

# GUARDIAN CAPITAL PARTNERS PLC

INTERIM REPORT FOR THE NINE MONTHS ENDED 31ST DECEMBER 2020

A CARSON CUMBERBATCH COMPANY.

**GUARDIAN CAPITAL PARTNERS PLC**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

(All figures are in Sri Lankan Rupees '000)

	Three months ended 31st December			Nine months ended 31st December		
	2020	2019	Change %	2020	2019	Change %
<b>Revenue</b>	<b>64,154</b>	18,637	244	<b>78,095</b>	47,551	64
Net change in fair value of fair value through profit or loss financial assets	<b>(51,192)</b>	(7,948)	544	<b>16,439</b>	3,095	431
<b>Profit on investment activities</b>	<b>12,962</b>	10,689	21	<b>94,534</b>	50,646	87
Administrative and other operating expenses	<b>818</b>	(1,974)	(141)	<b>(1,343)</b>	(4,589)	(71)
<b>Profit from operations</b>	<b>13,780</b>	8,715	58	<b>93,191</b>	46,057	102
Income tax expense	<b>(390)</b>	(2,878)	(86)	<b>(3,644)</b>	(9,644)	(62)
<b>Profit for the period</b>	<b>13,390</b>	5,837	129	<b>89,547</b>	36,413	146
<b>Other comprehensive income</b>						
Items that are or may be reclassified to profit or loss	-	-	-	-	-	-
<b>Other comprehensive income/ (expense) for the period</b>	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>13,390</b>	5,837	129	<b>89,547</b>	36,413	146
<b>Earnings per share (Rs.)</b>	<b>0.52</b>	0.23		<b>3.47</b>	1.41	
<b>Dividend per share (Rs.)*</b>	-	-		-	-	

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

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

*Figures in brackets indicate deductions*

**GUARDIAN CAPITAL PARTNERS PLC**  
**STATEMENT OF FINANCIAL POSITION**

(All figures are in Sri Lankan Rupees '000)

	As at 31st December 2020	As at 31.03.2020 (Audited)
<b>ASSETS</b>		
<b>Current assets</b>		
Fair value through profit or loss financial assets	152,105	182,964
Other receivables	-	81
Investment in unit trusts	102,913	257,058
Cash and cash equivalents	528,750	257,936
<b>Total current assets</b>	<b>783,768</b>	<b>698,039</b>
<b>Total assets</b>	<b>783,768</b>	<b>698,039</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	513,656	513,656
Revenue reserves	269,049	178,686
<b>Total equity</b>	<b>782,705</b>	<b>692,342</b>
<b>Current liabilities</b>		
Other payables	334	4,944
Current tax payable	729	753
<b>Total current liabilities</b>	<b>1,063</b>	<b>5,697</b>
<b>Total equity and liabilities</b>	<b>783,768</b>	<b>698,039</b>
Net assets per share (Rs.)	30.30	26.80

The Statement of Financial Position as at 31st December 2020 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 1 to 3 have been drawn up from unaudited accounts.

I certify that these Financial Statements comply with the requirements of the Companies Act No. 7 of 2007.

(Sgd).

**V. R. Wijesinghe**

Director - Finance

Carsons Management Services (Private) Limited

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

Approved & signed on behalf of the Investment Managers,

Approved & signed on behalf of the Board,

(Sgd).

**K. Selvanathan**

Director

Guardian Fund Management Limited

Colombo

22nd January 2021

(Sgd).

**I. Paulraj**

Chairman

(Sgd).

**D. C. R. Gunawardena**

Director

**GUARDIAN CAPITAL PARTNERS PLC**  
**STATEMENT OF CHANGES IN EQUITY**

(All figures are in Sri Lankan Rupees '000)

	Stated capital	Revenue reserves	Total equity
Balance as at 1st April 2020	513,656	178,686	692,342
Profit for the period	-	89,547	89,547
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>89,547</b>	<b>89,547</b>
Forfeiture of unclaimed dividends	-	816	816
<b>Balance as at 31st December 2020 (Unaudited)</b>	<b>513,656</b>	<b>269,049</b>	<b>782,705</b>
Balance as at 1st April 2019	513,656	181,502	695,158
Profit for the period	-	36,413	36,413
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>36,413</b>	<b>36,413</b>
<b>Balance as at 31st December 2019 (Unaudited)</b>	<b>513,656</b>	<b>217,915</b>	<b>731,571</b>

**GUARDIAN CAPITAL PARTNERS PLC**  
**STATEMENT OF CASH FLOWS**

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

For the nine months ended 31st December	2020	2019
<b>Cash flows from operating activities</b>		
Profit from operations	93,191	46,057
Net change in fair value of fair value through profit or loss financial assets	(16,439)	(3,095)
<b>Operating profit before changes in working capital</b>	<b>76,752</b>	<b>42,962</b>
Decrease / (increase) in investments	201,443	(61,890)
Decrease in other receivables	81	642
Decrease in investment in fixed deposits	-	215,102
Decrease in other payable	(3,794)	(572)
<b>Cash generated from operating activities</b>	<b>274,482</b>	<b>196,244</b>
Income tax paid	(3,668)	(9,327)
<b>Net cash generated from operating activities</b>	<b>270,814</b>	<b>186,917</b>
<b>Cash flows from financing activities</b>		
Dividend paid	-	(1,533)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(1,533)</b>
<b>Net increase in cash &amp; cash equivalents during the period</b>	<b>270,814</b>	<b>185,384</b>
Cash & cash equivalents at the beginning of the period	257,936	176,603
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>528,750</b>	<b>361,987</b>
<b>Statement of cash and cash equivalents</b>		
Placement with banking institutions	40,130	354,274
Securities purchased under resale agreements	5,500	5,246
Cash at bank	483,120	2,467
<b>Total Cash and cash equivalents</b>	<b>528,750</b>	<b>361,987</b>

Figures in brackets indicate deductions/ negative changes.

**GUARDIAN CAPITAL PARTNERS PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

(All figures are in Sri Lankan Rupees thousands, unless otherwise stated).

**1 Basis of Preparation of Interim Financial Statements**

The Interim Financial Statements of the Company have been prepared in consistence with the accounting policies and methods applied for the year ended 31st March 2020.

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.

**2 Revenue**

<b>For the nine months ended 31st December</b>	<b>2020</b>	<b>2019</b>
Interest income on financial assets carried at amortized cost	13,416	15,587
Dividend income	3,977	5,571
Net gain from disposal of financial assets measured at fair value through profit or loss	60,702	26,393
	<b>78,095</b>	<b>47,551</b>

**3 Summary of Investment Portfolio**

	<b>Fair value as at</b>	<b>Fair value as at</b>
<b>Fair value through profit or loss financial assets</b>	<b>Fair value hierarchy</b>	<b>31.12.2020</b>
<b>Current Assets</b>		
Investment in Equity Securities - Quoted Shares (3.1 (a))	<b>Level 1</b>	-
Investment in Equity Securities- Private Equity- Unquoted (3.1 (b))	<b>Level 3</b>	43,313
		<b>152,105</b>
		<b>139,651</b>
		<b>182,964</b>
<b>Investment in Unit Trusts</b>		
Investment in Unit Trusts -Unquoted (3.2)	<b>Level 2</b>	102,913
		257,058

**3.1 Investment in Equity Securities**

	<b>Fair value as at</b>	<b>Fair value as at</b>
<b>(a) Investment in Equity Securities- Quoted Shares</b>	<b>31.12.2020</b>	<b>31.03.2020</b>
LVL Energy Fund PLC	-	43,313
	-	43,313
<b>(b) Investment in Equity Securities- Private Equity (Unquoted)</b>		
hSenid Business Solutions (Pvt) Ltd.	123,157	106,472
Findmyfare Private Limited	28,948	33,179
	<b>152,105</b>	<b>139,651</b>

**3.2 Investment in Unit Trusts**

	<b>Fair value as at</b>	<b>Fair value as at</b>
	<b>31.12.2020</b>	<b>31.03.2020</b>
Guardian Acuity Money Market Fund	102,913	257,058
	<b>102,913</b>	<b>257,058</b>

**4 Events after the reporting period**

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

**5 Disposal of majority holding in Guardian Capital Partners PLC by Ceylon Guardian Investment Trust PLC**

The Company together with its parent Company, Ceylon Guardian Investment Trust PLC ("CGIT"), have entered into a share sales and purchase agreement ("SSPA") with Gazelle Asset Management Pte Ltd ("GAZELLE") for the sale of 21,692,800 ordinary shares being 83.97% stake held by CGIT of the Company to GAZELLE. The purchase consideration per share will be determined based on the net asset value of the Company as at a date mutually agreed by the parties prior to the transaction plus a premium of LKR 40,000,000. The transaction is subject to certain conditions precedent contained in the said SSPA including obtaining shareholder approval for substantially altering the nature of the business carried on by the Company under section 185 (2) (d) of the Companies Act, No 07 of 2007, which was duly obtained on 07th January 2021. The Company is presently in the process of completing the balance conditions precedent.

**6 Contingent Liabilities and Capital Commitments**

There were no material contingent liabilities and capital commitments since the last reporting date.

**7 Liabilities for expenditure**

There were no liabilities for management fees or any other similar expenditure not provided for in the Interim Financial Statements.

**8 Comparative figures**

Previous period's figures and phrases have been rearranged wherever necessary to conform to the current period's presentation.

**GUARDIAN CAPITAL PARTNERS PLC**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)**

(All figures are in Sri Lankan Rupees thousands, unless otherwise stated).

**9 Stated capital**

Stated capital of the Company amounted to Rs. 513.7mn which comprise of 25,833,808 fully paid ordinary shares.

**10 Related party transactions**

For nine months ended 31st December **2020** **2019**

**Transactions with affiliate companies**

Receiving of services **356** 356

**11 Twenty major shareholders as at 31st December 2020**

<b>Name of the Shareholder</b>	<b>No. of Shares</b>	<b>%</b>
1 Ceylon Guardian Investment Trust PLC A/C No 3	21,692,800	83.97
2 Carson Cumberbatch PLC A/C No.2	581,950	2.25
3 Union Investments Private Ltd	111,000	0.43
4 Mr. V. Nataraj	99,532	0.39
5 Mrs. V. Nataraj	99,532	0.39
6 Natwest Nominees (Pvt) Limited.	84,858	0.33
7 Wardley Investments (Pvt) Limited	84,858	0.33
8 Goodhope Holdings(Pvt) Limited.	76,940	0.30
9 Mrs. H.R.P. Sanjeevani	69,182	0.27
10 Mr. M. Selvanathan	63,409	0.25
11 Skan Investments (Pvt) Limited.	51,774	0.20
12 Mr. S.P. Jayakumar	50,139	0.19
13 Merchant Bank of Sri Lanka & Finance PLC/W B R Somaweera	49,700	0.19
14 Mr. M.W. De Silva	49,291	0.19
15 Mr. B.S. Goonesekera	49,090	0.19
16 Mr. D.A.M.A.D.C. Deeghawatura	36,627	0.14
17 Dr. R.M.N.K. Ranasingha	35,925	0.14
18 Mr. K.S.H. Mawellage	35,882	0.14
19 Mr. M.S. Hiripitiya	35,670	0.14
20 Bansei Securities Capital (Pvt) Ltd/S.M.T.B.Samarakoon	35,097	0.14

**12 Public holding**

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Diri Savi Board as per Rule 7.13.1 (b) of the Listing Rules of the Colombo Stock Exchange, under Option 2, i.e. Float-Adjusted Market Capitalization of less than Rs.1 Billion with 200 Public Shareholders and a Public Holding percentage of 10%.

**The Company's Public Holding as at 31st December 2020;**

Market Capitalization of the Public Holding	Rs.116.76 Million
Percentage of ordinary shares held by the public	12.91%
Number of public shareholders	2,122

**13 Investor information**

<b>Share valuation</b>	<b>For the three months ended 31st December 2020</b>
Market value per share (Rs.)	35.00
Highest price per share for the period (Rs.)	40.50
Lowest price per share for the period (Rs.)	28.50
Market capitalization (Rs. thousands)	904,183

**14 Directors shareholdings**

	<b>No. of shares held as at 31st December 2020</b>
Mr. I. Paulraj - Chairman	200
Mr. D. C. R. Gunawardena	25
Mr. S. Mahendrarajah	25
Mr. K. Selvanathan	-
Mrs. M. A. R. C. Cooray	-

## CORPORATE INFORMATION

Name of Company	Guardian Capital Partners PLC <i>(A Carson Cumberbatch Company)</i>
Company Registration No.	PQ 49
Legal Form	A Public Quoted Company listed on the Diri Savi Board of the Colombo stock exchange with limited liability, incorporated in Sri Lanka in 1920
Principal activity and nature of operation	The principal activity of the company is to hold and manage a portfolio of private equity investments.
Parent and Ultimate Parent Entities	Ceylon Guardian Investment Trust PLC is the immediate Parent Company of Guardian Capital Partners 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 Guardian Investment Trust PLC.
Directors	Mr. I. Paulraj - Chairman Mr. D. C. R. Gunawardena Mr. S. Mahendrarajah Mr. K. Selvanathan Mrs. M. A. R. C. Cooray
Bankers	Standard Chartered Bank Commercial Bank of Ceylon PLC Deutsche Bank AG
Auditors	Messrs. KPMG Chartered Accountants 32A, Sir Mohamed Macan Markar Mawatha, Colombo 03 Sri Lanka.
Managers & Secretaries	Carsons Management Services (Private) Limited 61, Janadhipathi Mawatha, Colombo 01 Sri Lanka. Telephone No: +94-11-2039200 Fax No: +94-11-2039300
Investment Managers	Guardian Fund Management Limited 61, Janadhipathi Mawatha, Colombo 01 Sri Lanka Telephone No: +94-11-2039200 Fax No: +94-11-2039385
Registered Office	61, Janadhipathi Mawatha, Colombo 01 Sri Lanka Telephone No: +94-11-2039200 Fax No: +94-11-2039300
Corporate Website	<a href="http://www.carsoncumberbatch.com">www.carsoncumberbatch.com</a>