							
Equity holders of the parent	(1,156,693)	994,990	(216)	(145,804)	131,885	(211)	(469,811)
Non controlling interest	(262,474)	212,783	(223)	(17,203)	20,513	(184)	(131,740)
	(1,419,167)	1,207,773	(218)	(163,007)	152,398	(207)	(601,551)
Earnings per share (Rs.)	0.40	2.57		2.48	3.64		11.59
Dividend per share (Rs.)*	-	-		-	-		4.00

Change % represent the percentage change in current period's results compared to the comparative period of previous year.

* Dividend per share is based on the proposed/interim dividends.

Figures in brackets indicate deductions.

CEYLON GUARDIAN INVESTMENT TRUST PLC

STATEMENT OF FINANCIAL POSITION

(All figures are in Sri Lankan Rupees '000)

As at 30th September	Group			Company		
	2017	2016	31-03-2017 Audited	2017	2016	31-03-2017 Audited
ASSETS						
Non-current assets						
Property, plant and equipment	4,522	7,491	6,011	-	-	-
Intangible assets	231,917	231,917	231,917	-	-	-
Investment in subsidiaries	-	-	-	2,141,799	2,141,799	2,141,799
Investment in equity accounted investee	39,051	34,372	36,929	35,000	35,000	35,000
Available for sale financial assets	13,709,096	15,924,431	13,821,686	4,044,109	3,979,510	3,755,459
Total non-current assets	13,984,586	16,198,211	14,096,543	6,220,908	6,156,309	5,932,258
Current assets						
Trade and other receivables	40,666	21,224	94,182	8,879	1,748	145,276
Current tax assets	24,796	11,850	19,269	15,744	11,303	14,303
Fair value through profit or loss financial assets	3,000,009	2,851,144	3,136,896	381,985	248,242	438,399
Investment in fixed deposits	256,716	-	-	-	-	-
Cash and cash equivalents	912,403	505,380	1,455,298	31,467	192,001	130,153
Total current assets	4,234,590	3,389,598	4,705,645	438,075	453,294	728,131
Total assets	18,219,176	19,587,809	18,802,188	6,658,983	6,609,603	6,660,389
EQUITY AND LIABILITIES						
Equity						
Stated capital	1,128,726	1,128,726	1,128,726	1,128,726	1,128,726	1,128,726
Capital reserves	324,685	328,958	330,441	208,660	208,660	208,660
Revenue reserves	13,451,413	14,545,156	13,946,582	5,273,430	5,208,460	5,283,876
Total equity attributable to equity holders of the parent	14,904,824	16,002,840	15,405,749	6,610,816	6,545,846	6,621,262
Non controlling interest	3,196,618	3,435,205	3,214,856	-	-	-
Total equity	18,101,442	19,438,045	18,620,605	6,610,816	6,545,846	6,621,262
Non-current liabilities						
Employee benefits	11,382	10,799	10,479	-	-	-
Total non-current liabilities	11,382	10,799	10,479	-	-	-
Current liabilities						
Trade and other payables	90,128	135,710	153,994	34,461	60,774	26,867
Current tax liabilities	155	272	58	-	-	-
Bank overdraft	16,069	2,983	17,052	13,706	2,983	12,260
Total current liabilities	106,352	138,965	171,104	48,167	63,757	39,127
Total liabilities	117,734	149,764	181,583	48,167	63,757	39,127
Total equity and liabilities	18,219,176	19,587,809	18,802,188	6,658,983	6,609,603	6,660,389
Net assets per ordinary/deferred share - Rs.	167.88	180.25	173.53	74.46	73.73	74.58

The Statement of Financial Position as at 30th September 2017 and the related Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flow for the period then ended as disclosed in pages 4 to 8 have been drawn up from unaudited accounts.

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

(Sgd).

V. R. Wijesinghe

Head of Finance

Carsons Management Services (Private) Limited.

Approved & Signed on behalf of the Investment Managers,

(Sgd).

K. Selvanathan

Director

Guardian Fund Management Limited

6th November 2017

Approved & Signed on behalf of the Board,

(Sgd).

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

Chairperson

(Sgd).

D. C. R. Gunawardena

Director

CEYLON GUARDIAN INVESTMENT TRUST PLC
STATEMENT OF CHANGES IN EQUITY - GROUP

(All figures are in Sri Lankan Rupees '000)

	Stated capital	Capital reserves	Revenue reserves	Attributable to equity holders of the parent	Non controlling interest	Total equity
Balance as at 1st April 2016	1,128,726	327,936	14,680,634	16,137,296	3,414,692	19,551,988
Profit for the year	-	-	1,028,750	1,028,750	227,584	1,256,334
Other comprehensive income / (expense) for the year	-	2,505	(1,501,066)	(1,498,561)	(359,324)	(1,857,885)
Total comprehensive income / (expense) for the year	-	2,505	(472,316)	(469,811)	(131,740)	(601,551)
Cash dividend	-	-	(266,341)	(266,341)	(62,045)	(328,386)
Effect due to change in shareholdings	-	-	347	347	(7,167)	(6,820)
Forfeiture of unclaimed dividends	-	-	4,258	4,258	1,116	5,374
Balance as at 31st March 2017 (Audited)	1,128,726	330,441	13,946,582	15,405,749	3,214,856	18,620,605
Balance as at 1st April 2017	1,128,726	330,441	13,946,582	15,405,749	3,214,856	18,620,605
Profit for the period	-	-	219,988	219,988	70,552	290,540
Other comprehensive expense for the period	-	(5,756)	(360,036)	(365,792)	(87,755)	(453,547)
Total comprehensive expense for the period	-	(5,756)	(140,048)	(145,804)	(17,203)	(163,007)
Cash dividend	-	-	(355,121)	(355,121)	(1,035)	(356,156)
Balance as at 30th September 2017 (Unaudited)	1,128,726	324,685	13,451,413	14,904,824	3,196,618	18,101,442
Balance as at 1st April 2016	1,128,726	327,936	14,680,634	16,137,296	3,414,692	19,551,988
Profit for the year	-	-	323,385	323,385	80,980	404,365
Other comprehensive income / (expense) for the period	-	1,022	(192,522)	(191,500)	(60,467)	(251,967)
Total comprehensive income for the period	-	1,022	130,863	131,885	20,513	152,398
Cash dividend	-	-	(266,341)	(266,341)	-	(266,341)
Balance as at 30th September 2016 (Unaudited)	1,128,726	328,958	14,545,156	16,002,840	3,435,205	19,438,045

CEYLON GUARDIAN INVESTMENT TRUST PLC
STATEMENT OF CASH FLOWS - GROUP

(All figures are in Sri Lankan Rupees '000)

	2017	2016	31-03-2017 Audited
For the six months ended 30th September			
Cash flows from operating activities			
Profit before taxation	308,710	409,929	1,277,460
Adjustments for:			
Share of profit of equity accounted investee net of tax	(7,878)	(1,673)	(2,747)
Depreciation on property, plant and equipment	1,582	1,629	3,224
Provision for employee benefit	1,236	1,272	2,471
Net finance (income) / expense	3,349	(5,091)	(173)
Impairment loss on available for sale financial assets	102,580	29,517	198,826
Net change in fair value of fair value through profit or loss financial assets	(103,571)	(171,576)	51,206
Operating profit before working capital changes	306,008	264,007	1,530,267
(Increase) / decrease in trade and other receivables	53,516	34,476	(38,482)
Net increase in investments	(206,369)	(510,250)	(702,606)
Net increase in investment in fixed deposits	(256,716)	-	-
Decrease in trade and other payables	(12,693)	(22,138)	(59,728)
Cash generated from / (used in) operations	(116,254)	(233,905)	729,451
Employee benefit paid	(333)	-	-
Income tax paid	(23,600)	(7,881)	(31,076)
Net cash generated from / (used in) operating activities	(140,187)	(241,786)	698,375
Cash flows from investing activities			
Acquisition of property, plant and equipment	(93)	(307)	(421)
Finance income	278	253	641
Net cash generated from / (used in) investing activities	185	(54)	220
Cash flows from financing activities			
Dividend paid	(348,757)	(261,186)	(261,958)
Dividend paid to non-controlling interest	(58,572)	(51,277)	(51,302)
Redemption of units	-	-	(6,820)
Finance expense paid	(3,627)	4,838	(468)
Net cash used in financing activities	(410,956)	(307,625)	(320,548)
Net increase / (decrease) in cash and cash equivalents	(550,958)	(549,465)	378,047
Cash and cash equivalents at the beginning of the period	1,438,246	1,045,342	1,045,342
Net exchange differences on translation of foreign operations	9,046	6,520	14,857
Cash and cash equivalents at the end of the period	896,334	502,397	1,438,246
Statement of cash and cash equivalents			
Short-term deposits	866,939	483,396	1,432,674
Cash at bank	45,464	21,984	22,624
Total cash and cash equivalents	912,403	505,380	1,455,298
Bank overdrafts	(16,069)	(2,983)	(17,052)
Net cash and cash equivalents for the purpose of statement of cash flows	896,334	502,397	1,438,246

Figures in brackets indicate deductions.

CEYLON GUARDIAN INVESTMENT TRUST PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY

(All figures are in Sri Lankan Rupees '000)

	Three months ended 30th September			Six months ended 30th September			31-03-2017 Audited
	2017	2016	Change %	2017	2016	Change %	
Revenue	90,500	60,832	49	127,674	120,225	6	510,249
Impairment loss on available for sale financial assets	(9,462)	(9,765)	(3)	(9,462)	(15,624)	(39)	(103,611)
Net change in fair value of fair value through profit or loss financial assets	(12,389)	20,945	(159)	14,180	31,805	(55)	1,870
Profit on investment activities	68,649	72,012	(5)	132,392	136,406	(3)	408,508
Administrative and other operating expenses	(28,658)	(16,010)	79	(53,160)	(39,204)	36	(90,802)
Profit from operations	39,991	56,002	(29)	79,232	97,202	(18)	317,706
Finance expense	-	(9)	(100)	-	(56)	(100)	(56)
Profit before taxation	39,991	55,993	(29)	79,232	97,146	(18)	317,650
Income tax expense	(734)	(881)	(17)	(1,482)	(2,039)	(27)	(3,678)
Profit for the period	39,257	55,112	(29)	77,750	95,107	(18)	313,972
Other comprehensive income							
Items that are or may be reclassified to profit or loss							
Net change in fair value of available for sale financial assets	(162,315)	450,939	(136)	298,641	511,620	(42)	356,164
Transfer of realized (gains) / losses on disposal of available for sale financial assets	(28,978)	126	(23,098)	(31,716)	(3,044)	942	6,722
Other comprehensive income / (expense) for the period	(191,293)	451,065	(142)	266,925	508,576	(48)	362,886
Total comprehensive income / (expense) for the period	(152,036)	506,177	(130)	344,675	603,683	(43)	676,858
Earnings per share (Rs.)	0.44	0.62		0.88	1.07		3.54
Dividend per share (Rs.)*	-	-		-	-		4.00

Change % represent the percentage change in current period's results compared to the comparative period of previous year.

* Dividends per share is based on the proposed / interim dividends.

Figures in brackets indicate deductions.

CEYLON GUARDIAN INVESTMENT TRUST PLC
STATEMENT OF CHANGES IN EQUITY - COMPANY
 (All figures are in Sri Lankan Rupees '000)

	Stated capital	Capital reserves	Revenue reserves	Total equity
Balance as at 1st April 2016	1,128,726	208,660	4,871,118	6,208,504
Profit for the year	-	-	313,972	313,972
Other comprehensive income for the year	-	-	362,886	362,886
Total comprehensive income for the year	-	-	676,858	676,858
Cash dividend	-	-	(266,341)	(266,341)
Forfeiture of unclaimed dividends	-	-	2,241	2,241
Balance as at 31st March 2017 (Audited)	1,128,726	208,660	5,283,876	6,621,262

Balance as at 1st April 2017	1,128,726	208,660	5,283,876	6,621,262
Profit for the period	-	-	77,750	77,750
Other comprehensive income for the period	-	-	266,925	266,925
Total comprehensive income for the period	-	-	344,675	344,675
Cash dividend	-	-	(355,121)	(355,121)
Balance as at 30th September 2017 (Unaudited)	1,128,726	208,660	5,273,430	6,610,816

Balance as at 1st April 2016	1,128,726	208,660	4,871,118	6,208,504
Profit for the period	-	-	95,107	95,107
Other comprehensive income for the period	-	-	508,576	508,576
Total comprehensive income for the period	-	-	603,683	603,683
Cash dividend	-	-	(266,341)	(266,341)
Balance as at 30th September 2016 (Unaudited)	1,128,726	208,660	5,208,460	6,545,846

CEYLON GUARDIAN INVESTMENT TRUST PLC
STATEMENT OF CASH FLOWS - COMPANY
 (All figures are in Sri Lankan Rupees '000)

For the six months ended 30th September	2017	2016	31-03-2017 Audited
Cash flows from operating activities			
Profit before taxation	79,232	97,146	317,650
Adjustments for:			
Finance expense	-	56	56
Impairment loss on available for sale financial assets	9,462	15,624	103,611
Net change in fair value of fair value through profit or loss financial assets	(14,180)	(31,805)	(1,870)
Operating profit before working capital changes	74,514	81,021	419,447
Increase / (decrease) in trade and other receivables	136,397	111,339	(32,189)
Net increase in investments	39,407	(58,276)	(287,994)
Increase in trade and other payables	1,230	31,251	357
Cash generated from operations	251,548	165,335	99,621
Income tax paid	(2,923)	(1,899)	(6,538)
Net cash generated from operating activities	248,625	163,436	93,083
Cash flows from financing activities			
Dividend paid	(348,757)	(261,186)	(261,958)
Finance expense paid	-	(56)	(56)
Net cash used in financing activities	(348,757)	(261,242)	(262,014)
Net decrease in cash and cash equivalents	(100,132)	(97,806)	(168,931)
Cash and cash equivalents at the beginning of the period	117,893	286,824	286,824
Cash and cash equivalents at the end of the period	17,761	189,018	117,893
Statement of cash and cash equivalents			
Short-term deposits	22,155	185,011	128,593
Cash at bank	9,312	6,990	1,560
Total cash and cash equivalents	31,467	192,001	130,153
Bank overdraft	(13,706)	(2,983)	(12,260)
Net cash and cash equivalents for the purpose of statement of cash flows	17,761	189,018	117,893

Figures in brackets indicate deductions.

CEYLON GUARDIAN INVESTMENT TRUST PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

(All figures are in Sri Lankan Rupees '000 unless otherwise stated).

1 Basis of Preparation of Interim Financial Statements

The Interim Financial Statements of the Company and the Group have been prepared in consistence with the accounting policies and methods applied for the year ended 31st March 2017. These Interim Financial Statements are in compliance with Sri Lanka Accounting Standard - "Interim Financial Reporting" (LKAS 34). Further, the provision of the Companies Act No. 7 of 2007 have been considered in preparing the Interim Financial Statements of the Company and the Group.

2 Revenue

For the six months ended	Group		Company	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Dividend income	151,972	238,737	51,463	77,202
Interest income	74,905	24,650	7,857	10,006
Net gain from disposal of fair value through profit or loss financial assets	4,718	36,783	2,264	8,811
Net gain from disposal of available for sale financial assets	182,332	54,139	66,090	24,206
Portfolio Management fees	5,841	4,827	-	-
	419,768	359,136	127,674	120,225

3 Profit on portfolio activities

The Group recorded a profit of Rs. 420.8 Mn and the Company recorded a profit of Rs. 132.4 Mn on investments activities for the six months ended 30th September 2017.

4 Valuation of investment portfolio

4.1 Group	Fair value	Fair value	Fair value
	As at	As at	As at
	30.09.2017	30.09.2016	31.03.2017
Summary of investment portfolio			
Available for sale financial assets (4.1.1)	13,709,096	15,924,431	13,821,686
Fair value through profit or loss financial assets (4.1.2)	3,000,009	2,851,144	3,136,896
Investment in fixed deposits	256,716	-	-
	16,965,821	18,775,575	16,958,582

4.1.1 Available for sale financial assets

Sector	Fair value	Fair value	Fair value
	as at	as at	as at
	30.09.2017	30.09.2016	31.03.2017
Bank, Finance & Insurance	4,920,178	4,517,966	4,155,999
Beverage, Food & Tobacco	1,132,160	1,432,885	982,140
Constructions & engineering	167,071	176,784	154,120
Diversified	1,032,371	1,815,804	1,094,753
Footwear & Textiles	280,157	407,544	301,228
Hotels & Travels	152,047	261,683	169,907
Manufacturing	737,497	740,390	602,730
Oil Palms	4,234,805	5,518,328	5,318,034
Telecommunications	750,647	719,628	701,017
Unit trusts	43,345	98,463	40,822
	13,450,278	15,689,475	13,520,750
Unquoted investments	258,818	234,956	300,936
Total investment in available for sale financial assets	13,709,096	15,924,431	13,821,686

4.1.2 Fair value through profit or loss financial assets

Sector	Fair value	Fair value	Fair value
	as at	as at	as at
	30.09.2017	30.09.2016	31.03.2017
Bank, Finance & Insurance	776,466	708,630	665,605
Beverage, Food & Tobacco	22,781	153,320	20,172
Constructions & engineering	98,288	116,726	95,774
Diversified	441,635	410,474	441,187
Footwear & Textiles	15,094	18,608	14,787
Healthcare	50,274	38,634	49,077
Hotels & Travels	45,952	71,990	50,449
Land & Property	12,320	10,350	14,140
Manufacturing	311,129	245,644	270,991
Power & Energy	38,014	27,901	21,332
Telecommunications	84,713	71,502	78,393
Unit trusts	1,103,343	977,365	1,414,989
Total investment in fair value through profit or loss financial assets	3,000,009	2,851,144	3,136,896

The total fair value of the investment portfolio of the Group including cash and cash equivalents amounts to Rs. 17.86 Bn as at 30th September 2017 (2016 - Rs. 19.28 Bn).

CEYLON GUARDIAN INVESTMENT TRUST PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

(All figures are in Sri Lankan Rupees '000 unless otherwise stated).

4 Valuation of Investment Portfolio (Continued)

	Fair value As at 30.09.2017	Fair value as at 30.09.2016	Fair value as at 31.03.2017
Summary of investment portfolio			
Available for sale financial assets (4.2.1)	4,044,109	3,979,510	3,755,459
Fair value through profit or loss financial assets (4.2.2)	381,985	248,242	438,399
	4,426,094	4,227,752	4,193,858

4.2.1 Available for sale financial assets

	Fair value As at 30.09.2017	Fair value as at 30.09.2016	Fair value as at 31.03.2017
Sector			
Bank, Finance & Insurance	1,957,933	1,906,252	1,731,428
Beverage, Food & Tobacco	889,392	1,008,692	869,474
Constructions & engineering	55,728	58,968	51,408
Diversified	354,351	117,180	355,663
Footwear & Textiles	141,929	200,261	148,019
Hotels & Travels	80,555	137,896	90,017
Manufacturing	324,943	321,600	283,809
Telecommunications	187,192	179,457	174,816
Unit Trusts	21,672	22,027	20,411
	4,013,695	3,952,333	3,725,045
Unquoted investments	30,414	27,177	30,414
Total investments in available for sale financial assets	4,044,109	3,979,510	3,755,459

4.2.2 Fair value through profit or loss financial assets

	Fair value As at 30.09.2017	Fair value as at 30.09.2016	Fair value as at 31.03.2017
Sector			
Bank, Finance & Insurance	102,737	96,072	91,332
Beverage, Food & Tobacco	-	31,416	-
Diversified	76,355	82,908	72,664
Healthcare	22,050	7,050	21,525
Hotels & Travels	8,127	10,681	9,288
Power & Energy	6,169	7,423	5,963
Telecommunications	12,100	11,600	11,300
Unit trusts	154,447	1,092	226,327
Total investments in fair value through profit or loss financial assets	381,985	248,242	438,399

	As at 30.09.2017	As at 30.09.2016	As at 31.03.2017
5 Price Index movements			
All Share Price Index (points)	6,438	6,535	6,062
S&P SL 20 Index (points)	3,688	3,617	3,439

6 Events after the reporting period

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

7 Commitments and contingencies

7.1 Capital expenditure commitments

No material capital commitments exist as at the reporting date.

7.2 Contingencies

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

8 Comparative Figures

Comparative figures have been rearranged where necessary to conform to the classification and presentation as at 30th September 2017.

CEYLON GUARDIAN INVESTMENT TRUST PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

(All figures are in Sri Lankan Rupees '000 unless otherwise stated).

9 Liabilities for Expenditure

There were no liabilities for management fees or any similar expenditure not provided for in the interim financial statements.

10 Stated Capital

Stated Capital of the Company amounted to Rs.1,128.7Mn which consists of 82,978,868 Ordinary Shares and 5,801,487 Fully paid Deferred Shares.

11 Related party transactions

For the six months ended 30th September	Group		Company	
	2017	2016	2017	2016
Transactions with the parent company				
Dividend paid	246,100	184,575	246,100	184,575
Transactions with subsidiaries				
Dividends received	-	-	5,423	-
Portfolio management fee paid	-	-	7,595	6,923
Business development fee paid	-	-	18,000	8,000
Transactions with jointly controlled entity				
Portfolio management fee received	3,300	2,400	-	-
Transactions with affiliate companies				
Dividends received	-	20,692	-	-
Receiving of services	18,865	17,386	6,576	5,968

12 Twenty Major Shareholders as at 30th September 2017 - Ordinary shares

Name of the Shareholder	No. of Shares	%
1 Carson Cumberbatch PLC A/C No.2	55,723,635	67.15
2 Employees Provident Fund	2,969,515	3.58
3 Thurston Investments Limited	2,580,422	3.11
4 GF Capital Global Limited	1,617,666	1.95
5 Mellon Bank N.A.-Commonwealth of Massachusetts	1,374,657	1.66
6 Miss G.I.A. De Silva	877,611	1.06
7 Mr. G.J.W. De Silva	877,232	1.06
8 Mrs. M.L. De Silva	866,837	1.04
9 Miss M.P. Radhakrishnan	686,026	0.83
10 Miss A. Radhakrishnan	686,026	0.83
11 Mr. R. Maheswaran	685,016	0.83
12 Mr. K.C. Vignarajah	623,611	0.75
13 Mr. H.A. Van Starrex	611,797	0.74
14 Employees Trust Fund Board	490,998	0.59
15 The Ceylon Desiccated Coconut And Oil Company Pvt	386,550	0.47
16 Waldoek Mackenzie Ltd/Mr. M.A.N. Yoosufali	376,700	0.45
17 Miss R.H. Abdulhussein	358,502	0.43
18 Miss G.N.A. De Silva	353,250	0.43
19 Mr. O.D. Liyanage	267,368	0.32
20 Sinharaja Hills Plantation Pvt Limited	254,861	0.31

13 Public Holding

Ordinary Shares of the Company held by the public as at 30th September 2017 are as follows;

Number of public shareholders	1,631
Percentage of public holding	32.70%

14 Directors Shareholding as at 30th September 2017

	No. of shares
Mrs. M.A.R.C. Cooray	-
Mr. D. C. R. Gunawardena	257
Mr. V. M. Fernando	-
Mr. K. Selvanathan	-
Mr. C. W. Knight	-
Mr.T. C. M. Chia	-
Mrs. W.Y.R. Fernando (Resigned w.e.f. 30th September 2017)	-

15 Investor Information

Market Performance - Ordinary Shares

For the three months ended	30.09.2017
Market value per share (Rs.)	98.00
Highest price per share (Rs.)	120.00
Lowest price per share (Rs.)	97.50
Market capitalization (Rs. thousands)	8,131,929

Corporate Information

Name of Company

Ceylon Guardian Investment Trust PLC
(A Carson Cumberbatch Company)

Domicile and Legal Form

Ceylon Guardian Investment Trust PLC is a Public Quoted Company with limited liability domiciled in Sri Lanka. The Company was incorporated in Sri Lanka in 1951.

Company Registration No.

PQ 52

Principal Activity and Nature of Operations

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

Parent and Ultimate Parent Entities

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

Directors

Mrs.M.A.R.C. Cooray (Chairperson) (Appointed Chairperson w.e.f. 1st September 2016)
Mr. D. C. R. Gunawardena
Mr.V. M. Fernando
Mr.K. Selvanathan
Mr. C.W. Knight
Mr.T.C.M. Chia
Mrs. W.Y.R. Fernando (Resigned w.e.f. 30th September 2017)

Number of Employees

The Company did not have any employees of its own during the period under review.

Bankers

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

Auditors

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

Investment Managers

Guardian Fund Management Limited
No. 61, Janadhipathi Mawatha,
Colombo 1.
Tele: +94-11-2039200
Fax: +94-11-2439777

Managers & Secretaries

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

Registered Office and Principal Place of Business

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

Corporate Website

www.carsoncumberbatch.com