Autodrome

SINCE 1952

ANNUAL REPORT 2012/13

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If you have any questions on the use of 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, Accountant.

If you wish to Email instead, please use the address finance@autodrome.lk. The fax number is 2314805.

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

Corporate Information

The Autodrome PLC

304 Union Place, Colombo 2. Sri Lanka
T 2326181/2, 5869347~50
F 2338611, 2314805, 2325594
W www.autodrome.lk

- **Legal Form**
  A Limited Liability Company incorporated in Ceylon on 23.07.1953 Public Co. 1957.

- **Stock Exchange Listing**
  The issued ordinary shares of the Company are listed since 1975 under Motors on the Main Board of the Colombo Stock Exchange of Sri Lanka.

- **Company Registration No.**
  PQ-84

- **Board of Directors**

  Ms. Bernadette J. Aloysius
  B.A. Chairperson

  Jeremy D. Aloysius
  MBA (USA) Joint Managing Director

  Rajeev A.J. Aloysius
  FCMA (UK), FCMA (LK), MBA (Sri. J.) Joint Managing Director

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

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

  M. Raviraj Ratnasabapathy
  FCMA(UK), MBA

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

  M. Suresh Dominic
  BSc (Hons) (USB, London)

  C. Lakshman Sirimanne
  Dip. Eng, IMS (UK)

  Sarath C. Weerasooria
  FCA

- **Company Secretaries**
  Accounting Systems Secretarial Services (Pvt) Ltd.
  Level 4, No 2, Castle Lane, Colombo 04.

- **Lawyers**
  M/s. D.L. & F. de Saram

- **Auditors**
  M/s. KPMG

- **Bankers**
  Bank of Ceylon, Metropolitan Br.
  Commercial Bank of Ceylon PLC., City
  Hatton National Bank PLC, Greenpath Br.
  HSBC, Main Office
  People's Bank, Union Place Br.

- **Senior Executives**
  S. Enaksha S.M. Fernando *General Manager*
  Gayan Joseph *ACA, B.Sc.(Sri.J.), ACMA(SL) Accountant*
  Ms. Asha Peiris Nishantha *Manager - Sales*
  Erandaka Hewanayake *Manager - Marketing*
  T.D. Thilakasiri *Administration Manager*
  Nelson Nonis *Manager - Warehouse*
  Ranjith Dharmasena *Manager - Stores*
  Rajiv Perera *Manager - Workshop*
  Denny Joseph *Manager - IT and Webmaster*

- **Nature of Business**
  Sole Distributors in Sri Lanka for:
  BRIDGESTONE Tyres, Tubes and Flaps (Japan, Indonesia & Thailand)
  REVLON LANKA Cosmetics and Beauty Care
  Website Design and Management
  "**Our Wedding Gift**" Wedding Registry E-commerce portal (from 2013/14)

  Subsidiary
  Tourama (Pvt) Ltd - Travel Agency and Destination Management Co.

Notice of Annual General Meeting

THE AUTODROME PLC
Reg. No. PQ-84

NOTICE IS HEREBY GIVEN that the Sixty-First Annual General Meeting of The Autodrome PLC will be held at the Registered Office of the Company at 304, Union Place, Colombo 2 on Monday, 30 September 2013 at 3.30pm, and the business to be brought before the meeting will be:

Agenda

Ordinary Business

1. To receive and consider the Annual Report of the Directors and the Audited Financial Statements for the year ended 31 March 2013 together with the Report of the Auditors thereon.

2. To re-elect as a director, Mr. C. Lakshman Sirimanne to the Board, who retires by rotation in terms of the Articles of Association.

3. To re-elect as a director, Mr. M. Raviraj Ratnasabapathy to the Board, who retires by rotation in terms of the Articles of Association.

4. To re-elect as a director, Mr. M. Suresh Dominic to the Board, who retires by rotation in terms of the Articles of Association.

5. To pass the following ordinary resolutions: To re-elect Mr. Sarath C. Weerasooria and Mrs. Bernadette J. Aloysius as Directors of the company, special notices have been received from shareholders pursuant to section 211 of the Companies Act No 7 of 2007 of the intention to propose the following resolution as ordinary resolutions.

6. **RESOLVED THAT** Mr. Sarath Chandra Weerasooria who has reached the age of 74 be and is hereby re-elected as a director of the company and is hereby declared that the age limit of 70 years referred to section 210 of the Companies Act No 7 of 2007 shall not apply to said director in accordance with section 211 of the Companies Act No 7 of 2007.

7. **RESOLVED THAT** Mrs. Bernadette Jeyaleela Aloysius who has reached the age of 72 be and is hereby re-elected as a director of the company and is hereby declared that the age limit of 70 years referred to section 210 of the Companies Act No 7 of 2007 shall not apply to said director in accordance with section 211 of the Companies Act No 7 of 2007.

8. To re-appoint M/s KPMG as Auditors and authorise the Directors to determine their remuneration.

9. To authorise the directors to determine contributions to charity.

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

By Order of the Board of The Autodrome PLC

ACCOUNTING SYSTEMS SECRETARIAL SERVICES (PRIVATE) LIMITED PV 4100

DIRECTOR / SECRETARY

ACCOUNTING SYSTEMS SECRETARIAL SERVICES (PVT) LIMITED
Secretaries

Colombo, 10 September 2013

Joseph A. Aloysius, Chairman Emeritus

Mr. Joseph Aloysius served as a director on the Board of the Company from 1963 to 2013, having joined the company as a Marketing Manager in 1956. He was Chairman of the Board from 1988 to March 2013.

He holds a Bachelor of Science degree (Chemistry) from the University of Ceylon. He was a long-serving Chairman of both the Ceylon Motor Traders Association and the Ceylon Tyre Traders' Association of the Ceylon Chamber of Commerce. He also held Directorates in Tourama (Pvt) Limited, Mercury Ltd. and Seventy Ltd, The Galle Face Co. (Pvt) Ltd, Associated Hotels Ltd, DFCC, Cargills (Ceylon) Ltd, Millers Ltd and the Ceylon Hotels Corporation among others.

The Board has unanimously conferred the honorary remunerated title of Chairman Emeritus for life on him, as a gesture of gratitude for his 57 years of service to the Company.

Chairperson's Statement

"In addition we continued to improve our liquidity position through cash flow management, and now have improved our net assets position through revaluation ..."

Welcome to the 61st Annual General Meeting of the Company.

Results
The year under review continued to be very challenging, with continued depreciation of the rupee, which was mitigated to some extent only in December 2012. We had to completely absorb most of these in the first 5 months, in order to retain our market position, thereby losing the entire profitability of those months. The subsequent price increase did have an impact on turnover. We had taken measures in the previous year to maintain a high stock level purchased at the old exchange rate. In addition we continued to improve our liquidity position through cash flow management, and now have improved our net assets position through revaluation. We had other issues during the year, such as disability of key staff, a fire on board an insured consignee ship (that delayed a container for more than a year), and various other logistical issues.

Business Environment
The country's vital export industries, whom include many of our customers, are affected by the World Economy reeling from multiple financial crises, including the severe recession throughout most of Europe, jobless rates and weak growth in the USA, and the slowdown and riots in some BRICS countries. In Sri Lanka, even well diversified companies had to face high double digit dips in their profitability, mainly due to high finance costs. Our suppliers had recovered due to a weak currency in their manufacturing countries. Our Administrative and Operational expenses were kept under control, though we improved staff remuneration in order to reverse the trend of high turnover of valued skilled talent.

Dividend and Share
An interim dividend of Rs. 3 per share for the year 2012/2013 was declared on 05 September 2012, and paid on 14 September 2012.

Future Prospects
Our Revlon cosmetics and beauty care products have been stable, with increased competition and branded competition entering the market during the year. The imposition of VAT on modern trade in 2013 resulted in a sharp decline in turnover for the Revlon segment for the period, but we have changed our business model to continue to service these customers. We have just introduced our latest project, an E-commerce venture partnering with some of the best retailers in the market with a portal for weddings. The vehicle and related consumables market remains a high risk business, due to *ad hoc* increases in duties and trends towards import substitution.

Our economic fundamentals remain strong, and we can expect better results in the years to come. Promising developments such as the launching of honeymoon and international accompanied packaged tours by Tourama (Pvt) Ltd, and handling overseas air travel and hotels for clients around the world, bodes well for its future.

Digital Reporting
You have received this Report on CD, and if you have not, it is available on the web for quick and easy download. As usual, the CD also contains an Excel version so that you may perform your own calculations as you wish. We will continue to provide you with hard copies of the report if you request for it in writing to the contact person specified at the beginning of this report.

Thanks
I would like to thank all our stakeholders for the support given during the year. The Board of The Autodrome PLC combines knowledge, experience and passion in our businesses, and I thank them for their guidance. We will work to grow The Autodrome PLC to realise our collective vision.

On behalf of the Board I would like to thank Mr. Joseph Aloysius our outgoing Chairman for 57 years of Service & Leadership. He is a man of unswerving integrity and loyalty, and we are all truly honoured to have served on the Board with him. He is a true gentleman and a charismatic and determined leader. He has steered the Company through difficult times against seemingly insurmountable odds. He is loved by the Management, staff and shareholders alike due to his amiable disposition, as was evident in the enthusiastic applause he received when he walked in for the AGM in 2012, having walked for some distance due to the road closure, at the age of 83.

On behalf of the Board of Directors, I wish Mr. Aloysius all the very best in his well-earned retirement. The Board has unanimously nominated him to the remunerated non-executive board position of Chairman Emeritus for life, an honorary position.

Bernadette Aloysius

Bernadette J. Aloysius
Chairperson of the Board

Colombo, 10 September 2013

Directors' Profiles

- **Mrs. Bernadette J. Aloysius**

Mrs. Bernadette Aloysius was appointed to the Board in 1989 and is presently the Chairperson, having previously served as Marketing Director and Deputy Chairperson. She holds a B.A. degree from the University of Peradeniya. She also holds Directorates in Tourama (Pvt) Limited, Mercury Limited and Seventy Limited.

- **Mr. Jeremy D. Aloysius**

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 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.

- **Mr. Rajeev A. J. Aloysius**

Mr Rajeev Aloysius was appointed to the board in 1992 , was made an executive director in June 1997 and serves as the Joint Managing Director of the Company, heading the Finance and IT Division. He holds an MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura, and is 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/chairman of two affiliated associations at the Ceylon Chamber of Commerce. He concurrently serves as the Managing Director of the subsidiary Tourama (Pvt) Ltd, and is its chief Travel Consultant. He is currently the Hon. Treasurer of the Chamber Music Society of Colombo.

- **Ms. Julie A. Aloysius**

Ms. Julie A. Aloysius joined the board in 1990 and is presently an Executive Director of The Autodrome PLC and Tourama (Pvt) Ltd. She earned her Bachelors degree in Mass Communications from Aquinas College, Grand Rapids, Michigan, USA.

- **Ms. J. Joanne B. Aloysius**

Ms. Joanne Aloysius joined the board in 2004 and serves the Company as Marketing Director. She heads Revlon operations for the Company. 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 Tourama (Pvt) Ltd.

- **Prof. John A. Aloysius**

Prof. John Aloysius has served as a Non-Executive director of the board since 1990. He is currently an Associate Professor of the Walton School of Business at the University of Arkansas, USA. 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 conducts lectures in the US and internationally in his field of expertise.

- **Mr. Sarath C. Weerasooria**

Mr. Sarath Weerasooria was appointed to the board in 1994 as a Non-Executive Director. He is a senior Fellow of the ICASL. He is Chairman of the Board of the Finco / Alpha Group of companies. He is a member of the main Committee of the The Ceylon Chamber of Commerce, representing an affiliated association. He currently chairs the Audit Committee of the Company, and is a member of the Remuneration Committee.

- **Mr. M. Raviraj Ratnasabapathy**

Mr. M.R. Ratnasabapathy joined the board in 2007. He is a Fellow of the Chartered Institute of Management Accountants (UK) and holds an MBA from PIM. With over 25 years' experience in finance, he is currently the Head of Corporate Finance, Ace Power Embilipitiya (Pvt) Ltd. He chairs the Remuneration Committee, and is a member of the Audit Committee.

- **Mr. C. Lakshman Sirimanne**

Mr. Lakshman Sirimanne was appointed to the Board in 2007. He possesses extensive experience at Senior Management level in the Corporate Sector, including Ceylon Tobacco Co Ltd. for over 26 years, and thereafter on the Main Board at EastWest Properties Ltd. group and its subsidiaries for over 10 years. He is presently the Group Director - Corporate Development at the Galle Face Hotel Group.

- **Mr. M. Suresh Dominic**

Mr. Suresh Dominic was appointed to the board in 2007. He holds a B.Sc. degree in Mathematics & Computing (South Bank University, London). He is a Consultant to Interblocks (Pvt) Ltd, a multinational company developing banking finance software. He serves on the board of leading public and private companies. He is a member of the Remuneration Committee.

Statutory Committees

REMUNERATION COMMITTEE

Members	
1) Sarath C. Weerasooria	**By invitation**
2) Ravi Ratnasabapathy (Chairman)	1) Bernadette Aloysius, Chairperson *or alternate*
3) M. Suresh Dominic	2) Jeremy Aloysius, Joint Managing Director

Terms of Reference

1. Membership

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

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.

AUDIT COMMITTEE

Terms of Reference

Members	By invitation
1. Sarath C. Weerasooria, FCA (Chairman)	1. Rajeev Aloysius, Joint Managing Director
2. M. Ravi Ratnasabapathy	2. Joanne Aloysius, Marketing Director
3. C. Lakshman Sirimanne	

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.

Statutory Committees

Audit Committee...

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 Autodrome's other directors 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.

Corporate Governance

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 6 Executive Directors and 5 non-Executive Directors. The profiles of these directors , and their qualifications are on page 6. A disclosure of the status of the board, whether non-executive, executive or independent non-executive, is given on page 16, in note 12 of the Management Review. There have been no changes to the composition of the board during the year.

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 3.1.16 (a), it was unanimously resolved and affirmed at a board meeting held on 07 September 2010, that Mr. Sarath C. Weerasoria, FCA, having served for more than 9 years on the board, considering his credentials, and his position as Chairman of a privately-held conglomerate of companies is, and 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 23 August 2012, 04 January 2013, and on 29 March 2013. Resolutions were passed by circulation on 30 April 2012, 19 September 2012, 04 December 2012, 18 February 2013 and 28 February 2013.

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 (b) of the Listing Rules. The invited executive directors include the Joint Managing Director / CEO.The audit committee met four times during the year under review, on 08 May 2012, 02 August 2012, 25 October 2012 and 22 January 2013, 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 7 and 8.

Remuneration Committee

The Remuneration committee consists of a Chairman who is an an independent non-Executive Director, and two other independent non-executive directors.

The Remuneration Committee met twice during the year under review on 08 December 2012 and 20 March 2013, 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 7.

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 25, on page 44.

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.

Corporate Governance *contd.*

Code of Ethics and Best Practice ***contd.***

Corporate Governance Rule	Compliance Status	Reference
A listed Entity must include in its annual reports and accounts, *inter alia:*		
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	Notes 1 page 25
3. The names and the numbers of shares held by the 20 largest holders of voting and nonvoting shares and the percentage of such shares held	Complied	Mgmt review page 17
4. The public holding percentage disclosed	Complied	Mgmt review page 17
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	Mgmt review page 16
6. Information pertaining to material foreseeable risk factors of the Entity	Complied	Risk Mgmt page 14
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 & 11 on page 38,39 & 40
9. Number of shares representing the Entity's stated capital	Complied	Mgmt review page 15
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 51
12. The following ratios and market price information.	Complied	Ten year summary page 47
EQUITY		
1. Dividend per share 2.Dividend pay out 3.Net Asset value per share	Complied	Share information page 51
4.Market value per share Higest and lowest value recorded value as at the end of financial year	Complied	Share information page 51
DEBT (N/A - only if listed)		

Corporate Governance *contd.*

Code of Ethics and Best Practice ***contd.***

Corporate Governance Rule	Compliance Status	Reference
13. 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	Statement of Financial Position and its Notes
14. If during the year the Entity has raised funds either through a public issue,Right issue,and private placement a. A statement as to the manner in which the proceed of such issue has been utilised. b. if any shares or debentures have been issued , the numbers, class and consideration received and the reason for the issue; and c: Any material change in the use of funds raised through an issue of securities	N/A	N/A
15. 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 10,11,12 & 13
16. 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	Note 25 on page 45

Corporate Governance *contd.*

Independence of Auditors

The auditors of the Company are KPMG, a member firm of the KPMG network of independent member firms affiliated with the KPMG 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.

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 the use 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, Accountant. If you wish to Email instead, the address is finance@autodrome.lk. The fax number is (011) 2314805.

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.

Risk Management

The Board is primarily responsible in ensuring that risks are identified and managed properly for the group. The Audit committee is responsible for reviewing the effectiveness of the groups 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's and groups 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 high-caliber employees. This has addressed by offering attractive reward systems and implementing carrier development programmes.

Finance Risk - Foreign exchange rate risk

The group exposure to exchange risk is high as group does have much in the nature of import business activity. Hence managing foreign exchange rate exposure with positive negotiation with bank and applying financial management techniques is a must

Reputational Risk

The loyalty to the Bridgestone and Revlon brands have helped the group to diversify in to new areas of business such as IT related services. The group recognizes the commercial imperative to safeguard the interests of all its stakeholders and avoid the loss of such loyalty.

Regulatory Environment

An Adverse impact on profit may result if there were negative changes in government fiscal policies, and this could be addressed through strong brand loyalty.

Management Review

(all amounts in Sri Lanka Rupees '000)

THE AUTODROME PLC AND ITS SUBSIDIARY

The Board of Directors of the Company are pleased to present their Annual Report and audited financial Statements of the Group and Company for the year ended 31 March 2013, set out on pages 21 to 46.

Principal Activities

1. The principal activities of the Company are as follows:

   Import & Distribution of:
   a) BRIDGESTONE Tyres, Tubes and Flaps from Japan, Indonesia & Thailand

   The Company is the local distributor of Beauty care and cosmetics for Revlon Lanka (Pvt) Ltd, a Joint venture of the Modi Group of India and Revlon USA.

   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 is responsible for preparing and presenting the financial statements for the period 1 April 2012 to 31 March 2013, set out on pages 21 to 46.

Turnover

3. The turnover of the Company for the year under review, net of turnover based taxes, was Rs. 588,829 (2012- Rs. 635,803), while the turnover of the Group net of turnover based taxes was Rs. 590,214 (2012- Rs. 637,236).

Property, plant & equipment

4. The movement of Property, plant and equipment for the year are shown in note 10 on page 38 & 39 of the financial statements.

Value of properties

5. The market value of land owned by the company is estimated at Rs. 575,900 based on valuation made by a qualified Valuer.

Share Capital and Reserves

6. The total Share Capital & Reserves as at 31 March 2013 amounted to Rs. 899,697 (2012- Rs. 559,994), comprising of Revaluation Reserve of Rs. 610,483 (2012-Rs. 286,304), and Revenue Reserve of Rs. 276,774 (2012- Rs. 261,250).

Approved Donations

7. Donations to approved charitable organizations amounted to Rs. 85 (2012-Rs. 255)

Taxation

8. It is the policy of the Company to provide for deferred taxation on all known temporary differences on the Liability method. The corporate tax rate was 28% (2012 - 28%)

Management Review *contd.*

Share Information

9. Information relating to earnings, dividends, net assets, and share trading is given on page 51.

Events occurring after the reporting date

10. No circumstances have arisen since the reporting date which would require adjustment or disclosures in the financial statements.

Going Concern

11. As described in the Statement of Directors' Responsibilities, the Directors have adopted the going concern basis in preparing the financial statements.

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:

Mrs. Bernadette J. Aloysius	(08.09.1989)	Chairperson of the Board
Prof. John A. Aloysius	(27.04.1990)	Non-Executive
Mr. Jeremy D. Aloysius	(08.09.1989)	Joint Managing Director / CEO
Mr. Rajeev A.J. Aloysius	(20.03.1992)	Joint Managing Director / CEO
Ms. Joanne J.B. Aloysius	(07.07.2004)	Marketing Director
Ms. Julie A. Aloysius	(27.04.1990)	Executive
Mr. Sarath C. Weerasooria	(27.01.1994)	Independent Non-Executive*
Mr. M. Raviraj Ratnasabapathy	(14.09.2007)	Independent Non-Executive
Mr. M. Suresh Dominic	(14.09.2007)	Independent Non-Executive
Mr. C. Lakshman Sirimanne	(14.09.2007)	Independent Non-Executive

The definitions of Independent and Non-Executive used, are according to definitions given in the amended Listing Rules of the CSE dated 13 February 2013.

* It was resolved by the Board in September 2010, that Mr. Sarath C. Weerasooria, being Chairman of a major privately-held conglomerate and a senior finance professional, having served more than 9 years on the Board, is deemed to be nevertheless independent, under Listing rule 3.1.16 (a). In accordance with s. 210 of the prevalent Companies Act, Mr. Sarath C. Weerasooria and Mrs. Bernadette J. Aloysius retire at the AGM. Shareholders have proposed that the retiring age of 70 years not be applied to Mr. Sarath C. Weerasooria and Mrs. Bernadette Aloysius respectively, re-electing them for a further year, according to s. 211 of the Act. The names of the retiring directors seeking re-election may be found in the AGM notice on Page 4. The Independent Directors have submitted a declaration of their independence to the Company. In terms of the Act, the Company maintained an Interest Register, and entries have been made therein.

Directors' Shareholdings

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

	2013		2012	
	No. of Shares	%	No. of Shares	%
Mr. Joseph A. Aloysius	**111,920**	**9.33**	111,920	9.33
Mrs. Bernadette .J. Aloysius	**66,980**	**5.58**	66,980	5.58
Mr.J.A. Aloysius & Mrs. B.J. Aloysius	**300,000**	**25.00**	300,000	25.00
Mr. Jeremy .D.Aloysius	**63,850**	**5.32**	63,850	5.32
Mr. Rajeev A.J.Aloysius	**63,850**	**5.32**	63,850	5.32
Mrs. Julie .A.Aloysius	**63,850**	**5.32**	63,850	5.32
Ms. J.Joanne .B. Aloysius	**63,850**	**5.32**	63,850	5.32
Prof. John A. Aloysius	**63,850**	**5.32**	63,850	5.32
Mr.Sarath .C. Weerasooria	**1,360**	**0.11**	1,360	0.11
	799,510	**66.62**	799,510	66.62

As at 31st March 2013, there were 365 registered share holders.

Management Review *contd.*

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 25 on page 45 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:

	2013		2012	
	No of Shares	**%**	No of Shares	%
Joseph Anthony Aloysius & Mrs. Bernadette J. Aloysius	**300,000**	**25.00**	300,000	25.00
Sanjeev E.C. Gardiner	**117,950**	**9.83**	117,950	9.83
Joseph A. Aloysius	**111,920**	**9.33**	111,920	9.33
Mercury Limited	**84,000**	**7.00**	84,000	7.00
Mrs. Bernadette J. Aloysius	**66,980**	**5.58**	66,980	5.58
Prof. John A. Aloysius	**63,850**	**5.32**	63,850	5.32
Ms. Julie A. Aloysius	**63,850**	**5.32**	63,850	5.32
Jeremy D. Aloysius	**63,850**	**5.32**	63,850	5.32
Rajeev A.J. Aloysius	**63,850**	**5.32**	63,850	5.32
J. Joanne B. Aloysius	**63,850**	**5.32**	63,850	5.32
Seylan Bank PLC/Galle Face Hotel Company (Pvt) Ltd	**53,320**	**4.44**	53,320	4.44
Seventy Limited	**41,010**	**3.42**	41,010	3.42
Cyril Gardiner Limited	**16,100**	**1.34**	16,100	1.34
W.W.S. Amarasooriya	**10,182**	**0.84**	8,777	0.73
Dr.Dennis J. Aloysius & Mrs. S.C.R. Aloysius	**4,287**	**0.35**	4,900	0.41
Hiranjan C.W. Aloysius	**5,570**	**0.46**	5,570	0.46
A. Saverimuttu	**4,900**	**0.41**	4,900	0.41
S.A. Gulamhussein	**3,530**	**0.29**	3,530	0.29
Pan Asia Banking Corporation PLC / Mr.S.Gobinath	**3,200**	**0.27**	3,200	0.27
R. Jehan M.F. Aloysius	**3,040**	**0.25**	-	-
George L.A. Ondaatjie	**3,000**	**0.25**	3,000	0.25
	1,148,239	**95.69**	1,144,407	95.37

Public Holding

16. The percentage of Shares held by the Public as at 31 March 2013 was 22.95% (2012 - 22.44%)

Dividend

17. An Interim Dividend for F/Y 2012/13 of Rs. 3 per share amounting to Rs. 3,600,000 was declared on 05 September 2012 and was paid on 14 September 2012, from Retained Profits. A Solvency Certificate under the provisions of the Companies Act was obtained from the auditors, KPMG for this purpose.

Statutory payments

18. The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments in relation to the employees and the government have been made up to date.

Management Review *contd.*

Annual General Meeting

19. The Annual General Meeting of the Company will be held at the Registered Office, Autodrome Building, 304, Union Place, Colombo 2 on Monday, 30 September 2013. The notice of Annual General Meeting is on page 4.

Auditors

20. Messrs. KPMG have expressed their willingness to be reappointed as the Auditors of the Company for the year 2013/14. 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 Fees paid for the auditors are disclosed in Note 6 to the financial statements.

Remuneration of Directors

21. The total remuneration of Directors paid during the year is disclosed in Note 06 to the financial statements.

Statutory Payments

22. 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.

23. **Disclosure as per CSE Rule No. 3.3**

	2013 Rs. Cts	2012 Rs. Cts
Market Price per Share as at 31 March (Rs.)	833.30	800.00
No. of shares in issue	1,200,000	1,200,000
Highest/Lowest Share Price this Year (Rs.)	975.00/406.00	1,250.00/655.00
Earnings per Share (Company) (Rs.)	15.78	35.53
Dividend per Share (Rs.)	3.00	4.00
Net Asset Value per Share (Company)	749.75	464.20

See Ten Year Summary for more information.

BY ORDER OF THE BOARD

Bernadette J. Aloysius
Chairperson

Rajeev Aloysius
Joint Managing Director / CFO

ACCOUNTING SYSTEMS SECRETARIAL SERVICES (PRIVATE) LIMITED PV 4100

DIRECTOR / SECRETARY

ACCOUNTING SYSTEMS SECRETARIAL SERVICES (PVT) LTD.
Secretaries.
Colombo, 10 September 2013

Statement of Directors' Responsibilities in relation to the Financial Statements

The responsibilities of the Directors in relation to the Financial Statements of the Company differ from the responsibilities of the Auditors, which are set out in their report appearing on page 19.

The Companies Act No. 7 of 2007 requires the Directors to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the financial year. In preparing the financial statements appropriate accounting policies have been selected and applied consistently, reasonable and prudent judgements and estimates have been made and applicable accounting standards have been followed.

The Directors are responsible for ensuring that the company keeps sufficient accounting records to disclose with reasonable accuracy the financial position of the Company for ensuring that the financial statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards and provide the information required by the Companies Act No 7 of 2007. They are also responsible for taking reasonable measures to safeguard the assets of the Company and in that context to have proper regard to the establishment of appropriate systems of internal control with view to the prevention and detection of fraud and other irregularities.

The Directors continue to adopt the going concern basis in preparing Financial Statements. The Directors, after making enquiries and following a review of the Company's cash flows and borrowing facilities, consider that the Company has adequate resources to continue in operation.

The Directors are confident that they have discharged their responsibilities as set out in this statement. The Directors also confirm that to the best of their knowledge, all statutory payments payable by the Group as at the balance sheet date are paid, or where relevant, provided for.

By Order of the Board

ACCOUNTING SYSTEMS SECRETARIAL SERVICES (PRIVATE) LIMITED PV 4100

DIRECTOR / SECRETARY

ACCOUNTING SYSTEMS SECRETARIAL SERVICES (PVT) LTD.
Secretaries

Colombo, 10 September 2013

Independent Auditors' Report

KPMG
(Chartered Accountants)
32 A, Sir Mohamed Macan Markar Mawatha,
P.O. Box 186,
COLOMBO 00300,
Sri Lanka.

Tel : + 94 (11) 542 6426
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: + 94 (11) 254 1249
: + 94 (11) 230 7345
Internet : www.lk.kpmg.com

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF THE AUTODROME PLC

Report on the Financial Statements

We have audited the accompanying financial statements of The Autodrome PLC ("the Company") and the consolidated financial statements of the Company and its subsidiary ("the Group"), which comprise the statements of financial position as at 31 March 2013, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information set out on pages 21 to 46 of the annual report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

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

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the company maintained proper accounting records for the year ended 31 March 2013, and the financial statements give a true and fair view of the financial position of the company as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiary dealt with thereby as at 31 March 2013 and of its financial performance and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

These financial statements also comply with the requirements of Sections 153(2) to 153(7) of the Companies Act No. 07 of 2007.

CHARTERED ACCOUNTANTS
10th September 2013
Colombo, Sri Lanka.

KPMG, a Sri Lankan Partnership and a member firm Of the KPMG network of independent member firms Affiliated with KPMG International cooperative ("KPMG International"), a Swiss entity.

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

Principals- S.R.I. Perera ACMA, LLB, Attorney-at-Law, H.S. Goonewardene ACA

Statement of Comprehensive Income

(all amounts in Sri Lanka Rupees '000)

		Group		Company	
For the year ended 31 March		2013	2012	2013	2012
	Notes				
Revenue	4	590,214	637,236	588,829	635,803
Cost of sales		(467,566)	(491,477)	(467,566)	(491,477)
Gross profit		122,648	145,759	121,263	144,326
Investment and other income	5	9,198	7,711	9,656	7,832
Administrative expenses		(98,210)	(79,669)	(97,419)	(78,656)
Selling and distribution expenses		(2,346)	(8,045)	(2,253)	(7,927)
Operating profit	6	31,290	65,756	31,247	65,575
Finance income		3,290	1,012	2,959	774
Finance costs		(708)	(13,005)	(708)	(13,005)
Net finance income	7	2,582	(11,993)	2,251	(12,231)
Profit before taxation		33,872	53,763	33,498	53,344
Tax expense	8	(14,937)	(10,840)	(14,786)	(10,706)
Net profit for the year		18,935	42,923	18,712	42,638
Other comprehensive income					
Revaluation of property, & plant and equipment		340,755	-	340,755	-
Other comprehensive income for the year, net of tax		340,755	-	340,755	-
Total comprehensive income for the year		359,690	42,923	359,467	42,638
Earnings per share					
Basic earning per share	9	15.78	35.77	15.59	35.53

The Notes on pages 25 to 46 form an integral part of these consolidated financial statements.

Statement of Financial Position

(all amounts in Sri Lanka Rupees '000)

As at 31 March	Notes	Group 2013	Group 2012	Group 2011	Company 2013	Company 2012	Company 2011
Assets							
Non current assets							
Property, plant and equipment	10	768,759	443,591	439,232	768,759	443,591	439,232
Investment properties	11	13,594	30,262	30,508	13,594	30,262	30,508
Investment in subsidiary	12	-	-	-	500	500	500
Investment in non quoted companies		-	5	5	-	5	5
Long Term Investments		3,280	-	-	-	-	-
		785,633	473,858	469,745	782,853	474,358	470,245
Current assets							
Inventories	13	98,358	140,479	87,812	98,358	140,479	87,812
Receivables and prepayments	14	80,608	74,552	93,484	79,999	73,932	92,615
Amount due from related parties	15	-	-	-	160	-	-
Current tax assets	16	-	267	-	-	259	-
Short Term Investment		45,059	-	-	45,059	-	-
Cash in hand and at bank	17	24,564	48,054	6,788	24,021	43,402	1,854
		248,589	263,352	188,084	247,597	258,072	182,281
Total assets		1,034,222	737,210	657,829	1,030,450	732,430	652,526
Equity and liabilities							
Capital and reserves							
Stated capital	18	12,440	12,440	12,440	12,440	12,440	12,440
Revaluation reserves	19	610,483	286,304	286,493	610,483	286,304	286,493
Retained earnings		276,774	261,250	222,938	273,593	258,292	220,265
Equity attributable to equity holders of the parent		899,697	559,994	521,871	896,516	557,036	519,198
Non controlling interest		-	-	-	-	-	-
Total equity		899,697	559,994	521,871	896,516	557,036	519,198
Non current liabilities							
Employee benefits	20	9,866	8,392	6,211	9,866	8,392	6,211
Deferred tax liabilities	21	25,478	6,946	11,697	25,478	6,946	11,697
		35,344	15,338	17,908	35,344	15,338	17,908
Current Liabilities							
Borrowings	22	110	630	630	110	630	630
Trade and other payables	23	95,516	160,162	83,835	94,961	159,002	81,301
Amount due to related parties	15	-	-	-	-	1	3
Current tax liabilities	16	3,555	-	13,047	3,519	-	12,948
Bank overdraft	17	-	1,086	20,538	-	423	20,538
		99,181	161,878	118,050	98,590	160,056	115,420
Total liabilities		134,525	177,216	135,958	133,934	175,394	133,328
Total equity and liabilities		1,034,222	737,210	657,829	1,030,450	732,430	652,526

The notes on the pages 25 to 46 are an integral part of these consolidated financial statements.
I certify that the financial statements have been prepared in accordance with the requirements of the Companies Act No. 7 of 2007.

.....
Gayan Joseph, Accountant

These financial statements were approved by the Board of Directors on 10 September 2013

Rajeev Aloysius
Joint Managing Director & CFO

Jeremy Aloysius
Joint Managing Director

Statement of Cash Flows

(all amounts in Sri Lanka Rupees '000)

For the year ended 31 March	Group 2013	Group 2012	Company 2013	Company 2012
Cash Flow from Operating Activities				
Profit before income tax expense	33,872	53,763	33,498	53,344
Adjustments for:				
Depreciation	12,546	11,401	12,546	11,401
Dividend received	-	-	(126)	(126)
Interest income	(2,207)	(1,012)	(1,876)	(774)
Interest expense	708	491	708	491
Provision for investments in non quoted companies	5	-	5	-
Provision for Non-moving items	-	-	-	-
Provision for Employee Benefits	2,290	2,181	2,290	2,181
Provision for Bad Debts	1,244	-	1,244	-
Gain on sale of property, plant and equipment	-	(702)	-	(702)
Loss on sale of Investment property	926	-	926	-
Loss on revaluation of building	5,796	-	5,796	-
Unrealised exchange (gain)/ loss	(172)	6,461	(172)	6,461
Realised exchange (gain)/ loss	(911)	6,053	(911)	6,053
Operating profit before working capital changes	54,098	78,636	53,928	78,329
Changes in working capital				
(Increase)/Decrease in Inventories	42,122	(52,667)	42,121	(52,667)
(Increase)/Decrease in receivables and prepayments	(7,300)	18,932	(7,311)	18,683
(Increase)/Decrease in amounts due from related parties	-	-	(160)	-
Increase/(Decrease) in amounts due to related parties	-	-	(1)	(2)
Increase/(Decrease) in trade and other payables	(63,565)	63,814	(62,959)	65,188
Cash generated from operations	25,354	108,715	25,618	109,531
Interest paid	(708)	(491)	(708)	(491)
Income tax paid	(8,969)	(28,905)	(8,862)	(28,664)
Employee benefits paid	(816)	-	(816)	-
Net cash inflow (used in)/from operating activities	14,861	79,319	15,232	80,376
Cash flows from investing activities				
Capital work-in progress incurred during the year	(1,615)	(317)	(1,615)	(317)
Acquisition of property, plant and equipment	(2,398)	(18,113)	(2,398)	(18,113)
Investment In Fixed Deposit	(45,059)	-	(45,059)	-
Investment In Longterm treasury bond	(3,280)	-	-	-
Dividend received	-	-	126	126
Interest received	2,207	1,012	1,876	774
Proceeds from disposal of property, plant & equip.	-	3,617	-	3,617
Proceeds from disposal of Investment property	17,000	-	17,000	-
Net cash outflow from investing activities	(33,145)	(13,801)	(30,070)	(13,913)
Cash flows from financing activities				
Dividend paid	(3,600)	(4,800)	(3,600)	(4,800)
Loan repaid	(520)	-	(520)	-
Net cash outflow from financing activities	(4,120)	(4,800)	(4,120)	(4,800)
Net (decrease)/ increase in cash and cash equivalents	(22,404)	60,718	(18,958)	61,663
Cash & cash equivalents, at the beginning of the year	46,968	(13,750)	42,979	(18,684)
Cash and cash equivalents at the end of the year (Note 17)	24,564	46,968	24,021	42,979

The Notes on pages 25 to 46 form an integral part of these consolidated financial statements.

Statement of Changes in Equity

(all amounts in Sri Lanka Rupees '000)

Group	Stated Capital	Revaluation Reserve	Retained Earnings	Total
Balance as at 31st March 2011 as previously reported	12,440	285,988	223,443	521,871
Prior year adjustment (Note 29)	-	505	(505)	-
Restated balance as at 1st April 2011	12,440	286,493	222,938	521,871
Profit for the year	-	-	42,923	42,923
Other comprehensve income for the year	-	-	-	-
Depreciation transfer	-	(189)	189	-
Final dividend (2011/12)	-	-	(4,800)	(4,800)
Balance as at 31 March 2012	12,440	286,304	261,250	559,994
Profit for the year	-	-	18,935	18,935
Other comprehensve income for the year	-	340,755	-	340,755
Depreciation transfer	-	(189)	189	-
Transferred to deferred tax liability		(16,387)		(16,387)
Final dividend (2012/13)	-	-	(3,600)	(3,600)
Balance as at 31 March 2013	12,440	610,483	276,774	899,697
Company				
	12,440	285,988	220,770	519,198
Balance as at 31st March 2011 as previously reported	-	505	(505)	-
Prior year adjustment (Note 29)	12,440	286,493	220,265	519,198
Restated balance as at 1st April 2011	-	-	42,638	42,638
Profit for the year	-	-	-	-
Other comprehensive income for the year	-	(189)	189	-
Depreciation transfer	-	-	(4,800)	(4,800)
Final dividend - 2011/12	12,440	286,304	258,292	557,036
Balance as at 31 March 2012				
Profit for the year	-	-	18,712	18,712
Other comprehensve income for the year	-	340,755	-	340,755
Depreciation transfer	-	(189)	189	-
Transferred to deferred tax liability		(16,387)		(16,387)
Final dividend - 2012/13	-	-	(3,600)	(3,600)
Balance as at 31 March 2013	12,440	610,483	273,593	896,516

The Notes on pages 25 to 46 form an integral part of these consolidated financial statements.

Notes to the Financial Statements

01- Reporting entity

1.1) General

The Autodrome PLC (the "Company") is a "Quoted Public Company" with limited liability, incorporated and domiciled in Sri Lanka. The address of the Company's registered office is No. 304, Dr. Colvin R. de Silva Mawatha (Union Place), Colombo 02. The Consolidated Financial Statements of the Company as at and for the year ended 31st March 2013 comprise the Company and its subsidiary, Tourama (Pvt) Ltd (together referred to as the "Group").

The Company is in the business of import and distribution of tires and related products and distribution of Revlon cosmetic products. The subsidiary Tourama (Pvt) Ltd, is a travel agent and destination management company.

02 - Basis of preparation

2.1) Statement of compliances

The consolidated financial statements have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs) as laid down by the Institute of Chartered Accountants of Sri Lanka (ICASL) and the requirements of the Companies Act No.7 of 2007.

These annual Financial Statements for the year ended 31 March 2013 are the first Consolidated Financial Statements of the Group and the Company prepared in accordance with Sri Lanka Accounting Standard - SLFRS 1, 'First-time adoption of Sri Lanka Accounting Standards'.

2.2) Approval of Financial Statements by the Board of Directors

The consolidated financial statements were authorized for issue by the Board of Directors on 10 September 2013.

2.3) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the revaluation of property.

2.4) Functional and presentation currency

These consolidated financial statements are presented in Sri Lanka Rupees (LKR), which is the Company's functional currency. All financial information presented in Sri Lanka Rupees has been rounded to the nearest thousand, unless otherwise stated.

2.5) Use of estimates and judgments

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

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

Notes to the Financial Statements *contd.*

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements and information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Investment property	Note 11
Measurement of defined benefit obligations	Note 20
Deferred Tax	Note 21
Provisions and contingencies.	Note 26

2.6) Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial as permitted by Sri Lanka Accounting Standard - "Framework for the Preparation and Presentation of Financial Statements".

2.7) Offsetting

Assets and liabilities and income and expenses are not set off unless permitted by Sri Lanka Accounting Standards.

2.8) Rounding

The amounts in the financial statements have been rounded off to the nearest Rupees thousand. Except where otherwise indicated, as permitted by Sri Lanka Accounting Standard - 'Framework for the Preparation and Presentation of Financial Statements'.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities. Certain comparative amounts have been reclassified to conform to the current year's presentation.

3.1) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities controlled by the Company. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities in assessing control, potential voting rights that are currently exercisable are also taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control cease.

Financial statements of the Group entities are prepared to a common financial year ending 31 March, using uniform accounting policies. Transactions and events in similar circumstances are applied with said accounting policies on a consistent basis.

There are no restrictions on the ability of subsidiaries to transfer funds to the Company (The Parent) in the form of cash dividend or repayment of loans and advances.

Notes to the Financial Statements *contd.*

(ii) Transactions eliminated on consolidation
Intra-group balances, and any unrealized gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment

(iii) Accounting for investment in subsidiaries
When separate financial statements are prepared, investments in subsidiaries are accounted for using the cost method. Investments in subsidiaries are stated in the Company's Statement of financial position at cost less accumulated impairment losses.

3.2) Foreign currency

(i) Foreign currency transactions
Transactions in foreign currencies are translated to the Sri Lankan Rupees at the foreign exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the Reporting date are retranslated to the Sri Lankan Rupees at the exchange rates on that date foreign exchange differences arising on retranslation are recognized in the Statement of comprehensive income.

3.3) Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and are expected to be used during more than one period.

Basis of Recognition
Property, plant and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Group and cost of the asset can be reliably measured

Basis of Measurement
An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at Cost includes expenditure that is directly attributable to the acquisition of the asset and subsequent costs. 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. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property and equipment.

Cost Model
Property, plant and equipment (excluding freehold land and building) is stated at cost net of accumulated depreciation and /or accumulated impairment losses, if any.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognizes the new part with its own associated useful life and depreciation. All other repair and maintenance costs are recognized in the Statement of comprehensive income as incurred.

Notes to the Financial Statements *contd.*

Revaluation Model
Initially freehold land and building are recognized at cost and subsequently such properties are carried at a revalued amount when they are revalued, being their fair value at the date of revaluation, less any subsequent accumulated impairment loss.

Revaluation of entire freehold and buildings of the Company is carried out every five years or when there is a substantial difference between the fair value and the carrying amount to ensure that the carrying amounts do not differ materially from the fair values at the reporting date.

On revaluation of an asset, any increase in the carrying amount is recognised in Other Comprehensive Income and accumulated in equity, under capital reserve or used to reverse a previous revaluation decrease relating to the same asset, which was charged to the Statement of Income. In this circumstance, the increase is recognised as income to the extent of the previous write down. Any decrease in the carrying amount is recognised as an expense in the Statement of Comprehensive Income or debited in the Other Comprehensive Income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognised in Other Comprehensive Income reduces the amount accumulated in equity under revaluation reserves. Any balance remaining in the revaluation reserve in respect of an asset is transferred directly to Retained Earnings on retirement or disposal of the asset.

Revaluation is undertaken by a professionally qualified valuer.

Subsequent costs
The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in statement of comprehensive income as incurred.

Derecognition
The carrying amount of an item of property, plant & equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant & equipment is included in statement of comprehensive income when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognized.

Depreciation
Depreciation is based on the cost or revaluation of an asset or other amount substituted for cost, less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognized in Statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. No depreciation is provided on assets under construction.

Notes to the Financial Statements *contd.*

The estimated useful lives for the current and comparative years are as follows:

Buildings	50 years
Computer	4 years
Furniture & Fittings	4 years
Plant & Machinery	4 years
Motor Vehicles	4 years

Land is not depreciated as it is deemed to have an indefinite life.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

The difference between the depreciation based on the revalued carrying amount of the asset's and depreciation based on asset's original carrying amount is transferred from the revaluation reserve to the retained earnings in the statement of changes in equity

Capital work in progress
Capital Work-in-progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of building and plant and machinery awaiting capitalization. Capital work-in-progress would be transferred to the relevant asset category in property, plant and equipment when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Capital work-in-progress is stated at cost.

3.4) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing cost.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in statement of comprehensive income. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Buildings classified as investment properties are depreciated over a period of 50 years.

Notes to the Financial Statements *contd.*

3.5) Financial Assets

Measurement and Recognition
Financial Instruments
Non-derivative financial assets

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

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

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

The Company classifies non-derivative financial assets into the following categories: loans and receivables.

3.6) Loans and receivables

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

Loans and receivables comprise fixed deposits for more than one year with commercial banks and finance companies and trade and other receivables

3.7) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost to sell.

Notes to the Financial Statements *contd.*

3.8) Cash & cash equivalents

Cash and cash equivalents comprise cash in hand and short term deposits with the maturities of the 3 months or less from the acquisition date. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as components of cash and cash equivalents for the purpose of presenting the Statement of financial position.

3.9) Impairment of assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, recoverable amount is estimated at each reporting date and impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

Calculation of recoverable amount
The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

Recognition of Impairment loss
An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in the Statement of comprehensive income.

Reversal of impairment
Impairment losses recognized in prior periods are assessed at each Reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Reversals of impairment losses are recognized in the Statement of comprehensive income.

Notes to the Financial Statements *contd.*

3.10) Employee benefits

Defined benefit plans
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Provision has been made for retirement gratuities from the first year of service for all employees in conformity with the LKAS 19. However, under the Payment of Gratuity Act, No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability is not externally funded, nor actuarially valued. The Gratuity Liability is valued using a Formula method with assumptions to fair value the obligation.

Defined contribution plan
A defined contribution plan is a post employment plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay a further amount. Obligations for contributions to defined contribution plans are recognized as expense in Statement of comprehensive income as and when they are due.
The Group contributes 12% and 3% of gross emoluments of employees as provident fund and trust fund contribution respectively.

Short - term benefits
Short term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided.

3.11) Trade and other payables

Trade and other payables are stated at their cost

3.12) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.13) Stated capital

Ordinary shares and share premium are classified as stated capital.

3.14) Statement of comprehensive income

For the purpose of presentation of the Statement of comprehensive income, the function of expenses method is adopted, as it represents fairly the elements of company performance

Notes to the Financial Statements *contd.*

3.15) Revenue recognition

Sale of goods
Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised. Revenue excludes value added taxes or other sales taxes.

Transfers of risks and rewards vary depending on the individual terms of the contract of sale. For sales of tires and cosmetic products, usually transfer occurs when the product is received at the customer's warehouse.

Rental income
Rental income from other property is recognised as other income.

Interest income
Interest income from time deposits is accrued on a time-apportioned basis on the principal outstanding and at the rate applicable unless collectability is in doubt.

Dividend income
Dividend income is recognised in the Statement of comprehensive income when the right to receive payment is established.

Other income
Gains/losses on the disposal of investments held by the Group have been accounted for as other income in the Statement of comprehensive income.
Gains/losses on the disposal of property, plant & equipment determined by reference to the carrying amount and related expenses, have been accounted for as other income in the Statement of comprehensive income.

3.16) Finance income & expenses

Finance income comprises interest income on funds invested, and gains on translation of foreign currency. Interest income is recognized in the Statement of comprehensive income as it accrues.

Financing expenses comprise interest payable on borrowings and losses on translation of foreign currency.

Notes to the Financial Statements *contd.*

3.17) Tax expenses

Tax expense comprises current and deferred tax. Income tax is recognized in the Statement of comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the Reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax
Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect both accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Reporting date.

The principal temporary differences arise from revaluation and depreciation of property, plant and equipment, tax losses carried forward and provisions for defined benefit obligations. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at Reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Dividend taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

Economic Service Charge (ESC)
ESC is payable on the liable turnover at specified rates. As per the provision of the Economic Service Charge Act No. 13 of 2006 and subsequent amendments thereto, ESC is deductible from the income tax liability. Any unclaimed payment can be carried forward and set off against the income tax payable as per the relevant provision in the Act.

Notes to the Financial Statements *contd.*

3.18) Earnings/(Loss) per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.19) Events occurring after the Reporting date

All material events after reporting date have been considered and where appropriate adjustments or disclosures have been made in respective notes to the financial statements.

3.20) Comparative figures

Where necessary, the comparative figures have been reclassified to conform to the current year's presentation.

3.21) Commitments and contingencies

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the Company's control. Contingent liabilities and commitments are disclosed in Note 26 to the financial statements.

3.22) Effect of new accounting standards

The Institute of Chartered Accountants of Sri Lanka has issued a new framework and Sri Lanka Accounting Standards (LKAS/SLFRSs) which became applicable from 1 January 2012. The company performed an internal "gap" assessment of the impact of the new accounting standards and no significant impact arose due to the changes required and there was no need to restate comparatives.

Notes to the Financial Statements *contd.*

(all amounts in Sri Lanka Rupees '000)

04 - Revenue

for the year ended 31 March	Group 2013	Group 2012	Company 2013	Company 2012
Gross sale of tyres, tubes and other automotive accessories	507,699	552,223	507,699	552,223
Sale of Cosmetics -Revlon Lanka	86,705	92,229	86,705	92,229
Sale of air tickets	1,257	1,242	-	-
Tour package sales & commissions	128	191	-	-
	595,789	645,885	594,404	644,452
Less: Nation Building Tax	(5,575)	(8,649)	(5,575)	(8,649)
	590,214	637,236	588,829	635,803

05 - Other income

	Group 2013	Group 2012	Company 2013	Company 2012
Dividends from equity securities	-	-	126	126
Income from Tyre Fitting Centre	645	816	645	816
Rent income	5,257	4,006	5,617	4,006
Others	445	414	421	409
Commission income	3,777	1,773	3,773	1,773
Gain on sale of Property, plant and eqpmt.	-	702	-	702
Loss on disposal of Investment property	(926)	-	(926)	-
	9,198	7,711	9,656	7,832

06 - Profit from operations has been arrived at after charging the following:

Results from operating activities are stated after deducting all operating expenses including the following,

	Group 2013	Group 2012	Company 2013	Company 2012
Director's emoluments	16,512	14,340	16,512	14,340
Depreciation	12,546	11,401	12,546	11,401
Auditor's remuneration - Audit	396	330	360	300
- Audit related	90	90	90	90
Provision for doubtful debts	1,244	-	1,244	-
Donations	284	436	284	346
Salaries and wages	37,235	18,295	36,941	17,990
Defined contribution plan	5,000	5,751	4,956	4,707
Defined benefit plan	2,291	2,181	2,291	2,181
Loss on revaluation of Land and building	5,796	-	5,796	-

Notes to the Financial Statements *contd.*

(all amounts in Sri Lanka Rupees '000)

07 - Finance Income

	Group		Company	
for the year ended 31 March	2013	2012	2013	2012
Interest from bank deposits	2,207	1,012	1,876	774
Foreign exchange gain	1,083	-	1,083	-
Total finance income	3,290	1,012	2,959	774
Finance costs				
Loan interest	(39)	(82)	(39)	(82)
Overdraft interest	(669)	(409)	(669)	(409)
Exchange loss	-	(12,514)	-	(12,514)
Total finance expense	(708)	(13,005)	(708)	(13,005)
	2,582	(11,993)	2,251	(12,231)

08 - Taxation

	Group		Company	
	2013	2012	2013	2012
Current tax expense	12,792	15,591	12,641	15,457
Deferred tax	2,145	(4,751)	2,145	(4,751)
Total income tax expense	14,937	10,840	14,786	10,706
Current tax expense				
Reconciliation of effective tax rate				
Profit before income tax	33,858	53,763	33,498	53,344
Add: Disallowable expenses	25,728	15,988	25,726	15,981
Deduct : Allowable expenses	(14,135)	(12,532)	(13,945)	(12,322)
Add : Interest income	2,243	1,124	1,876	860
Add: Tax gain disposal of Investment Property	1,235	-	1,235	-
Deduct : Income not subject to tax	(3,159)	(2,406)	(3,159)	(2,406)
Deduct: Qualifying payments	(85)	(255)	(85)	(255)
Taxable income	45,685	55,682	45,146	55,202
Income tax using the company's domestic tax rate (28%)	12,792	15,591	12,641	15,457
Change in temporary differences	2,145	(4,751)	2,145	(4,751)
	14,937	10,840	14,786	10,706

9 - Earnings per share - Basic

Basic Earnings Per Share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	Group		Company	
	2013	2012	2013	2012
Net profit attributable to shareholders (Rs. '000)	18,935	42,923	18,712	42,638
Weighted-average number of ordinary shares in issue (In thousands)	1,200	1,200	1,200	1,200
Earnings per share (Rs.)	15.78	35.77	15.59	35.53

10 - Property, plant and equipment

(all amounts in Sri Lanka Rupees '000)

Group and Company	Freehold land	Freehold buildings	Machinery and equipment	Motor vehicles	Furniture and fittings	Computer	Capital work-in-progress	Total
Cost or Valuation								
Balance as at 01 April 2011	293,669	135,028	22,781	24,228	8,921	5,317	1,299	491,243
Additions at cost	-	188	790	16,070	69	996	317	18,430
Disposals at cost	-	-	-	(4,164)	-	-	-	(4,164)
Balance as at 31 March 2012	293,669	135,216	23,571	36,134	8,990	6,313	1,616	505,509
Balance as at 01 April 2012	293,669	135,216	23,571	36,134	8,990	6,313	1,616	505,509
Additions during the year	-	335	984	-	363	716	1,615	4,013
Disposals during the year	-	-	-	-	-	-	-	-
Gain on revaluation of Land & building	282,231	58,524	-	-	-	-	-	340,755
Loss on revaluation of Land & building	-	(5,796)	-	-	-	-	-	(5,796)
Transfers to Investment property	-	-	-	-	-	-	(1,422)	(1,422)
Balance as at 31 March 2013	575,900	188,279	24,555	36,134	9,353	7,029	1,809	843,059
Accumulated depreciation and impairment								
Balance as at 01 April 2011	-	11,147	21,049	7,999	7,456	4,360	-	52,011
Depreciation charge	-	2,704	1,055	6,231	642	523	-	11,155
Disposals	-	-	-	(1,248)	-	-	-	(1,248)
Balance as at 31 March 2012	-	13,851	22,104	12,982	8,098	4,883	-	61,918
Balance as at 01 April 2012	-	13,851	22,104	12,982	8,098	4,883	-	61,918
Depreciation charge	-	2,709	808	7,603	653	609	-	12,382
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2013	-	16,560	22,912	20,585	8,751	5,492	-	74,300
Carrying amount								
Balance as at 01 April 2011	293,669	123,881	1,732	16,229	1,465	957	1,299	439,232
Balance as at 31 March 2012	293,669	121,365	1,467	23,152	892	1,430	1,616	443,591
Balance as at 31 March 2013	575,900	171,719	1,643	15,549	602	1,537	1,809	768,759

Notes to the Financial Statements *contd.*

(all amounts in Sri Lanka Rupees '000)

10.1) Freehold Land carried at revalued amount

In compliance with the accounting policy, the company revalued Union Place land and building by an independent professional valuer and consultant, Mr.K. Arthur Perera, Incorporated valuer of the Institute of Valuers (Sri Lanka) as at 31st March 2013 and the Ja-Ela land and building was valued by independent valuer and consultant, Mr.Sunil Wickramaarachchi, Incorporated valuer of the Institute of Valuers (Sri Lanka) as at 31st March 2013.The lands have been revalued on the basis of the current market value and the buildings were valued at the estimated free hold market value. The company has transferred the land surplus from Union Place and Ja-ela of Rs.275,250,000 and Rs.6,981,000 respectively with the building surplus from Union Place of Rs.58,524,000 to revaluation surplus. The company has charged the revaluation loss of Rs.5,796,000 arising from the revaluation of Ja-Ela building to the Statement of Comprehensive income.

Group and Company Location	Last Revaluation Date	Land Extent	Building Revalued amount as at 31/03/2013	Land Revalued amount as at 31/03/2013
304, Union Place, Colombo 02	31/03/2013	0A - 2R - 28.18 P		
58/10A, Raja Mawatha, Jaela	31/03/2013	0A - 2R - 08.40 P		

10.2) Freehold land & building

The carrying amount of revalued assets that would have been included in the Financial Statements had the assets been carried at cost less accumulated depreciation is as follows:

Group and Company	Cost as at 01/04/2012	Accumulated Depreciation	NBV 31/03/2013
Land	6,000	-	6,000
Building	112,000	13,000	99,000

10.3) Freehold land and building with a carrying amount of Rs.747.6Mn (2012- Rs.415Mn) has been pledged to secure borrowing of the company. Freehold land and buildings have been pledged as security for bank facilities under a mortgage. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another company.

Primary mortgage over properties located at No 304 & 304/1 Union place, Colombo 02.for Rs.272.75Mn.
Primary mortgage over property at No 58/10A, Raja Mawatha, Ekala, Ja-ela for Rs.5Mn
Primary mortgage over stocks and book debts for Rs.100Mn
Secondary mortgage over stocks for Rs.5Mn
Secondary mortgage over stocks and book debts for Rs.50Mn

10.4) Property, plant and equipment include fully depreciated assets, the cost of which as at 31 March 2013 amounted to Rs. 38,639,379. (2012 - Rs. 35,203,136)

Notes to the Financial Statements *contd.*

(all amounts in Sri Lanka Rupees '000)

11 - Investment property

Group and Company	Property at Battaramulla Land	Building	Land at Welikada	Total
Cost				
Balance as at 01 April 2011	5,108	12,298	13,594	31,000
Additions at cost	-	-	-	-
Transfers from Investment property	-	-	-	-
Disposals at cost	-	-	-	-
Balance as at 31 March 2012	5,108	12,298	13,594	31,000
Balance as at 01 April 2012	5,108	12,298	13,594	31,000
Additions during the year	-	-	-	-
Transfers from Investment property	-	1,422	-	1,422
Disposals during the year	(5,108)	(13,720)	-	(18,828)
Balance as at 31 March 2013	-	-	13,594	13,594
Accumulated depreciation				
Balance as at 01 April 2011	-	492	-	492
Depreciation charge	-	246	-	246
Disposals	-	-	-	-
Balance as at 31 March 2012	-	738	-	738
Balance as at 01 April 2012	-	738	-	738
Depreciation charge	-	164	-	164
Disposals	-	(902)	-	(902)
Balance as at 31 March 2013	-	-	-	-
Carrying amount				
Balance as at 01 April 2011	5,108	11,806	13,594	30,508
Balance as at 31 March 2012	5,108	11,560	13,594	30,262
Balance as at 31 March 2013	-	-	13,594	13,594

11.1. The investment property of the company consists of the following property that is held for capital appreciation.The investment property was re-valued on 08 April 2011 by Mr.L.M.P.Perera-Ass't Gov't Valuer.

Property	Address	Extent	Fair value as at 31/03/2011	Number of buildings
Land	78/4 MedaWelikada Rd, Rajagiriya	14 perches	18,200	None (Bare land)

Notes to the Financial Statements *contd.*

(all amounts in Sri Lanka Rupees '000)

12 - Investment in subsidiary

Company	% Share holding			No. of shares			Value		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
Tourama (Private) limited	99.99%	99.99%	99.99%	49,994	49,994	49,994	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 - Inventories

	Group & Company		
	2013	2012	2011
Finished goods	80,718	110,394	88,518
Goods in transit	18,346	30,791	-
	99,064	141,185	88,518
Less : Provision for non moving items	(706)	(706)	(706)
	98,358	140,479	87,812

14 - Receivables and prepayments

	Group			Company		
	2013	2012	2011	2013	2012	2011
Trade receivables	70,837	65,509	73,439	70,336	64,898	72,619
Less: Provision for doubtful debts	(1,843)	(689)	(689)	(1,843)	(689)	(689)
	68,994	64,820	72,750	68,493	64,209	71,930
Other receivables	10,271	6,694	18,599	10,163	6,685	18,550
Deposits & prepayments	1,343	3,038	2,135	1,343	3,038	2135
	80,608	74,552	93,484	79,999	73,932	92,615

15 - Amount due to/(due from) related parties

	Group			Company		
	2013	2012	2011	2013	2012	2011
Tourama (Pvt) Ltd	-	-	-	160	(1)	(3)
	-	-	-	160	(1)	(3)

Notes to the Financial Statements *contd.*

(all amounts in Sri Lanka Rupees '000)

16 - Current tax liabilities/ (assets)

	Group			Company		
	2013	2012	2011	2013	2012	2011
Balance at the beginning of the year	(267)	13,047	2,943	(259)	12,948	2,916
Provision for current year tax	12,792	15,591	28,641	12,641	15,457	28,335
Under provision in previous year	-	-	-	-	-	-
Withholding tax paid	(82)	(50)	(364)	(82)	(50)	(364)
Tax paid	(8,507)	(27,202)	(16,579)	(8,400)	(26,961)	(16,345)
ESC paid during The Year	(381)	(1,653)	(1,594)	(381)	(1,653)	(1,594)
Balance at the end of the year	3,555	(267)	13,047	3,519	(259)	12,948

17 - Cash in hand and at bank

	Group			Company		
	2013	2012	2011	2013	2012	2011
Cash in hand	314	423	284	314	251	157
Cash at bank	24,250	47,631	6,504	23,707	43,151	1697
	24,564	48,054	6,788	24,021	43,402	1,854
Bank overdraft	-	(1,086)	(20,538)	-	(423)	(20,538)
Cash & cash equivalent for the purpose of Cash flow statement	24,564	46,968	(13,750)	24,021	42,979	(18,684)

18 - Stated capital

	Group & Company		
	2013	2012	2011
1,200,000 ordinary shares	12,440	12,440	12,440

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

Notes to the Financial Statements *contd.*

(all amounts in Sri Lanka Rupees '000)

19 - Revaluation reserve

	Group & Company		
	2013	2012	2011
Balance at the beginning of the year	286,304	286,493	290,359
Depreciation transfer	(189)	(189)	(189)
Transfer to deferred tax liability	(16,387)	-	(3,677)
Revaluation of property,plant and equipment	340,755	-	-
Balance at the end of the year	610,483	286,304	286,493

The revaluation reserve arises on the revaluation of land and buildings.

20 - Employee benefits

	Group & Company		
	2013	2012	2011
Present value of unfunded obligations	9,866	8,392	6,211
Present value of funded obligations	-	-	-
Total present value of obligations	9,866	8,392	6,211
Fair value of plan assets	-	-	-
Total employee benefits.	9,866	8,392	6,211
Movement in the present value of the employee benefits			
Employee benefits as at 1 April	8,392	6,211	4,922
Benefits paid by the plan	(816)	-	(95)
Current service cost	947	830	761
Interest cost	847	688	442
Transition obligation/(asset) recognized in statement of comprehensive income	496	663	181
Employee benefit as at 31 March	9,866	8,392	6,211
Expense recognized in statement of comprehensive income			
Current service cost	947	830	761
Interest on obligation	847	688	442
Transition obligation/(asset) recognized in statement of comprehensive income	496	663	181
	2,290	2,181	1,384
Assumptions			
Principal assumptions at the reporting date (expressed as weighted averages):			
Discount rate	11%	11%	11%
Future salary increases	10%	10%	10%
Staff turnover	12%	12%	12%

The average life expectancy of an individual retiring at age 55.
The provision for retiring gratuity for the year is based on the formula method made on 31 March 2013.

Notes to the Financial Statements *contd.*

(all amounts in Sri Lanka Rupees '000)

21 - Deferred tax liability

Company	2013	2012	2011	2013	2012	2011	2013	2012	2011
Property,plant & equipment	-	-	-	8,177	5,618	10,194	8,177	5,618	10,194
Employee benefits	(2,763)	(2,349)	(2,174)	-	-	-	(2,763)	(2,349)	(2,174)
Revaluation gain	-	-	-	20,064	3,677	3,677	20,064	3,677	3,677
	(2,763)	(2,349)	(2,174)	28,241	9,295	13,871	25,478	6,946	11,697

	Balance 01-Apr-11	Recognized in statement of comprehensive income	Balance 31-Mar-12	Recognized in statement of comprehensive income	Recognized in Revaluation reserve	Balance 31-Mar-13
Property,plant & equipment	10,194	(4,576)	5,618	2,559	-	8,177
Employee benefits	(2,174)	(175)	(2,349)	(414)	-	(2,763)
Revaluation gain	3,677	-	3,677	-	16,387	20,064
	11,697	(4,751)	6,946	2,145	16,387	25,478

22 - Borrowings

	Group & Company		
	2013	2012	2011
Loans from directors	110	630	630
	110	630	630

Loans from directors and their families are unsecured and have no fixed repayment terms. The weighted average interest rate for loans from directors was 13% (2012: 13%) per annum.

23 - Trade and other payables

	Group			Company		
	2013	2012	2011	2013	2012	2011
Trade payables	73,352	139,974	60,406	72,637	139,012	58,060
Accruals	2,029	1,701	1,332	2,029	1,585	1,212
Social security and other taxes	2,835	3,314	1,488	2,835	3,312	1,486
Other payables	16,904	14,888	20,324	17,064	14,808	20,258
Dividend payable	396	285	285	396	285	285
	95,516	160,162	83,835	94,961	159,002	81,301

Notes to the Financial Statements *contd.*

(all amounts in Sri Lanka Rupees '000)

25 - Related party transactions

Transactions with key management personnel

Key management personnel include all the members of the Board of Directors of the company having authority and responsibility for planning, directing and controlling the activities of the company as well as the subsidiaries, directly or indirectly.

The Autodrome PLC, considers its Board of Directors as the key management personnel of the Company and the group and close family members as related parties.

Loans from Related Parties

The Company has obtained unsecured loans from the related parties on which the interest payable by the Company is at 13%. Furthermore, the loan repayment period for the said loans are not specified. As at 31st March 2013 the balance outstanding Rs.110,000 (2012: Rs. 630,000) is included under borrowings.

Compensation to Key Management Personnel

Addition to their salaries, the group also provides non-cash benefit to directors and contributes to a post-employment defined benefit plan on their behalf. The compensation paid to the key management personnel of the Company is follows.

	Group		Company	
	2013	2012	2013	2012
Short term employee benefit	18,456	15,535	18,456	15,535
Post employment benefit	2,202	2,151	2,202	2,151

Mr.Joseph A. Aloysius, Mrs. Bernadette J. Aloysius, Jeremy D. Aloysius, Rajeev A.J.Aloysius, Ms.J. Joanne B. Aloysius and Ms. Julie A. Aloysius are Directors of this Company are also Directors of Tourama (Pvt) Ltd.

Other Related party Transaction

Directors of the Company control 67% (2012: 67%) percent of the voting shares of the Company. A number of key management personnel, or their related parties, hold positions in other entities that result in them having control of significant influence over the financial or operating policies of these entities.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows

Name of the Related Party	Relationship	Nature of Transaction	Transaction Value	Balance as at 31.3.2013 Due From (Due To)
Tourama (Pvt) Ltd	Subsidiary	Purchase of air tickets and travel insurance by Directors	806	-
		Facilities Reimbursement paid	360	160
Mrs.Lorna Sylvia Est of Late P.	Close relations of Directors	Loan interest	29	-
Mrs.Mangalam St.George	Close relations of Directors	Loan interest	11	(110)
Joseph A. Aloysius	Chairman	Payment of TV Bills	19	-

Notes to the Financial Statements *contd.*

26 - Commitments and contingencies

There were no capital commitments and / or contingencies as at the balance sheet date except Letter of credits open for import of tyres and mortgages over properties which is disclosed under note 11.4.

27 - Events after the balance sheet date

No circumstances have arisen since the balance sheet date which would require adjustments to or disclosure in the financial statements except for the resignation of chairman and appointment of new chairman.

28 - Litigation and claims

There were no litigations and claims filed against the Company as at the Balance Sheet date.

29 - Comparative information

The consolidated financial statements have been restated in accordance with LKAS 08 - Accounting policies, Changes in accounting estimates and errors, to reflect the following adjustments;

(a) Reclassification of capital work in progress

Group & Company	Property, plant & equipment	Capital work in progress	Total
Balance reported as at 31 March 2011	437,933	1,299	439,232
Restated in 2013 financial statements	439,232	-	439,232
	1,299	(1,299)	-

(b) Revaluation reserve and Retained earnings

Group	Revaluation reserve	Retained earnings	Total
Balance reported as at 31 March 2011	285,988	223,443	509,431
Restated in 2013 financial statements	286,493	222,938	509,430
	505	(505)	-
Company			
Balance reported as at 31 March 2011	285,988	220,770	506,758
Restated in 2013 financial statements	286,493	220,265	506,758
	505	(505)	-

Company policy is to transfer an amount equal to the difference between depriciation based on revalued carrying amount of the asset and depriciation based on original cost as per LKAS 16. However as per LKAS 12, "if an entity make such a transfer the amount transfered is net of any related deffered tax" which was not considered errorniously.

30 - Number of employees

Total number of employees of the Company and the Group as at 31 March 2013 is 59 (2012-60).

TEN YEAR SUMMARY

Year ended 31 March (In Rs. '000)	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
OPERATING RESULTS										
Turnover	**590,214**	637,236	614,737	511,571	482,521	462,039	417,528	423,239	324,453	316,544
Profit before finance charges	**34,580**	66,768	73,561	55,650	70,248	63,163	47,624	49,457	17,439	22,006
Finance cost	**708**	13,005	2,602	3,196	7,556	4,479	4,760	5,949	2,814	5,307
Non operating income	**12,473**	8,723	6,063	2,985	5,168	6,588	3,201	3,667	3,968	1,314
Profit before taxation	**33,872**	53,763	76,163	52,454	62,692	58,684	42,864	43,508	18,593	18,014
Taxation	**14,937**	10,840	29,649	22,069	23,728	21,829	14,117	14,131	5,912	5,843
Profit after taxation	**18,935**	42,923	46,514	29,845	38,964	36,862	28,746	29,377	12,681	12,170
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	**610,483**	286,304	286,492	289,927	290,190	290,453	290,868	291,130	97,186	97,221
Revenue Reserves	**276,775**	261,250	222,938	181,466	154,956	120,586	85,709	58,500	30,661	19,747
	899,697	559,994	521,870	483,833	457,586	423,479	389,017	362,070	140,287	129,408
CAPITAL EMPLOYED										
Property , Plant, Equipment and Investments	**785,633**	473,858	469,744	458,236	433,401	398,653	394,825	374,045	183,127	168,463
Current Assets	**248,589**	263,352	188,084	138,134	178,393	140,291	122,345	85,109	92,341	66,174
Current Liabilities	**(99,181)**	(161,878)	(118,050)	(100,178)	(145,380)	(108,154)	(121,571)	(91,372)	(129,394)	(100,400)
Non - Current Liabilities	**(35,344)**	(15,338)	(17,908)	(12,359)	(8,828)	(7,311)	(6,582)	(5,712)	(5,788)	(4,830)
	899,697	559,994	521,870	483,833	457,586	423,479	389,017	362,070	140,286	129,407
RATIOS & OTHER INFORMATION										
Liquidity										
Current Ratio	**2.51**	1.63	1.59	1.38	1.23	1.23	1.01	0.93	0.71	0.66
Quick Ratio	**1.51**	0.76	0.85	0.75	0.36	0.68	0.39	0.35	0.21	0.22
Capital Adequacy										
Total Liabilities / Sales (%)	**22.80**	27.81	22.12	22.00	31.96	25.00	30.70	22.94	41.66	33.24
Interest Cover (No. of times)	**48.82**	5.13	28.27	17.41	9.30	14.10	10.01	8.31	11.76	7.80
Profitability										
Return on Equity (%)	**2.10**	7.66	8.91	6.17	8.52	8.70	7.39	8.11	9.04	9.40
Return on Total Assets (%)	**1.83**	5.82	7.07	5.00	6.37	6.83	5.56	6.40	4.60	5.05
Operating Margin / Sales (%)	**20.78**	22.87	21.34	21.18	24.68	22.48	21.53	21.99	15.89	17.64
Earning Per Share (Rs.)	**15.77**	35.77	38.76	24.87	32.47	30.71	239.55	244.81	105.67	101.42
Revenue Growth (%)	**(7.38)**	3.59	20.13	6.02	4.43	15.16	(1.35)	30.44	2.50	6.27
Profit Before Tax Growth (%)	**(37.02)**	(29.41)	45.20	(16.33)	6.83	36.90	(1.48)	134.00	3.22	66.65
Profit After Tax Growth (%)	**(55.92)**	(7.72)	55.85	(23.41)	5.70	28.23	(2.15)	131.66	4.19	86.48
Efficiency (turnover ratios)										
Inventory Turnover (times)	**3.92**	4.31	6.44	4.26	3.76	5.06	5.12	6.21	5.00	6.55
Average Collection (days)	**42.67**	37.13	43.20	35.26	17.44	26.94	23.88	15.99	27.07	24.25

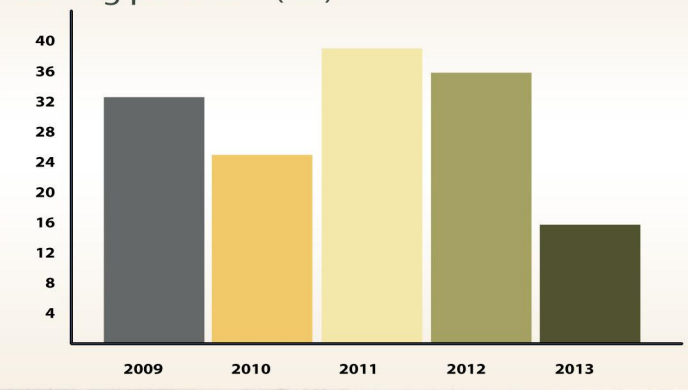
Ten year summary contd.

Year ended 31 March (In Rs. '000)	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
MARKET - BASED RATIOS										
Firm Ratios										
Dividend Payout Ratio	**0.19**	0.11	0.10	0.12	0.12	0.06	0.06	0.06	0.14	0.12
Dividend Cover (Times)	**5.26**	8.94	9.69	8.29	7.83	15.95	1.60	1.63	0.70	0.81
Net Assets Per Share	**749.75**	466.66	434.89	403.19	381.32	351.90	324.18	301.72	116.90	107.84
Combined Ratios										
Dividend Yield	**0.36**	0.5	1.54	0.11	0.15	0.06	0.86	0.86	1.25	3.13
Price Earning Ratio (Times)	**52.81**	22.37	22.19	14.85	7.97	9.76	7.30	7.15	11.36	3.94

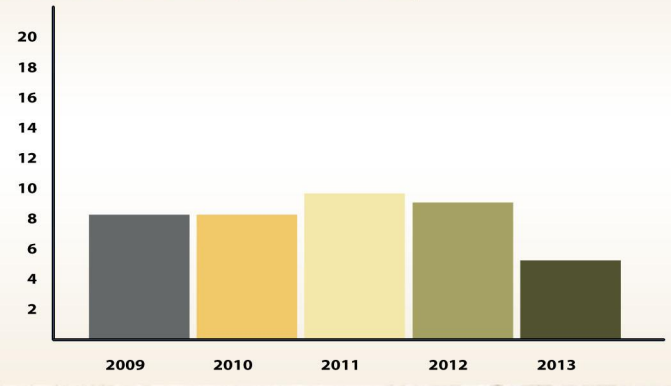
All figures are for the Group except for Market-based ratios.

GRAPHICAL REVIEW

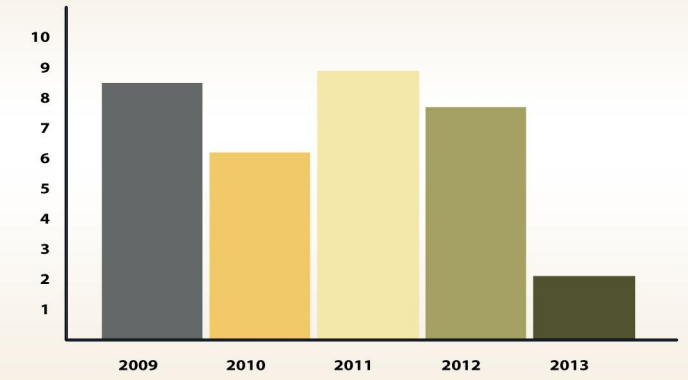
Earning per share (Rs.)



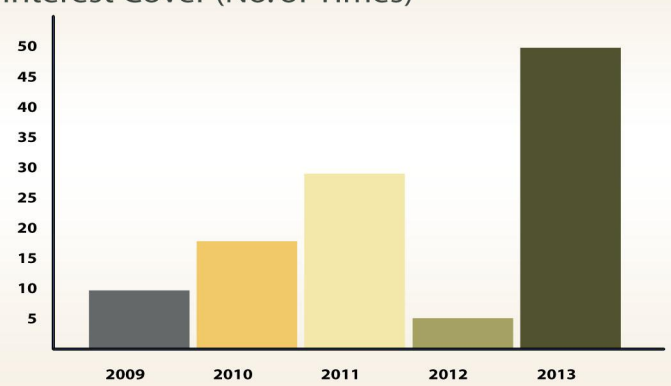
Dividend Cover (No. of times)



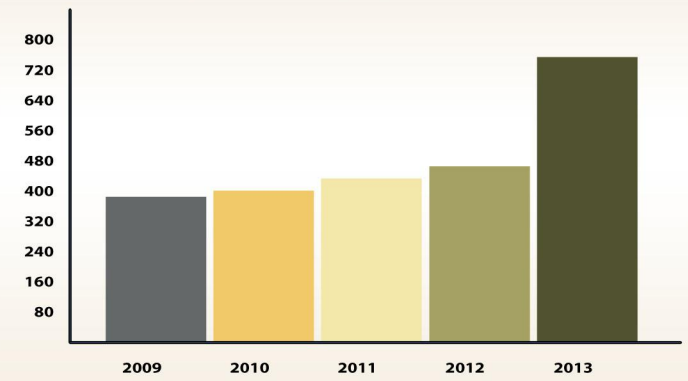
Return on investment (%)



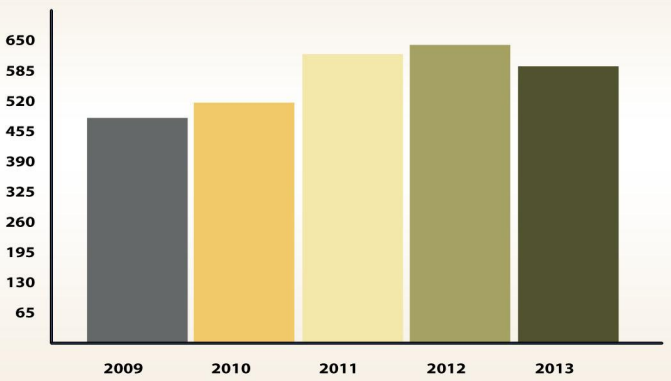
Interest Cover (No. of Times)



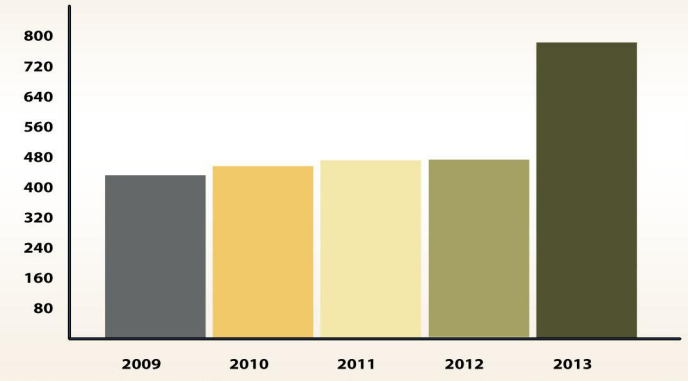
Net Assets per Share (Rs.)



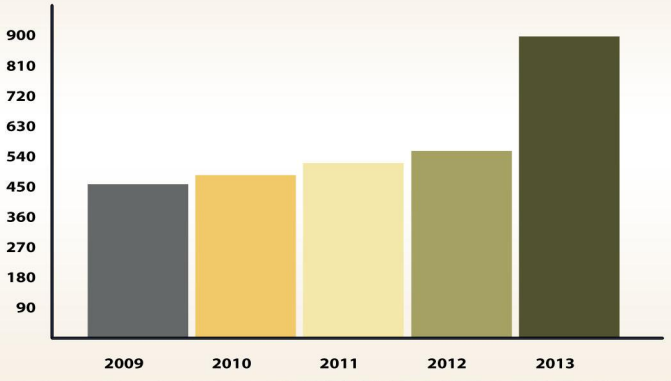
Turnover (Rs. Mn.)



Fixed Assets (Rs. Mn.)

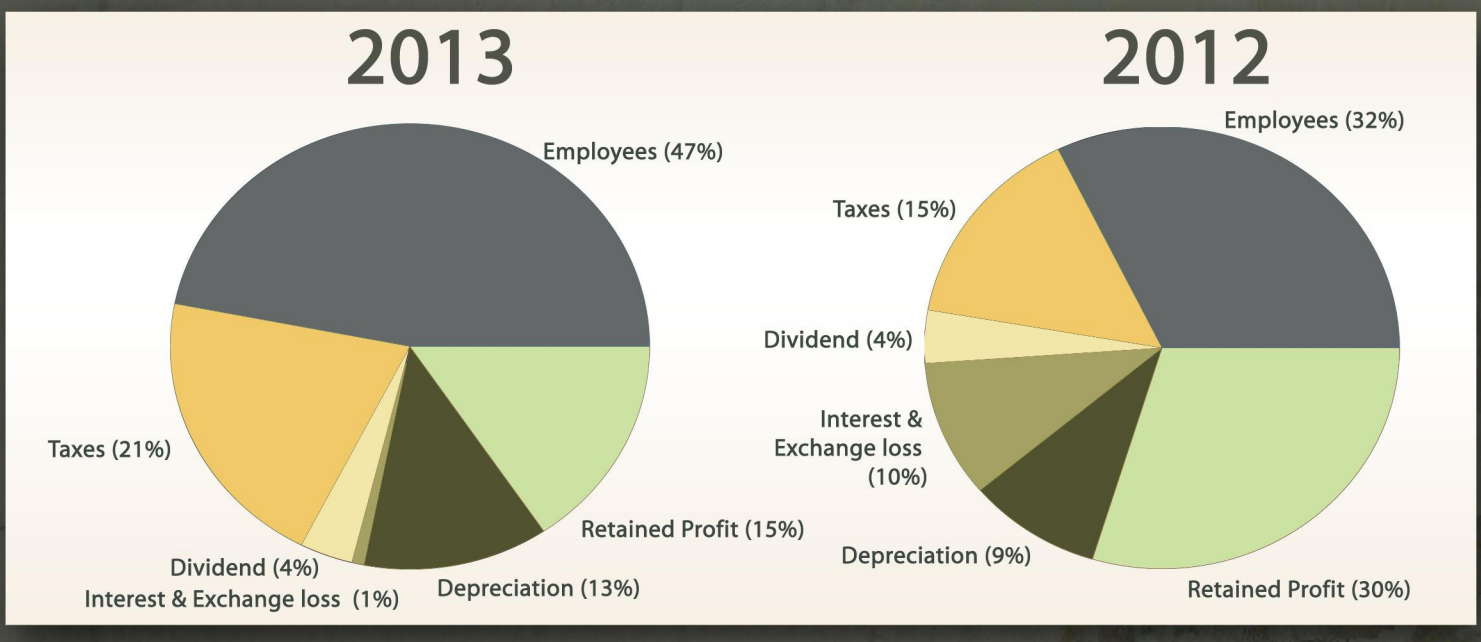


Shareholder's Funds (Rs. Mn.)



STATEMENT OF VALUE ADDED

CREATION OF VALUE ADDED	2013 Rs.	2012 Rs.
Gross Sales	595,789	645,885
Other Income	12,487	8,723
	608,276	654,608
Less: Cost of Materials & Services purchased from External Sources	(509,179)	(526,885)
Total Value Added	99,097	127,723
DISTRIBUTED AS FOLLOWS		
To Employees as Remuneration	46,409	41,139
To Government as Taxes	20,512	19,255
To providers of Capital as Dividend	3,600	4,800
Interest & Exchange loss	708	491
	0	12,514
Retained in the business as Depreciation	12,547	11,401
Retained Profit	15,321	38,123
	99,097	127,723
Distribution of Value Added	99,097	127,723



SHARE INFORMATION

1. GENERAL

Stated Capital - Rs. 12,440,000
No. of Ordinary Shares - 1,200,000
Voting rights - One vote per ordinary share

2. 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.

3. DISTRIBUTION OF SHAREHOLDING

The Shares of The Autodrome PLC were held as follows :

Size of shareholdings	31 March 2013				31 March 2012			
	Shareholders		Holdings		Shareholders		Holdings	
	No	%	No	%	No	%	No	%
1 - 1000	334	91.51	31,038	2.59	326	91.57	35,318	2.94
1001 - 5000	17	4.66	42,680	3.56	16	4.49	39,805	3.32
5001 - 10000	1	0.27	5,570	0.46	2	0.56	14,347	1.20
10001 - 50000	3	0.82	67,292	5.61	2	0.56	57,110	4.76
50001 and over	10	2.74	1,053,420	87.79	10	2.81	1,053,420	87.79
	365	100.00	1,200,000	100.00	356	100.00	1,200,000	100.00

4. ANALYSIS OF SHAREHOLDERS

	31 March 2013				31 March 2012			
	Shareholders		Holdings		Shareholders		Holdings	
	No	%	No	%	No	%	No	%
Institutions	19	5.21	206,902	17.24	17	4.78	201,666	16.81
Individuals	346	94.79	993,098	82.76	339	95.22	998,334	83.19
Total	365	100.00	1,200,000	100.00	356	100.00	1,200,000	100.00
Non Residents	1	0.27	63,850	5.32	1	0.28	63,850	5.32
Residents	364	99.73	1,136,150	94.68	355	99.72	1,136,150	94.68
Total	365	100.00	1,200,000	100.00	356	100.00	1,200,000	100.00

5. SHARE VALUATION

(Company)

Market Value	as at 31 March 2013	**Rs.833.30**	as at 31 March 2012	Rs.800
No. of shares in Issue		**1,200,000**		1,200,000
Market Capitalisation	as at 31 March 2013	**999,960,000**	as at 31 March 2012	960,000,000
Highest	Yr.2012/2013	**Rs.975**	Yr.2011/2012	Rs.1,250
Lowest	Yr.2012/2013	**Rs.406**	Yr.2011/2012	Rs.655
Earnings Per Share		**Rs.15.78**		Rs.35.53
Dividend per share		**Rs.3**		Rs.4
Net asset value per share		**Rs.749.75**		Rs.464.20

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 Sixty First Annual General Meeting

I/We……..of……

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

1. ……..……..., whom failing

2. ……..……, whom failing

3. The Chairperson of the Meeting.

as my/our proxy to represent me/us and to vote on my/our behalf at the Sixty-First Annual General Meeting of the Company to be held on Monday, 30 September 2013 at 3:30pm 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 delete 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 31 March 2013		
2. To re-elect as a Director Mr. C. Lakshman Sirimanne to the Board		
3. To re-elect as a Director Mr. M. Raviraj Ratnasabapathy to the Board		
4. To re-elect as a Director Mr. M. Suresh Dominic to the Board		
5. To re-elect Mr. S.C.Weerasooria who retires under s.210 of the Companies Act		
6. To re-elect Mrs. B. J. Aloysius who retires under s.210 of the Companies Act		
7. To re-appoint Auditors and authorise Directors to fix their Remuneration		
8. To authorise Directors to determine Contributions to Charities		

As witness under my/our hand this……day of September 2013.

Signature of 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 2, 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 its 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 Chairperson 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 5, No 2, Castle Lane, Colombo 4. Tel: (011) 5444426. Fax: (011) 5364295.

Important: Scripless Shares (reminder) .....

Central Depository Systems (Pvt) Ltd.
Fully owned subsidiary of the Colombo Stock Exchange

CDS

04-01 West Block,
World Trade Centre, Echelon Square,
Colombo 00100, Sri Lanka.

cds@cse.lk
www.cse.lk

November 30, 2010

CIRCULAR NO: 13/2010

To : - All Listed Companies

Dear Sir/Madam,

DIRECTIVE UNDER SECTION 13 (C) OF THE SECURITIES AND EXCHANG COMMISSION OF SRI LANKA ACT NO.36 OF 1987 (AS AMENDED)

The Securities & Exchange Commission of Sri Lanka (SEC) has directed the CSE and CDS to mandate the lodging of certificates pertaining to all listed securities at the Central Depository Systems and thereby implement a system of dematerialization for all listed securities.

In connection with the above the SEC has directed the CDS/CSE to implement the following to be effective of the dates mentioned below.

1. To mandate securities of new listings to be in de-mat form with effect from 1st January 2011.
2. To mandate securities of all existing listing entities which obtained listed status before 1st January 2011 to be in dematerialized form within a transitional period of one year from 1st January 2011 and to give prior notice to the existing listed entities of the said requirement.

The CDS will inform the procedure to be adopted for the creation and maintenance of 'Client Locked Accounts' by 10th December 2010.

The Directive dated 22nd November 2010 is attached.

Yours faithfully
For and on behalf of
CENTRAL DEPOSITORY SYSTEMS (PVT) LTD

Rajeeva Bandaranaike
ASSISTANT GENERAL MANAGER – CLEARING & SETTLEMENT
COLOMBO STOCK EXCHANGE

-ng

Voice: +94 11 2446581
Fax: +94 11 2440396

Important: Scripless Shares (reminder)

Full Dematerialisation of listed securities

Locked balances

In order to facilitate the full dematerialisation of securities the CDS would provide a "locking" facility for securities held by a CDS account holder within a CDS account. The "locking" facility would be a method for shareholders of listed companies to hold securities that they would not wish to trade, in the CDS. Once deposited into a "locked balance", the securities can only be "unlocked" and made available for trading upon the written authorisation given by the shareholder.

- The CDS would maintain two balances for each CDS account, namely a trading balance and a "locked" balance.
- The trading balance would be visible to the CDS Participants (Broker firms and custodian banks) and dealings and trading would be permitted on the said trading balance, as done presently.
- As opposed to the trading balance, the "locked" balance will not be visible to the CDS participants (other than in the instances set out below) thereby maintaining the confidentiality of the information and also safeguarding the account holder from any possible unauthorized sale by a broker. Trading on locked balances would be suspended.
- On a written request made by an account holder submitted to the CDS through the relevant Participant , the CDS would transfer the specified quantity of securities from the "locked" balance to the trading balance of a CDS account or from the trading balance to the "locked" balance as the case may be.
- New CDS forms would be issued to deposit , transfer and withdraw securities to and from "locked" balances.

Note :

The "locked" account balances will not be visible to CDS Participants except in the following instances .

1. When a deposit of an existing share certificate is made to a "locked" balance.
2. When a transfer request is made to transfer securities from a trading balance to a "locked" balance or vice versa.
3. When a withdrawal request is made to withdraw securities from a "locked" balance.

Autodrome
SINCE 1953

The Autodrome PLC
304 Union Place
Colombo 02
Tel: 2326181
www.autodrome.lk