ANNUAL REPORT

2022-23

Autodrome
SINCE 1953

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If you have any questions on accessing the digital copy of this report, please call 2326181 or 2314804. The contact person at the time of publishing this annual report is Mr. Gayan Joseph, Head of Finance.

If you wish to Email instead, please use the address finance@autodrome.lk. The fax number is 0112338611.

The web address for download of this report is: http://financial.autodrome.lk

CORPORATE INFORMATION

NAME
The Autodrome PLC

COMPANY REGISTRATION NO.
PQ-84

REGISTERED LOGO
Autodrome

LEGAL FORM
A Limited Liability Company incorporated in Ceylon on 23.07.1953 Public Co. 1957, reregistered under Companies Act of no 7 of 2007.

STOCK EXCHANGE LISTING
The issued ordinary shares of the Company are listed since 1975 under Retail Sector on the Main Board of the Colombo Stock Exchange of Sri Lanka.

HEAD OFFICE/REGISTERED OFFICE
304 Union Place, Colombo 2. Sri Lanka
Tel: +(94) 112326181, 0117847443 (3 Hunting lines)
Fax: +(94) 112338611
Web: www.autodrome.lk

BOARD OF DIRECTORS
Ms. Bernadette J. Aloysius B.A.
Chairperson

Mr. Jeremy D. Aloysius MBA (USA)
Joint Managing Director / CEO

Mr. Rajeev A.J. Aloysius FCMA (UK), FCMA (SL), MBA (SriJ.)
Joint Managing Director / CFO

Ms. J. Joanne B. Aloysius Rajiyah
B.Sc. (Lond.), MBA (SriJ.)
Marketing Director

Ms. Julie A. Aloysius BA (USA)
Executive Director

Mr. M. Raviraj Ratnasabapathy
FCMA(UK), MBA (SriJ.)

Prof. John A. Aloysius B.Sc (Col.), PhD (USA)

Mr. Brihadhisvara Ponnambalam

Mr. Ranil de Silva FCMA (UK), ACA, CIM (UK)

COMPANY SECRETARIES
Accounting Systems Secretarial Services (Pvt) Ltd.
Level 3, No 11, Castle Lane, Colombo 04.

LAWYERS
M/s. D.L. & F. De Saram

AUDITORS
Ernst & Young,
201, De Saram Place, Colombo 10.

BANKERS
Commercial Bank of Ceylon PLC, City Office
Hatton National Bank PLC, Head Office
Standard Chartered Bank, York Street
People's Bank, Union Place
Sampath Bank PLC Millenium Branch

SENIOR EXECUTIVES
Mr. Gayan Joseph FCA, B.Sc.(SriJ), ACMA(SL)
Head of Finance

Ms. Asha Peiris Nishantha
Manager - Sales

Mr. Thilanga Sampath
Field Service Manager

Mr. Romesh Jayathilaka
Manager- Business Development

Mr. Chathura M. Samaranayaka
Administration Manager

Ms. Deepani Swarnapali
Senior Assistant Accountant

Ms. Renuka Nilmini
Manager - Stores

Mr. Ranjith Dharmasena
Manager - Warehouse

Mr. Rajiv Perera
Manager - Workshop

NATURE OF BUSINESS
Official, Authorised Distributors in Sri Lanka for:
BRIDGESTONE Tyres, Tubes , Flaps
Rent of Office Space and parking
Website Design & Management

SUBSIDIARY
Tourama (Pvt) Ltd
Level 3- The Autodrome Building,
No 304, Union Place Colombo 02.
Travel Agency and Destination Management Company

QUERIES
On the 2022-23 Autodrome PLC Annual Report
Mr. Gayan Joseph
Head of Finance
The Autodrome PLC
No. 304 Union Place, Colombo 2.
Sri Lanka
Email: finance@autodrome.lk
Tel: +94 112 326181 or +94 112 314804

NOTICE OF MEETING

THE AUTODROME PLC
Reg. No. PQ-84

NOTICE IS HEREBY GIVEN that the Seventy first Annual General Meeting of The Autodrome PLC will be held at the Registered Office of the Company as a virtual meeting emanating from the board room of the Company at 304, Union Place, Colombo 2 on Wednesday, 27th September 2023 at 10.00a.m. and the business to be brought before the meeting will be:

01. To receive and consider the Annual Report of the Directors and the Audited Financial Statements for the year ended 31st March 2023 together with the Report of the Auditors thereon

02. To re-elect Prof. John A. Aloysius who retires in terms of Article 84 and 85 of the Articles of Association, as a Director.

03. To re-elect Mr. M. Ravi Ratnasabapathy, who retires in terms of Article 84 and 85 of the Articles of Association, as a Director

04. To re-appoint Mrs/ Bernadette Jayaleela Aloysius who is over the age of 70 years, as a Director by passing the following Resolution as an Ordinary Resolution:
"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mrs Bernadette Jayaleela Aloysius who is 82 years of age and that she be re-appointed a Director of the Company."

05. To re-appoint Mr B Ponnambalam who is over the age of 70 years, as a Director by passing the following Resolution as an Ordinary Resolution:
"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr B Ponnambalam who is 76 years of age and that he be re-appointed a Director of the Company."

06. To re-appoint M/s Ernst & Young as Auditors and authorize the Directors to determine their remuneration.

07. To authorize the directors to determine contributions to charity.

08. Any other business for which due notice shall have been given.

By Order of the Board of The Autodrome PLC

ACCOUNTING SYSTEMS SECRETARIAL SERVICES (PVT) LTD
Secretaries
25th August 2023
Colombo

"Tougher Times: Innovative Measures"

Welcome to the Seventy-First Annual General Meeting of the Company

Results
The year 2022/2023, was a particularly challenging one, with the fallout of the COVID19 pandemic and the escalation of the Ukraine War in February 2022, creating inflationary pressures, cost of living challenges and instability across the world. The country's balance of payment, forex crisis, and the multitude of other crises contributed to the unprecedented economic and political crises that the country was pushed towards, culminating in default in early April 2023, for the first time in its history. Irrespective of size, these factors hampered to varying levels, the results of all companies in the CSE, in this financial year.

The Company had to operate in an environment that was near impossible due to lack of US dollars with banks. Exchange loss for the year reached Rs. 35.4 million (2022 – Rs. 40.2 million) The Sri Lanka rupee depreciated significantly by 13.0% by year end (2022 – 33.0%). Our inventory levels dropped to low levels not seen since the 1980s. We recorded a turnover value of Rs. 229 million (2022- Rs. 651 million) for the period.

The After-tax profit for the company was Rs. 28.2 million (2022 – Rs. 48.8 million). The company was forced towards survival mode in these challenging times, and managed to secure an average gross margin of 35.8% (2022 -26%). Rent income was Rs. 28 million (2022 – Rs. 25 Million). We optimised our short term investments in Unit Trusts, to Rs. 327.7 million (2022- Rs. 347.7 million), while gaining a total interest income of Rs. 74.3 million (2022 – Rs. 20.5 million).

The net asset per share is Rs. 158.31 (2022 – Rs. 165.27).

As we navigate this business environment to improved performance despite all the myriad of challenges, we limited the increase in administrative expense to a mere 11.9% (2022- 1.55% reduction), in spite of rampant inflation which a peak of 70% before beginning a fall on a month on month basis. The Fuel expense increase was significant during the year up to Rs. 4.8 million (2022- Rs. 2.7 million), due to global market prices. Non-recurring repair and maintenance expenses to the main building remained stable at Rs. 3.4 million (2022- Rs. 3.4 million).

Business Environment
With the IMF facility materialising in March 2023, with bilateral and multilateral assistance during the year, the prospects look better for this year. As the outlook for banks and how they deal with their clients, have seen an improvement, now that the unknown factor of the Domestic Debt Restructuring (DDR) were made known in July 2023. The Company is now in a better position to rebuild its bank facilities made essential by the current, far higher US dollar exchange rate, as well as the de-risking by some banks, of local credit exposure.

We have taken short term cost-cutting measures to minimise losses, to keep the business running and our staff supported. The quick recovery of annual profitability, while maintaining investments, despite the catastrophic exchange loss, bodes well for the future.

Dividend and Share
The price of the share fluctuated during the period from Rs. 75.00 to Rs. 135.00 and was Rs. 98.20 at the financial year end.

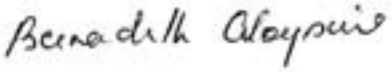
The Board of Directors of the Company has not declared a dividend for the year ended 31 March 2023.

Future Prospects
The measures of austerity that the country is experiencing, with high, though falling interest rates, a slightly more stable currency. Headline Inflation is expected to fall back once again to a single digit by Q3-2023/24, at the time of writing. Imports are limited, but we have found a way forward.

Digital Reporting
As per the CSE guidelines. this report is available on both the Company website. and the CSE website, for easy download. We will continue to provide you with hard copies of the report on request in writing, to the contact person specified at the beginning of this annual report.

Gratitude to Stakeholders
I take this opportunity to thank the Company's valued customers and suppliers for their support, and the team for their commitment and dedication the Board of Directors for their invaluable guidance and advice throughout the year.

I also thank all of you, the over 500 shareholders of the Company, for your continued confidence and trust.



Mrs. Bernadette J. Aloysius
Chairperson of the Board

25th August 2023
Colombo

OPERATING RESULTS

In the financial year of 2023, The Autodrome PLC secured a profit of Rs. 32.1 million (2022- Rs. 49.8 million), despite the extenuating circumstances it faced including the COVID pandemic, fuel, power and political crisis. This is in comparison to Rs. 49.8 million in 2022. Major contributors for this bottom line were the Gross Margin from its main business of Rs. 86.8 million (2022 – Rs. 170 million). During the year the company sold 6,935 units (2022 – 26,786) of Bridgestone brand tyres, and provided workshop services to 205 (2022- 4,706) clients.

Company reported other income and gains of Rs. 28 million (2022 - Rs. 26.2 million) for the financial year. Other income mainly represents rent income. The company rents six office premises to third parties including the fuel station at the front of the building.

This year company finance income increased to Rs. 93.5 million (2022 – Rs. 33.3 million). This is mainly due to careful re-investment of working capital in high-yielding investments. Total other financial investments as at 31st March 2023 stood at Rs. 448.9 million (2022 – Rs. 483.33 million). The main reason for the high holding of financial assets was the liquidation of stocks and debtors, in a volatile and import restrictive market.

Land and Building

The Company owned land valued at Rs. 1,770 million (2022–Rs. 1,770 million) and buildings valued at Rs. 255.3 million (2022–Rs. 263.8 million). The revaluation of Property was done in 2022 by the same valuers who did the valuation in the 2020 financial year. Building value changes are mainly due to depreciation.

Inventory

Company faced import restrictions during the year 2022/23 and as a result Inventories as of balance sheet date decreased to Rs. 44.4 million (2022 – Rs. 67.7 million).

Trade and Other Receivables

Trade debtors as of year end was Rs. 32.3 million (2022 – Rs. 28.4 million) this is mainly due to the prevailing country situation company limited its credit offers to the customers.

Trade payables

Trade and other payables decreased mainly due to import restrictions, and our payables to Itochu Middle East FZE dropped. As of year-end, the balance stood at zero (2022 - Rs. 135 million). This is mainly due to restrictions on the opening of Letters of credit for the supplier.

Administrative Expenses

Due to strict internal controls and cost management, the company managed to control its Administrative Expenses for the year in the face of rampant inflation, at Rs. 227 million (2022 – Rs. 112.7 million). The major contributor for this is employee salaries, EPF & ETF of Rs. 70.1 million (2022 – Rs. 63.7 million). The company staff strength is 41 employees out of which five are working directors of the company.

During the year electricity and water expenses amounted to Rs. 2.9 million (2022 – Rs. 2.5 million). The total electricity consumed by both offices was 131,184 units (2022 - 140,161 units) for the year, and water 2,796 units (2022 - 3,050 units).

The company owns 11 vehicles and a backup generator, and key executives are entitled to claim their fuel expenses from the company. The total fuel cost, for the company, was Rs. 4.8 million (2022 - Rs. 2.7 million). Incease is mainly due to power cuts and use generator.

The Company subcontracts its security to KayJay Group to safeguard its assets and security charges came to Rs. 6.9 million (2022 – Rs. 6.6 million). The other major expense was repairs and maintenance to the main building and stores, which was Rs. 3.4 million (2022 – Rs. 3.4 million).

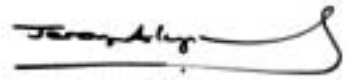
Business Environment

During the year under review, imports of tyres and related products were discouraged with many restrictions, including a gazette to bar imports, followed by a shortage of US dollars in the market for importers, inability to open letters of credit with the suppliers, which severely limited our ability to import our products.

Internal Controls and Adequacy

Company applies a sound internal control system, reviewed by the Audit Committee, where all issues and any payment or discharge has to be approved by the management. Management periodically monitors and reviews the adequacy of internal controls.

Rajeev Aloysius
Joint Managing Director / CEO



Jeremy Aloysius
Joint Managing Director / CFO

25th August 2023
Colombo

BOARD OF DIRECTORS

Mrs. Bernadette J. Aloysius B.A.
Chairperson

Mrs Bernadette J Aloysius was appointed to the Board in 1989 and is presently Chairperson. She holds a B.A. Degree from the University of Peradeniya. She also holds Directorates in Tourama (Pvt) Ltd, Mercury Limited and Seventy Limited. She has previously served as Marketing Director of the Company from 1989 to 2011, and as Deputy Chairperson from then to March 2013. She was appointed Chairperson on 01 April 2013. She is a member of the Nominations Committee.

Mr. Jeremy D. Aloysius MBA (USA)
Joint Managing Director / CEO

Mr. Jeremy Aloysius was appointed to the Board in 1989, was made an executive director in April 1992, and presently serves as the Joint Managing Director of the Company. He previously held the position of Finance Director. He holds a Masters in Business Administration from the American University in Asia (USA). He has undergone technical training at the Bridgestone Firestone Training and Communication Centre, in Nong Khae, Thailand. He is also a Director of Tourama (Pvt) Ltd., Mercury Ltd and Seventy Ltd.

Mr. Rajeev A. J. Aloysius FCMA (UK), CGMA, FCMA, MBA (SriJ)
Joint Managing Director / CFO

Mr. Rajeev Aloysius has been an executive director since June 1997, and currently serves as a Joint Managing Director since July 2004, heading the Finance & IT Division, including Website Development. He holds an MBA from PIM, University of Sri Jayewardenepura; and is a Chartered Global Management Accountant, a Fellow of the Chartered Institute of Management Accountants (UK) and a Fellow of the Certified Management Accountants (Sri Lanka). He is a past president of two affiliated associations/ councils, and served on the main committee of the Ceylon Chamber of Commerce for 6 years, representing them. He has been a committee member of the Sri Lanka Italy Business Council since 2003 (President from 2007-09, Hon. Member since 2018), and a committee member of the Ceylon Motor Traders' Association since 2018. He concurrently serves as the Managing Director of the subsidiary Tourama (Pvt) Ltd. He is a Council member of the IATA Agents Association of Sri Lanka (since 2021). He is a director of Mercury Ltd and Seventy Ltd. He is the Hon. Treasurer of the Chamber Music Society of Colombo, a local arts organisation. He has been an active member of committees at CIMA Sri Lanka Division, and served on the Country Network Panel (2018-2020) of AICPA-CIMA Sri Lanka, and later as a member of the Country Network Committee (2021). He served as a member of committees at the Organisation of Professional Associations (OPA) for 8 years, representing CIMA.

Ms. Julie A. Aloysius BA (USA)
Executive Director

Ms. Julie Aloysius joined the board in 1990 and is presently an Executive Director of Autodrome PLC and Tourama (Pvt) Ltd. She earned her Bachelors degree in Communications from Aquinas College in Michigan, U.S.A. A Sri Lankan British dual citizen, she focuses on the tour operations arm of the company, organizing inbound tours and site visits to Asian destinations. She is a Zontian and a member of the Peter Pillai Social Institute.

Mrs. Joanne Aloysius Rajiyah BSc (Lond.), MBA (SriJ)
Marketing Director

Mrs. Joanne Aloysius Rajiyah joined the board in 2004 and serves the Company as Marketing Director. She heads the Company's New Business Development initiatives. She earned her B.Sc. in Law with Management from the University of London, and holds an MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura. She is also a Director of Mercury Ltd, Renuka Holdings PLC, Renuka Enterprises (Pvt) Ltd, Renuka Group Ltd, Renuka Developments Ltd, Renuka Teas Ceylon Ltd, Renuka Agri Organics Ltd, Galle Face Properties Ltd, Shaw Wallace Ceylon Ltd, Richlife Dairies Ltd, Island Realty (Pvt) Ltd, and Tourama (Pvt) Ltd.

Prof. John A. Aloysius BSc (Hons.), PhD (USA)
Non Executive Director

Prof. John Aloysius has served as a Non-Executive director of the board since 1990. He is a professor and the Oren Harris chair in logistics in the Supply Chain Management Department of the Walton College of Business. He is or has been an active participant in professional organizations such as the council of supply chain management professionals (CSCMP), the decision sciences institute (DSI), the institute for operations research and the management sciences (INFORMS), the production and operations management society (POMS), and the society for judgment and decision making (SJDM). He has served as the president of the POMS College of Behavioral Operations. He serves on the promotion and tenure, and the research and human subjects committees of the Walton College as well as the research council and institutional review board of the University of Arkansas. . He holds a PhD. from Temple University, Philadelphia, USA and a Bachelor of Science Degree in Mathematics and Statistics, with First Class honours from the University of Colombo. He is a published and much cited researcher, and has represented the University in the US and overseas at many conferences, in his fields of expertise.

Mr. M. Raviraj Ratnasabapathy FCMA(UK), MBA(SriJ)
Independent Non-Executive

Mr. M.R. Ratnasabapathy joined the board in 2007. He is a Chartered Global Management Accountant (CGMA), FCMA (UK) and holds an MBA from PIM, University of Sri Jayewardenepura. He has over 30 years' experience in finance and management, in a range of different industries from audit, research analysis, banking, trading, food and agriculture, power & energy and telecom, most of the latter in senior positions. He is currently an Independent Consultant, having served on Think Tanks as a economical and fianncial resource person. He is a member of the Related Party Transaction Review Committee and the Nominations Committee, and chairs the Audit Committee and the Remuneration Committee.

Mr. Brihadhisvara Ponnambalam
Independent Non-Executive

Mr. Ponnambalam serves as Chairman & Managing Director of Cars R Us (Pvt) Ltd., and is also Chairman of Arpico Finance Co., PLC. He is a Director of McLaren's Lubricants Ltd, McShaw Automotive Ltd, Macbertan (Pvt) Ltd. and Pidilite Lanka (Pvt) Ltd. He is also a member of the Advisory Council of Alliance Finance PLC. He possesses experience in technical training at the Fiat School in Torino, Rover Technology (UK), Citroën Slough, and Renault Bulianourt (Paris).

He is a Past President of the Classic Car Club, and former Vice Chairman of the Ceylon Motor Traders' Association (CMTA). He is also actively involved in motor racing in Sri Lanka. He is a member of the Audit Committee, the Remuneration Committee, and the Related Party Transactions Review Committee, and chairs the Nominations Committee.

Mr. Ranil De Silva (FCMA, ACA, CIM (UK)
Independent Non-Executive

Mr. Ranil de Silva served as the Joint Managing Director of Aitken Spence Hotel Management Ltd. and as the Managing Director of Hemas Hotel Sector and has wide experience locally and overseas in diverse industries. He is a Fellow Member of the Chartered Institute of the Management Accountants UK, Associate Member of the CA Sri Lanka and a Member of the Chartered Institute of Marketing UK. He serves as an Independent non-Executive Director at Singer Finance PLC, Hayleys Leisure PLC and Central Industries PLC. He is also a member of the Board of Lanka Shipping & Logistics (Pvt) Ltd. and CapGen Consulting (Pvt) Ltd. He is a member of the Audit Committee and the Remuneration Committee, and chairs the Related Party Transactions Review Committee. He has served on the board as an Independent, Non-Executive Director, since October 2021.

REMUNERATION COMMITTEE

Terms of Reference

The remuneration committee ensures the remuneration policy of the Company is designed to attract, motivate and retain staff with the appropriate professional, managerial and operational expertise to achieve the objectives of the Company.

COMPOSITION OF THE REMUNERATION COMMITTEE
AS AT 31 MARCH 2023

Subcommittee Member	Directorship Status
Mr. M. Raviraj Ratnasabapathy - Chairman	Independent Non Executive
Mr. Bri Ponnambalam- Member	Independent Non Executive
Mr. Ranil De Silva - Member	Independent Non Executive
By invitation	
Mrs.. Bernadette Aloysius - Chairperson or alternate chairman	
Mr. Jeremy Aloysius - Joint Managing Director	

1. Membership

1.1 The committee should consist exclusively of Non Executive directors with a minimum of three non independent executive directors of whom the majority should be independent.

1.2 The Board shall appoint the Committee Chairman. In the absence of the Committee chairman and/ or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

2. Authority

2.1 For the Chairman, all executive directors and Special Grade Executives and Higher Grade Executives:
(a) Agree the framework and/or broad policy for remuneration, terms of employment and any changes, including service contract, remuneration, basis of bonus and participation in incentive plans; and the targets for any performance related pay schemes.
(b) Agree terms for cessation of employment;
(c) Authorise execution by the Company of all relevant documents.

2.2 Recommend to the Board the form and content of the report to shareholders on directors remuneration in the Annual Report, including the work of the Committee.

2.3 The Committee is authorised through the Executive Director to seek any information it requires from an employee of the Company in order to perform its duties.

2.4 Delegate any of its powers to one or more of its members or the Secretary.

3. Proceedings

3.1 A quorum for the Committee is two Committee members. A duly convened meeting of the Committee at which a
quorum is present shall be competent to exercise all or any of the authorities and duties vested in or exercisable by the
Committee.

3.2 The Chairman and the Group Chief Executives may attend the meetings at the invitation of the Committee to contribute to its deliberations but shall not be present when their own position is under discussion.

3.3 Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote.

3.4 The committee meets at least once a year.

3.5 All non-executive directors may receive papers and minutes on request.

4. Assumptions

Following assumptions were made during the year for determining Defined benefits obligations of the employees,

Discount rate 18.00% (2022 – 15.5%)
Salary increment rate 0% - 10% (2022 – 0% - 7%)
Retirement Age 60 years (2022 – 60 years)
Staff Turnover 9% p.a. (2022 – 10% p.a.)

AUDIT COMMITTEE

Terms of Reference

Audit committee is responsible for assisting the Board in discharging its responsibilities for monitoring the integrity of the Company's financial statements and the effectiveness of the systems of internal controls and to monitor the effectiveness, performance and objectivity of the internal and external auditors.

COMPOSITION OF THE AUDIT COMMITTEE
AS AT 31 MARCH 2023

Subcommittee Member	Directorship Status
Mr. M. Raviraj Ratnasabapathy - Chairman	Independent Non Executive
Mr. Bri Ponnambalam - Member	Independent Non Executive
Mr. Ranil De Silva - Member	Independent Non Executive
By invitation	
Mr. Rajeev Aloysius - Joint Managing Director	
Mrs. Joanne Aloysius Rajiyah - Marketing Director	

1. Membership

1.1 The Committee shall be composed of at least three members.

1.2 The Committee shall consist of at least two independent non-executive directors, and the Chairman shall have significant, recent and relevant financial experience.

1.3 The Board shall appoint the Committee Chairman.

In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

2. Proceedings

2.1 A quorum for the Committee is two Committee members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities and duties vested in or exercisable by the Committee.

2.2 The Joint Managing Director and Executive Director, although not members of the Committee will attend meetings with the agreement of the Chairman of the Committee.

2.3 Other directors of the Company may attend with the agreement of the Chairman of the Committee.

2.4 Any Committee member may call additional meetings as necessary.

2.5 The terms of reference and the effectiveness of the Committee shall be reviewed annually and any necessary recommendations made to the Board.

2.6 The Committee shall meet at least four times a year, linked to the announcement of the Autodrome's Group financial results.

3. Minutes

The minutes of meetings of the Committee are circulated to all members of the Committee and to nominated recipients as soon as practicable after the meeting. The minutes are also circulated to all members of the Board.

4. Authority

The Committee has authority to:

(a) oversee any investigation of activities which are within its terms of reference;

(b) require provision of any necessary information to fulfill the above;

(c) call any member of staff, through the Executive

Director, to be questioned at a meeting of the Committee as and when required;

(d) meet with the external auditors without management present.

5. Principal Duties

5.1 External Audit

5.1.1 Recommend to the Board the appointment and reappointment of external auditors to Autodrome PLC, ensuring that key partners are rotated at appropriate intervals; and consider their resignation and removal and recommend appropriate action.

5.1.2 Review the performance of the external auditors including the scope of their audit and recommend to the Board appropriate remuneration.

5.1.3 Review, at least annually, the cost effectiveness of the audit and the qualification, expertise, independence and objectivity of the external auditors, including the nature and extent of non-audit and consultancy services to ensure that independence or objectivity is not impaired.

5.1.4 Review and approve the Group Audit Engagement Letter.

5.1.5 Discuss with the external auditors the scope of their audits before they commence and review the results and consider their Management Letter, and report the results of those reviews to the Board.

5.1.6 Review and discuss any reports from the external auditors on critical accounting policies, including management's response.

5.2 Internal Audit

There is no internal audit function at present. However, if the Audit Committee deems it necessary, at any time; it may appoint a firm of accountants to conduct an internal audit and to determine the scope of such audit, at the Company's expense.

5.3 Financial Reporting

5.3.1 Review the annual, half year and quarterly financial results and the Annual Report and other published information to satisfy itself that they meet all statutory requirements, SEC requirements, Sri Lanka Accounting Standards and the regulations of the Colombo Stock Exchange.

5.3.2 Review annually the accounting policies and make recommendations to the Board.

5.4 Internal control and risk management

5.4.1 Monitor and review the standards of internal control, including the processes and procedures for ensuring that material business risks, fraud and related matters, are properly identified and managed, the effectiveness of internal control, financial reporting, accounting policies and procedures.

5.4.2 Review processes for dealing with complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters ('whistle blowing' procedures), ensuring arrangements are in place for the proportionate and independent investigation and appropriate follow up action.

6. Other

The Committee shall:

6.1 Review any other matter referred to it by either the Board or the Chairman;

6.2 Delegate any of its powers to one or more of its members, or the Secretary if it deems this appropriate.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Terms of Reference

The Board established the Related Party Transactions Review Committee on the 4th December 2015 by the early adoption of the Code of Best Practice on Related Party Transactions, issued by the Securities & Exchange Commission of Sri Lanka (the 'Code') and Section 9 of the Listing Rules of the Colombo Stock Exchange (the "Rules").

The purpose of the Related Party Transactions Review Committee (the Committee) is to conduct an appropriate review of the Company's related party transactions ("RPTs") and to ensure that the Company complies with the rules set out in the Code. The primary objectives of the said rules are to ensure that the interests of the shareholders as a whole are taken into account when entering into related party transactions and to prevent Directors, key management personnel or substantial shareholders taking advantage of their positions.

1. Membership

1.1 The Committee should comprise independent non-executive directors. One independent non-executive director shall be appointed as Chairman of the Committee.

1.2 Chairman shall have significant, recent and relevant financial experience.

1.3 The Board shall appoint the Committee Chairman. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

2. Meeting

The Committee should have four meetings on a quarterly basis during a financial year, if there is business to discuss. Proceedings of the committee meetings should be reported to the Board of Directors.
The minutes of meetings of the Committee should be circulated to all members of the Committee and to nominated recipients as soon as practicable after the meeting. The minutes should also be circulated to all members of the Board.

3. Authority

-To develop and recommend a related party transaction policy.

-To ensure that the Company complies with the Rules.

-To review in advance all proposed related party transactions to ensure compliance with the Rules.

COMPOSITION OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE
AS AT 31 MARCH 2023

Subcommittee Member	Directorship Status
Mr. Ranil De Silva - Chairman	Independent Non Executive
Mr. M. Raviraj Ratnasabapathy - Member	Independent Non Executive
Mr. Bri Ponnambalam - Member	Independent Non Executive

-To update the Board of Directors on the related party transactions of the Company on a quarterly basis.

-Define and establish the threshold values in setting a benchmark for related party transactions which have to be pre-approved by the Board, which require to be reviewed in advance and annually and similar issues relating to listed Companies.

-To make immediate market disclosures on applicable related party transactions as required by the Rules..

-To include appropriate disclosures on related party transactions in the annual report as required by the Rules.

Policies and procedures in related party transactions are being reviewed and strengthened on an ongoing basis. Necessary steps have been taken by the Committee to avoid any conflicts of interests that may arise in transacting with related parties.

4. Proceedings

The Committee in discharging its functions, review processes and periodic reporting by the entity with a view to ensure that;

- There is compliance with the Code
- Shareholder interests are protected and
- Fairness and transparency are maintained.

Any member of the committee, who has an interest in related party transaction under discussion, shall abstain from voting on the approval of such transaction. A related party transaction entered into without pre-approval of the committee, shall not be deemed to violate this policy, be invalid or unenforceable so long as the transaction is brought to the notice of the Committee as promptly as reasonably practical, after it is entered into or after it becomes apparent that the transaction is covered by the policy. As such all RPTs, other than the exempted transactions, will be reviewed either prior to the transaction is entered into or if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.

The Related Party Transactions of the Company are disclosed in the Note 21 to the Financial Statements. The Board believes those transactions are recurrent transactions and are in the ordinary course of business of the Company.

NOMINATION COMMITTEE

1. Membership

The nomination committee appointed by the Board of Directors comprises two (2) Independent Non-Executive Directors (IND/ NED), and the Group Chairperson

2. Authority

The Nomination Committee was established for the purpose of advising the Board in relation to nominations, retirement, succession and training of the Board members. The committee has the authority to discuss the issues under its purview and report back to the Board of Directors with recommendations, enabling the Board to take a decision.

3. Meetings

The Nomination Committee meets once during the year. The proceedings of the meetings are regularly reported to the Board of Directors. A member of Nomination Committee does not participate in decisions relating to his own appointment.

4. Professional Advice

The committee has the authority to seek external professional advice on matters within its purview whenever required.

5. Proceedings

The committee focuses on the following objectives in discharging its responsibilities.

•To regularly review the structure, size, composition and competencies (including the skills, knowledge and the experience) of the Board and make recommendations to the Board with regard to any changes.

•To identify and recommend suitable Directors for appointment to the Board and Board sub committees.

•To consider and recommend (or not recommend) the reappointment of current Directors, taking into account the performance and contribution made by the Director concerned and provide advice and recommendations to the Board on any such appointment.

•To look into and make recommendations on any other matters referred to it by the Board of Directors.

COMPOSITION OF THE NOMINATION COMMITTEE
AS AT 31 MARCH 2023

Subcommittee Member	Directorship Status
Mr. Bri Ponnambalam - Chairman	Independent Non Executive
Mr. M. Raviraj Ratnasabapathy - Member	Independent Non Executive
Mrs. Bernadette Aloysius - Member	Chairperson

REPORT OF THE AUDIT COMMITTEE

Purpose of the Committee

The Board appointed the Audit Committee to be in line with the Code of the Best Practice on Corporate Governance and the requirement of the Securities and Exchange Commission for Public Listed Companies. The Audit committee functions, authority and duties have been clearly identified in the Audit Committee Charter.

The Committee was established to assist the Board in fulfilling its oversight responsibility for the Companies financial reporting system, compliance with legal and regulatory requirements, internal controls and risk management process including the systems established to identify assess manage and monitor risk.

Role of the Audit Committee

The main role and the responsibilities of the Audit Committee include;

- Assisting the Board in discharging its responsibilities by satisfying the Board oversight responsibilities in relation to quality and integrity of the Financial Statements of the Company. This includes preparation, presentation and adequacy of disclosures in the Financial Statements in accordance with Sri Lanka Accounting Standards.
- The overall responsibility in ensuring that the Internal controls systems and risk management systems of the Company are adequate and comply with legal and regulatory requirements.
- Oversight responsibility to ensure compliance in relation to financial reporting requirement and the information requirement as required by Companies Act No. 07 of 2007 and other relevant financial reporting related regulations and requirements.
- Assessing the independence, qualifications and performance of External Auditors. Making recommendations to the board pertaining to appointment, re-appointment and removal of external auditors and approval of the remuneration and terms of engagement of the external auditors.
- Discussion of the audit plan, key audit issues and their resolution and management responses.
- Discussion of the Company's Annual Audited Financial Statements and Interim Financial Statements with management and the Auditors.

Composition of the Audit Committee

The Audit Committee consists of three Indepenedent Non- Executive Directors who are appointed by, and are responsible to the Board of Directors.

COMPOSITION OF THE AUDIT COMMITTEE
AS AT 31 MARCH 2023

Subcommittee Member	Directorship Status	Meetings attended
Mr. M. Raviraj Ratnasabapathy, Chairman	Independent Non Executive	5/5
Mr. Bri Ponnambalam - Member	Independent Non Executive	3/5
Mr. Ranil De Silva - Member	Independent Non Executive	5/5

Financial Reporting

The Audit Committee review the quarterly and annual Financial Statements prior to publication

The Review includes

- Appropriateness and changes in Accounting Policies
- Significant estimates and judgements made by the management
- Compliance with relevant accounting standards and applicable regulatory requirements
- Companies working capital management

Risk Management and Internal Controls

The Committee reviewed and assessed the Company's risk management process including the adequacy of the overall control environment and controls in areas of significant risk. Key risks that exceeded the Group's risk appetite are discussed in the risk management section presented in page 21.

The Committee is satisfied that an effective system of Internal Controls are in place to provide reasonable assurance on safeguarding the Company's assets and the reliability of the Financial Statements.

External Audit

The Committee has reviewed the independence and objectivity of the External Auditors, Messrs Ernst and Young, Chartered Accountants. The Audit Committee has met with the External Auditors to review their audit plan and observations made by them.

The Committee has recommend to the Board that Messrs Ernst and Young be re-appointed as the External Auditors and that the re-appointment be included in the agenda of the Annual General Meeting.

Compliance

The Audit Committee reviewed the reports submitted by the management on compliance with applicable laws and regulations. The Committee is satisfied that laws and regulations are duly complied with and statutory payments have been made on a timely basis.

Reporting

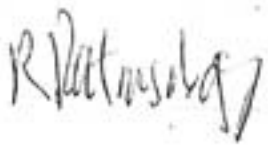
The activity and views of the Committee have been communicated to the Board of Directors through verbal briefings, and by tabling the minutes of the Committee's meetings.

Meetings

The Committee held five meetings during the financial year 27.04.2022, 27.07.2022, 24.08.2022, 26.10.2022 and 24.01.2023.

Conclusion

The Audit Committee is satisfied that the effectiveness of the organisational structure of the Group and implementation of the Group's accounting policies and operational controls provide reasonable assurance that the affairs of the Group are managed in accordance with Group policies and Group assets are properly accounted for and adequately safeguarded. The Committee is also satisfied that the Company and its subsidiaries are able to continue as going concern.



M. Ravi Ratnasabapathy
Chairman
Audit Committee

25th August 2023
Colombo

REPORT OF RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Purpose of the committee

The purpose of the Related Party Transactions Review is to conduct an appropriate review of the Company's related party transactions and to ensure that the Company complies with LKAS 24, the Listing Rules of the Colombo Stock Exchange and with the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission.

Policies and procedures

The members of the Board of Directors of the Company have been identified as Key Management Personnel. In accordance with the Related Party Transaction Policy, the declarations are obtained from each Key Management Person of the Company for the purpose of identifying parties related to them. Based on the information furnished in these declarations, the Company retrieves data on related party transactions from the database of the Company

Terms of reference

The Terms of Reference of the Related Party Transactions Review Committee describes its duties and responsibilities. The terms of reference covers aspects relating to matters prescribed in the Listing Rules of the Colombo Stock Exchange and include the following:

-To ensure that the Company complies with the Rules.

-To review in advance all proposed related party transactions to ensure compliance with the Rules.

-To update the Board of Directors on the related party transactions of the Company on a quarterly basis.

-Define and establish the threshold values in setting a benchmark for related party transactions which have to be pre-approved by the Board, which require to be reviewed in advance and annually and similar issues relating to listed Companies.

-To make immediate market disclosures on applicable related party transactions as required by the Rules.

-To include appropriate disclosures on related party transactions in the annual report as required by the Rules.

- To ensure that Policies and procedures regarding related party transactions are being reviewed and updated on an ongoing basis.

- To ensure that necessary steps have been taken by the management to avoid any conflicts of interests that may arise in transacting with related parties.

COMPOSITION OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE
AS AT 31 MARCH 2023

Subcommittee Member	Directorship Status	Meetings attended
Mr. Ranil De Silva - Chairman	Independent Non Executive	4/4
Mr. M. Raviraj Ratnasabapathy - Member	Independent Non Executive	4/4
Mr. Bri Ponnambalam - Member	Independent Non Executive	3/4

Composition and Meetings of the Committee

The Committee consists of three independent non-executive directors. The Secretary to the Committee is Ms. J. J. B. Aloysius Rajiyah, who is an Executive Director of the company. The Committee held four meetings during the year. The names and records of meetings attended by the members are given in the table.

Related party transactions during the year

There were no non- recurrent or recurrent related party transactions that exceeded the respective thresholds mentioned in the Listing Rules requiring disclosure. Details of other related party transactions entered into by the Company during the year is disclosed in Note 21 to the Financial Statements.

Meetings

The Committee held four meetings during the year 27.04.2022, 27.07.2022, 26.10.2022 and 24.01.2023.

Declaration

A declaration is given by the Board in the Annual Report of the Board of Directors on pages 27, Note 17 as a negative statement to the effect that no related party transaction falling within the ambit of the rule 9.3.2 of Listing Rules of the Colombo Stock Exchange was entered in to by the Company during the year.

On behalf of the Related Party Transaction Review Committee.

Ranil De Silva
Chairman
Related Party Transactions Review Committee

25th August 2023
Colombo

REPORT OF THE REMUNERATION COMMITTEE

Chairman's report

Dear shareholder,

I am pleased to present the report of the Remuneration Committee for the year ended 31st March 2023. Through this report I will share with you how the Remuneration Committee worked towards discharging its responsibilities.

Purpose of the committee

The Committee was established for the purpose of recommending the remuneration of the Chairman, and the Executive Directors. The Committee also approves the remuneration of the senior executives on the recommendations made by the Executive Directors.

Terms of reference

The Committee has written terms of reference, dealing with its authority and duties, which is carefully designed to discharge the Committee's purpose, duties and responsibilities.

The Committee is committed to the principles of accountability and transparency and to ensuring that remuneration arrangements align rewards with performance.

The proposals relating to the remuneration of Executive Directors and the members of the Group Management Committee were devised in consultation with the Chairman and the Directors and the Jt. Managing Directors. No Director is involved in deciding his own remuneration. The Committee has acted within the parameters set by its terms of reference.

Remuneration policy

The remuneration policy is designed to reward, motivate and retain the Company's management team, with market competitive remuneration and benefits, to support the continued success of the business. The Committee makes every endeavour to maintain remuneration levels that are sufficient to attract and retain Executive Directors and Senior Executives. Accordingly, salaries and other benefits are reviewed periodically, taking into account the performance of the individual and industry standards.

The remuneration packages which are linked to individual performances are aligned with the Company's short-term and longterm strategy. Further, the benefit packages awarded to Executive Directors are intended to be competitive and comprise a mix of fixed and variable pay. The variable remuneration is linked to group's profitability.

Components of the Executive Directors' remuneration Fixed remuneration (Basic salary and fringe benefits) Variable remuneration Post-employment benefits All Non-Executive Directors receive a fee for serving on the Board and on Board committees. They do not receive any performance related incentive payments.

COMPOSITION OF THE REMUNERATION COMMITTEE
AS AT 31 March 2023

Subcommittee Member	Directorship Status	Meetings attended
Mr. M. Raviraj Ratnasabapathy - Chairman	Independent Non Executive	1/1
Mr. Bri Ponnambalam - Member	Independent Non Executive	1/1
Mr. Ranil De Silva - Member	Independent Non Executive	1/1

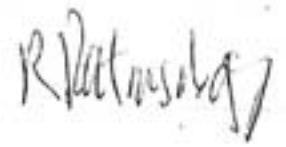
Meetings

The Committee held one meeting during the financial year on, 26th October 2022 and following key areas decided during the meetings;

- Bonus for the year 2022 and medical leave balance payment

The Directors' emoluments are disclosed in Note 21 on page 59.

On behalf of the Remuneration Committee.



M. Ravi Ratnasabapathy
Chairman
Remuneration Committee

25th August 2023
Colombo

REPORT OF THE NOMINATION COMMITTEE

Purpose of the Committee

The Nomination Committee was established for the purpose of advising the Board in relation to nominations, retirement and succession of the Board members. The committee has the authority to discuss the issues under its purview and report back to the Board of Directors with recommendations, enabling the Board to take a decision.

The Committee comprises of one Executive Director and two Non-Executive Directors, two of whom are Independent Non-Executive Directors.

Meetings and Attendance

The Committee held no meetings during the financial year.

Terms of reference

The Nomination Committee has written Terms of Reference dealing with its authority and duties which may be amended at any time by the Board of Directors. The Nomination Committee may, from time to time, investigate, discuss or review matters outside its Terms of Reference if so, required by the Board. The Committee reviews and assesses the adequacy of the Terms of Reference.

On behalf of the Nomination Committee.

Bri Ponnambalam
Chairman
Nomination Committee

25th August 2023
Colombo

COMPOSITION OF THE NOMINATION COMMITTEE
AS AT 31 March 2023

Subcommittee Member	Directorship Status
Mr. Bri Ponnambalam - Chairman	Independent Non Executive
Mrs. Bernadette J Aloysius - Member	Executive Director / Chairperson
Mr. M. Raviraj Ratnasabapathy - Member	Independent Non Executive

A brief overview of our application of some of the Guiding Principles formulated by the Institute of Chartered Accountants of Sri Lanka, as well as the current listing rules of the Colombo Stock Exchange is given below.

We the Board confirm that as at the date of the Annual Report, that the Company is in compliance with the Corporate Governance Rules of the Colombo Stock Exchange.

Board of Directors

The composition of the Board of Directors throughout the year under review from 01 April to 31 March, has been 5 Executive Directors and 4 non-Executive Directors. The profiles of these directors, and their qualifications are on page 07. A disclosure of the status of the board, whether non-executive, executive or independent non-executive, is given on page 26, in note 12 of the Annual report of the Board of Directors.

The Chairperson of the Board and Managing Director positions are held by different persons. The Joint Managing Directors function as joint Chief Executive Officers of the Company. The Non-Executive Directors are not involved in the day to day running of the Company, but participate in the review and monitoring of operations, while also participating in Governance Committees (see below). Three directors are both Independent and Non-Executive, as per the definitions given by the Colombo Stock Exchange.

In accordance with CSE Listing Rule 7.10.3 (b), it was unanimously resolved and affirmed at the board meeting heals on 16 August 2016, that Mr. Raviraj Ratnasabapathy, considering his credentials and positions as director of privately held conglomerates, shall be henceforth considered nevertheless independent.

All Non-Executive Directors have submitted a declaration on the status of their independence to the Company.

The Board of Directors met on 27th April 2022, 27th July 2022, 24th August 2022, 26th October 2022 and 24th January 2023. A resolution was passed by circulation on 3rd January 2023

DIRECTORS ATTENDANCE FOR THE BOARD MEETINGS
2022/ 2023

Board Member	27-04-22	27-07-22	24-08-22	26-10-22	24-01-23
Mrs. Bernadette J. Aloysius	√	√	√	√	√
Mr. Jeremy D. Aloysius	√	√	√	√	√
Mr. Rajeev A.J. Aloysius	√	√	√	√	√
Ms. Julie A. Aloysius	-	-	√	√	-
Ms. J. Joanne B. Aloysius Rajiyah	√	√	√	√	√
Prof. John A. Aloysius	Overseas	Overseas	Overseas	Overseas	Overseas
Mr. M. Raviraj Ratnasabapathy	√	√	√	√	√
Mr. Bri Ponnambalam	√	-	-	√	√
Mr. Ranil De Silva	√	√	√	√	√

Audit Committee

The audit committee consists of three independent, non-executive directors. The committee is chaired by a member of a professional accounting body, and at least one other member has equivalent professional qualifications. The audit committee consists only of non-executive directors, and two executive directors are invited for clarifications at meetings. The functions of the Audit Committee are in accordance with Rule 7.10.6 of the Listing Rules. The invited executive directors include a Joint Managing Director. The audit committee met five times during the year under review, and conducted the business as entrusted to them under their Terms of Reference. The Terms of Reference of the Audit Committee may be found on page 09.

Remuneration Committee

The Remuneration committee consists of a Chairman who is an independent non-Executive Director, and two other independent non-executive directors.
The Remuneration Committee met one time during the year under review on 26.10.2022 and, and conducted the business as entrusted to them under their Terms of Reference. The Terms of Reference of the Remuneration Committee may be found on page 8.

Remuneration Policy

The Remuneration Committee meets once a year to review the key management personnel remuneration policy. The aggregate remuneration of key management personnel is disclosed under note 21 on page 59.

Code of Ethics and Best Practice

A formal Code of Ethics and Best Practices has not been formulated and adopted at the given time. The ideas, theories, principles and Best Practices underlying such a code have been in active use for some time. The Company operates to meet the aspirations of all of its stakeholders.

Related Party Transactions Review Committee

The Related Party Transactions review committee meets every three months to conduct an appropriate review of the Company's related party transactions and to ensure that the Company complies with the rules set out in the Code of Best Practices issued by the Securities and Exchange Commission.

Nomination Committee

A Committee was established for the purpose of advising the Board in relation to nominations, retirement, succession and training of the board members. The company had no nomination committee meetings for the year 2022/23.

	Corporate Governance Rule	Compliance Status	Reference
1	Names of persons who were directors of the Entity during the financial year.	Complied	Directors' Profiles page 07.
2	Principal activities of the Entity and its subsidiaries during the year and any change therein.	Complied	Note 1.1.2 page 38.
3	The names and the numbers of shares held by the 20 largest holders of voting and non voting shares and the percentage of such shares held	Complied	Annual report of the Board of Directors Note 15 page 27.
4	The public holding percentage disclosed	Complied	Annual report of the Board of Directors Note 16 page 27.
5	A statement of each directors holding and Chief Executive Officers holding in shares of the Entity at the beginning and end of each financial year	Complied	Annual report of the Board of Directors Note 13 page 26.
6	Information pertaining to material foreseeable risk factors of the Entity	Complied	Risk Management page 21.
7	Details of material issues pertaining to employees and industrial relation of the Entity	N/A	No material issues pertaining to employees and industrial relations
8	Extents, Locations, Valuations and the number of buildings of the Entity's land Holding and investment properties	Complied	Note 10.2 on page 53.
9	Number of shares representing the Entity's stated capital	Complied	Annual report of the Board of Directors page 28 & share information page 65.
10	A distribution schedule of the number of holders in each class of Equity securities and percentage of their total holding in the specified categories	Complied	Share information page 65.
11	The following ratios and market price information. EQUITY 1. Dividend per share 2. Dividend pay out 3. Net Asset value per share 4. Market value per share 5. Float Adjusted Market Capitalisation Higest and lowest value recorded value as at the end of financial year	Complied Complied Complied Complied Complied	Ten year summary page 63. Ten year summary page 63 Ten year summary page 63 Share information page 65 Share information page 65
12	Significant changes in the fixed asset and the market value of land, in the Entity's or that of its subsidiary, if the value differs substantially from the book value	Complied	Note 10 on page 53 .
13	If during the year the Entity has raised funds either through a pubic issue,Right issue,and private placement	N/A	N/A
	a. A statement as to the manner in which the proceed of such issue has been utilised.	N/A	N/A
	b. if any shares or debentures have been issued , the numbers, class and consideration received and the reason for the issue; and	N/A	N/A
	c: Any material change in the use of funds raised through an issue of securities	N/A	N/A
14	Disclosures pertaining to Corporate Goverance practices in terms of Rules 7.10.3 7.10.5 c and 7.10.6 c of section 7 of the Rules	Complied	Pages 16,17 & 18.
15	Related party transactions exceeding 10% of the Equity or 5% of the total asset of the Entity as per Audited Financial statements. Whichever is lower. Details of Investments in a Related party and or amounts due from a Related party to be set out separately. The details shall include as a minimum a. The date of transaction b. The name of the Related party c. The relationship between the Entity and the Related party. d. The amount of the transaction and terms of the transaction e. The rational for entering in to the transaction	Complied	Transactions did not exceed the stipulated limits. List of related parties are disclosed in Note 21, Page 59.
16	Minimum Public Holding Requirement	Complied	The Company is compliant with the Minimum Public Holding Requirement of the Main Board, Under Option Five (5). Disclosure under Appendix 7B(a), and Listing Rule 7.13.1(a) Page 65.

Independence of Auditors

The auditors of the Company are Ernst & Young, a member firm of the Ernst & Young network of independent member firms affiliated with the Ernst & Young International cooperative. As far as the Directors are aware, the Auditors do not have any relationship or interests (other than that of auditors) with the Company. They confirm that they are independent in accordance with the Code of Ethics of The Institute of Chartered Accountants of Sri Lanka.

Disclosures specified by section 7.4 and 7.5 of the listing rules of the Colombo Stock Exchange

The Interim Financial Statements have been submitted to the Colombo Stock Exchange within forty five days for all quarters from the end of the relevant quarter.

Interim financial statements were prepared using guidelines of LKAS 34 and is in compliance with the said standard.

Shareholder Relations

The Company assigns a high priority to the communication of results and prospects for the future to its shareholders, as a responsible listed Company on the Colombo Stock Exchange. The Quarterly and Annual reports are simultaneously updated on the Company's website at http://financial.autodrome.lk. This year too, we have an Excel sheet on the website for ease of analysis.

If you have any questions on accessing of the digital copy of this report, please call (011) 2326181 or 2314804. The contact person at the time of publishing this annual report is Mr. Gayan Joseph, Head of Finance. If you wish to Email instead, the address is finance@autodrome.lk. The fax number is (011) 2338611.

The policy of maximum disclosure is followed in so far as such information would not be detrimental to Company interests in relation to its competitors.

LEVEL OF COMPLIANCE WITH MANDATORY REGULATIONS

This section provides a navigation on the level of compliance to Companies Act and the regulations provided by the Colombo Stock Exchange.

Disclosures Required by the Companies Act No. 07 of 2007.

Section Reference	Requirement	Reference
168 (1) (a)	The nature of the business of the Group and the Company together with any change thereof during the accounting period	Sustainability Review page 22
168 (1) (b)	Signed Financial Statements of the Group and the Company for the accounting period completed	Statement of Financial Position page 35
168 (1) (c)	Auditors' Report on Financial Statements of the Group and the Company	Independent Auditors Report Page 30 to 32
168 (1) (d)	Accounting Policies and any changes therein	Notes to the Financial Statements Page 38 to 62
168 (1) (e)	Particulars of the entries made in the Interests Register during the acounting period	Annual report of the Board of Directors Page 26
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Notes 21 to the Financial Statements Page 59
168 (1) (g)	Corporate donations made by the Company during the accounting period	Annual report of the Board of Directors Page 25
168 (1) (h)	Information on the Directorate of the Company and its Subsidiaries during and at the end of the accounting period	Board of Directors page 07
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period	Annual report of the Board of Directors Page 28
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries	Annual report of the Board of Directors Page 28
168 (1) (k)	Acknowledgement of the contents of this Report and Signatures on behalf of the Board (Annual Report of the Board of Directors)	Statement of Financial Position page 35

LEVEL OF COMPLIANCE WITH MANDATORY REGULATIONS

This section provides a navigation on the level of compliance to Companies Act and the regulations provided by the Colombo Stock Exchange.

Disclosures Required by the Listing Rules of the Colombo Stock Exchange.

Rule No.	Subject	Applicable Requirement	Compliance Status	Reference
7.10.1.(a)	Non-Executive Directors	At least two or one third of the Directors, whichever is higher, should be Non-Executive Directors	Compliant	Annual report of the Board of Directors - page 26
7.10.2.(a)	Independent Directors	Two or one-third of Non-Executive Directors, whichever is higher, should be Independent.	Compliant	Independence of Directors – page 26.
7.10.2.(b)	Independence of Directors	Each Non-Executive Director should submit a declaration of Independence/ Non-Independence.	Compliant	Independence of Directors – page 26
7.10.3.(a)	Independence of Directors	The Board shall make a determination annually as to the Independence or Non-Independence of each Non-Executive Director and the names of Independent Directors should be disclosed in the Annual Report.	Compliant	Board profile - pages 07 Independence of Directors – page 26
7.10.3.(b)	Independence of Directors	Directors do not qualify as independent but are specified by the Board as independent	Compliant	Annual report of the Board of Directors - page 26
7.10.3.(c)	Disclosures relating to Directors	A brief resume of each Director should be included in the Annual Report including his/her area of expertise.	Compliant	Board of Directors page 07
7.10.3.(d)	Appointment of new Directors	A brief resume of any new Director appointed to the Board.	Compliant	Board of Directors page 07
7.10.5 (a) – (c)	Remuneration Committee	A listed company shall have a Remuneration Committee.	Compliant	Report of the Remuneration Committee – page 08 and page 14
7.10.6 (a) – (c)	Audit Committee	A listed company shall have an Audit Committee.	Compliant	Report of the Audit Committee-page 09 and page 12
9.2.2	Composition of Related Party Transaction Review Committee	Comprise a combination of Non-Executive Directors, Independent NonExecutive Directors and Executive Directors at the option of Listed Entity. Chairman should be Independent Non-Executive Director.	Compliant	Related Party Transactions Review Committee - page 10 and page 13
9.3.2 (a)	Non- Recurrent Related Party Transactions	If aggregate value exceeds 10% of the Equity or 5% of the Total Assets, whichever is lower	Compliant	Annual report of the Board of Directors - page 27
9.3.2 (b)	Recurrent Related Party Transactions	If the aggregate value exceeds 10% of the gross revenue/ income.	Compliant	Annual report of the Board of Directors - page 27
9.3.2 (c)	Report of the Related Party Transactions Review Committee	Annual Report shall contain a report by the Related Party Transactions Review Committee	Compliant	Report of the Related Party Transactions Review Committee - page 13
9.3.2 (d)	A declaration by the Board of Directors	An affirmative statement of the compliance with these Rules pertaining to Related Party Transactions or a negative statement in the event the Entity has not entered into any Related Party Transaction/s.	Compliant	Report of the Related Party Transactions Review Committee - page 13

The Board is primarily responsible to ensure that risks are identified and managed for the group. The Audit committee is responsible for reviewing the effectiveness of the group's risk management process, including the systems established to identify, assess, manage and monitor risk.

The business operations of the Group and performance are subject to a variety of risk factors; the Management constantly monitors and evaluates risk factors in order to respond effectively.

The Company and group core risk areas are as follows:

BUSINESS & OPERATIONS

Competitive Environment

Import and Distribution business is operating in a competitive environment and this could contrast the margin on sales and thereby exert additional pressures to meet planned objectives. To meet the Company and group objectives the group has to compete with rivals in areas including price, product range, quality and service.

Human Resources

Failure to protect the group's reputation could lead to loss of trust and confidence of employees. This could affect the ability to recruit and retain a high caliber of staff. This is addressed by offering attractive reward systems and implementing career development programmes.

Finance Risk - Foreign exchange rate risk

The group exposure to exchange risk is high as the group is involved in the business of import and wholesale trade. Therefore, managing foreign exchange rate exposure through negotiation with banks, as well as applying prudent financial management techniques are required, to manage this risk.

Reputational Risk

The corporate image of the Company has helped the group to diversify to new areas of business such as IT-related and web development services, destination management services as well as renting of office space to IT-related companies. The group recognizes the commercial imperative safeguarding the interests of all its stakeholders and avoid or mitigate the loss of such loyalty.

Regulatory Environment

An adverse impact on profit may result from adverse changes in government fiscal policies, and these are addressed through strong brand loyalty. Lately the business has been impacted with the country credit rating, impacting the opening of confirmed letters of credit.

National Security

An adverse impact to the society by way of a local or international terrorist attack can adversely affect the business of the Company.

Uncertainty in Demand and supply

There was uncertainty in demand and supply during the period under review, due to the disruptions in the global and local supply chain, and the local economic crisis. The Company and group experienced a reduction in supply which in turn impacted potential demand, negatively impacting the Group's sales.

Product safety risk

The safety and quality of our products is of paramount importance to the Group as well as being essential for maintaining customer trust and confidence. A breach in confidence could affect the size of our customer base and hence financial results. We have detailed and established procedures for ensuring product integrity and quality at all times

Health and safety risk

Provision of adequate safety to our staff is of the utmost importance to us. We operate stringent health and safety processes in line with best practice in our outlets and service centres.

Distribution Network

Our Bridgestone tyres are sold across a wide distribution network in Sri Lanka, comprising of many dealers. In order to ensure a strong distribution network, we ensure that we maintain positive long term relationships with our dealers and maintain an open communication line with them.

Loss of agency

The Company is the offical, authorised distributor for Bridgestone tyres, tubes and flaps since 1954. The Company ensures that it maintains a close relationship with its principals.

WE STRIVE TO CONSTANTLY IMPROVE OUR PRODUCT RANGE AND CUSTOMER SERVICE LEVELS

The standard of service provided to customers who walk into our head office and Ja-Ela stores is the key to our success. Our online platform for inquiries, reservations and best competitive prices attracted new customers. Also we have taken steps to improve the island-wide network of customers who sell our products to end users. Our main business remains as official distributor of the world-leading tyre brand Bridgestone, in Sri Lanka. Apart from tyre sales during 2022/2023 financial year the Company earned a considerable amount of income from renting of premises and investment income. In addition web development income contributes to the turnover of the Company. Our main partner, Bridgestone India (Pvt.) Ltd is deeply committed to about the quality of their products and visit several times every year to check the standards maintained and to address claims to investigate whether there are product quality related issues. We give value added services to the customers who walk into our alignment centre for tyre fitting and alignment. Customer satisfaction is high in this department. In order to ensure and enhance our customer relationship, the Company carries out frequent surveys which include outdoor surveys and opinion checks, which help us to understand our customer requirement better, and ensure that we deliver what customers are expecting. We continuously strive to improve our customer service levels and minimize complaints through constant improvement.

SHAREHOLDERS

As a listed Company governed by numerous regulatory provisions under the Securities and Exchange Commission (SEC) and the Colombo Stock Exchange (CSE), we are bound to deliver maximum value to our investors whilst adhering to the above regulatory procedures. We conduct our business in a manner which adds value to our investors and manage the risks faced by the Company prudently following good corporate governance practices at all times. We are also aware of the fact that it is our duty to provide them with timely and accurate information on the affairs of the Company.

Our asset base has accumulated consistently over the years and provides a strong foundation which ensures that the Company is able to withstand the vagaries of the competitive business environment. Our prudent corporate strategies have resulted in the delivery of a consistent return on capital employed in the business, thereby enhancing shareholder wealth. Over the years, The Autodrome PLC has delivered on its promise to shareholders by ensuring a consistent return on their investments through capital appreciation and dividends, providing one of the most consistent and dependable investment opportunities to investors. The quarterly financial statements and annual reports are produced in accordance with the Listing Rules of the Colombo Stock Exchange, and other applicable laws and regulations. The Company's website (www.autodrome.lk) provides information on the Company, including the annual and quarterly reports. In addition to the annual reports, relevant press releases and announcements are also made available on the Company's website to facilitate communication between all stakeholders of the Company Shareholders may, at any time direct questions, request for publicly available information and provide comments and suggestions to Directors or Management of the Company. Such questions, requests and comments can be addressed to the Company Secretary by post to Level 03, No. 11, Castle Lane , Colombo 4; or to finance@autodrome.lk, or through the Company's official Facebook page. (facebook.com/autodromeplc)

EMPLOYEES

We believe that every employee wants to be part of a winning organisation and have their contribution valued by the management and their peers. Employees thrive on performing meaningful work and knowing their part in the contribution to the success of the organisation. In order to develop a sustainable relationship, we duly recognize the accomplishments of our employees and offer them many opportunities for learning and growth.

At The Autodrome PLC out of 41 employees, the majority of our staff, 88% are in the permanent cadre and only 12% of staff are on fixed-term contracts. All the employees above the age of 60 are contract employees.

The Company's employment policy ensures that we recruit the candidates best suited for positions, applying fair, objective and accepted evaluation methods.

EMPLOYEE ENGAGEMENT

Employee engagement is our top business priority. We are aware that the employee engagement brings out the best of productivity and bottom line performance while reducing costs related to hiring and retention in highly competitive talent markets.

The culture at The Autodrome PLC is such that the employees and management work together towards a shared vision. We encourage employees to express their suggestions and grievances openly to senior management. All employees are encouraged to actively participate in idea generation and problem solving.

During the year under review no employee training sections was done due to the prevailing situation in the country and in the world, but encourage employees to develop their work related and personal carrier.

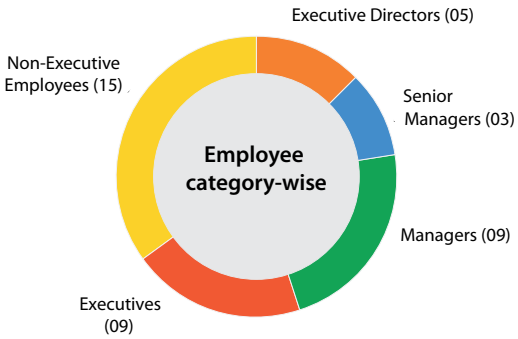
EQUAL OPPORTUNITY EMPLOYER

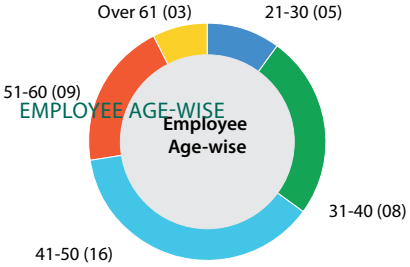
The Autodrome PLC is committed to maintain a work environment where all employees are offered equal opportunity and valued for their diversity.

We believe that a diverse workforce enhances our business and that a wide range of experience, skills and qualifications, enable us to provide a higher level of service quality and excellent customer satisfaction. The Company does not discriminate on the basis of gender, race, age, social origin, disability, religion or any other basis.

Staff Strength

Location	Total Employees
Head Office at Colombo	35
Tyre stores at Ja-Ela	06





EMPLOYEE AGE-WISE

The Autodrome PLC is committed to ensuring diversity at workplace and makes an ongoing effort to drive gender diversity. We encourage female participation at all levels of management with a strong belief that a diverse workforce adds great value to the business. The nature of our business is such that requires a higher percentage of males at the operational level especially in Marketing on the field. We maintain an open mind and recruit female employees at our head office for the Sales function exclusively, and in a majority for Finance, and for many business functions. The total female participation at The Autodrome PLC at executive level is 29%.

Our Non-Executive staff strength is 15 people (37% of the total work force), and the percentage of staff 32% is young and dynamic, falling between the age group of 21-40 years.

PERFORMANCE MANAGEMENT

We believe that an effective performance appraisal system helps us to build a performance driven culture. Therefore all employees are subject to performance evaluation annually and feedback is given to enable the employees to gain insights into how they can enhance their performance.
Employee KPIs are linked to divisional and organisational goals, the assessment of the extent to which employees have achieved their KPIs serves as a key driver of employee productivity in the Company.

TRAINING AND DEVELOPMENT

Learning and development forms the cornerstone of our strategy to develop our resources to meet evolving needs of customers and other stakeholders. At The Autodrome PLC, we are committed to developing our people and building a high performing team through training and development.

EMPLOYEE WELFARE

Due to the adverse environment in the county no special welfare events were arranged for the company employees. However our employees are our strength and we ensured they get their remuneration on time and ensured the bonus for the year 2022. Our intention was to retain all employees intact during the difficult times.

EMPLOYEE RETENTION

We have a clear strategy to increase employee retention rates with career mapping, equality, respect & upholding employees' dignity, remuneration package in par with the industry, ample opportunities for rewards and recognition. In return 28 (68%) employees are above 40 years excluding directors contributing their experiences for the value addition.

CODE OF CONDUCT, ETHICS AND ANTI-CORRUPTION BEHAVIOUR

The Autodrome PLC expects all its employees to ensure compliance with the laws and regulations applicable to its business. Moreover, the Code directs employees towards ethical conduct which helps uphold a high standard of business integrity. We have a zero tolerance for violence and harassment.

ENVIRONMENT

OUR APPROACH

The Autodrome PLC and our business partner Bridgestone are cognizant of the fact that we derive our sustenance from the environment. In doing so, our business activities impact our planet's renewable and non-renewable resources and ecosystems. Being a stakeholder in the transport industry, means that our carbon footprint is of concern.

Our environmental strategy is to minimize the impact on the environment through the Company's operations and inspire employees and society towards constructing a greener environment. Keeping this in mind we took several initiatives towards our environmental commitment as detailed below.

OUR INITIATIVE TO MAINTAIN GREENER SURROUNDINGS

Our commitment to a greener environment can be witnessed at head office at Union Place and at Ja-Ela stores, a well trained staff actively looks after the plants within our premises. The greenery is well looked after. keeping the surroundings clean. and we are committed to maintain this green environment. Our main product range Bridgestone Ecopia, reduces carbon emissions through lower rolling resistance, saving fuel and money for our valued end-users.

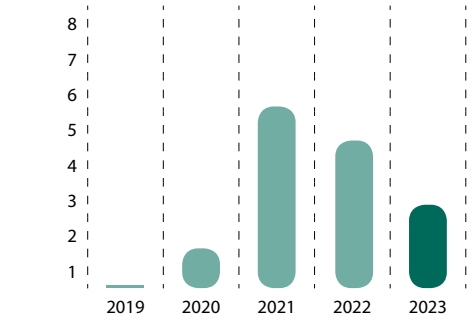
OUR INITIATIVES TO REDUCE PAPER USAGE

We looked at our internal processes and systems to reduce the negative impacts caused to the environment through paper usage in our business processes to adhere to the 3R concept of Reduce, Reuse and Recycle in paper waste management. Process improvements were already identified where use of papers could be reduced and implementation is in progress. Use of both sides of paper, printing documents only when absolutely necessary and collection of waste paper for recycling were some of the initiatives taken to reduce paper usage. Our new Management Information System cuts out the need for printing excessive ad-hoc reports.

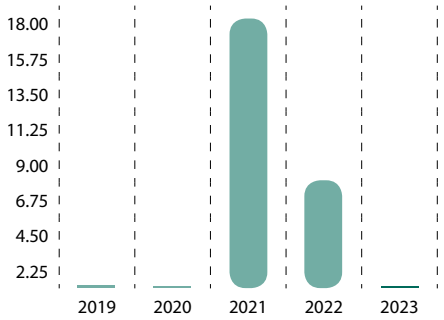
GOVERNMENT & REGULATORY AUTHORITIES

We are committed to comply with all statutory and regulatory requirements. As a tax payer our Group obtained a certificate from the department for timely submitting tax

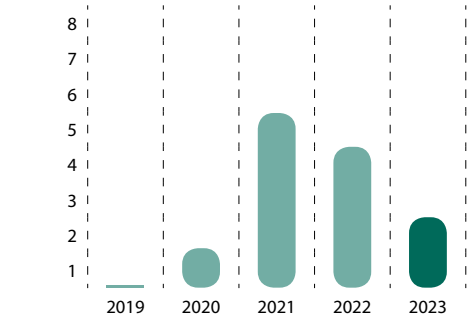
Earning per share (Rs.)



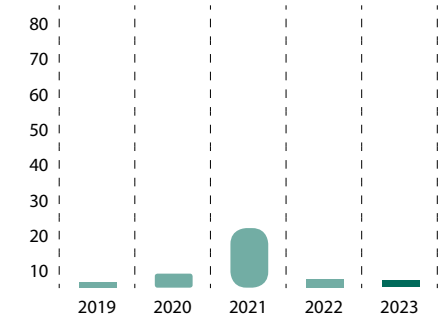
Dividend Cover(No Of Times)



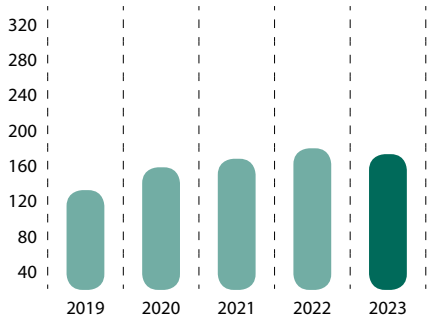
Return on Investment(Equity)



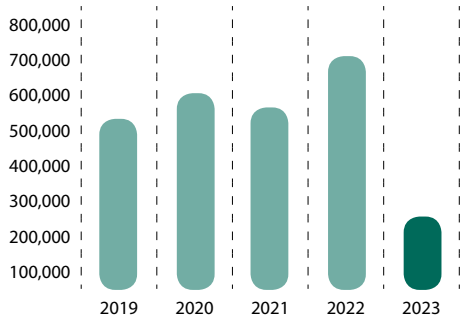
Interest Cover



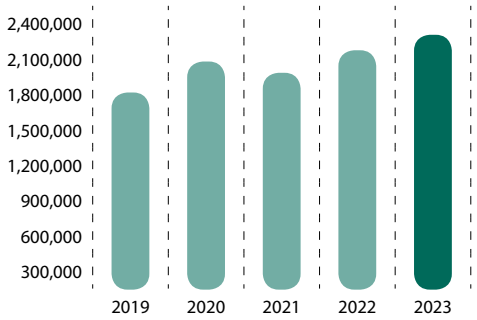
Net Asset Per Share



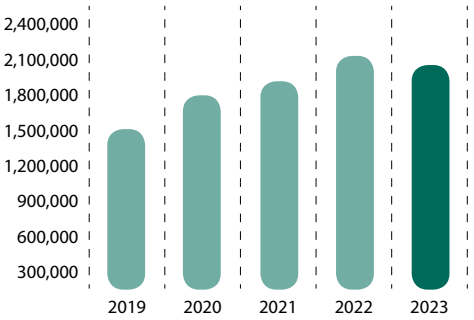
Turnover (Rs.000)



Fixed Asset (Rs.000)



Shareholder's Fund (Rs.000)



ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

THE AUTODROME PLC AND ITS SUBSIDIARY

The Board of Directors have pleasure in presenting the Annual Report for the year ended 31st March 2023 on the affairs of the Company. Details set-out herein provide the pertinent information required by the Companies Act No.07 of 2007, and the Listing Rules of the Colombo Stock Exchange (CSE).

PRINCIPAL ACTIVITIES

1. The principal activities of the Company are as follows:
   Import & Distribution of:
   BRIDGESTONE Tyres, Tubes, Flaps and Harvester Tracks from Japan, Indonesia, Thailand, China and Poland.
   Other activities include the provision of services related to the above; Real Estate: Rental and Lease (as Landlord);
   Design, hosting and maintenance of websites.
   The subsidiary Tourama (Pvt) Ltd, is an IATA accredited travel agent and destination management Company.

RESPONSIBILITY OF DIRECTORS FOR FINANCIAL STATEMENTS

2. The Board of Directors are responsible for preparing and presenting the financial statements for the period 1 April 2022 to 31 March 2023, set out on pages 33 to 63.

TURNOVER

3. The turnover of the Company for the year under review, net of turnover based taxes, was Rs. 230 Million (2022- Rs. 651 Million), while the turnover of the Group net of turnover based taxes was Rs. 232 Million (2022- Rs. 652 Million).

PROPERTY, PLANT & EQUIPMENT

4. The movement of Property, plant and equipment for the year are shown in note 10 on page 53 & 54 of the financial statements.

VALUE OF PROPERTIES

5. The market value of land owned by the Company is estimated at Rs. 1,770 million (2022 - Rs. 1,770 Million) based on valuation made by a qualified Valuer on 31 March 2022. (page 53 & 54)

SHARE CAPITAL AND RESERVES

6. The total share capital and reserve of the group as at 31st March 2023 amounted to Rs. 1,899 Million (2022 –Rs.1,983 Million), comprising of revaluation reserve of Rs.1,311 Million (2022- Rs. 1,430 Million), retained earnings of Rs. 575 Million (2022- Rs. 540 Million).

APPROVED DONATIONS

7. Group donations to approved charitable organizations during the year are nil. (2022-Rs. 200).

TAXATION

8. It is the policy of the Company to provide for deferred taxation on all known temporary differences on the balance sheet method. The corporate tax rate was 24% for the first six months and 30% for the balance six months (2022 - 24%).

SHARE INFORMATION AND INFORMATION ON EARNINGS, DIVIDEND, NET ASSETS AND MARKET VALUE

9. Information relating to earnings, dividend, net assets and market value per share is given in Page 24 under the "Financial Performance" and Information on the shares traded and movement in the number of shares represented by the stated capital of the Company is given in the share information under Page No.65.

EVENTS OCCURRING AFTER THE REPORTING DATE

10. There is no material disclosure to be made as event occurring after the reporting period.

GOING CONCERN

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

DIRECTORATE

12. The following have been Directors of the Company throughout the year, and the dates of their original appointment are in brackets. Their status / independence is also disclosed below:

Name	Date of Appointment	Position
Mrs. Bernadette J. Aloysius	(08.09.1989)	Executive Director
Prof. John A. Aloysius	(27.04.1990)	Non-Executive Director
Mr. Jeremy D. Aloysius	(08.09.1989)	Executive Director
Mr. Rajeev A.J. Aloysius	(20.03.1992)	Executive Director
Ms. J. Joanne B. Aloysius Rajiyah	(07.07.2004)	Marketing Director
Ms. Julie A. Aloysius	(27.04.1990)	Executive Director
Mr. M. Raviraj Ratnasabapathy	(14.09.2007)	Independent Non-Executive Director*
Mr. B Ponnambalam	(09.02.2017)	Independent Non-Executive Director*
Mr. Ranil De Silva	(29.10.2021)	Independent Non-Executive Director

* The definitions of Independent and Non-Executive used, are according to definitions given in the amended Listing Rules.
It was resolved by the Board on 16 August 2016, that Mr. M. Raviraj Ratnasabapathy being Director of major Listed companies and a professional, having served more than 10 years on the Board, are deemed to be nevertheless independent, under Listing Rule 7.10.3 (b).
Each of the Non-Executive Directors of the Company have submitted a signed declaration on Independence/ Non-Independence as per Rule 7.10.2(b) of the Listing Rules of the Colombo Stock Exchange (CSE). The said declarations were tabled at a Board Meeting of the Board of Directors of the Company held on 27th July 2023, 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 Mr. M. Raviraj Ratnasabapathy is an Independent, Non - Executive Director in spite of being on the Board for more than 9 years, since he is not directly involved in the management of the Company

DIRECTORS' SHAREHOLDINGS

13. Directors' shareholdings in the Company as at 31 March were as follows:

	2023 No. of Shares	%	2022 No. of Shares	%
Mrs. Bernadette J. Aloysius	3,594,800	29.96	3,594,800	29.96
Mr. Jeremy D. Aloysius	877,340	7.31	877,340	7.31
Mr. Rajeev A.J. Aloysius	877,340	7.31	878,190	7.32
Ms. Julie A. Aloysius	877,340	7.31	877,340	7.31
Ms. J. Joanne B. Aloysius Rajiyah	877,340	7.31	877,340	7.31
Prof. John A. Aloysius	877,340	7.31	877,340	7.31
Mr. Shamindra V. Rajiyah and Ms. J. Joanne B. Aloysius Rajiyah	221,721	1.85	221,721	1.85
	8,203,221	**68.37**	**8,203,221**	**68.37**

DIRECTORS' INTERESTS IN CONTRACTS

14. The Directors' interest in contracts and proposed contracts with the Company, both direct and indirect are set out in Note 21 on page 59 of this report. The Directors have disclosed the nature of their interest in contracts and proposed contracts with the Group, at meetings of the Board of the Company.

MAJOR SHAREHOLDINGS

15. Details of major shareholdings as at 31 March are given below:

	2023 No of Shares	%	2022 No of Shares	%
Ms. Bernadette J. Aloysius	3,594,800	29.96	3,594,800	29.96
Mr. Sanjeev E.C. Gardiner	1,179,500	9.83	1,179,500	9.83
Mr. Rajeev A.J. Aloysius (Jt. Managing Director/CEO)	877,340	7.31	877,340	7.31
Ms. Julie A. Aloysius	877,340	7.31	877,340	7.31
Mr. Jeremy D. Aloysius (Jt. Managing Director/CEO)	877,340	7.31	877,340	7.31
Ms. J. Joanne B. Aloysius Rajiyah	877,340	7.31	877,340	7.31
Prof. John A. Aloysius	877,340	7.31	877,340	7.31
Mercury Limited	840,000	7.00	840,000	7.00
Galle Face Hotel Co. Ltd / Seylan Bank PLC	533,200	4.44	533,200	4.44
Seventy Limited	410,100	3.42	410,100	3.42
Mr. Shamindra V. Rajiyah and Ms. J. Joanne B. Aloysius Rajiyah	221,721	1.85	221,721	1.85
Cyril Gardiner Limited	161,000	1.34	161,000	1.34
Hotel International (Private) Limited	78,741	0.66	78,741	0.66
Mr. Hiranjan C.W. Aloysius	55,700	0.46	55,700	0.46
W.W.S.Amarasooriya	42,373	0.35	40,188	0.33
Mr. R. Jehan M.F. Aloysius	30,400	0.25	30,400	0.25
Nikan (Private) Ltd.	29,800	0.25	29,800	0.25
Ms. I.D. Sinnaduray	23,800	0.20	23,800	0.20
Galle Face Hotel Co. Ltd.	20,000	0.17	20,000	0.17
Shalsri investments (Private) LTD.	15,800	0.13	15,800	0.13
	11,623,635	96.86	11,621,450	96.85

PUBLIC HOLDING

16. The percentage of Shares held by the Public as at 31 March 2023 was 21.092% (2022 - 21.094%). The number of shareholders 31 March 2023 was 548 (2022 – 541) out of which 538 (2022 – 530) were public. Public holding complies with the listing rule on minimum public holding, where Float Adjusted Market Capitalisation is less than Rs. 2.5 billion to maintain a minimum public holding of 20% and to have more than 500 public shareholders this is option no. 5, under listing rule 7.13.1 (a).

RELATED PARTY TRANSACTIONS

17. Non-Recurrent Related Party Transactions: There were no non-recurrent related party transactions of which aggregate value exceeded 10% of the equity or 5% of the total assets of the Company during the year ended 31st March 2023, which require specific disclosures in the Annual Report as required by Listing Rule 9.3.2 of the Colombo Stock Exchange and the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission.

Recurrent Related Party Transactions: There were no recurrent related party transactions which in aggregate exceeded 10% of the consolidated revenue of the Group as per 31st March 2022 audited Financial Statements, which required additional disclosures in the 2022/23 Annual Report under Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission.

The Company identifies related parties as defined by LKAS 24. The members of the Board of Directors of the Company have been identified as Key Management Personnel. In accordance with the Related Party Transaction Policy, declarations are obtained from each Key Management Personnel of the Company for the purpose of identifying related parties. Based on the information furnished in these declarations, the Company retrieves data on related party transactions from the database of the Company. The Directors declare that the Company is in compliance with Rule 9 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the Financial Year ended 31st March 2023.

DIVIDEND

18. The Board of Directors of the Company has not declared a dividend for the year ended 31 March 2023.

LAWS, REGULATORY FRAMEWORKS, STANDARDS, GUIDELINES AND PROTOCOLS

19. Company is mainly governed by the following regulatory requirements
    The Companies Act No. 07 of 2007
    The Listing Rules of the Colombo Stock Exchange (CSE)
    Sri Lanka Accounting Standards (LKASs / SLFRSs)

Local Government regulations
Imports and Exports (Control) Act, 01 of 1969
The Inland Revenue Act no24 of 2017.

STATUTORY PAYMENTS

20. To the best of their knowledge and belief, the Directors are satisfied that all statutory payments in relation to Government and to the Employees have been settled to date or are provided for in the books of the Company.

ANNUAL GENERAL MEETING

21. The Annual General Meeting of the Company will be held as a virtual meeting emanating from the Boardroom at the Registered Office, Autodrome Building, 304, Union Place, Colombo 2 at 10 a.m. on Wednesday, 27th September 2023. The notice of Annual General Meeting is on page 4.

AUDITORS

22. Messrs. Ernst & Young have expressed their willingness to be reappointed as the Auditors of the Company for the year 2023/24. A resolution will be passed at the Annual General Meeting for this purpose. As far as the Directors are aware, the Auditors do not have any relationship (other than that of auditors) with the Company other than those disclosed above. The Auditors do not have any interest in the Company or its Group Companies. They confirm that they are independent in accordance with the Code of Ethics of The Institute of Chartered Accountants of Sri Lanka.
The audit and the other assurance fees and reimbursement expenses paid during the year was group Rs. 865,650 (2022 -Rs. 692,920) and Company Rs. 817,650 (2022 - Rs. 686,890). The audit and other assurance fees and reimbursement expenses payable for 2022/2023 is. Rs. 750,000.00.
Non audit fees paid Rs. Nil (2022 - Rs. Nil).

REMUNERATION OF DIRECTORS

23. The total remuneration of Directors paid during the year is disclosed in Note 21.2.1 to the financial statements.

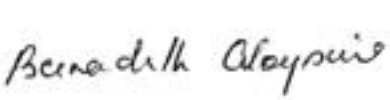
DISCLOSURE AS PER CSE RULE NO. 7.6 XI

24.

	2023 Rs. Cts	2022 Rs. Cts
Market Value	98.20	115.00
No. of Shares in Issue	12,000,000	12,000,000
Market Capitalisation	1,178,400,000	1,380,000,000
Float Adjusted Market Capitalisation	248,548,128	291,097,200
Highest	135.00	220.00
Lowest	75.00	90.00
Earning per share	2.58	4.16
Dividend per share	Rs.0.00	Rs.0.60
Dividend Payout	0.00	0.14
Net asset value per share	Rs. 158.31	Rs.165.27

See Ten Years At A Glance for more information.

BY ORDER OF THE BOARD



Bernadette J. Aloysius
Chairperson

Rajeev Aloysius
Joint Managing Director / CFO

ACCOUNTING SYSTEMS SECRETARIAL SERVICES (PVT) LTD.
Secretaries.
25th August 2023
Colombo

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The responsibilities of the External Auditors in relation to the Financial Statements are set out in the "Independent Auditors' Report" given on pages 30 to 32. In terms of Sections 150 (1), 151, 152 and 153 (1) and (2) of the Companies Act No. 07 of 2007, the Board of Directors of the Company are responsible for ensuring that the Group and the Company keep proper books of account of all the transactions and prepare Financial Statements that give a true and fair view of the financial position of the Group and the Company as at end of each financial year and place them before a general meeting. The Financial Statements comprise the Statement of Financial Position as of 31st March 2023, the Income Statement and Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and Notes thereto. Accordingly, the Board of Directors confirms that the Financial Statements of the Group and the Company give a true and fair view of the

- financial position of the Group and the Company as of March 31, 2023; and
- financial performance of the Group and the Company for the financial year then ended.

(a) appropriate Accounting Policies have been selected and applied in preparing the Financial Statements exhibited on pages 38 to 49 based on the latest financial reporting framework on a consistent basis, while reasonable and prudent judgments have been made so that the form and substance of transactions are properly reflected and material departures, if any, have been disclosed and explained;

(b) the Financial Statements for the year 2023, prepared and presented in this Annual Report are in agreement with the underlying books of account and are in conformity with the requirements of the following:

- Sri Lanka Accounting Standards;
- Companies Act No. 07 of 2007 (Companies Act);
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995;
- Listing Rules of the Colombo Stock Exchange (CSE), and

(c) proper accounting records which correctly record and explain the Company's transactions have been maintained as required by Section 148 (1) of the Companies Act to determine at any point in time the Company's financial position, with reasonable accuracy, enabling the preparation of the Financial Statements, in accordance with the Companies Act to facilitate the proper audit of the Financial Statements;

(d) they have taken appropriate steps to ensure that the Group and the Company maintain proper books of account and review the financial reporting system directly by them at their regular meetings and also through the Audit Committee. The Report of the said Committee is given on page 12. The Board of Directors approves the Interim Financial Statements following a review and recommendation by the Audit Committee;

(e) they accept responsibility for the integrity and objectivity of the Financial Statements presented in this Annual Report;

(f) they have taken reasonable measures to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities. In this regard, the Board of Directors have instituted what they reasonably believe is an effective and comprehensive system of internal controls comprising internal checks, internal audit, and financial and other controls required to carry on the business in an orderly manner and safeguard its assets and secure as far as practicable, the accuracy and reliability of the records.

(g) to the best of their knowledge, all taxes, duties and levies payable by the Company and its Subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its Subsidiaries, and all other known statutory dues as were due and payable by the Company and its Subsidiaries as at the reporting date have been paid or, where relevant, provided for.

(h) as required by Sections 166 (1) and 167 (1) of the Companies Act, they have prepared this Annual Report in time and ensured that a copy thereof is sent to every shareholder of the Company as required by Rule 7.5 (a) and (b) on Continuing Listing Requirements of the Listing Rules of the CSE;

(i) that all shareholders in each category have been treated equitably in accordance with the original terms of issue;

(j) that the Company has met all the requirements under Rule 7 on Continuing Listing Requirements of the Listing Rules of the CSE, where applicable;

(k) the Financial Statements of the Group and the Company have been certified by Mr.Gayan Joseph, Head of Finance who is responsible for the preparation of accounts, as required by Sections 150 (1) (b) and 152 (1) (b) of the Companies Act and also have been signed by Two Directors of the Company on 24th August 2023 as required by Sections 150 (1) (c) and 152 (1) (c) of the Companies Act and other regulatory requirements; and (n) the Company's External Auditors, Messrs. Ernst & Young who were appointed in terms of Section 158 of the Companies Act and in accordance with a resolution passed at the last Annual General Meeting, were provided with every opportunity to undertake the inspections they considered appropriate. They carried out reviews and sample checks on the system of internal controls as they considered appropriate and necessary for expressing their opinion on the Financial Statements and maintaining accounting records. They have examined the Financial Statements made available to them by the Board of Directors together with all the financial records, related data, and minutes of shareholders' and Directors' meetings and expressed their opinion which appears as reported by them on pages 30 to 32. Accordingly, the Board of Directors are of the view that they have discharged their responsibilities as set out in this Statement.

By Order of the Board

ACCOUNTING SYSTEMS SECRETARIAL SERVICES (PVT) LTD.
Secretaries

25th August 2023
Colombo

INDEPENDENT AUDITORS' REPORT

Ernst & Young
Chartered Accountants
201 De Saram Place
P.O. Box 101
Colombo 10
Sri Lanka

Tel : +94 11 246 3500
Fax (Gen) : +94 11 269 7369
Tax : +94 11 557 8180
eysl@lk.ey.com
ey.com

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THE AUTODROME PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Autodrome PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2023 and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Assessment of fair value of land and buildings As disclosed in Note, 2.4 and 10 to the financial statements, Property, Plant and Equipment include land and buildings carried at fair value. The fair values of land and buildings were assessed by management as of the reporting date. This was a key audit matter due to: • Materiality of the reported Land & Buildings balances which amounted to Rs. 2,025 Mn and represented 79% of the total assets as of the reporting date • The degree of management assumptions, judgements and estimation uncertainties associated with assessing the reasonability of the fair valuation of Land and Buildings as of 31 March 2023. Key areas of significant judgments, estimates and assumptions used in such Management assessment included the following: • Estimate of per perch value of the land • Estimate of the per square foot value of the buildings	Our audit procedures were focused on the assessment performed by Management, and included the following; • Inquired and understood the key judgements and estimates made by Management and assessed the reasonability of the management's assessment. • Assessed the adequacy of the disclosures made in Notes 2.4 and 10 to the financial statements.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Suleiman ACA ACMA, Ms. L K H L Fonseka FCA, Ms. K R M Fernando FCA ACMA, Ms. P V K N Sajeewani FCA, A A J R Perera ACA N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva BSc (Hons)-MIS MSc-IT, V Shakthivel B. Com (Sp)

A member firm of Ernst & Young Global Limited

Other information included in the 2023 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Group.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2471.

31st August 2023
Colombo

STATEMENT OF PROFIT OR LOSS

For the year ended 31 March	Note	Page No.	GROUP 2023 LKR'000	GROUP 2022 LKR'000	COMPANY 2023 LKR'000	COMPANY 2022 LKR'000
Revenue	4	50	232,282	652,237	229,790	651,374
Cost of Sales			(145,442)	(482,111)	(145,442)	(482,111)
Gross Profit			86,840	170,126	84,348	169,263
Other Income and Gains	5	50	28,024	26,286	28,424	26,621
Administrative Expenses			(127,907)	(112,784)	(127,414)	(112,522)
Selling and Distribution Expenses			(2,106)	(6,802)	(2,106)	(6,802)
Operating Profit			(15,149)	76,826	(16,748)	76,560
Finance Income	6.1	50	93,537	33,334	91,361	32,153
Finance Cost	6.2	50	(36,624)	(40,632)	(36,623)	(40,632)
Profit before tax	7	51	41,764	69,528	37,990	68,081
Income tax Expense	8	51	(10,758)	(19,640)	(9,739)	(19,281)
Profit for the Year			31,006	49,888	28,251	48,800
Profit Attributable to:						
Equity Holders of the Owners of the Parent			31,006	49,888		
Non-Controlling Interests			-	-		
			31,006	49,888		
1. Earnings Per Share - Basic	9	52	2.58	4.16	2.35	4.07
2. Dividend Per Share			0.00	0.60	0.00	0.60

The accounting policies and notes on pages 38 through 2 form an integral part of these financial statements.
Figures in brackets indicates deductions.

STATEMENT OF COMPREHENSIVE INCOME

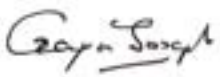
For the year ended 31 March	Note	Page No.	GROUP 2023 LKR'000	GROUP 2022 LKR'000	COMPANY 2023 LKR'000	COMPANY 2022 LKR'000
Profit for the year			31,006	49,888	28,251	48,800
Other Comprehensive Income						
Other comprehensive income that will not to be reclassified to profit or loss in subsequent periods						
Actuarial Gain / (Loss) on Defined Benefit Plan	18	58	1,135	4,576	1,135	4,576
Income Tax Effect	8.4		(340)	(1,098)	(340)	(1,098)
			794	3,478	794	3,478
Revaluation of Land	17	58	-	185,964	-	185,964
Revaluation of Building	17	58	-	33,948	-	33,948
Income Tax Effect			-	-	-	-
Reversal of deferred tax on revaluation of assets due to change in income tax rate			(115,338)	(52,779)	(115,338)	(52,779)
			(115,338)	167,133	(115,338)	167,133
Other Comprehensive Income for the year, net of tax			(114,544)	170,611	(114,544)	170,611
					-	-
Total comprehensive income for the year. Net of taxes			(83,538)	220,499	(86,293)	219,411
Total Comprehensive Income Attributable to:						
Equity Holders of the Owners of the Parent			(83,538)	220,499		
Non-Controlling Interests			-	-		
			(83,538)	220,499		

The accounting policies and notes on pages 38 through 62 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March	Note	Page No.	GROUP 2023 LKR'000	GROUP 2022 LKR'000	COMPANY 2023 LKR'000	COMPANY 2022 LKR'000
ASSETS						
Non-current Assets						
Property, Plant and Equipment	10	53	2,028,030	2,042,125	2,028,030	2,042,125
Intangible Assets	11	54	2	14	2	14
Investment in Subsidiary	12	54	-	-	500	500
Other Financial Assets	13	55	117,707	80,506	110,607	73,406
			2,145,739	2,122,645	2,139,139	2,116,045
Current Assets						
Inventories	14	56	44,421	65,702	44,421	65,702
Trade and Other Receivables	15	57	32,395	28,407	32,349	27,895
Other Financial Assets	12	55 & 56	331,233	402,832	323,690	398,837
Cash and Cash Equivalents	20	59	1,392	31,312	509	28,308
			409,441	528,253	400,969	520,742
Total Assets			2,555,180	2,650,898	2,540,108	2,636,787
EQUITY AND LIABILITIES						
Equity						
Stated Capital	16	58	12,440	12,440	12,440	12,440
Revaluation Reserve	17	58	1,311,815	1,430,816	1,311,815	1,430,816
Retained Earnings			575,482	540,019	560,888	528,180
Equity attributable to owners of the parent			1,899,737	1,983,275	1,885,143	1,971,436
Total Equity			1,899,737	1,983,275	1,885,143	1,971,436
Non-current Liabilities						
Deferred Tax Liabilities	8.4	52	579,540	467,648	579,540	467,648
Retirement Benefit Liability	18	58	24,376	21,907	24,376	21,907
			603,916	489,555	603,916	489,555
Current Liabilities						
Trade and Other Payables	19	59	34,899	165,846	34,592	163,324
Income Tax Payable			11,576	12,222	11,405	12,472
Bank overdraft	20	59	5,052	-	5,052	-
			51,527	178,068	51,049	175,796
Total Equity and Liabilities			2,555,180	2,650,898	2,540,108	2,636,787

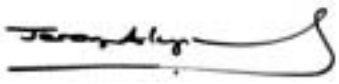
I certify that the financial statements have been prepared in accordance with the requirements of Companies Act No. 7 of 2007.



Gayan Joseph
Head of Finance

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by;

Rajeev Aloysius
Joint Managing Director / CEO



Jeremy Aloysius
Joint Managing Director / CEO

31st August 2023
Colombo

The accounting policies and notes on pages 38 through 62 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March	Note	Page No.	Attributable to Equity Holders of the Parent				
			Stated Capital LKR'000	Revaluation Reserve LKR'000	Retained Earnings LKR'000	Non control-ling Interest LKR'000	Total Equity LKR'000
GROUP							
Balance as at 1 April 2021			12,440	1,266,690	490,846	-	1,769,976
Profit for the Year			-	-	49,888	-	49,888
Other Comprehensive Income			-	167,133	3,478	-	170,611
Depreciation Transfer			-	(3,007)	3,007	-	-
Dividend paid			-	-	(7,200)	-	(7,200)
Balance as at 31 March 2022			12,440	1,430,816	540,019	-	1,983,275
Profit for the Year			-	-	31,006	-	31,006
Other Comprehensive Income/(Loss)			-	(115,338)	794	-	(114,544)
Depreciation Transfer	17	58	-	(3,663)	3,663	-	-
Dividend paid			-	-	-	-	-
Balance as at 31 March 2023			12,440	1,311,815	575,482	-	1,899,737

For the year ended 31 March	Note	Page No.	Stated Capital LKR'000	Revaluation Reserve LKR'000	Retained Earnings LKR'000	Total Equity LKR'000
COMPANY						
Balance as at 01 April 2021			12,440	1,266,690	480,095	1,759,225
Profit for the Year			-	-	48,800	48,800
Other Comprehensive Income			-	167,133	3,478	170,611
Depreciation Transfer	17	58	-	(3,007)	3,007	-
Dividend paid			-	-	(7,200)	(7,200)
Balance as at 31 March 2022			12,440	1,430,816	528,180	1,971,436
Profit for the Year			-	-	28,251	28,251
Other Comprehensive Income/ (Loss)			-	(115,338)	794	(114,544)
Depreciation Transfer	17	58	-	(3,663)	3,663	-
Dividend paid			-	-	-	-
Balance as at 31 March 2022			12,440	1,311,815	560,888	1,885,143

The accounting policies and notes on pages 38 through 62 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 March	Note	Page No.	GROUP 2023 LKR'000	GROUP 2022 LKR'000	COMPANY 2023 LKR'000	COMPANY 2022 LKR'000
Cash Flows From Operating Activities						
Profit before Income Tax Expense			41,764	69,528	37,990	68,081
Adjustments for						
Depreciation	10	53	14,819	18,285	14,819	18,285
Amortization			12	70	12	70
Exchange (gains)/loss			35,463	40,210	35,463	40,210
Profit on Disposal of Property, Plant and Equipment	5	50	(55)	-	(55)	-
Finance Income	6	50	(93,537)	(33,334)	(91,361)	(32,153)
Finance Costs	6.2	50	1,160	422	1,160	422
Dividend received	5	50	-	-	-	(135)
Provision for Retirement Benefit Liability	18	58	4,630	630	4,630	630
Provision for Slow Moving Inventories	14	56	-	-	-	-
Operating Profit before Working Capital Changes			4,256	95,811	2,658	95,410
(Increase)/decrease in inventories			21,281	82,197	21,281	82,197
(Increase) / Decrease in Trade and Other Receivables			(3,988)	42,584	(4,454)	42,745
Increase/(decrease) in trade and other payables			(166,410)	(54,417)	(164,195)	(56,267)
Cash Generated from Operations			(144,861)	166,175	(144,710)	164,085
Finance Costs Paid	6.2	50	(1,160)	(422)	(1,160)	(422)
Defined Benefit Plan Costs Paid	18	58	(1,026)	(90)	(1,026)	(90)
Income Tax Paid			(15,188)	(30,026)	(14,593)	(29,693)
Net Cash from Operating Activities			(162,235)	135,637	(161,489)	133,880
Cash Flows from / (Used in) Investing Activities						
Acquisition of Property, Plant and Equipment	10	53	(724)	(2,003)	(724)	(2,003)
Investments in Long term investments	13	55	(46,319)	(45,310)	(46,319)	(45,310)
Proceeds in Maturity/Upliftment of long term investments	13	55	9,118	53,338	9,118	53,338
Investments in Short term investments			(207,051)	(204,239)	(203,500)	(203,500)
Proceeds in Maturity/Upliftment of short term investments			278,649	69,022	278,649	69,022
Dividend received	5	50	-	-	-	135
Interest received	6	50	93,537	33,334	91,361	32,153
Sales Proceeds from disposal of Property, Plant and Equipment	5	50	55	-	55	-
Net Cash Flows from/ (Used in) Investing Activities			127,263	(95,858)	128,638	(96,165)
Cash Flows from / (Used in) Financing Activities						
Dividend Paid			-	(7,200)	-	(7,200)
Net Cash Flows Used in Financing Activities			-	(7,200)	-	(7,200)
Net Increase / (Decrease) in Cash and Cash Equivalents			(34,973)	32,579	(32,851)	30,515
Cash and Cash Equivalents at the Beginning of the Year	20	59	31,312	(1,267)	28,308	(2,207)
Cash and Cash Equivalents at the End of the Year	20	59	(3,661)	31,312	(4,543)	28,308

The accounting policies and notes on pages 38 through 62 form an integral part of these financial statements.

1. CORPORATE INFORMATION

1.1 Reporting Entity

1.1.1 General

The Autodrome PLC (Parent Company) is a public limited liability Company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No. 304, Union Place, Colombo 02, and the principal place of business is located at the above address.

1.1.2 Principal Activities and Nature of Operations

The principal activities of the Company are to import and distribute tyres and provide ancillary services.

Tourama (Private) Limited, the subsidiary of The Autodrome PLC, is a private limited liability Company incorporated and domiciled in Sri Lanka and is engaged as a travel agent and destination management Company.

1.1.3 Date of Authorization for Issue

The Financial Statement of The Autodrome PLC for year ended 31 March 2023 was authorized for issue in accordance with a resolution of the Board of Directors dated 31st August 2023.

1.2 BASIS OF PREPARATION

1.2.1 Statement of Compliance

The consolidated Financial Statements of the Group and the separate Financial Statements of the Company, have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs), laid down by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

The preparation and presentation of these financial statements is in compliance with the requirements of the Companies Act No. 07 of 2007.

1.2.2 Basis of Measurement

The financial statements of the Company and the Group have been prepared on a historical cost basis, except for the following material items in the statement of financial position,

- The liability of defined benefit obligations is measured at present value
- Land and Buildings which are classified under Property, Plant and Equipment are measured at cost at the time of the acquisition and subsequently carried at fair value.

Where appropriate, the specific policies are explained in the succeeding notes.

1.2.3 Events Occurring After the Reporting Period

The materiality of the events occurring after the reporting date is considered and appropriate adjustments or disclosures are made in the Financial Statements in Note 24.

1.2.4 Functional and Presentation Currency

The functional currency is the currency of the primary economic environment in which the entities of the Group operate.

The Financial Statements are presented in Sri Lankan Rupees which is the functional currency of the Company and its Subsidiary.

All financial information presented in Sri Lanka Rupees has been rounded to the nearest thousand, unless otherwise stated.

1.2.5 Basis of Consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Group and its subsidiary as at the reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The country of incorporation, effective shareholding and principal activities of the subsidiary incorporated in the Financial Statements are as follows:

Name of the subsidiary	Country of incorporation	Effective shareholding	
		2023	2022
Tourama (Private) Limited	Sri Lanka	99.99%	99.99%

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated full on consolidation.

Company does not have an identifiable parent on its own.

Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the Consolidated Financial Statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

If the Group losses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities and other components of equity while any resultant gain or loss is recognised in the Consolidated Statement of Profit or Loss.

The Financial Statements of the subsidiary is prepared for the same reporting period as the holding Company. The accounting policies set out below have been applied consistently by the Group entities to all periods presented in the Financial Statements.

1.2.6 Changes in Accounting Policies

1.2.6.1 New and Amended Standards and Interpretations

The accounting policies adopted by the Group are consistent with those used in the previous financial year. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

1.2.7 Comparative Information

Comparative information has been presented in respect of the preceding period for all amounts reported in the current period.

1.2.8 Use of Estimates and Judgements

The preparation of the Financial Statements in conformity with 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.

The Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes to these financial statements.

Going Concern

The Group has prepared the financial statements for the year ended 31 March 2023 on the basis that it will continue to operate as a going concern. In determining the basis of preparing the financial statements for the year ended 31 March 2023, based on available information, the management has assessed the prevailing economic conditions and its effect on the Group and the appropriateness of the use of the going concern basis. It is the view of the management that there are no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as a going concern.

Employee Benefit Liability - Gratuity

The cost as well as the present value of defined benefit plans - gratuity is determined using Actuarial Valuations. The Actuarial Valuation involves making assumptions about discount rates, future salary increases and other important related data. Due to the long term nature of employee benefits, such estimates are subject to significant uncertainty. Refer Notes 18 and 2.11.2

Useful Lives of Property, Plant and Equipment

Management assigns useful lives to Property, Plant and Equipment based on the intended use of assets and the economic lives of these assets. Subsequent changes in circumstances such as technological advances or utilization of the assets concerned could result in the actual useful lives differing from initial estimates. Management reviews annually the useful lives of major items of Property, Plant and Equipment. Refer Notes 10 and 2.4.3.

Fair value of Freehold Land and Buildings

The Group measures freehold land and buildings at fair value with changes in fair value being recognized in other comprehensive income. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. The valuer has used valuation techniques such as market values and discounted cash flow method where there was lack of comparable market data available based on the nature of the property. Refer Note 10.2.

Provision for Obsolete Stocks

A provision for slow moving inventories is recognised based on the best estimates available to management on their future recoverability. As Management uses present conditions and historical information as the basis to determine the future recoverability, actual future losses on inventories could vary from the allowance made in these financial statements. Refer Note 14.

Impairment losses on Trade & Other Receivables

The Group reviews its individually significant Receivables at each reporting date to assess whether an impairment loss should be recorded in the Statement of Profit or Loss. In particular, management's judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance. The Group applies a simplified approach in calculating ECLs for the impairment assessment.

Receivables that have been assessed individually and found not to be impaired and all individually insignificant Receivables are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence, but the effects of which are not yet evident.

The impairment loss on Trade & Other Receivables is disclosed in Note 15.

1.2.9 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or funtion are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on 'Presentation of Financial Statements' and amendments to the LKAS 1 on 'Disclosure Initiative' which was effective from 01 January 2016.

Notes to the financial statements are presented in a systematic manner which ensures the understandability and comparability of financial statements of the Group and the Company. Understandability of the financial statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Foreign Currency

Foreign Currency Translations and Balances

The Financial Statements are presented in Sri Lanka Rupees, which is the Group's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the Statement of Financial Position date. All differences are taken to the Statement of Profit or Loss.

2.2 Assets and Bases of their Valuation

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realized or intended to sold or consumed in a normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.
A liability is current when:

- it is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

2.3 Fair Value Measurement

The Group measures financial instruments such as financial assets at fair value through profit or loss, and non-financial assets such as Land and Buildings classified under Property, Plant and Equipment at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarized in Note 23.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transation to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as Land. Involvement of external values is decided upon annually by the Management after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be premeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management presents the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

The Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.4 Property, Plant and Equipment

2.4.1 Basis of recognition

Property, plant and equipment is recognised if it is probable that future economic benefits associated with the assets will flow to the Group and cost of the asset can be reliably measured.

2.4.2 Measurement and Subsequent Costs

Property, Plant and Equipment is recorded at cost less accumulated depreciation and any accumulated impairment in value.
Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located.
The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Free hold land and buildings are subsequently measured at fair value. Valuations are performed at least once in every 5 years (or frequently enough) to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.
A revaluation surplus is recognised in other comprehensive income and credited to the revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the income statemeant, in which case the increase is recognised in the income statement. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. In relation to depreciable assets carried at fair value until retirement and/or disposal, an amount of the surplus that is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred to retained earnings.

2.4.3 Depreciation

Depreciation is calculated on a straight-line basis over the useful life of the assets. Useful lives for the current and comparative periods are as follows.

	2023	2022
Buildings	50 Years	50 Years
Furniture and Fittings	4 Years	4 Years
Motor Vehicles	4 Years	4 Years
Machinery and Equipment	4 Years	4 Years
Computers	4 Years	4 Years

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at end of each reporting period. An estimation change in the useful life of property, plant and equipment are considered as revisions to accounting estimates and recognised prospectively.

2.4.4 Derecognition

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss statement in the year the asset is derecognised.

2.4.5 Summary Description of Valuation Methodologies.

Open Market Value Method

Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets, liabilities or a group of assets and liabilities such as a business.

Depreciated Replacement Cost Method.

Depreciated replacement cost uses the current cost of reproduction or replacement of an asset loss deductions for physical deterioration and all relevant forms of obsolescence and optimization.

2.4.6 Dual Purpose Properties

Under LKAS 40, Group determines investment property from dual purpose properties based on the salebility and relative percentage of usage.

The Group will recognize a dual-purpose property as an investment property when 75% of the floor area of the property is rented to third parties or the portion that is under a Finance Lease and/or is held for sale. As of reporting date all the rented areas are under operating leases, which are due to expire within the next three years.

2.5 Intangible Assets

Basis of recognition

An Intangible asset is recognised if it is probable that the future economic benefits associated with the assets will flow to the Group and cost of the assets can be reliably measured.

Measurement and Subsequent Costs

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the profit or loss statement in the year in which the expenditure is incurred.

2.5.1 Amortization

The useful lives of intangible assets are assessed to be either finite or indefinite. The estimated useful lives of intangible assets with finite lives are as follows.

Asset class	Useful life
Computer software	4 years

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the profit or loss statement in the expense category consistent with the function of the intangible asset.

2.5.2 Derecognition

Intangible assets are de-recognised on disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognized.

2.6 Inventories

Inventories are valued at the lower of cost and net realizable value, and cost includes expenses in bringing each product to its present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to sell.
The cost incurred in bringing inventories to its present location and conditions are accounted using the following cost formula:
Finished Goods – At cost on Weighted Average Cost
Goods In Transit- At cost

2.7 Financial Instruments

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

2.7.1 Financial Assets

a) Financial Assets - Initial Recognition and Subsequent Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

b) Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories.

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes trade receivables, amounts due from related parties and Cash and Cash Equivalents

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

c) Derecognition

A financial asset is derecognized when the rights to receive cash flows from an asset have expired or the Group has transferred substantially all the risks and reward of the asset.

d) Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.7.2 Financial Liabilities

a) Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts, derivatives and amounts due to related parties.

b) Subsequent Measurement

The measurement of financial liabilities depends on their classification as described below:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit or Loss.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.7.3 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if;

- There is a currently enforceable legal right to offset the recognised amounts and
- There is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.7.4 Fair Value of Financial Instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation model

2.8 Cash and Cash Equivalents

Cash and cash equivalents are cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

2.9 Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the Group of non-financial asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell or its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of non-financial assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The amount of impairment losses are recognised in the profit and loss during the reporting period.

2.10 Liabilities and Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Liabilities classified as current liabilities in the Statement of Financial Position are those obligations payable on demand or within one year from the reporting date.

2.11 Retirement benefit Obligations

2.11.1 Defined Contribution Plans– Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations in Sri Lanka. The Group contributes 12 % and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

2.11.2 Defined Benefit Plan – Retirement Gratuity

The retirement benefit plan adopted is as required under the Payment of Gratuity Act No.12 of 1983.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Note 18. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

The actuarial valuation was carried out by a professionally qualified firm of actuaries, Meserss. Smiles Global (Private) Limited as at 31 March 2023. The liability is not externally funded

2.12 Taxation

2.12.1 Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income taxes relating to items recognised directly in Other Comprehensive Income are also recognised in Other Comprehensive Income and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.12.2 Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

• Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

• In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:
• Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

• In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax relating to items recognised directly in statement of other comprehensive income are also recognised in statement of other comprehensive income and not in the statement of profit or loss.

Deferred tax assets and liabilities are set off if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.12.3 Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

• Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable

Receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.13 Capital Commitments and Contingencies

All material capital commitments and contingent liabilities which exist as at the reporting date are disclosed in the Financial Statements in Note 25.

2.14 Related Party Disclosures

Disclosures are made in respect of related party transactions in accordance with LKAS 24. Refer Note 21

2.15 Statement of Profit or Loss

For the purpose of presentation of the statement of profit or loss, the function of expenses method is adopted.

2.15.1 Revenue from Contracts with Customers

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue and associated costs incurred or to be incurred can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes. The following specific recognition criteria are used for the purpose of recognition of revenue:

Sale of Goods
Revenue from sales of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods which include one performance obligation. In determining the transaction price for the sale of goods, the Group considers the effects of variable considerations.

2.15.2 Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Refer Note 15.

2.15.3 Other Income

a) Dividends
Dividend income is recognised when the shareholder's right to receive payment is established.

b) Rental Income
Rental income is recognised on an accrual basis.

c) Gains and Losses
Net gains and losses of a revenue nature on the disposal of Property, Plant & Equipment and other non-current assets including investments are accounted for in the Statement of Profit or Loss, after deducting from proceeds on disposal, the carrying amount of the assets and related selling expenses.

Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

d) Other Income
Other income is recognised on an accrual basis.

2.15.4 Expenditure Recognition

Expenses are recognised in the statement of profit or loss on the basis of a direct association between the cost incurred and the earnings of specific items of income.

All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year.

Repairs and renewals are charged to the statement of profit or loss in the year in which the expenditure is incurred.

2.15.5 Finance Income and Finance Costs

Finance income comprises interest income on funds invested. Interest income is recognised based on the EIR in the Statement of Profit or Loss.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, and losses on hedging instruments that are recognised in the statement of profit or loss.

2.16 Earnings Per Share

The Group presents basic and diluted Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The following SLFRS have been issued by the Institute of Chartered Accountants of Sri Lanka that have an effective date in the future and have not been applied in preparing these financial statements.

SLFRS 17 - Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace IFRS 4 Insurance Contracts (SLFRS 4). SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2025, with comparative figures required. However, SLFRS 17 will be neither affected nor applied to the Group since Group has not been engaged in Insurance contracts..

Definition of Accounting Estimates - Amendments to LKAS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to LKAS 12

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability

Also, under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Disclosure of Accounting Policies - Amendments to LKAS 1 and IFRS Practice Statement 2

Amendments to LKAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:
- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting

policies
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Classification of Liabilities as Current or Non-current - Amendments to LKAS 1

Amendments to LKAS 1 Presentation of Financial Statements specify the requirements for classifying liabilities as current or non-current. The amendments clarify –

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
- Disclosures

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

4. REVENUE

For the year ended 31 March	GROUP		COMPANY	
	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Summary				
Gross Revenue	232,282	652,237	229,790	651,374
Net Revenue (Note 4.1)	232,282	652,237	229,790	651,374

4.1. Net Revenue

Local				
Sale of tyres & related products	229,790	651,374	229,790	651,374
Sale of air tickets	2,492	863	-	-
	232,282	652,237	229,790	651,374

5. OTHER INCOME AND GAINS

For the year ended 31 March	GROUP		COMPANY	
	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Rental income	27,590	25,078	27,990	25,278
Income from tyre fitting center	372	327	372	327
Other income	7	881	7	881
Dividends from equity securities	-	-	-	125
Gain on Disposal of Fixed Assets	55	-	55	-
	28,024	26,286	28,424	26,611

5.1. Finance Income

For the year ended 31 March	GROUP		COMPANY	
	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Interest Income from Fixed Deposit	14,456	10,408	13,708	9,593
Interest Income from Quoted Debenture	4,754	2,419	4,754	2,419
Realised Income from Unquoted Unit Trust	74,327	20,507	72,899	20,141
	93,537	33,334	91,361	32,153

6. FINANCE COST

For the year ended 31 March	GROUP		COMPANY	
	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Overdraft interest	1,120	497	1,120	497
Exchange loss	35,464	40,210	35,463	40,210
(Reversal)/Provision for Impairment of Investment	40	(75)	40	(75)
	36,624	40,632	36,623	40,632

7. PROFIT BEFORE TAX

Stated after Charging

For the year ended 31 March	GROUP		COMPANY	
	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Included in Administrative Expenses				
Employees Benefits including the following	59,342	54,107	59,342	54,107
- Defined Benefit Plan Costs - Gratuity	4,630	630	4,630	630
- Defined Contribution Plan Costs - EPF and ETF	8,292	7,506	8,292	7,506
Depreciation	14,819	18,285	14,819	18,285
Audit Fees	764	675	711	632
Professional Charges	419	623	377	581
Included in Selling and Distribution Costs				
Advertising Cost	100	344	100	344
Sales Promotion	10	155	10	155

8. INCOME TAX

The major components of income tax expense for the years ended 31 March are as follows :
Statement of Profit or Loss

8.1. Current Income Tax

For the year ended 31 March	GROUP		COMPANY	
	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Current Income Tax charge (Note 8.2)	14,545	24,796	13,526	24,437
Over Provision of current taxes in respect of prior years	-	-	-	-
Deferred Income Tax				
Deferred Taxation Charge/(Reversal) (Note 8.3)	(3,787)	(5,156)	(3,787)	(5,156)
Income tax expense reported in the Statement of profit or loss	10,758	19,640	9,739	19,281

8.2. A reconciliation between tax expense and the product of accounting profit / (loss) multiplied by the statutory tax rate is as follows:

For the year ended 31 March	GROUP		COMPANY	
	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Accounting Profit Before Tax	41,764	69,528	37,990	68,081
Deductible Expenses	(104,784)	(44,500)	(102,744)	(43,541)
Non Deductible Expenses	19,544	45,096	19,544	45,181
Profit /(Loss)from Business	(43,476)	70,124	(45,210)	69,721
Interest Income	93,537	33,334	91,361	32,154
Total Statutory Income	50,061	103,458	46,151	101,875
Taxable Profit	50,061	103,458	46,151	101,875
Income Tax - 24% - on First 06 Months	1,728	19	1,275	19
Income Tax - 30% - on Second 06 Months	12,817	24,777	12,251	24,418
Income Tax Expense reported in the Statement of profit or loss	14,545	24,796	13,526	24,437

8.3. Deferred Tax Liability

For the year ended 31 March	GROUP 2023 LKR'000	GROUP 2022 LKR'000	COMPANY 2023 LKR'000	COMPANY 2022 LKR'000
Balance as at 31st March	467,648	418,927	467,648	418,927
Charge/ (Reversal) Recognised in Profit or Loss				
Arising on During the Year Movement	(1,806)	(5,156)	(1,806)	(5,156)
Due to Change in Tax Rates	(1,981)	-	(1,981)	-
	(3,787)	(5,156)	(3,787)	(5,156)
Charge/ (Reversal) Recognised in Other Comprehensive Income				
Arising on During the Year Movement	340	53,877	340	53,877
Due to Change in Tax Rates	115,338	-	115,338	-
	115,679	53,877	115,679	53,877
At the end of the year	579,540	467,648	579,540	467,648

8.4. Deferred Tax Assets, Liabilities and Income Tax relates to the following - Group / Company

For the year ended 31 March	Statement of Financial Position 2023 LKR'000	Statement of Financial Position 2022 LKR'000	Statement of Profit or Loss 2023 LKR'000	Statement of Profit or Loss 2022 LKR'000	Statement of Comprehensive Income 2022 LKR'000	Statement of Comprehensive Income 2022 LKR'000
Deferred Tax Liability						
Capital Allowances for Tax Purposes	(22,471)	(19,127)	(3,344)	(238)	-	-
Tax Effect of Asset Revaluation	(576,690)	(461,352)	-	-	(115,338)	(52,779)
	(599,161)	(480,479)	(3,344)	(238)	(115,338)	(52,779)
Deferred Tax Assets						
Retirement Benefit Obligation	7,313	5,257	2,396	129	(340)	(1,098)
Provision for Doubtful & Bad Debts	1,304	1,042	262	(284)	-	-
Provision for Slow Moving & Obsolete Stocks	367	293	74	-	-	-
Unrealized Exchange Loss	10,639	6,239	4,400	5,549	-	-
	19,621	12,831	7,131	5,394	(340)	(1,098)
Recognized in the Statement of Other Comprehensive Income					(115,679)	(53,877)
Recognized in the Statement of Profit or Loss			3,787	(5,156)		
Net Deferred Tax Liability in the Statement of Financial Position	(579,540)	(467,648)				

8.5 The Company have used the new tax rate introduced by the Inland Revenue (Amendment) Act No. 45 of 2022 certified on 19 December 2022, (with retrospective effect from 01 October 2022) for income and deferred taxation. Accordingly, income tax rate 24% for trading and other income have been used for the first six months and a standard rate of 30% has been used for profits of all segments for the last six months.

As a result, the rate of 30% has been used for deferred tax as of 31 March 2023 and previously recognised deferred tax assets and liabilities were also remeasured to the same rate.

9. EARNINGS PER SHARE

For the year ended 31 March	GROUP 2023 LKR'000	GROUP 2022 LKR'000	COMPANY 2023 LKR'000	COMPANY 2022 LKR'000
	2.58	4.16	2.35	4.07

9.1. Basic Earnings Per Share is calculated by dividing the Net Profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

9.2. The following reflects the income and share data used in the Basic Earnings Per Share computation.

For the year ended 31 March	GROUP 2023 LKR'000	GROUP 2022 LKR'000	COMPANY 2023 LKR'000	COMPANY 2022 LKR'000
Amount Used as the Numerator:				
Profit attributable to ordinary equity holders of the parent	31,006	49,888	28,251	48,800

For the year ended 31 March	2023 Number '000	2022 Number '000
Number of Ordinary Shares Used as Denominator:		
Weighted Average number of Ordinary Shares in issue applicable to Basic Earnings Per Share	12,000	12,000

10. PROPERTY, PLANT & EQUIPMENT

10.1. PROPERTY, PLANT AND EQUIPMENT - Group

10.1.1. Gross Carrying Amounts

	FREEHOLD						
For the year ended 31 March	Land	Buildings	Plant and Machinery	Motor vehicles	Furniture & Fittings	Computer	Total
At Cost or Valuation							
At 01 April 2022	1,770,194	263,805	49,544	44,770	11,160	5,463	2,144,937
Additions	-	-	430	-	52	242	724
Disposals	-	-	(62)	-	-	(86)	(148)
As at 31 March 2023	1,770,194	263,805	49,912	44,770	11,212	5,619	2,145,513

10.1.2. Accumulated Depreciation

At 01 April 2022	-	-	44,093	42,946	10,914	4,859	102,812
Charge for the Year	-	8,477	4,058	1,823	113	348	14,819
Disposals	-	-	(62)	-	-	(86)	(148)
As at 31 March 2023	-	8,477	48,089	44,769	11,027	5,121	117,483

10.1.3. Net book value

As at 31 March 2022	1,770,194	255,328	1,823	1	185	498	2,028,030
As at 31 March 2021	1,770,194	263,805	5,451	1,824	246	604	2,042,124

10.1.4. Additions during the financial year.

During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 724,258/- (2022 - Rs. 2,002,538/-).
In compliance with the accounting policy, the Group revalued the Union Place land and building with the assistant of an independent professional valuer and consultant, Mr.J.M.J Fernando, Incorporated valuer of the Institute of Valuers (Sri Lanka) as at 31 March 2022. The Ja-Ela land and building was revalued by independent valuer and consultant, Mr. Sunil Wickramaarachchi, Incorporated valuer of the Institute of Valuers (Sri Lanka) as at 31 March 2022.

10.2. The details of land and buildings which are stated at fair valuation are as follows:

In line with the Group's accounting policy & LKAS 16, Lands & buildings are carried at Fair Value and the valuations are performed at least once in every 5 years (or frequently enough) by an independent qualified valuer to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.
As such, the last valuation of land and buildings were carried out on 31 March 2022 by independent & professional valuers. The Group Management has carried out an assessment of the reasonability of the fair values of its land and buildings as of 31 March 2023 and determined that the fair value of such assets does not differ materially from its carrying amounts.

10.2. 1. The details of land and buildings which are stated at fair valuation are as follows:

Details of Properties				Fair value measurement Basis & Sensitivity of Inputs			
Location	Extent	Method of Valuation	Date of Valuation	Details of Independent Valuer	Revalued Amount (Rs.)	Significant unobservable inputs (Level 3)	Interrelationship between key unobservable inputs and fair value measurements
Land at Union Place, Colombo 02.	OA-02R – 11.89P	Market Approach	31st March 2022	J.M.J Fernando, Incorporated valuer of the Institute of Valuers (Sri Lanka)	1,745,000,000	Rs.19,000,000 pp (2021 - Rs. 17,000,000 pp)	Positive correlated sensitivity
Building at 304, Union Place, Colombo 02.	39,394Sq.ft	Cost Approach	31st March 2022		255,000,000	Rs.12,000-Rs.4,500 per Sq. Ft (2021-Rs.9,500-Rs.3,500 per Sq. Ft)	Positive correlated sensitivity

Land at Ja-Ela No. 58/10A, Raja Mawatha Ekala Ja-Ela	0A-2R-08.40P	Market Approach	31st March 2022	Mr. Sunil Wickramaarachchi, Incorporated valuer of the Institute of Valuers (Sri Lanka)	25,194,000	Rs.285,000 pp (2021- Rs. 250,000 pp)	Positive correlated sensitivity
Building at Ja-Ela No. 58/10A, Raja Mawatha Ekala Ja-Ela	9,856 Sq. Ft	Cost Approach	31st March 2022		8,806,000	Rs.1,635-Rs.790 per Sq. Ft (2021-Rs.1,600-Rs.750 per Sq. Ft)	Positive correlated sensitivity

10.3. The carrying amount of revalued assets that would have been included in the financial statements of the Group/Company had the assets been carried at cost less depreciation is as follows:

Class of Asset	Cost	Cumulative Depreciation if Assets were Carried at Cost	Net Carrying Amount 2023	Net Carrying Amount 2022
	Rs.	Rs.	Rs.	Rs.
Group / Company				
Land	7,322	-	7,322	7,322
Building	112,000	40,500	71,500	74,000
	119,322	40,500	78,822	81,322

11. INTANGIBLE ASSETS

For the year ended 31 March	Group / Company	
	2023 LKR'000	2022 LKR'000
Cost		
As at 1 April	1,253	1,250
Acquired during the year	-	3
As at 31 March	1,253	1,253
Accumulated Amortization		
As at 1 April	1,239	1,169
Amortization for the year	12	70
As at 31 March	1,251	1,239
Net book value	2	14

10.5. Intangible assets include computer software with an estimated useful life of 05 Years.

12. INVESTMENT IN SUBSIDIARY

For the year ended 31 March	NO OF SHARES		SHAREHOLDING		COMPANY	
	2023	2022	2023 %	2022 %	2023 LKR'000	2022 LKR'000
Non-Quoted						
Tourama (Private) limited*	49,994	49,994	99.99%	99.99%	500	500
					500	500

*Tourama (Private) Limited is a wholly owned subsidiary of the Company which was incorporated on January 21, 2004 and investment in Tourama (Private) Limited is stated at cost.

13. OTHER FINANCIAL ASSETS

For the year ended 31 March	GROUP		COMPANY	
	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Under Non Current Assets				
Quoted Debentures (Note 12.1.1)	47,076	45,310	47,076	45,310
Fixed Deposit (Note 12.1.2)	70,631	35,196	63,531	28,096
	117,707	80,506	110,607	73,406
Under Current Assets				
Quoted Debentures (Note 12.1.1)	-	1,663	-	1,663

Fixed Deposit (Note 12.1.2)	3,437	53,455	3,437	53,455
Unquoted Unit Trust (Note 12.1.3)	327,796	347,714	320,253	343,719
	331,233	402,832	323,690	398,837
Total Other Financial Investments	448,940	483,338	434,297	472,243

13. Other Financial Assets

13.1.1. Quoted Debentures

	GROUP		COMPANY	
For the year ended 31 March	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Quoted Debentures - Current Assets	-	1,663	-	1,663
Provision for Expected Credit Loss	-	-	-	-
	-	1,663	-	1,663
Quoted Debentures - Non Current Assets	47,099	45,310	47,099	45,310
Provision for Expected Credit Loss	(23)	-	(23)	-
	47,076	45,310	47,076	45,310
Total Debentures	47,076	46,973	47,076	46,973

Provision for Expected Credit Loss - Quoted Debentures

	GROUP & COMPANY	
For the year ended 31 March	2023 LKR'000	2022 LKR'000
Balance as at 01 April	-	-
Impairment addition during the year	(23)	-
Impairment reversal during the year	-	-
Balance as at 31 March	(23)	-

13.1.2. Fixed Deposits

	GROUP		COMPANY	
For the year ended 31 March	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Fixed Deposits - Current Assets	3,437	53,458	3,437	53,458
Provision for Expected Credit Loss	-	(3)	0	(3)
	3,437	53,455	3,437	53,455
Fixed Deposits - Non Current Assets	70,656	35,198	63,556	28,098
Provision for Expected Credit Loss	(25)	(2)	(25)	(2)
	70,631	35,196	63,531	28,096
Total Fixed Deposits	74,068	88,651	66,968	81,551

Provision for Expected Credit Loss - Fixed Deposits

	GROUP & COMPANY	
For the year ended 31 March	2023 LKR'000	2022 LKR'000
Balance at the beginning of the year	(5)	(81)
Impairment addition during the year	(20)	-
Impairment reversal during the year	-	76
Balance at the end of the year	(25)	(5)
Provision for Expected Credit Loss - Current	-	(3)
Provision for Expected Credit Loss - Non Current	(25)	(2)
	(25)	(5)

13.1.3. Unquoted Unit Trust

For the year ended 31 March	GROUP		COMPANY	
	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Balance at the end of the year net of provision	327,796	347,714	320,253	343,719

14. INVENTORIES

For the year ended 31 March	GROUP		COMPANY	
	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Tyres & Related Products	36,008	43,855	36,008	43,855
Goods in transit - Tyres	9,635	23,069	9,635	23,069
	45,643	66,924	45,643	66,924
Less : Provision for Slow Moving Stocks (Note 14.1)	(1,222)	(1,222)	(1,222)	(1,222)
	44,421	65,702	44,421	65,702

14.1. Provision for Slow Moving Stocks

For the year ended 31 March	GROUP / COMPNAY	
	2023 LKR'000	2022 LKR'000
Balance as at 01 April	1,222	1,222
Provision during the year	-	-
Balance as at 31 March	1,222	1,222

15. TRADE AND OTHER RECEIVABLES

For the year ended 31 March	GROUP		COMPANY	
	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Trade receivables*	6,119	18,635	6,073	18,158
Less: Allowance for expected credit losses (Note 15.1)	(4,345)	(4,345)	(4,345)	(4,345)
	1,774	14,290	1,728	13,813
Advances and Prepayments (Note 15.2)	26,597	10,598	26,597	10,563
Contract Asset	4,024	3,519	4,024	3,519
	32,395	28,407	32,349	27,895

*Trade Receivables are not interest bearing receivables.

15.1. Allowance for Expected Credit Losses

For the year ended 31 March	GROUP		COMPANY	
	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Movement in Allowance for Expected Credit Losses				
Balance at the Beginning of the Year	4,345	5,206	4,345	5,206
Provision for the Year	-	-	-	-
Reversal of provision for the year	-	(861)	-	(861)
write off for the year	-	-	-	-
Balance at the End of the Year	4,345	4,345	4,345	4,345

	Days Past Due					
	Current	<30 Days	31-60 Days	61-90 Days	91< Days	Total
GROUP						
2023						
Estimated total gross carrying amounts at default	191	1,337	21	220	4,347	6,116
Balance at the End of the Year	191	1,334	21	220	4,347	6,116
2022						
Estimated total gross carrying amounts at default	1,592	10,925	570	721	4,827	18,635
Balance at the End of the Year	1,592	10,925	570	721	4,827	18,635
COMPANY						
2023						
Estimated total gross carrying amounts at default	148	1,337	21	220	4,347	6,073
Balance at the End of the Year	148	1,337	21	220	4,347	6,073
2022						
Estimated total gross carrying amounts at default	1,115	10,925	570	721	4,827	18,158
Balance at the End of the Year	1,115	10,925	570	721	4,827	18,158

15.2. Advances and Prepayments

	GROUP		COMPANY	
For the year ended 31 March	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Other Receivables	8,397	8,134	8,397	8,099
Deposits and Prepayments	18,200	2,464	18,200	2,464
	26,597	10,598	26,597	10,563

16. STATED CAPITAL - Group/Company

	GROUP		COMPANY	
For the year ended 31 March	2023 '000	2022 '000	2023 '000	2022 '000
No of shares	12,000	12,000	12,000	12,000
As at March 31 (Rs. 000)	12,440	12,440	12,440	12,440

16.1. Dividends paid and proposed - Group/Company

	COMPANY	
For the year ended 31 March	2023 LKR'000	2022 LKR'000
Declared and paid during the year		
Dividend on Oridinary Shares	-	7,200
Final Dividend	-	7,200

17. REVALUATION RESERVE

	GROUP		COMPANY	
For the year ended 31 March	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Balance as at the beginning of the year	1,430,816	1,266,690	1,430,816	1,266,690
Depreciation Transfers	(3,663)	(3,007)	(3,663)	(3,007)

Revaluations during the year	-	219,912	-	219,912
Income Tax Effect on Revaluation	-	(52,779)	-	(52,779)
Reversal on the change of Tax effect on Revalued Asset	(115,338)	-	(115,338)	-
Balance as at the end of the year	1,311,815	1,430,816	1,311,815	1,430,816

18. RETIREMENT BENEFIT LIABILITY

	GROUP		COMPANY	
For the year ended 31 March	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Balance as at the beginning of the year	21,907	25,943	21,907	25,943
Current Service Cost	1,234	1,157	1,234	1,157
Interest Cost	3,395	1,816	3,395	1,816
Past service cost	-	(2,343)	-	(2,343)
Actuarial (Gain) / Loss	(1,135)	(4,576)	(1,135)	(4,576)
Payments during the year	(1,026)	(90)	(1,026)	(90)
Balance as at the end of the year	24,376	21,907	24,376	21,907
The expenses are recognized in the following line items in the statement of comprehensive income.				
Administrative Expenses	4,630	630	4,630	630
Other Comprehensive Income	(1,135)	(4,576)	(1,135)	(4,576)
	3,495	(3,946)	3,495	(3,946)

Messrs. Smiles Global (Private) Limited, independent acturial specialists carried out an actuarial valuation of the defined benefit plan gratuity as at 31 March 2023. Appropriate and compatible assumptions were used in determining the cost of retirement benefits.

18.2. The Principal Assumptions used in determining Defined Benefit Obligation are shown below:

	GROUP / COMPANY	
For the year ended 31 March	2023	2022
Discount Rate	18.00%	15.50%
Salary Increment Rate	15%	7%
Retirement Age	60 Years	60 Years
Staff Turnover:	9%	10%

18.3. Sensitivity of the principal assumptions used

	Expected Future Salaries		Discount Rate	
For the year ended 31 March	1% Increase LKR'000	1% Decrease LKR'000	1% Increase LKR'000	1% Decrease LKR'000
Group/Company				
Change in Present value of Defined Benefit Obligation	(3,949)	(4,677)	(4,736)	(764)

18.4. Expected average future working life.
Expected average future working life of the active participants is 7.75 years and average service period is considered as 11.70 years.

18.5 Discount Rate.
The Group uses market yields at the end of the reporting date on Treasury Bonds issued by the Government of Sri Lanka for the remaining maturity corresponds with the remaining average working life of the employees of the Group to determine the Discount Rate. However, due to the economic conditions prevailing in the country as at the reporting date, the exceptionally high Treasury Bond market yields would not be a reasonable reflection of the time value of money. Therefore, year-end Treasury Bond market yields have been adjusted for the credit risk spread to derive the rate used to discount the defined benefit obligation.

Such adjustment has been made based on the method set out in illustration 1 of the 'Frequently Asked Questions (FAQs) on Use of Discount Rate under the Uncertain Economic Conditions' issued by the Institute of Chartered Accountants of Sri Lanka. Credit Risk Spread has been calculated based on Sovereign Default and Recovery Rates published by Moody's. Adjusted Discount Rate has been calculated for tenors available, and estimated using the yield curve for any remaining maturities and corresponds with the remaining average working life of the employees of the Group.

19. TRADE AND OTHER PAYABLES

For the year ended 31 March	GROUP		COMPANY	
	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Trade Payables	-	135,296	-	135,296
Sundry Creditors Including Accrued Expenses (Note 19.1)	29,150	25,611	28,843	23,089
Contract Liability	5,749	4,939	5,749	4,939
	34,899	165,846	34,592	163,324

Terms and conditions of the above financial liabilities
Trade payables are non-interest bearing and are normally settled within 120 day terms.

19.1. Sundry Creditors Including Accrued Expenses

For the year ended 31 March	GROUP		COMPANY	
	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Accruals	2,614	5,071	2,561	5,022
Other Payables	4,352	1,186	4,099	1,186
Sundry Creditors	21,724	18,954	21,724	16,481
Dividend payable	459	400	459	400
	29,150	25,611	28,843	23,089

20. CASH AND CASH EQUIVALENTS IN CASH FLOW STATEMENT

Components of Cash and Cash Equivalents

20.1. Favourable Cash and Cash Equivalents Balances

For the year ended 31 March	GROUP		COMPANY	
	2022 LKR'000	2022 LKR'000	2022 LKR'000	2022 LKR'000
Cash and Bank Balance	1,392	31,312	509	28,308

20.2. Unfavourable Cash and Cash Equivalent Balances

Bank Overdraft	(5,052)	-	(5,052)	-
Total Cash and Cash Equivalents for the purpose of Cash Flow Statement	(3,660)	31,312	(4,543)	28,308

21. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows;

21.1. Transactions with Related Entities

For the year ended 31 March	Subsidiary		Affiliates**	
	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Nature of Transactions				
As at 1 April				
Sales	-	-	-	-
Collection / Payment on behalf of the Company	400	200	-	-
Loan Repaid	-	-	-	-
Interest paid	-	-	-	-
As at 31 March	400	200	-	-

21.2. Transactions with Key Management Personnel of the Company

The key management personnel of the Company includes the Directors of the Company and Directors in subsidiary Tourama (Pvt) Ltd.

21.2.1. Compensation to Key Management Personnel

For the year ended 31 March	2023 LKR'000	2022 LKR'000
Nature of transaction		
Short Term Employment Benefits	32,469	30,003
Post employment Benefits	4,266	3,942

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, comprise trade and other payables and bank overdraft. The main purpose of these financial liabilities is to finance the Group's operations and assets. The Group has trade and other receivables, and other investments that arrive directly from its operations
The Group is exposed to market risk, credit risk and liquidity risk. The Group's oversees the management of these risks. The Group's senior management advises on financial risks and the appropriate financial risk governance framework for the Group.

Market Risk
Market risk is the risk of losses in positions arising from movements in market prices. Market risk exposed by the Group comprise of interest rate risk, Foreign currency risk, Credit Risk and Liquidity risk.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fluctuation in interest rate has a impact on bank overdrafts. Group's interest rate varies according to the Bank.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including other financial assets with banks and financial institutions.

Foreign exchange risk
Foreign currency risk is the risk that the changes in cash flows because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

A sensitivity of the Group exposure to USD (which is the only significant foreign currency the Group exposed to) based on the Trade Payable balances outstanding as of reporting date as follows.

For the year ended 31 March	Increase / (Decrease) in Excahange rate US	Change in Profit before tax GROUP LKR'000	Change in Profit before tax COMPANY LKR'000
2023	5%	-	-
	10%	-	-
2022	5%	(6,764,797)	(6,764,797)
	10%	(13,529,594)	(13,529,594)

Liquidity risk
The Group's objective is to maintain a balance between continuity of funding and use of bank overdrafts. Access to sources of funding is sufficiently available and payables maturing within 12 months can be rolled over with existing lenders.
The table below summarizes the maturity profile of the Group's financial liabilities based on contractual payments.

	On demand LKR'000	< 3 months LKR'000	3 to 12 months LKR'000	1 to 5 years LKR'000	Total LKR'000
Year ended 31 March 2023					
Bank Overdraft	5,052	-	-	-	5,052
Trade and other payables	34,899	-	-	-	34,899
	39,951	-	-	-	39,951
Year ended 31 March 2022					
Bank Overdraft	-	-	-	-	-
Trade and other payables	30,550	-	135,296	-	165,846
	30,550	-	135,296	-	165,846

Capital management
Capital includes only the equity attributable to the equity holders of the parent.

The primary objective of the Group's capital management is to ensure the healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings by total equity. Total borrowings including non-current and current borrowings as shown in the statement of financial position. Total equity is calculated as 'Total equity' in the statement of financial position.

Gearing ratio as at 31 March is as follows :

	GROUP		COMPANY	
For the year ended 31 March	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Long Tem Borrowings	-	-	-	-
Total Equity	1,899,737	1,983,275	1,885,143	1,971,436
Gearing Ration : Debt to Equity	0%	0%	0%	0%

23. FAIR VALUES

The fair value is the price that would be received to sell an assets or paid to transfer a liability in an orderly transaction between market participants of the measurement date.

23.1.

	Date of valuation	Total	"Quoted prices in active markets (Level 1) "	"Significant observable inputs (Level 2)"	"Significant unobservable inputs (Level 3)"
The fair value measurement hierarchy for non financial assets as at 31 March 2023:					
Assets measured at fair value					
Revalued Property, Plant and Equipment					
Land	31-Mar-23	1,770,194	-	-	1,770,194
Buildings	31-Mar-23	255,328	-	-	255,328
Other Financial Assets					
Unquoted Unit Trust Investment*	31-Mar-23	327,796	-	327,796	-
The fair value measurement hierarchy for non financial assets as at 31 March 2022:					
Assets measured at fair value					
Revalued Property, Plant and Equipment					
Land	31-Mar-22	1,770,194	-	-	1,770,194
Buildings	31-Mar-22	263,805	-	-	263,805
Other Financial Assets					
Unquoted Unit Trust Investment *	31-Mar-22	347,714	347,714	-	-

There were no transfers between level 1 and level 2 during the year of 2023.
*Fair value of Unquoted Unit Trust has been calculated based on the Company's asset manager's fair value assessment.

23.2.

*Fair value of Unit Trust has been calculated based on a management fair value assesment

	GROUP				COMPANY			
	CARRYING AMOUNT		FAIR VALUE		CARRYING AMOUNT		FAIR VALUE	
For the year ended 31 March	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
Financial Assets								
Financial Assets Carried at Amortized Costs								
-Trade and other receivables	32,395	28,407	32,395	28,407	32,349	27,895	32,349	27,895
-Cash and cash equivalents	1,392	31,312	1,392	31,312	509	28,308	509	28,308
-Quoted Debentures	47,077	46,973	47,077	46,973	47,077	46,973	47,077	46,973
-Fixed Deposits	74,068	88,651	74,068	88,651	66,968	81,551	66,968	81,551
Financial Liabilities								
-Trade and other payables	34,899	165,846	34,899	165,846	34,592	163,324	34,592	163,324
-Bank overdraft	5,052	-	5,052	-	5,052	-	5,052	-

Cash and cash equivalents, trade and other receivables, debentures and trade payables approximate their carrying amounts to fair values largely due to the short term maturities of these instruments.

24. EVENTS AFTER THE REPORTING PERIOD

There were no material events occurring after the reporting date that require adjustments to or disclosure in the financial statements.

25. CAPITAL COMMITMENTS AND CONTINGENCIES

There were no significant capital commitments and contingencies as at reporting date.

26. OPERATING SEGMENT

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Senior Management to make decisions about resources allocated to each segment and assess its performance and for which discrete financial information is available.There were no material events occurring after the reporting date that require adjustments to or disclosure in the financial statements.

*Tyres and Related Products *Air Ticket Sales

	TYRES & RELATED PRODUCTS		AIR TICKET SALES		TOTAL	
For the year ended 31 March	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000	2023 LKR'000	2022 LKR'000
External Revenue	229,790	651,374	2,492	863	232,282	652,237
Inter-segment revenue	-	-	-	-	-	-
Segment revenue	229,790	651,374	2,492	863	232,282	652,237
Segment Gross profit	84,348	169,263	2,492	863	86,840	170,126
Profit / (loss) before tax	37,990	68,081	3,774	-	41,764	69,574
Interest income	91,361	32,153	2,176	1,095	93,537	33,248
Interest expense	(36,623)	(40,632)	-	-	(36,624)	(40,632)
Depreciation and amortization	22,850	18,355	-	-	14,831	18,355
Segment assets	2,540,022	2,636,788	15,072	14,611	2,555,182	2,651,399
Capital expenditure	724	2,003	-	-	724	2,003
Segment liabilities	654,966	665,351	478	2,806	655,445	668,157

26.1. Reconciliations of information on reportable segments

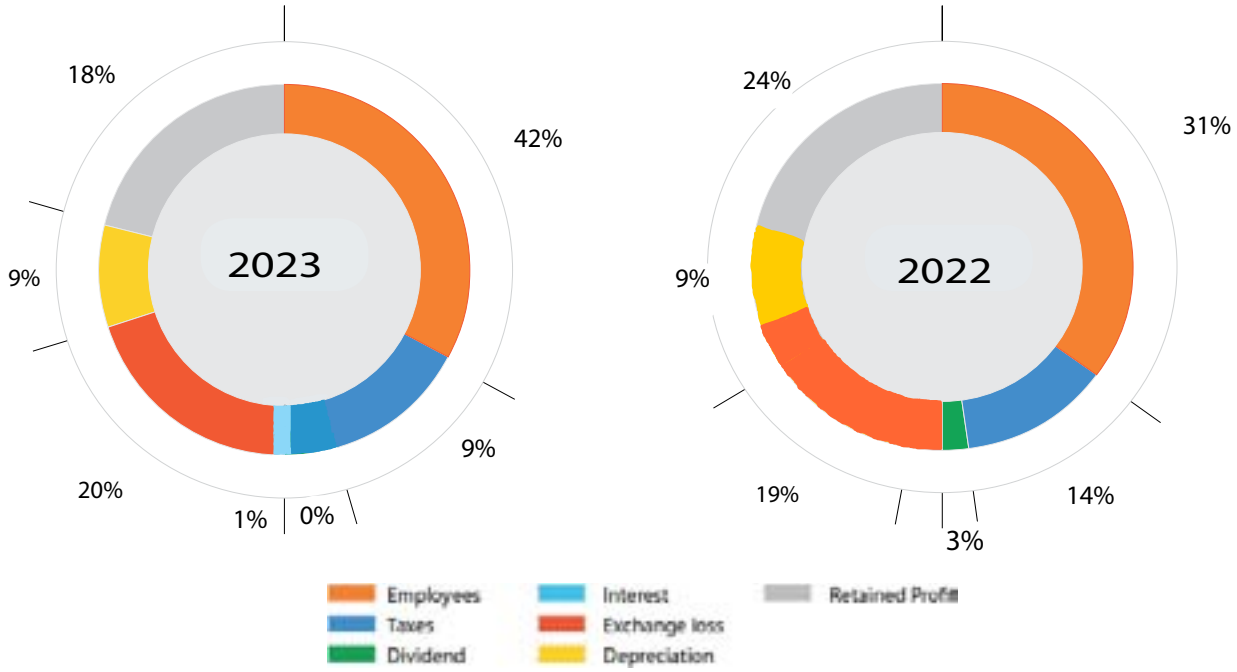
For the year ended 31 March	2023 LKR'000	2022 LKR'000
Revenue		
Total revenue for reportable segments	229,790	651,374
Revenue for other segments	2,492	863
Elimination from inter-segment revenue	-	-
Consolidated revenue	232,282	652,237
Profit before tax		
Total profit before tax for reportable segments	37,990	68,081
Profit before tax for other segments	3,774	1,493
Elimination from inter- segment profit	-	-
Consolidated profit before tax	41,764	69,574

TEN YEARS AT A GLANCE

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
OPERATING RESULTS										
Turnover	232,282	652,237	509,364	555,489	478,738	567,392	711,296	605,108	596,530	608,516
Profit before finance charges	78,388	110,160	96,149	32,961	5,976	34,384	15,927	40,805	57,491	40,212
Finance cost	36,624	40,632	5,885	7,560	10,696	517	2,661	6,425	47	406
Non operating income	121,561	59,620	74,707	52,570	38,708	36,902	26,307	38,129	33,649	26,546
Profit before taxation	41,764	69,528	90,264	25,401	(4,720)	33,866	13,266	34,380	57,444	39,806
Taxation	10,758	19,640	28,594	11,705	5,277	9,091	1,566	8,631	19,171	9,147
Profit after taxation	31,006	49,888	61,671	13,696	557	24,775	14,832	25,749	38,272	30,659
BALANCE SHEET										
Stated Capital	12,440	12,440	12,440	12,440	12,440	12,440	12,440	12,440	12,440	12,440
Capital Reserves	1,311,815	1,430,816	1,266,690	1,202,745	939,332	942,341	612,473	613,505	614,568	615,600
Revenue Reserves	575,482	540,019	490,846	430,520	409,570	415,210	373,105	363,604	344,903	308,790
	1,899,737	1,983,275	1,769,977	1,645,705	1,361,342	1,369,992	998,018	989,549	971,911	936,830
CAPITAL EMPLOYED										
Property , Plant, Equipment & Investments	2,145,739	2,122,645	1,927,110	1,948,682	1,677,722	1,632,738	743,558	749,286	755,979	812,835
Current Assets	409,441	528,253	488,180	384,358	229,150	251,341	303,206	312,517	342,748	259,032
Current Liabilities	(51,527)	(178,070)	(200,445)	(186,576)	(146,061)	(107,292)	(141,271)	(166,036)	(146,837)	(96,941)
Non - Current Liabilities	(603,916)	(489,554)	(444,870)	(500,759)	(399,469)	(406,795)	(42,059)	(42,532)	(41,767)	(38,096)
	1,899,737	1,983,274	1,769,977	1,645,705	1,361,342	1,369,991	863,433	853,235	910,123	936,830
OTHER INFORMATION										
Inventories	44,421	65,702	147,899	153,287	96,138	89,062	142,740	167,978	129,038	120,626
Trade Debtors	1,774	14,290	54,062	94,682	84,583	123,071	121,961	110,651	80,890	74,390
Gross Profit	86,840	170,126	139,077	116,736	95,251	117,865	119,269	129,453	144,880	127,705
Cost of Sales	145,442	482,111	370,287	438,753	383,487	449,527	592,027	475,655	451,650	480,811
Dividend Paid	-	7,200	3,600	-	6,000	6,000	7,200	8,400	3,600	3,600
No of Shares in issue	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	1,200	1,200
Dividend per share	98	0.60	0.30	0.00	0.50	0.50	0.60	0.6	7.00	6.00
Share price as at 31 March (Rs.)	98.20	115	70.10	58.00	84.90	85.00	70.00	91.90	885.00	924 .00
RATIOS & OTHER INFORMATION										
Liquidity										
Current Ratio	7.95	2.97	2.44	2.06	1.57	2.34	2.15	1.88	2.33	2.67
Quick Ratio	6.87	2.54	1.70	1.24	0.84	1.41	1.14	0.87	1.46	1.43
Capital Adequacy										
Total Liabilities / Sales (%)	282.18	102.36	126.69	123.74	113.95	90.61	25.77	34.47	31.62	22.19
Interest Cover (No. of times)	2.14	2.71	16.34	4.36	0.56	66.51	5.98	6.35	1,223	99.04
Profitability										
Return on Equity %	2.49	4.01	4.96	1.10	0.04	1.99	1.49	2.60	3.94	3.27
Return on Total Assets (%)	1.21	1.88	2.55	0.59	0.03	1.31	1.42	2.42	3.48	2.86
Operating Margin / Sales (%)	37.39	26.08	27.30	21.01	19.90	20.77	16.77	21.39	24.29	20.99
Earning Per Share (Rs.)	2.58	4.16	5.14	1.14	0.05	2.06	1.24	2.15	31.89	25.55
Revenue Growth (%)	0.00	20.85	(9.05)	16.00	18.72	14.93	17.55	1.44	(1.97)	3.10
Profit Before Tax Growth (%)	-0.40	(0.23)	2.55	(6.38)	(1.14)	1.55	(61.41)	(40.15)	44.31	15.82
Profit After Tax Growth (%)	-0.38	(0.19)	3.50	23.59	(0.98)	0.67	(42.40)	(32.72)	24.83	58.92
Efficiency (turnover ratios)										
Inventory Turnover Period										
(times)	2.64	4.51	2.56	3.52	4.14	3.88	3.81	3.20	3.62	4.39
Average Collection Period										
(days)	2.79	8.00	38.74	62.21	64.49	79.17	62.58	66.74	49.49	44.62
MARKET-BASED RATIOS										
Firm Ratios										
Dividend Payout Ratio	-	0.14	0.06	-	10.77	0.24	0.49	0.33	0.09	0.12
Dividend Cover (Times)	-	6.93	17.13	-	0.09	4.13	2.06	3.07	10.63	8.52
Net Assets Per Share	158.31	165.27	147.50	137.14	113.45	114.17	71.95	71.10	758.44	780.69
Combined Ratios										
Dividend Yield (%)	3.05	2.61	4.28	5.17	3.53	3.53	4.29	3.26	0.34	0.32
Price Earning Ratio (Times)	38.01	27.66	13.64	50.82	1,829.08	41.17	56.63	42.83	27.75	36.18

STATEMENT OF VALUE ADDED (GROUP)

		2023 Rs'000	2022 Rs'000
Creation of Value Added			
Gross Sales		232,282	652,237
Other Income		28,024	26,286
		260,306	678,523
Less: Cost of Materials & Services		92,441	468,109
Purchased from External Sources			
Total Value Added		**167,865**	**210,414**
Distributed As Follows			
To Employees as Remuneration		69,903	64,238
To Government as Taxes		15,553	30,026
To Providers of Capital as			
	Dividend	-	7,200
	Interest	1,120	497
	Exchange loss	35,464	40,210
Retained in the business as			
Depreciation and amortization		14,819	18,355
Retained profit		31,006	49,888
		167,865	**210,414**
Distribution of Value Added		**167,865**	**210,414**



SHARE INFORMATION

01. GENERAL

Stated Capital - Rs. 12,440,000
No. of Ordinary Shares - 12,000,000
Voting rights - One vote per ordinary share

02. STOCK EXCHANGE LISTING

The issued Ordinary Shares of The Autodrome PLC are listed under the "Motors" Sector on the Main Board of the Colombo Stock Exchange. There are no sub-classes or special voting rights on any share or class of shares. The Company Symbol is AUTO.N0000.

03. DISTRIBUTION OF SHAREHOLDING

The Shares of The Autodrome PLC were held as follows :
The shares held by the public as at 31 March 2023 was 21.09% (2022 - 21.09%). The number of share holders 31 March 2023 was 548 (2022 - 541) out of which 538 (2022 - 530) was public. The option number for compliance with the Minimum Public Holding is Five (5) - Over 20% and over 500 shareholders are public.

	31 March 2023				31 March 2022			
Size of shareholdings	Shareholders		Holdings		Shareholders		Holdings	
	No.	%	No.	%	No.	%	No.	%
1-1000 shares	458	83.58	51,376	0.43	448	82.81	51,379	0.43
1001-10,000 Shares	63	11.50	235,253	1.96	66	12.20	243,069	2.03
10001-100,000 shares	15	2.74	386,350	3.22	15	2.77	378,531	3.15
100,001-1,000,000 Shares	10	1.82	6,552,721	54.61	10	1.85	6,552,721	54.60
Over 1,000,000 shares	2	0.36	4,774,300	39.79	2	0.37	4,774,300	39.79
	548	**100.00**	**12,000,000**	**100.00**	**541**	**100.00**	**12,000,000**	**100.00**

04. ANALYSIS OF SHAREHOLDERS

	31 March 2023				31 March 2022			
	Shareholders		Holdings		Shareholders		Holdings	
	No.	%	No.	%	No.	%	No.	%
Institutions	35	6.39	2146313	17.89	38	7.02	2,142,687	17.86
Individuals	513	93.61	9853687	82.11	503	92.98	9,857,313	82.14
Total	**548**	**100.00**	**12,000,000**	**100.00**	**541**	**100.00**	**12,000,000**	**100.00**
Non Residents	3	0.55	881,350	7.34	1	0.17	877,340	7.31
Residents	545	99.45	11,118,650	92.66	540	99.83	11,122,660	92.69
Total	**548**	**100.00**	**12,000,000**	**100.00**	**541**	**100.00**	**12,000,000**	**100.00**

05. SHARE VALUATION

(Company)

		LKR		LKR
Market Value	as at 31 March 2023	Rs. 98.20	as at 31 March 2022	Rs. 115.00
No.of Shares in Issue (Nos)		12,000,000		12,000,000
Market Capitalisation	as at 31 March 2023	Rs. 1,178,400,000	as at 31 March 2022	Rs. 1,380,000,000
Float Adjusted Market Capitalisation	as at 31 March 2023	Rs. 248,548,128	as at 31 March 2022	Rs. 291,097,200
Highest	Yr.2022/2023	Rs. 135.00	Yr.2021/2022	Rs. 220.00
Lowest	Yr.2022/2023	Rs. 75.00	Yr.2021/2022	Rs. 90.00
Earning per share		Rs. 2.58		Rs. 4.16
Dividend per share		Rs. 0.00		Rs. 0.60
Net asset value per share		Rs. 158.31		Rs.165.27

FORM OF PROXY

THE AUTODROME PLC. Reg. No. PQ-84
Registered Office, Autodrome Building, 304 Union Place, Colombo 2. Tel: 2326181.
For use at the Seventy-First Annual General Meeting

I/We……..of……

……being member/s of The Autodrome PLC, appoint:

1.……,whomfailing

2.……,whomfailing

3. The Chairperson of the Meeting.

as my/our proxy to represent me/us and to vote on my/our behalf at the Seventy First Annual General Meeting of the Company to be held as a virtual meeting emanating from the Boardroom of the Company at No. 304, Union Place, Colombo 02 on 27th September 2023 at 10.00 a.m. and at any adjournment thereof, and at every poll which may be taken in consequence thereof to vote in the manner indicated below:

(Please indicate with an X in spaces below how you wish your votes to be cast. In the absence of any such indication the Proxy will vote or abstain from voting as he/she thinks fit. Please also indicate any resolution on which you wish your Proxy to abstain from voting)

RESOLUTION	FOR	AGAINST
1. Adoption of Annual Report & Audited Accounts for the year ended 31st March 2023		
2. To re-elect Director Prof. John A. Aloysius, who retires by rotation in terms of the Articles of Association.		
3. To re-elect Director Mr. M. Ravi Ratnasabapathy, who retires by rotation in terms of the Articles of Associa-		
4. To re-appoint Mrs.Bernadette Jayaleela Aloysius who is over the age of 70 years		
5. To re-appoint Mr.B. Ponnambalam who is over the age of 70 years.		
6. To re-appoint Auditors and authorise Directors to fix their remuneration		
7. To authorise Directors to determine Contribute to Charities		
8. To approve any other business for which due notice has been given.		

As witness under my/our hand this…….day of September 2023.

……
Signature of Member/Member(s)

INSTRUCTIONS FOR COMPLETION OF PROXY FORM

1. To be valid this Form must be filled, signed, dated and deposited at the Registered Office of the Company at 304, Union Place, Colombo 02, not later than 48 hours before the time appointed for holding the meeting.
2. The Form of Proxy must be signed by the appointer or by his/her Attorney duly authorised in writing
3. In the case of a Corporation, the Form of Proxy must be either under the Common Seal or under the hands of Officers or Attorneys.
4. In the case of joint holders, only one need sign. The votes of the senior holder who tenders a vote will alone be counted.
5. If you wish to appoint any other person other than the Chairman as your proxy , please insert the relevant details at (1) and (2).

For any clarification, please contact Accounting Systems Secretarial Services (Pvt) Ltd, Company Secretaries,
Level 3, No. 11, Castle Lane Colombo 4, Tel: (011) 5444426 Fax : (011) 2504008

The Autodrome PLC
304 Union Place, Colombo 02, Sri Lanka
Tel: +(94) 112326181
Fax: +(94) 112338611
Email: shareholderaffairs@autodrome.lk
www.autodrome.lk m.me/autodromeplc

CIRCULAR TO SHAREHOLDERS

Dear Shareholder/s

VIRTUAL ANNUAL GENERAL MEETING OF THE AUTODROME PLC

The 71st Annual General Meeting (AGM) of The Autodrome PLC will be held virtually as per manner prescribed below,

1. The 71st Annual General Meeting of The Autodrome PLC will be held at The Autodrome Building No. 304, Union Place Colombo 02 at 3.30 p.m. on Wednesday 27th September 2023.
2. The AGM shall be held in compliance with the principles set out in the guidelines issues by the CSE for the hosing of a virtual AGM.
3. Only the Chairman, members of the Board of Directors, Company Secretaries, and Representatives from the Auditors will be present in person, Shareholders will participate in the meeting through audio or audiovisual means as a measure to maintain social distancing requirements to mitigate the dangers of spreading the virus.
4. Adequate arrangement will be made for share holders who wish to participate in the AGM via online meeting platform, with login information being forwarded to them well in advance of the meeting.
The Login information is authorised only to use by shareholders or proxy holders (in the case of Individuals) and by authorised representatives (in the case of corporate shareholders). The Company shall not be responsible or liable for misuse and/or unauthorised use of the login information.
5. Shareholders who wish to participate at the AGM are required to register their details with the Company Secretaries via the below link. Before 4.00 p.m. on Thursday 29th September 2022.
https://autodrome.lk/AGM-2022- Registration

Note: it is Compulsory for the shareholders to register with their first name and last names to receive the link to join the AGM. The same names should be used to login to participate in the AGM.
6. Shareholders will be given the opportunity to raise any questions or make comments on the matters listed in the agenda of the Meeting. All individuals participating at the Meeting remotely through the online platform are required to first identify themselves before arising any questions or making as aforesaid. The shareholders are encouraged to send their questions in advance or use the chat option to post their questions.
7. The annual report of the Company for the year ended 31st March 2022 will be available for perusal on the Company website on www.autodrome.lk and on the Colombo Stock Exchange website on www.cse.lk
8. Voting on the items on the agenda will be registered by using an online platform or a designated ancillary online application. Guild lines to follow when participating the virtual AGM will be emailed to the shareholders who register for the Meeting.
9. Shareholders are also reminded that they have a right to appoint a member of the Board to act as their proxy if they choose. Those shareholders who wish to appoint a director as his/her/it proxy must forward the duly completed Proxy Forms clearly indicating their vote under each matter set out in the Proxy Form to the Company Secretaries so that their vote may be identified and recorded as if he/she/it were present at the meeting.
10. Shareholders who are unable to participate at the Meeting via the designated online meeting platform are invited to forward their suggestions, questions and concerns relating to items on the agenda to WhatsApp number 0772613155 or email address agm-2022@autodrome.lk on or before 29h September 2022, in writing or by way of pre-recorded audio/video clip. The questions could be raised during office hours via the designated telephone number 011-2314804 before the above deadline. This is to enable the Management to complies the quarries forwarded same to the attention of the Board of Directors to ensure that they are discussed and addressed at the AGM, if relevant.
11. The shareholders who wish to make any suggestions, proposals or raise questions during the AGM too will be given opportunity to do so. For this purpose, the share holders could use the 'chat' or 'raise hand' option in Zoom or directly communicate to the Board during the allocated time via Zoom or via dedicated telephone number 0772613155
12. If any comments, questions raised are not related to the items on the agenda the Board such matters will not be taken up for discussion at the AGM but will be looked at favourably towards the progress of the Company.
13. The Company will proceed to hold the AGM on 30th September 2022 with the shareholders who wish to participated through the online platform irrespective of whether it is declared a public holiday or curfew is imposed on that day since the aforesaid measures will be enable full participation at the meeting.
14. The shareholders could reach out to our IT representative via telephone 0777798086 should you need any help to join the virtual AGM
15. If you wish to have a printed version of the Annual Report, please mail the duly completed "Form of request" which is printed overleaf, to the address given below. We shall then, within 8 (eight) market days of the date of receipt of your request forward to you, a printed copy of the said Annual Report.

The Autodrome PLC
304, Union Place,
Colombo 02.
You may as an alternative, fax the completed form of request to facsimile no 0112338611
We give below the following details as required by the listing rules.

Contact person of the Company:	Mr. Gayan Joseph
Telephone No:	0112 314804
E mail Address:	gayan@autodrome.lk
Website Address:	www.autodrome.lk