THE ANATOMY OF PERFORMANCE

ANNUAL REPORT 2020-21

Autodrome
SINCE 1953

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

If you wish to Email instead, please use the address finance@autodrome.lk. The fax number is 2325594.

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

CORPORATE INFORMATION

NAME
The Autodrome PLC

COMPANY REGISTRATION NO.
PQ-84

REGISTERED LOGO

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

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

HEAD OFFICE/REGISTERED OFFICE
304 Union Place, Colombo 2. Sri Lanka
Tel: +(94) 112326181, 0117847443 (5 Hunting lines)
Fax: +(94) 112338611, 112325594
Web: www.autodrome.lk

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

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

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

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

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

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

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

Mr. C. Lakshman Sirimanne Dip. Eng, IMS (UK)
-Deceased 20 May 2021

Mr. Brihadhisvara Ponnambalam

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

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

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

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

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

Mr. D.P. Kumara B.Sc.Mktg Mgt(Sp) (SriJ)
Manager - Marketing

Ms. Asha Peiris Nishantha
Manager - Sales

Mr. Denny Joseph B.Sc. Special(Hons)(IT) SLIIT
Manager - IT and Webmaster

Mr. Thilanga Sampath
Field Service Manager

Mr. Romesh Jayathilaka
Manager- Business Development

Mr. Chathura M. Samaranayaka
Administration Manager

Ms. Deepani Swarnapali
Senior Assistant Accountant

Ms. Renuka Nilmini
Manager - Stores

Mr. Ranjith Dharmasena
Manager - Warehouse

Mr. Rajiv Perera
Manager - Workshop

NATURE OF BUSINESS
Sole Distributors in Sri Lanka for:
BRIDGESTONE Tyres, Tubes , Flaps, Harvester Tracks
RENT OF OFFICE SPACE AND PARKING
WEBSITE DESIGN & MANAGEMENT

SUBSIDIARY
Tourama (Pvt) Ltd
Travel Agency and Destination Management Company

QUERIES
On the 2020-21 Autodrome PLC Annual Report
Mr. Gayan Joseph
Head of Finance
The Autodrome PLC
304 Union Place, Colombo 2. Sri Lanka
Email: finance@autodrome.lk
Tel: +94 112 326181 or +94 112 314804

NOTICE OF ANNUAL GENERAL MEETING

THE AUTODROME PLC
Reg. No. PQ-84

Agenda
Ordinary Business

NOTICE IS HEREBY GIVEN that the Sixty-Ninth Annual General Meeting of The Autodrome PLC will be held at the Registered Office of the Company as a virtual meeting emanating from the board room of the Company at 304, Union Place, Colombo 2 on 29th October 2021 at 3.00 p.m. and the business to be brought before the meeting will be::

01. To receive and consider the Annual Report of the Directors and the Audited Financial Statements for the year ended 31st March 2021 together with the Report of the Auditors thereon

02. To re-elect Mrs. Joanne Aloysius Rajiyah to the Board, who retires by rotation in terms of the Articles of Association.

03. To re-elect Mr., M Raviraj Ratnasbapathy , who retires by rotation in terms of the Articles of Association.

04. To re-elect Mr B Ponnambalam , who retires by rotation in terms of the Articles of Association. To pass the following ordinary resolutions:

05. RESOLVED THAT Mrs Bernadette Jayaleela Aloysius who has reached the age of 80 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 in the Companies Act No 7 of 2007 shall not apply to the said director in accordance with section 211 of the Companies Act No.7 of 2007

06. RESOLVED THAT Mr B Ponnambalam 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 in the Companies Act No 7 of 2007 shall not apply to the said director in accordance with section 211 of the Companies Act No.7 of 2007.

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

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

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

By Order of the Board of The Autodrome PLC

ACCOUNTING SYSTEMS SECRETARIAL SERVICES (PVT) LIMITED
Secretaries
16th September 2021
Colombo

CHAIRPERSON'S MESSAGE

> "The Anatomy of Performance does not always happen in an ideal environment"

Welcome to the 69th Annual General Meeting of the Company

RESULTS

The year 2020/2021, beginning with the country in lockdown, created quite an arc of a learning curve for the Company.

The lockdown and challenges continued throughout the period, up to the reporting date. But the Autodrome family proved dynamic and resilient, and we adjusted to the New Normal. Some new strategies and preparedness built up over the last year after the Easter Attack on 21 April 2019, were in place to adapt to the situation. The rupee depreciation for the year was 5.5% (2020- 6.78%). Import restrictions were in place from the beginning of the year up to 11th May 2020, however due to a timely move we were able to secure enough trading stock for the restricted period. We recorded a turnover value of Rs. 509 million (2020- Rs. 555 million) for the period.

The after tax profit the company was Rs. 61.4 Million (2020- Rs. 13.6 million). This is an all-time record performance for the Company, proving that the Anatomy of Performance does not always happen in an ideal environment. The company managed to secure an average gross margin of 27% (2020 – 21%). Rent income was Rs. 32 million (2020- Rs. 30 million). Exchange loss for the year was Rs. 5.8 million (2020- Rs. 6 million)

Company total investment income was Rs. 27.7 million (2020- Rs. 21.1 million). The year also saw cash flow improvements, with year-end fixed deposit holdings of Rs. 95.1 million (2020- Rs. 67.2 million). Short term investment in Unit Trusts was Rs. 258.8 million (2020- Rs. 67 million). This is mainly due to profitable liquidation of trading stocks and debtors.
The net asset per share improves to Rs. 147.50 (2020 – Rs. 137.14)

As we navigate this business environment to improved performance despite all the myriad of challenges, we were able to control the administrative expense even with a reduction of 7.3% (2020- 6.0% increase). This was in spite of periodic, non-recurring repair and maintenance expenses to the main building of around Rs. 2.5 million (2020- Rs. 5 million). Marketing expenses were rationalised to a focussed social media campaign, to Rs. 2.9 million (2020- 13.1 million).

Business Environment

Consequent to the pandemic and its fallout tyre imports were suspended, and subsequently partly allowed, until the latter part of the financial year imports were almost liberalised with a minimum credit period. Many sectors in the country experienced a downturn, mainly most non-essential goods and the automobile import trade, tourism and construction; while conversely, others such as certain pandemic-related manufacturing, diversified holdings, freight forwarding and finance sectors, reported all-time record results. The CSE Listed companies as a whole too, reported two consecutive quarters of all-time record performance.

The Company, through its planned tactical stocking process, along with measures taken to build a defensive financial war chest, managed to prepare for resilience in the face of the upcoming challenges. Tourama had negligible trade volumes due to the restriction of discretionary travel, and the travel bans imposed on Sri Lanka in most parts of the world. The interest rates remained low during the latter part of the year with AWPLR closing the year at 5.75% (2020 – 9.29%).

The Company began to prepare for the new normal with work from home connectivity for our key staff. The Company ensured that its workforce livelihoods are secured, and no retrenchments were made.

Dividend and Share

The price of the share fluctuated during the period from Rs. 53.30 to Rs. 89.60 and was Rs. 70.10 at the year end.

The Board of Directors of the Company has declared a final dividend of Rs. 0.60 per share for the year ended 31 March 2021 at the board meeting held on 16 September 2021.

Future Prospects

Economic Growth rates are expected to improve in this financial year to around 5% as per the Central Bank. Challenges include the virulence of the fourth or "Delta" wave and lockdowns of the country, notably impacting the Tourism and agricultural sector. The commendable vaccination rates during 2021/22, and the potential of the Port City investments, should gradually ease the pressures on the Balance of Payments. The fallout of the Economic Crisis that has grown from these, may be with us for some time. It is hoped that growing business confidence will lead to improved investments, FDI, a reverse brain drain and in the years to come, economic growth.

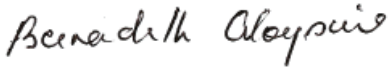
Digital Reporting

This report is available on the Company website and the CSE website, for easy download. To minimise cost and to protect the environment, this time we are not publishing the annual reports in CD format. We will continue to provide you with hard copies of the report on request in writing, to the contact person specified at the beginning of this annual report.

Gratitude to Stakeholders

I take this opportunity to thank the Company's valued customers and suppliers for their support, and the team for their commitment and dedication the Board of Directors for their invaluable guidance and advice throughout the year. We wish to express our thanks, deep respect and regards to the Triforces, Security and all Essential workers who perform their duties under very trying circumstances.

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



Mrs. Bernadette J. Aloysius
Chairperson of the Board

16th September 2021
Colombo

BOARD OF DIRECTORS

Mrs. Bernadette J. Aloysius B.A.
Chairperson

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

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

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

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

Mr. Rajeev Aloysius has been an executive director since June 1997, and currently serves as a Joint Managing Director since July 2004, heading the Finance & IT Division, including Website Development. He holds an MBA from PIM, University of Sri Jayewardenepura; and is a Chartered Global Management Accountant, a Fellow of the Chartered Institute of Management Accountants (UK) and a Fellow of the Certified Management Accountants (Sri Lanka). He is a past president of two affiliated associations/councils, and served on the main Committee of the Ceylon Chamber of Commerce for 6 years, representing them. He has been a committee member of the Sri Lanka Italy Business Council since 2003 (President from 2009-11, Hon. Member since 2019), and a committee member of the Ceylon Motor Traders' Association since 2018. He concurrently serves as the Managing Director of the subsidiary Tourama (Pvt) Ltd. He is a director of Mercury Ltd and Seventy Ltd. He is the Hon. Treasurer of the Chamber Music Society of Colombo, a local arts organisation. He has been an active member of committees at CIMA Sri Lanka Division, and served on the Country Network Panel (2018-2020) of AICPA-CIMA Sri Lanka, and is currently a member of the Country Network Committee (2021). He served as a member of Committees at the Organisation of Professional Associations (OPA) for 8 years, representing CIMA.

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

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

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

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

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

Prof. John Aloysius has served as a Non-Executive director of the board since 1990. He is currently an Associate Professor at 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 fields of expertise.

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

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

Mr. C. Lakshman Sirimanne Dip. Eng. IMS (UK)
Independent Non-Executive (Deceased)

We wish to record with regret, the sad demise of Mr. Lakshman Sirimanne on 20 May 2021, post the balance sheet date. Since his election to the Board in 2007, He contributed greatly in many ways, and chaired a Sub-Committee.
The Board and the Company will miss his words of wisdom. The Nominations Committee will nominate his successor in due course.

Mr. Brihadhisvara Ponnambalam
Independent Non-Executive

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

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

REMUNERATION COMMITTEE

Terms of Reference

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

COMPOSITION OF THE REMUNERATION COMMITTEE
AS AT 31 MARCH 2021

Subcommittee Member	Directorship Status
M.R Ratnasabapathy - Chairman	Independent
Lakshman Sirimanne (Deceased)- Member	Independent
Bri Ponnambalam - Member	Independent
By invitation	
Bernadette Aloysius - Chairperson or alternate chairman	
Jeremy Aloysius - Joint Managing Director	

1. Membership

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

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

2. Authority

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

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

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

3. Proceedings

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

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

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

3.4 The committee meets at least once a year.

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

4. Assumptions

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

Discount rate 7.00% (2020 – 9.25%)
Salary increment rate 0% - 7% (2020 – 0% - 3%)
Retirement Age 55 years (2020 – 55 years)
Staff Turnover 18% p.a. (2020 – 25% p.a.)

AUDIT COMMITTEE

Terms of Reference

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

COMPOSITION OF THE AUDIT COMMITTEE
AS AT 31 MARCH 2021

Subcommittee Member	Directorship Status
M.R Ratnasabapathy - Chairman	Independent
Lakshman Sirimanne (Deceased) - Member	Independent
Bri Ponnambalam - Member	Independent
By invitation	
Rajeev Aloysius - Joint Managing Director	
Joanne Aloysius Rajiyah - Marketing Director	

1. Membership

1.1 The Committee shall be composed of at least three members.
1.2 The Committee shall consist of at least two independent non-executive directors, and the Chairman shall have significant, recent and relevant financial experience.
1.3 The Board shall appoint the Committee Chairman.
In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

2. Proceedings

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

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

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

2.4 Any Committee member may call additional meetings as necessary.

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

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

3. Minutes

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

4. Authority

The Committee has authority to:
(a) oversee any investigation of activities which are within its terms of reference;
(b) require provision of any necessary information to
fulfill the above;
(c) call any member of staff, through the Executive
Director, to be questioned at a meeting of the Committee as and when required;
(d) meet with the external auditors without management present.

5. Principal Duties

5.1 External Audit

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

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

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

5.1.4 Review and approve the Group Audit Engagement Letter.

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

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

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

5.3 Financial Reporting

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

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

5.4 Internal control and risk management

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

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

6. Other

The Committee shall:

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

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

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Terms of Reference

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

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

COMPOSITION OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE AS AT 31 MARCH 2021

Subcommittee Member	Directorship Status
Lakshman Sirimanne (Deceased) - Chairman	Independent
M.R Ratnasabapathy - Member	Independent
Bri Ponnambalam - Member	Independent
By invitation	
Rajeev Aloysius - Joint Managing Director	
Joanne Aloysius Rajiyah - Marketing Director	

1. Membership

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

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

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

2. Meeting

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

3. Authority

-To develop and recommend a related party transaction policy.

-To ensure that the Company complies with the Rules.

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

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

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

-To make immediate market disclosures on applicable related party transactions as required by the Rules. To include appropriate disclosures on related party transactions in the annual report as required by the Rules.
Policies and procedures in related party transactions are being reviewed and strengthened on an ongoing basis. Necessary steps have been taken by the Committee to avoid any conflicts of interests that may arise in transacting with related parties.

4. Proceedings

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

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

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

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

NOMINATION COMMITTEE

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

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

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

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

5. Proceedings
The committee focuses on the following objectives in discharging its responsibilities.
•To regularly review the structure, size, composition and competencies (including the skills, knowledge and the experience) of the Board and make recommendations to the Board with regard to any changes.

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

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

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

COMPOSITION OF THE NOMINATION COMMITTEE
AS AT 31 MARCH 2021

Subcommittee Member	Directorship Status
Bri Ponnambalam - Chairman	Independent
M.R Ratnasabapathy - Member	Independent
Bernadette Aloysius - Member	Chairperson
By invitation	
None	

REPORT OF THE AUDIT COMMITTEE

Chairman's report

Dear Shareholder
I am pleased to present the report of the Audit Committee for the year ended 31st March 2021. Through this report I will share with you how the Audit Committee worked towards discharging its responsibilities.

COMPOSITION OF THE AUDIT COMMITTEE
AS AT 31 MARCH 2021

Subcommittee Member	Directorship Status	Meetings attended
M.R Ratnasabapathy - Chairman	Independent	5/5
Lakshman Sirimanne (Deceased)- Member	Independent	4/5
Bri Ponnambalam - Member	Independent	5/5

Purpose of the Committee

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

Financial Reporting

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

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

Risk Management and Internal Controls

The Committee reviewed and assessed the Company's risk management process including the adequacy of the overall control environment and controls in areas of significant risk. Key risks that exceeded the Group's risk appetite are discussed in the risk management section presented in page 17.
The Committee is satisfied that an effective system of Internal Controls are in place to provide reasonable assurance on safeguarding the Company's assets and the reliability of the Financial Statements.

External Audit

The Committee has reviewed the independence and objectivity of the Independent External Auditors, Messrs Ernst and Young, Chartered Accountants. The Audit Committee has met with the External Auditors to review their audit plan and observations made by them.
This is the second year of audit preformed by Messrs Ernst and Young and they were appointed in the year 2019.
The Committee has recommend to the Board that Messrs Ernst and Young be re-appointed as the independent External Auditors and that the re-appointment be included in the agenda of the Annual General Meeting.

Compliance

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

Reporting

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

Meetings

The Committee held five meetings during the financial year 24.06.2020, 17.07.2020, 23.10.2020, 14.12.2020 and 18.01.2021

Conclusion

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

On behalf of the Audit Committee.

M. Ravi Ratnasabapathy
Chairman
Audit Committee

16th September 2021
Colombo

REPORT OF RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Chairman's report

Dear shareholder,
I am pleased to present the report of the Related Party Transactions Review Committee for the year ended 31st March 2021. Through this report I will share with you as to how the Related Party Transactions Review Committee worked towards discharging its responsibilities.

COMPOSITION OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE AS AT 31 MARCH 2021

Subcommittee Member	Directorship Status	Meetings attended
Lakshman Sirimanne (Deceased) - Chairman	Independent	3/4
M.R Ratnasabapathy - Member	Independent	4/4
Bri Ponnambalam - Member	Independent	4/4

Purpose of the committee

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

Policies and procedures

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

Terms of reference

The Related Party Transactions Review Committee has terms of reference, dealing with its authority and duties. The terms of reference covers aspects relating to matters prescribed in the Listing Rules of the Colombo Stock Exchange.
Terms of reference of the Committee include the following:
-To develop and recommend a related party transaction policy.

-To ensure that the Company complies with the Rules.

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

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

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

-To make immediate market disclosures on applicable related party transactions as required by the Rules. To include appropriate disclosures on related party transactions in the annual report as required by the Rules.
Policies and procedures in related party transactions are being reviewed and strengthened on an ongoing basis. Necessary steps have been taken by the Committee to avoid any conflicts of interests that may arise in transacting with related parties.

Meetings

The Committee held four meetings during the year 26.06.2020.17.07.2020, 23.10.2020, and 18.01.2021.

Related party transactions during the year

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

Declaration

A declaration is given by the Board in the Annual Report of the Board of Directors on pages 14 and Note 21 as a negative statement to the effect that no related party transaction falling within the ambit of the rule 9.3.2 of Listing Rules of the Colombo Stock Exchange was entered by the Company during the year.

On behalf of the Related Party Transaction Review Committee.

M. Ravi Ratnasabapathy
Alternate Chairman
Related Party Transactions Review Committee

16th September 2021
Colombo

REPORT OF THE REMUNERATION COMMITTEE

Chairman's report

Dear shareholder,
I am pleased to present the report of the Remuneration Committee for the year ended 31st March 2021. Through this report I will share with you how the Remuneration Committee worked towards discharging its responsibilities.

COMPOSITION OF THE REMUNERATION COMMITTEE
AS AT 31 MARCH 2021

Subcommittee Member	Directorship Status	Meetings attended
M.R Ratnasabapathy - Chairman	Independent	3/3
Lakshman Sirimanne (Deceased) - Member	Independent	3/3
Bri Ponnambalam - Member	Independent	3/3

Purpose of the committee

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

Terms of reference

TThe Committee has written terms of reference, dealing with its authority and duties, which is carefully designed to discharge the Committee's purpose, duties and responsibilities.
The Committee is committed to the principles of accountability and transparency and to ensuring that remuneration arrangements align rewards with performance.
The proposals relating to the remuneration of Executive Directors and the members of the Group Management Committee were devised in consultation with the Chairman/ Managing Director and the Chief Executive Officer. No Director is involved in deciding his own remuneration. The Committee has acted within the parameters set by its terms of reference.

Remuneration policy

The remuneration policy is designed to reward, motivate and retain the Company's management team, with market competitive remuneration and benefits, to support the continued success of the business. The Committee makes every endeavor to maintain remuneration levels that are sufficient to attract and retain Executive Directors and Senior Executives. Accordingly, salaries and other benefits are reviewed periodically, taking into account the performance of the individual and industry standards.
The remuneration packages which are linked to individual performances are aligned with the Company's short-term and longterm strategy. Further, the benefit packages awarded to Executive Directors are intended to be competitive and comprise a mix of fixed and variable pay. The variable remuneration is linked to group's profitability.
Components of the Executive Directors' remuneration Fixed remuneration (Basic salary and fringe benefits) Variable remuneration Post-employment benefits All Non-Executive Directors receive a fee for serving on the Board and on Board committees. They do not receive any performance related incentive payments

Meetings

The Committee held three meetings during the financial yearon 17th July 2020, 14th December 2020, and 26th March 2021and following key areas decided during the meetings;

- Remuneration of Chairman/ Jt. Managing Directors, other Executive Directors and Senior Executives
- Incentives to personnel stated above.
- Bonus for the year 2020 and Medical leave balance payment

The Directors' emoluments are disclosed in Note 21 on page 56.

On behalf of the Related Party Transaction Review Committee.

M. Ravi Ratnasabapathy
Alternate Chairman
Remuneration Committee

16th September 2021
Colombo

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 5 Executive Directors and 4 non-Executive Directors. The profiles of these directors, and their qualifications are on page 06. A disclosure of the status of the board, whether non-executive, executive or independent non-executive, is given on page 20, 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 7.10.3 (b), it was unanimously resolved and affirmed at the board meeting heals on 16 August 2016, that Mr. Raviraj Ratnasabapathy, and Mr. C. Lakshman Sirimanne considering their credentials and positions as directors of privately held conglomerates, shall be henceforth considered nevertheless independent.

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

The Board of Directors met on 14th December 2020 and 12th January 2021. Resolutions were passed by circulation on 29th July 2020, 25th August 2020, 27th August 2020, 10th September 2020, 18th January 2021 and 9th February 2021.

Audit Committee

The audit committee consists of three independent, non-executive directors.

DIRECTORS ATTENDANCE FOR THE BOARD MEETINGS
2020/ 2021

Board Member	14-Dec-2020	12-Jan-2021
Mrs. Bernadette J. Aloysius	√	√
Mr. Jeremy D. Aloysius	√	√
Mr. Rajeev A.J. Aloysius	√	√
Ms. Julie A. Aloysius	√	√
Ms. J. Joanne B. Aloysius Rajiyah	√	√
Prof. John A. Aloysius	Overseas	Overseas
Mr. M. Raviraj Ratnasabapathy	√	√
Mr. B. Ponnambalam	√	√
Mr. C. Lakshman Sirimanne	√	√

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

Remuneration Committee

The Remuneration committee consists of a Chairman who is an independent non-Executive Director, and two other independent non-executive directors.
The Remuneration Committee met three times during the year under review on 17.07.2020, 14.12.2020 and 26.03.2021 and, and conducted the business as entrusted to them under their Terms of Reference. The Terms of Reference of the Remuneration Committee may be found on page 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 21 on page 56.

Code of Ethics and Best Practice

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

Related Party Review Committee

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

Nomination Committee

A Committee was established for the purpose of advising the Board in relation to nominations, retirement, succession and training of the board members.

	Corporate Governance Rule	Compliance Status	Reference
1	Names of persons who were directors of the Entity during the financial year.	Complied	Directors' Profiles page 06.
2	Principal activities of the Entity and its subsidiaries during the year and any change therein.	Complied	Note 1.1 page 34.
3	The names and the numbers of shares held by the 20 largest holders of voting and non voting shares and the percentage of such shares held	Complied	Management review page Note 15 page 23.
4	The public holding percentage disclosed	Complied	Management review page Note 16 page 23.
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	Management review page Note 13 page 22.
6	Information pertaining to material foreseeable risk factors of the Entity	Complied	Risk Management page 17.
7	Details of material issues pertaining to employees and industrial relation of the Entity	N/A	No material issues pertaining to employees and industrial relations
8	Extents, Locations, Valuations and the number of buildings of the Entity's land Holding and investment properties	Complied	Note 10.2 on page 49.
9	Number of shares representing the Entity's stated capital	Complied	Management review page 21 & share information page 61.
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 61.
11	The following ratios and market price information. EQUITY 1. Dividend per share 2. Dividend pay out 3. Net Asset value per share 4. Market value per share 5. Float Adjusted Market Capitalisation Higest and lowest value recorded value as at the end of financial year	Complied Complied Complied	Ten year summary page 59. Share information page 61. Share information page 61.
12	Significant changes in the fixed asset and the market value of land, in the Entity's or that of its subsidiary, if the value differs substantially from the book value	Complied	Note 10 on page 49 & 50.
13	If during the year the Entity has raised funds either through a public issue,Right issue,and private placement	N/A	N/A
	a. A statement as to the manner in which the proceed of such issue has been utilised.	N/A	N/A
	b. if any shares or debentures have been issued , the numbers, class and consideration received and the reason for the issue; and	N/A	N/A
	c: Any material change in the use of funds raised through an issue of securities	N/A	N/A
14	Disclosures pertaining to Corporate Goverance practices in terms of Rules 7.10.3 7.10.5 c and 7.10.6 c of section 7 of the Rules	Complied	Pages 14,15 & 16.
15	Related party transactions exceeding 10% of the Equity or 5% of the total asset of the Entity as per Audited Financial statements. Whichever is lower. Details of Investments in a Related party and or amounts due from a Related party to be set out separately. The details shall include as a minimum a. The date of transaction b. The name of the Related party c. The relationship between the Entity and the Related party. d. The amount of the transaction and terms of the transaction e. The rational for entering in to the transaction	Complied	Transactions did not exceed the stipulated limits. List of related parties are disclosed in Note 21, Page 56.
16	Minimum Public Holding Requirement	Complied	The Company is compliant with the Minimum Public Holding Requirement of the Main Board, Under Option Five (5). Disclosure under Appendix 7B(a), and Listing Rule 7.13.1(a) Page 61.

Independence of Auditors

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

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

The Interim Financial Statements have been submitted to the Colombo Stock Exchange within forty five days for all quarters from the end of the relevant quarter. However, an extension was given for the submission of Audited Financial Statements for the year ended 31st March 2021 due to the movement restrictions that prevailed.

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

Shareholder Relations

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

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

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

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 group's risk management process, including the systems established to identify, assess, manage and monitor risk.

The business operations of the Group and performance are subject to a variety of risk factors; the Management constantly monitors and evaluates risk factors in order to respond effectively.
The Company and group core risk areas are as follows:

BUSINESS & OPERATIONS

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

Human Resources
Failure to protect the group's reputation could lead to loss of trust and confidence of employees. This could affect the ability to recruit and retain highcaliber employees. This is 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 the group is involved in the import and wholesale trade. Therefore, managing foreign exchange rate exposure through negotiation with banks, as well as applying financial management techniques are required.

Reputational Risk
The loyalty to Bridgestone brand 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 or minimise the loss of such loyalty.

Regulatory Environment
An adverse impact on profit may result from adverse changes in government fiscal policies, and these are addressed through strong brand loyalty. Lately the business impacted with import bans and restriction of import of certain sizes.

National Security
An adverse impact to the society by way of a local or international terrorist attack can adversely affect the business of the Company. April 2019 terrorist attack Uncertainty in demand and supply due to interruptions to the global and local supply chain due to the spread of COVID-19 pandemic, the Company and group experiences negative impact on the availability of supply, and reduction in demand, negatively affecting Group's liquidity.

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

Health and safety risk
Provision of adequate safety to our staff is of the utmost importance to us. With the spread of COVID-19, the risk of our employees coming into contact with the virus is high, especially when using public transport and during customer visits. Such contact can interrupt our business operations as well. We introduced standard guidelines shared by the government to protect employees and customers.
We operate stringent health and safety processes in line with best practice in our outlets and service centres.

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

Loss of agency
The Company is the local distributor for Bridgestone tyres tubes and flaps since 1954. The Company ensures that it maintains a close relationship with its principals and an agreement is signed between the parties concerned, to ensure business continuity for the foreseeable future.

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

The standard of service provided to customers who walk into our head office and Ja-Ela stores is the key to our success. Our online platform for inquiries, reservations and best competitive prices attracted new customers. Also we have taken steps to improve the island-wide network of customers who sell our products to end users. Our main business remains as sole distributor of the world-leading tyre brand Bridgestone, in Sri Lanka. Apart from tyre sales during 2020/2021 financial year the Company earned a considerable amount of income from renting of premises and investment income, in addition web development income contributes to the turnover of the Company. Our main partner, Bridgestone Asia Pacific (Pte.) Ltd is highly concerned about the quality of their products and visit several times every year to check the standards maintained and to address claims to investigate whether there are product quality related issues. We give value added services to the customers who walk into our alignment centre for tyre fitting and alignment. Customer satisfaction is high in this department. In order to ensure and enhance our customer relationship, the Company carries out frequent surveys which include outdoor surveys and opinion checks, which help us to understand our customer requirement better, and ensure that we deliver what customers are expecting. We continuously strive to improve our customer service levels and minimize complaints through constant improvement.

SHAREHOLDERS

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

Our asset base has accumulated consistently over the years and provides a strong foundation which ensures that the Company is able to withstand the vagaries of the competitive business environment. Our prudent corporate strategies have resulted in the delivery of a consistent return on capital employed in the business, thereby enhancing shareholder wealth. Over the years, The Autodrome PLC has delivered on its promise to shareholders by ensuring a consistent return on their investments through capital appreciation and dividends, providing one of the most consistent and dependable investment opportunities to investors. The quarterly financial statements and annual reports are produced in accordance with the Listing Rules of the Colombo Stock Exchange, and other applicable laws and regulations. The Company's website (www.autodrome.lk) provides information on the Company, including the annual and quarterly reports. In addition to the annual reports, relevant press releases and announcements are also made available on the Company's website to facilitate communication between all stakeholders of the Company Shareholders may, at any time direct questions, request for publicly available information and provide comments and suggestions to Directors or Management of the Company. Such questions, requests and comments can be addressed to the Company Secretary by post to #11, Castle Lane , Colombo 4; or to finance@autodrome.lk, or through the Company's official Facebook page. (facebook.com/autodromeplc)

EMPLOYEES

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

At The Autodrome PLC out of 43 employees, the majority of our staff, 86.05% are in permanent cadre and only 13.95% staff are on fixed term contracts.

All the employees above the age of 55 are contract employees.

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

EMPLOYEE ENGAGEMENT

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

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

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

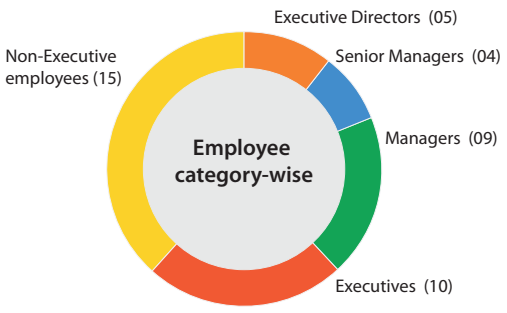
EQUAL OPPORTUNITY EMPLOYER

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

We believe that a diverse workforce enhances our business and that a wide range of experience, skills and qualifications, enable us to provide a

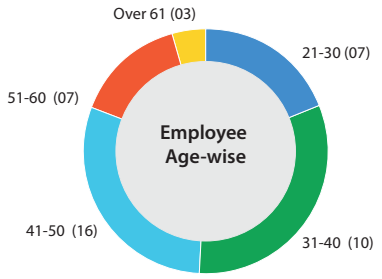
Staff Strength

Location	Total Employees
Head Office at Colombo	38
Tyre stores at Ja-Ela	05



higher level of service quality and excellent customer satisfaction. The Company does not discriminate on the basis of gender, race, age, social origin, disability, religion or any other basis.

EMPLOYEE AGE-WISE



The Autodrome PLC is committed to ensuring diversity at workplace and makes an ongoing effort to drive gender diversity. We encourage female participation at all levels of management with a strong belief that a diverse workforce adds great value to the business. The nature of our business is such that requires a higher percentage of males at the operational level especially in Marketing on the field. We maintain an open mind and recruit female employees at our head office for the Sales function exclusively, and in a majority for Finance, and for many business functions. The total female participation at The Autodrome PLC at executive level is 20.93.1%.

Our Non-Executive staff strength is 15 people (34.8% of the total work force), and the percentage of staff 39.5% is young and dynamic, falling between the age group of 19-40 years.

PERFORMANCE MANAGEMENT

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

TRAINING AND DEVELOPMENT

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

Due to the global pandemic no employee training was conducted during the year through workshops and seminars. We respected the government guidelines on limiting social gatherings and arranging events.

EMPLOYEE WELFARE

Due to the adverse environment in the county no special welfare events were arranged for the company employees. However our employees are our strength and we ensured they get their remuneration on time and ensured the bonus for the year 2020. Our intention was to retain all employees intact during the difficult times.

We encouraged our employees to get vaccinated on the very first available instance and as of reporting date 83.7% of the workforce is fully vaccinated and another 7% had administrated the first dose. Only 10% is remaining mainly those who comes under 30 years.

EMPLOYEE RETENTION

We have a clear strategy to increase employee retention rates with career mapping, equality, respect & upholding employees' dignity, remuneration package in par with the industry, ample opportunities for rewards and recognition. In return 26 (60%) employees are above 40 years excluding directors contributing their experiences for the value addition.

CODE OF CONDUCT, ETHICS AND ANTI-CORRUPTION BEHAVIOR

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

ENVIRONMENT

OUR APPROACH

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

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

OUR INITIATIVE TO MAINTAIN A GREENER SURROUNDING

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

OUR INITIATIVES TO REDUCE PAPER USAGE

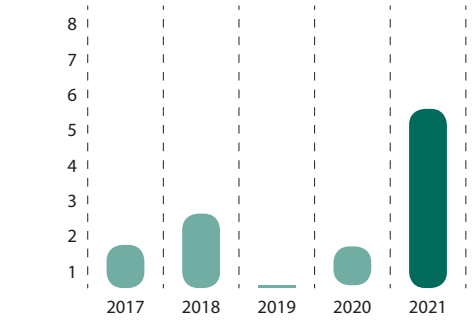
We looked at our internal processes and systems to reduce the negative impacts caused to the environment through paper usage in our business processes to adhere to the 3R concept of Reduce Reuse-Recycle in paper waste management. Process improvements were already identified where use of papers could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

GOVERNMENT & REGULATORY AUTHORITIES

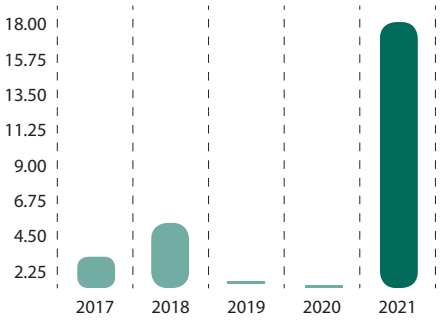
We are committed to comply with all statutory and regulatory requirements. As a tax payer our Group obtained a certificate from the department for timely submitting tax

FINANCIAL PERFORMANCE

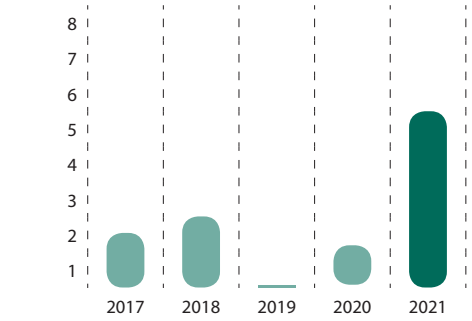
Earning per share (Rs.)



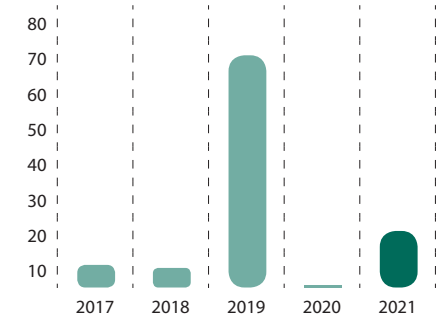
Dividend Cover(No Of Times)



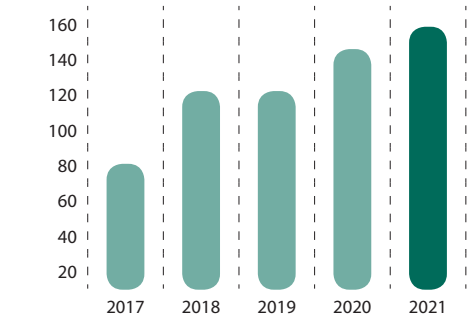
Return on Investment(Equity)



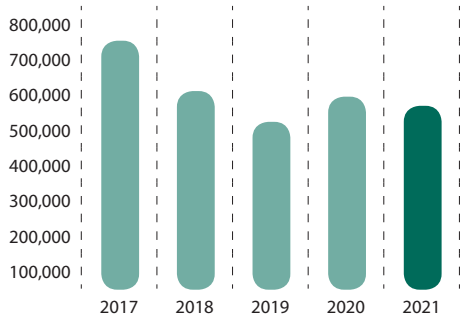
Interest Cover



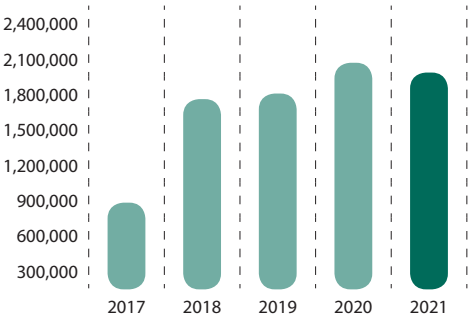
Net Asset Per Share



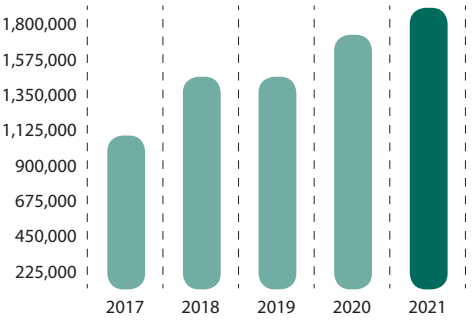
Turnover (Rs.Mn)



Fixed Asset (Rs.Mn)



Shareholder's Fund



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 2021, set out on pages 29 to 58.

PRINCIPAL ACTIVITIES

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

RESPONSIBILITY OF DIRECTORS FOR FINANCIAL STATEMENTS

2. The Board of Directors are responsible for preparing and presenting the financial statements for the period 1 April 2020 to 31 March 2021, set out on pages 29 to 58.

TURNOVER

3. The turnover of the Company for the year under review, net of turnover based taxes, was Rs. 509,242 (2020- Rs. 553,574), while the turnover of the Group net of turnover based taxes was Rs. 509,364 (2020- Rs. 555,489).

PROPERTY, PLANT & EQUIPMENT

4. The movement of Property, plant and equipment for the year are shown in note 10 on page 49 & 50 of the financial statements.

VALUE OF PROPERTIES

5. The market value of land owned by the Company is estimated at Rs. 1,584.2 million based on valuation made by a qualified Valuer on 31 March 2021.

SHARE CAPITAL AND RESERVES

6. The total share capital and reserve of the group as at 31st March 2021 amounted to Rs.1,769,976 (2020 –Rs.1,645,705), comprising of revaluation reserve of Rs.1,266,690 (2020- Rs. 1,202,745), retained earnings of Rs.490,846 (2020- Rs.430,520).

APPROVED DONATIONS

7. Group donations to approved charitable organisations amounted to Rs. 75 (2020-Rs. 160).

TAXATION

8. It is the policy of the Company to provide for deferred taxation on all known temporary differences on the balance sheet method. The corporate tax rate was 24% (2020 - 28%).

SHARE INFORMATION

9. Information relating to earnings, dividends, net assets, and share trading is given on page 61.

EVENTS OCCURRING AFTER THE REPORTING DATE

10. There is no material disclosure to be made as event occurring after the reporting period, except the disclosure made in note 24 in 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:

Name	Date of Appointment	Position
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. J. Joanne B. Aloysius Rajiyah	(07.07.2004)	Marketing Director
Ms. Julie A. Aloysius	(27.04.1990)	Executive Director
Mr. M. Raviraj Ratnasabapathy	(14.09.2007)	Independent Non-Executive*
Mr. C. Lakshman Sirimanne (Deceased)	(14.09.2007)	Independent Non-Executive*
Mr. B Ponnambalam	(09.02.2017)	Independent Non-Executive*

* The definitions of Independent and Non-Executive used, are according to definitions given in the amended Listing Rules. It was resolved by the Board on 16 August 2016, that Mr. C. Lakshman Sirimanne and Mr. M. Raviraj Ratnasabapathy being Directors of major Listed companies and professionals, having served more than 10 years on the Board, are deemed to be nevertheless independent, under Listing Rule 7.10.3 (b).

In accordance with s. 210 of the prevalent Companies Act, Mr. Bri Ponnambalam and Mrs. Bernadette J. Aloysius retire at the AGM. Shareholders have proposed that the retiring age of 70 years not be applied to Mr. Bri Ponnambalam 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.

Mr. C. Lakshman Sirimanne passed away on 20th May 2021 after a brief illness, and the Nomination Committee will meet to finalise its recommendation for his successor.

DIRECTORS' SHAREHOLDINGS

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

	2021 No. of Shares	%	2020 No. of Shares	%
Mrs. Bernadette J. Aloysius	3,594,800	29.96	3,594,800	29.96
Mr. Jeremy D. Aloysius	877,340	7.31	877,340	7.31
Mr. Rajeev A.J. Aloysius	878,190	7.32	878,000	7.32
Ms. Julie A. Aloysius	877,340	7.31	877,340	7.31
Ms. J. Joanne B. Aloysius Rajiyah	877,340	7.31	877,340	7.31
Prof. John A. Aloysius	877,340	7.31	877,340	7.31
	7,981,500	**66.52**	**7,981,500**	**66.52**

DIRECTORS' INTERESTS IN CONTRACTS

14. The Directors' interest in contracts and proposed contracts with the Company, both direct and indirect are set out in Note 21 on page 56 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:

	2021 No of Shares	%	2020 No of Shares	%
Ms. Bernadette J. Aloysius	3,594,800	29.96	3,594,800	29.96
Mr. Sanjeev E.C. Gardiner	1,179,500	9.83	1,179,500	9.83
Mr. Rajeev A.J. Aloysius (Jt. Managing Director/CEO)	878,190	7.32	878,000	7.32
Ms. Julie A. Aloysius	877,340	7.31	877,340	7.31
Mr. Jeremy D. Aloysius (Jt. Managing Director/CEO)	877,340	7.31	877,340	7.31
Ms. J. Joanne B. Aloysius Rajiyah	877,340	7.31	877,340	7.31
Prof. John A. Aloysius	877,340	7.31	877,340	7.31
Mercury Limited	840,000	7.00	840,000	7.00
Galle Face Hotel Co. Ltd / Seylan Bank PLC	533,200	4.44	533,200	4.44
Seventy Limited	410,100	3.42	410,100	3.42
Mr. Shamindra V. Rajiyah and Ms. J. Joanne B. Aloysius Rajiyah	221,721	1.85	87,294	0.73
Cyril Gardiner Limited	161,000	1.34	161,000	1.34
Hotel International (Private) Limited	63,888	0.53	36,180	0.30
Mr. Hiranjan C.W. Aloysius	55,700	0.46	55,700	0.46
Mr. Anthonypillai Saverimuttu	-	-	33,115	0.28
Mr. R. Jehan M.F. Aloysius	30,400	0.25	30,400	0.25
Estate of the Late Mr. G.L.A. Ondaatjie	30,000	0.25	30,000	0.25
Nikan (Private) Ltd.	29,800	0.25	29,800	0.25
W.W.S.Amarasooriya	28,065	0.23	84,378	0.70
Ms. I.D. Sinnaduray	23,800	0.20	23,800	0.20
Galle Face Hotel Co. Ltd.	20,000	0.17	20,000	0.17
	11,589,524	96.75	11,516,627	96.14

PUBLIC HOLDING

16. The percentage of Shares held by the Public as at 31 March 2021 was 21.17% (2020 - 22.29%). The number of share-holders 31 March 2021 was 574 (2020 – 565) out of which 564 (2020 – 555) were public. Public holding complies with the listing rule on minimum public holding, where Float Adjusted Market Capitalisation is less than Rs. 2.5 billion to maintain a minimum public holding of 20% and to have more than 500 public shareholders this is option no. 5, under listing rule 7.13.1 (a).

RELATED PARTY TRANSACTIONS

17. **Non- Recurrent Related Party Transactions** There were no non-recurrent related party transactions of which aggregate value exceeded 10% of the equity or 5% of the total assets of the Company during the year ended 31st March 2021, which require specific disclosures in the Annual Report as required by Listing Rule 9.3.2 of the Colombo Stock Exchange and the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission.

Recurrent Related Party Transactions There were no recurrent related party transactions which in aggregate exceeded 10% of the consolidated revenue of the Group as per 31st March 2021 audited Financial Statements, which required additional disclosures in the 2020/21 Annual Report under Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission.

The Company identifies related parties as defined by LKAS 24. The members of the Board of Directors of the Company have been identified as Key Management Personnel. In accordance with the Related Party Transaction Policy, declarations are obtained from each Key Management Personnel of the Company for the purpose of identifying related parties. Based on the information furnished in these declarations, the Company retrieves data on related party transactions from the database of the Company.

DIVIDEND

18. The Board of Directors of the Company has declared a final dividend of Rs. 0.60 per share for the year ended 31 March 2021 at the board meeting held on 16 September 2021.

LAWS, REGULATORY FRAMEWORKS, STANDARDS, GUIDELINES AND PROTOCOLS

19. Company is mainly governed by the following regulatory requirements

The Companies Act No. 07 of 2007
The Listing Rules of the Colombo Stock Exchange (CSE)
Sri Lanka Accounting Standards (LKASs / SLFRSs)
Local Government regulations
Imports and Exports (Control) Act, 01 of 1969
The Inland Revenue Act no24 of 2017.

STATUTORY PAYMENTS

20. 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.

ANNUAL GENERAL MEETING

21. The Annual General Meeting of the Company will be held as a virtual meeting emanating from the Boardroom at the Registered Office, Autodrome Building, 304, Union Place, Colombo 2 on 29th October 2021. The notice of Annual General Meeting is on page 4.

AUDITORS

22. Messrs. Ernst & Young have expressed have expressed their willingness to be reappointed as the Auditors of the Company for the year 2021/22. A resolution will be passed at the Annual General Meeting for this purpose. As far as the Directors are aware, the Auditors do not have any relationship (other than that of auditors) with the Company other than those disclosed above. The Auditors do not have any interest in the Company or its Group Companies. They confirm that they are independent in accordance with the Code of Ethics of The Institute of Chartered Accountants of Sri Lanka.
The audit and the other assurance fees and reimbursement expenses paid during the year was group Rs. 666,024 (2020 -Rs. 922,568) and Company Rs. 624,024 (2020 - Rs. 880,560). The audit and other assurance fees and reimbursement expenses payable for 2020/2021 is. Rs. 575,000.
Non audit fees paid Rs. Nil (2020-Rs. Nil).

REMUNERATION OF DIRECTORS

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

STATUTORY PAYMENTS

24. 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.

DISCLOSURE AS PER CSE RULE NO. 7.6 XI

25.

	2021 Rs. Cts	2020 Rs. Cts
Market Value	70.10	58.00
No. of Shares in Issue	12,000,000	12,000,000
Market Capitalisation	841,200,000	696,000,000
Float Adjusted Market Capitalisation	178,082,040	155,152,320
Highest	89.60	78.00
Lowest	53.30	53.00
Earning per share	5.14	1.40
Dividend per share	Rs.0.30	Rs.0.00
Dividend Payout	0.06	0.00
Net asset value per share	Rs.147.50	Rs.137.14

See Ten Years At A Glance for more information.

BY ORDER OF THE BOARD

Bernadette J. Aloysius
Chairperson

Rajeev Aloysius
Joint Managing Director / CEO

ACCOUNTING SYSTEMS SECRETARIAL SERVICES (PRIVATE) LIMITED PV 4190
DIRECTOR / SECRETARY

ACCOUNTING SYSTEMS SECRETARIAL SERVICES (PVT) LTD.
Secretaries.
16th September 2021
Colombo

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 26 to 28.

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 reporting date are paid, or where relevant, provided for.

By Order of the Board

ACCOUNTING SYSTEMS SECRETARIAL SERVICES (PVT) LTD.
Secretaries

16th September 2021
Colombo

INDEPENDENT AUDITORS' REPORT

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

Tel : +94 11 2463500
Fax Gen : +94 11 2697369
Tax : +94 11 5578180
eysl@lk.ey.com
ey.com

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THE AUTODROME PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of The Autodrome PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2021 and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

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

Key audit matters

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

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

Key audit matter	How our audit addressed the key audit matter
Measurement of carrying value of land and buildings Included within Property, Plant and Equipment are Land and Buildings carried at fair value. As of reporting date, such land and buildings amounted to Rs. 1.82 Bn and represented 76% of Total Assets. The fair values of such land and buildings were determined using independent external valuers engaged by the Group. Fair valuation of Land and Buildings was a key audit matter due to; • the degree of significant assumptions, judgements and estimation uncertainties associated with such fair valuations which included consideration of the impacts of COVID-19. The fair valuation this year contains higher estimation uncertainties as there were fewer market transactions (as a consequence of the prevailing pandemic), which are ordinarily a strong source of evidence regarding fair value. Key areas of significant assumptions, judgments, and estimates included the estimate of per perch price of land and per square foot value of buildings. .	Our audit procedures included the following; • We evaluated the competence, capability and objectivity of the external valuers engaged by the Group; • We read the external valuers' reports and understood the key assumptions, judgments and estimates made and the approach taken by the valuers in determining the fair valuation; • We engaged our internal specialized resources to assist us in assessing the appropriateness of the valuation techniques used and the reasonableness of the significant assumptions, judgements and estimates such as per perch price of Land and per square foot value of Buildings used by the valuers; • We assessed the adequacy of the disclosures made in Notes 2.4 and 10 in the financial statements.

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

Principals: G B Goudian ACMA Ms. P S Paranavitane ACMA LLB (Colombo) T P M Ruberu FCMA FCCA C A Yalagala ACMA

A member firm of Ernst & Young Global Limited

Other information included in the 2021 Annual Report

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

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

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

Responsibilities of the management and those charged with governance

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

(Contd...3/)
In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's

Building a better working world

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

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

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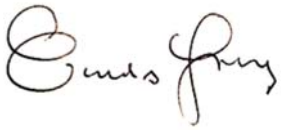


16th September 2021
Colombo

STATEMENT OF PROFIT OR LOSS

For the year ended 31 March	Note	Page No.	GROUP 2021 LKR'000	GROUP 2020 LKR'000	Company 2021 LKR'000	Company 2020 LKR'000
Revenue	4	46	**509,364**	555,489	**509,242**	553,574
Cost of Sales			**(370,287)**	(438,753)	**(370,287)**	(438,753)
Gross Profit			**139,077**	116,736	**138,955**	114,821
Other Income and Gains	5	46	**46,942**	31,428	**47,280**	31,767
Administrative Expenses			**(114,683)**	(123,151)	**(114,291)**	(122,265)
Selling and Distribution Expenses			**(2,952)**	(13,194)	**(2,952)**	(13,170)
Operating Profit			**68,383**	11,819	**68,991**	11,153
Finance Income	5.1	46	**27,737**	21,142	**26,547**	20,080
Finance Cost	6	46	**(5,885)**	(7,560)	**(5,885)**	(7,560)
Profit before tax	7	47	**90,264**	25,401	**89,682**	23,673
Income tax Expense	8	47	**(28,594)**	(11,705)	**(28,422)**	(11,197)
Profit for the Year			**61,670**	13,696	**61,260**	12,476
Profit Attributable to:						
Equity Holders of the Owners of the Parent			**61,67 0**	13,696		
Non-Controlling Interests			**-**	-		
			61,670	13,696		
Earnings Per Share - Basic	9	48	**5.14**	1.14	**5.11**	1.04

The accounting policies and notes on pages 34 through 58 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March	Note	Page No.	GROUP 2021 LKR'000	GROUP 2020 LKR'000	Company 2021 LKR'000	Company 2020 LKR'000
Profit for the year			**61,670**	13,696	**61,260**	12,476
Other Comprehensive Income						
Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
Actuarial Gain / (Loss) on Defined Benefit Plan	18	54	**(2,493)**	5,946	**(2,493)**	5,946
Income Tax Effect			**598**	(1,665)	**598**	(1,665)
			(1,895)	4,281	**(1,895)**	4,281
Revaluation of Land	17	54	**-**	292,550	**-**	292,550
Revaluation of Building	17	54	**-**	77,432	**-**	77,432
Income Tax Effect			**-**	(103,595)	**-**	(103,595)
Reversal of deferred tax on revaluation of assets due to change in income tax rate			**68,096**	-	**68,096**	-
			68,096	266,387	**68,096**	266,387
Net other comprehensive income to be reclassified to profit or loss			**-**	-	**-**	-
Other Comprehensive Income for the year, net of tax			**66,201**	270,668	**66,201**	270,668
Total comprehensive income for the year. Net of taxes			**127,871**	284,364	**127,871**	283,144
Total Comprehensive Income Attributable to:						
Equity Holders of the Owners of the Parent			**127,871**	284,364		
Non-Controlling Interests			**-**	-		
			127,871	284,364		

The accounting policies and notes on pages 34 through 58 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March	Note	Page No.	GROUP 2021 LKR'000	GROUP 2020 LKR'000	Company 2021 LKR'000	Company 2020 LKR'000
ASSETS						
Non-current Assets						
Property, Plant and Equipment	10	49	**1,838,495**	1,858,492	**1,838,495**	1,858,492
Intangible Assets			**81**	151	**81**	151
Investment in Subsidiary	11	50	**-**	-	**500**	500
Other Financial Assets	12	50	**88,534**	90,039	**81,434**	82,903
			1,927,110	1,948,682	**1,920,510**	1,942,046
Current Assets						
Inventories	14	52	**147,899**	153,287	**147,899**	153,287
Trade and Other Receivables	15	52	**70,991**	111,706	**70,640**	111,128
Other Financial Assets	12	50 & 51	**267,615**	117,854	**264,359**	115,306
Cash and Cash Equivalents	20	55	**1,676**	1,511	**736**	748
			488,181	384,358	**483,634**	380,469
Total Assets			**2,415,291**	2,333,040	**2,404,144**	2,322,515
EQUITY AND LIABILITIES						
Equity						
Stated Capital	16	54	**12,440**	12,440	**12,440**	12,440
Revaluation Reserve	17	54	**1,266,690**	1,202,745	**1,266,690**	1,202,745
Retained Earnings			**490,846**	430,520	**480,095**	420,179
Equity attributable to owners of the parent			**1,769,976**	1,645,705	**1,759,225**	1,635,364
Total Equity			**1,769,976**	1,645,705	**1,759,225**	1,635,364
Non-current Liabilities						
Deferred Tax Liabilities	8.4	48	**418,927**	480,703	**418,927**	480,703
Retirement Benefit Liability	18	54	**25,943**	20,056	**25,943**	20,056
			444,870	500,759	**444,870**	500,759
Current Liabilities						
Trade and Other Payables	19	55	**180,053**	178,565	**179,381**	178,349
Income Tax Payable			**17,449**	3,882	**17,725**	3,914
Bank overdraft	20	55	**2,943**	4,129	**2,943**	4,129
			200,445	186,576	**200,049**	186,392
Total Equity and Liabilities			**2,415,291**	2,333,040	**2,404,144**	2,322,515

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

Gayan Joseph
Head of Finance

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

Rajeev Aloysius
Joint Managing Director / CEO

Jeremy Aloysius
Joint Managing Director / CEO

16th September 2021
Colombo

The accounting policies and notes on pages 34 through 58 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March	Note	Page No.	Attributable to Equity Holders of the Parent				
			Stated Capital LKR'000	Revaluation Reserve LKR'000	Retained Earnings LKR'000	Non controlling Interest LKR'000	Total Equity LKR'000
GROUP							
Balance as at 1 April 2019			12,440	939,332	409,569	-	1,361,341
Profit for the Year			-	-	13,696	-	13,696
Other Comprehensive Income	17	54	-	266,387	4,281	-	270,668
Depreciation Transfer			-	(2,974)	2,974	-	-
Balance as at 31 March 2020			12,440	1,202,745	430,520	-	1,645,705
Profit for the Year			-	-	61,670	-	61,670
Other Comprehensive Income			-	68,096	(1,895)	-	66,201
Depreciation Transfer	17		-	(4,151)	4,151	-	-
Dividend paid			-	-	(3,600)	-	(3,600)
Balance as at 31 March 2021			12,440	1,266,690	490,846	-	1,769,976

For the year ended 31 March	Note	Page No.	Stated Capital LKR'000	Revaluation Reserve LKR'000	Retained Earnings LKR'000	Total Equity LKR'000
COMPANY						
Balance as at 01 April 2019			12,440	939,332	400,448	1,352,220
Profit for the Year			-	-	12,476	12,476
Other Comprehensive Income			-	266,387	4,281	270,668
Depreciation Transfer			-	(2,974)	2,974	-
Balance as at 31 March 2020			12,440	1,202,745	420,179	1,635,364
Profit for the Year			-	-	61,260	61,260
Other Comprehensive Income			-	68,096	(1,895)	66,201
Depreciation Transfer	17		-	(4,151)	4,151	-
Dividend paid			-	-	(3,600)	(3,600)
Balance as at 31 March 2021			12,440	1,266,690	480,095	1,759,225

The accounting policies and notes on pages 34 through 58 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 March	Note	Page No.	GROUP 2021 LKR'000	GROUP 2020 LKR'000	Company 2021 LKR'000	Company 2020 LKR'000
Cash Flows From Operating Activities						
Profit before Income Tax Expense			**90,264**	25,401	**89,682**	23,673
Adjustments for						
Depreciation	10	49	**22,780**	19,724	**22,780**	19,724
Amortization			**70**	70	**70**	70
Exchange gains			**5,850**	6,008	**5,850**	6,008
Bad Debt			**-**	7,239	**-**	7,239
Profit on Disposal of Property, Plant and Equipment	5	46	**(23)**	(32)	**(23)**	(32)
Finance Income	5.1	46	**(27,737)**	(21,142)	**(26,743)**	(20,080)
Finance Costs	6	46	**6**	1,553	**6**	1,553
Dividend received	5	46	**-**	-	**(138)**	(86)
Provision for Retirement Benefit Liability	18	54	**3,394**	3,483	**3,394**	3,483
Provision for Slow Moving Inventories	14	52	**258**	258	**258**	258
Operating Profit before Working Capital Changes			**94,862**	42,562	**95,136**	41,810
Increase/decrease in inventories			**5,130**	(57,405)	**5,130**	(57,405)
(Increase) / Decrease in Trade and Other Receivables			**40,715**	(19,222)	**40,488**	(20,571)
Increase/decrease in trade and other payables			**(4,362)**	91,804	**(4,818)**	92,655
Cash Generated from Operations			**136,346**	57,739	**135,936**	56,489
Finance Costs Paid	6	46	**(231)**	(1,553)	**(231)**	(1,553)
Defined Benefit Plan Costs Paid	18	54	**-**	(407)	**-**	(407)
Income Tax Paid			**(8,111)**	(2,792)	**(7,694)**	(2,140)
Net Cash from Operating Activities			**128,003**	52,987	**128,011**	52,389
Cash Flows from / (Used in) Investing Activities						
Acquisition of Property, Plant and Equipment	10	49	**(2,783)**	(4,494)	**(2,783)**	(4,494)
Investments in Long term investments	12	50	**(17,500)**	-	**(17,500)**	-
Proceeds in Maturity/Upliftment of long term investments	12	50	**19,100**	83,723	**19,063**	83,722
Investments in Short term investments			**(265,452)**	(114,532)	**(264,312)**	(111,984)
Proceeds in Maturity/Upliftment of short term investments			**115,823**	-	**115,390**	-
Dividend received	5	46	**-**	-	**138**	86
Interest received	5.1	46	**27,737**	17,820	**26,743**	16,758
Sales Proceeds from disposal of Property, Plant and Equipment	5	46	**23**	32	**23**	32
Net Cash Flows Used in Investing Activities			**(123,052)**	(17,451)	**(123,238)**	(15,880)
Cash Flows from / (Used in) Financing Activities						
Dividend Paid			**(3,600)**	-	**(3,600)**	-
Loan Paid	13.2	52	**-**	(39,450)	**-**	(39,450)
Net Cash Flows Used in Financing Activities			**(3,600)**	(39,450)	**(3,600)**	(39,450)
Net Increase / (Decrease) in Cash and Cash Equivalents			**1,351**	(3,914)	**1,174**	(2,941)
Cash and Cash Equivalents at the Beginning of the Year	20	55	**(2,618)**	1,296	**(3,381)**	(440)
Cash and Cash Equivalents at the End of the Year	20	55	**(1,267)**	(2,618)	**(2,207)**	(3,381)

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

1. CORPORATE INFORMATION

1.1 Reporting Entity

1.1.1 General

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

1.1.2 Principal Activities and Nature of Operations

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

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

1.1.3 Date of Authorization for Issue

The Financial Statement of The Autodrome PLC for year ended 31 March 2021 was authorized for issue in accordance with a resolution of the Board of Directors dated 16 September 2021.

1.2 BASIS OF PREPARATION

1.2.1 Statement of Compliance

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

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

1.2.2 Basis of Measurement

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

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

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

1.2.3 Events Occurring After the Reporting Period

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

1.2.4 Functional and Presentation Currency

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

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

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

1.2.5 Basis of Consolidation

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

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

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

Name of the subsidiary	Country of incorporation	Effective share-holding	
		2020	2019
Tourama (Private) Limited	Sri Lanka	99.99%	99.99%

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

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

Transactions Eliminated on Consolidation

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

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

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

1.2.6 Changes in Accounting Policies

1.2.6.1 New and Amended Standards and Interpretations

The Group applied for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2020.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to SLFRS 3: Definition of a Business

The amendment to SLFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Group but may impact future periods should the Group enter into any business combinations.

Amendments to LKAS 1 and LKAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to, the Group.

Amendments to references to the conceptual framework in SLFRS standards

Revisions to the Conceptual Framework were made because some important issues were not covered and some guidance was unclear or out of date. The revised Conceptual Framework includes: a new chapter on measurement; guidance on reporting financial performance; improved definitions of an asset and a liability, and guidance supporting these definitions; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

These amendments had no impact on the financial statements of the Group.

1.2.7 Comparative Information

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

1.2.8 Use of Estimates and Judgements

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

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

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

Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Management has taken note of the existing and possible effects arising from the COVID-19 pandemic on the Going Concern assessment made.

Following the pandemic, Management implemented several measures during the lock down period experienced in Sri Lanka in order to sustain its business operations and liquidity positions. The Company has since returned to regular operations subsequent to the ceasing of the lockdown but have taken precautionary measures to minimize the risk of the spread of COVID-19 in the organization. Therefore, the Financial Statements continue to be prepared on the going concern basis.

Employee Benefit Liability - Gratuity

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

Useful Lives of Property, Plant and Equipment

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

Fair value of Freehold Land and Buildings

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

Provision for Obsolete Stocks

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

Impairment losses on Trade & Other Receivables

The Group reviews its individually significant Receivables at each reporting date to assess whether an impairment loss should be recorded in the Statement of Profit or Loss. In particular, management's judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assump-

tions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance. The Group applies a simplified approach in calculating ECLs for the impairment assessment..

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

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

1.2.9 Materiality and Aggregation

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Foreign Currency

Foreign Currency Translations and Balances

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

2.2 Assets and Bases of their Valuation

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

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

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

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

The Group classifies all other liabilities as non-current.

2.3 Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.4 Property, Plant and Equipment

2.4.1 Basis of recognition

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

2.4.2 Measurement and Subsequent Costs

Property, Plant and Equipment is recorded at cost less accumulated depreciation and any accumulated impairment in value.
Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located.
The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.
Free hold land and buildings are subsequently measured at fair value. Valuations are performed at least once in every 5 years (or frequently enough) to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.
A revaluation surplus is recognised in other comprehensive income and credited to the revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the income state meant, in which case the increase is recognised in the income statement. A revaluation deficit is recognised in profit or loss,

except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. In relation to depreciable assets carried at fair value until retirement and/or disposal, an amount of the surplus that is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred to retained earnings.

2.4.3 Depreciation

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

	2021	2020
Buildings	50 Years	50 Years
Furniture and Fittings	4 Years	4 Years
Motor Vehicles	4 Years	4 Years
Machinery and Equipment	4 Years	4 Years
Computers	4 Years	4 Years

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

2.4.4 Derecognition

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

2.4.5 Summary Description of Valuation Methodologies.

Open Market Value Method

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

Depreciated Replacement Cost Method.

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

2.4.6 Dual Purpose Properties

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

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

2.5 Intangible Assets

Basis of recognition

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

Measurement and Subsequent Costs

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

2.5.1 Amortization

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

Asset class	Useful life
Computer software	4 years

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

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

2.5.2 Derecognition

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

2.6 Inventories

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

2.7 Financial Instruments

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

2.7.1 Financial Assets

a) Financial Assets - Initial Recognition and Subsequent Measurement

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

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

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

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

b) Subsequent Measurement

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

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

Financial assets at amortized cost

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

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

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

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

Financial assets at fair value through profit or loss

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

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

c) Derecognition

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

d) Impairment of Financial Assets

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

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

2.7.2 Financial Liabilities

a) Initial Recognition and Measurement

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

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

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

b) Subsequent Measurement

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

Loans and borrowings

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

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

c) Derecognition

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

2.7.3 Offsetting of Financial Instruments

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

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

2.7.4 Fair Value of Financial Instruments

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

2.8 Cash and Cash Equivalents

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

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

2.9 Impairment of Non-Financial Assets

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

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

2.10 Liabilities and Provisions

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

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

2.11 Retirement benefit Obligations

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

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

2.11.2 Defined Benefit Plan – Retirement Gratuity

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

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

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

The actuarial valuation was carried out by a professionally qualified firm of actuaries, Meserss. Smiles Global (Private) Limited as at 31 March 2021. The liability is not externally funded

2.12 Taxation

2.12.1 Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from

or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

2.12.2 Deferred Tax

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

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

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

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

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

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

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

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

2.12.3 Sales Tax

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

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

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

2.13 Capital Commitments and Contingencies

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

2.14 Related Party Disclosures

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

2.15 Statement of Profit or Loss

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

2.15.1 Revenue from Contracts with Customers

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

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

2.15.2 Contract Assets

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

2.15.3 Other Income

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

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

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

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

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

2.15.4 Expenditure Recognition

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

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

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

2.15.5 Finance Income and Finance Costs

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

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

2.16 Earnings Per Share

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

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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

Amendments to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16 – Interest Rate Benchmark Reform (Phase 1 & 2)

The amendments to SLFRS 9 & LKAS 39 provide a number of reliefs, which apply to all hedging relationships that are di-

rectly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

IBOR reforms Phase 2 include number of reliefs and additional disclosures. Amendments supports companies in applying SLFRS when changes are made to contractual cashflows or hedging relationships because of the reform.

These amendments to various standards are effective for the annual reporting periods beginning on or after 01 January 2021.

Amendments to SLFRS 16 - COVID – 19 Related Rent Concessions

The amendments provide relief to lessees from applying SLFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 Pandemic.

As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from Covid-19 related rent concession the same way it would account for the change under SLFRS16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 01 June 2020.

Amendments to SLFRS 3: Definition of a Business

The amendments update SLFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. IASB also add to SLFRS 3 a requirement that, for obligations within the scope of LKAS 37, an acquirer applies LKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

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

In March 2021 , ICASL adopted amendments to paragraphs 69 to 76 of LKAS 1 which specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
• What is meant by a right to defer settlement
• That a right to defer must exist at the end of the reporting period
• That classification is unaffected by the likelihood that an entity will exercise its deferral right
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to LKAS 37

In March 2021, the ICASL adopted amendments to LKAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to LKAS 16

In March 2021, the ICASL adopted amendments to LKAS16-Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

4. REVENUE

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
Summary				
Gross Revenue	**509,364**	559,136	**509,242**	557,221
Less: NBT	**-**	(3,647)	**-**	(3,647)
Net Revenue (Note 4.1)	**509,364**	555,489	**509,242**	553,574

4.1. Net Revenue

Local				
Sale of tyres & related products	**509,242**	553,574	**509,242**	553,574
Sale of air tickets	**122**	1,915	**-**	-
	509,364	555,489	**509,242**	553,574

5. OTHER INCOME AND GAINS

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
Rental income	**32,332**	30,399	**32,532**	30,665
Income from tyre fitting center	**236**	497	**236**	497
Reversal of Provision for Impairment of Trade Debtors	**11,258**	-	**11,258**	-
Others	**3,093**	500	**3,093**	487
Dividends from equity securities	**-**	-	**138**	86
Gain on Disposal of Fixed Assets	**23**	32	**23**	32
	46,970	31,428	**47,308**	31,767

5.1. Finance Income

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
Interest Income from Fixed Deposit	**10,110**	9,061	**9,286**	8,238
Interest Income from Quoted Debenture	**3,967**	8,841	**3,967**	8,841
Realized Income from Unquoted Unit Trust	**13,660**	3,240	**13,294**	3,001
	27,737	21,142	**26,547**	20,080

6. FINANCE COST

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
Overdraft interest	**231**	836	**231**	836
Exchange loss	**5,850**	6,008	**5,850**	6,008
Interest Expense	**-**	536	**-**	536
(Reversal)/Provision for Impairment of Investment	**(196)**	180	**(196)**	180
	5,885	7,560	**5,885**	7,560

7. PROFIT BEFORE TAX

Stated after Charging

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
Included in Administrative Expenses				
Employees Benefits including the following	49,265	53,233	49,265	52,889
- Defined Benefit Plan Costs - Gratuity	3,394	3,483	3,394	3,483
- Defined Contribution Plan Costs - EPF and ETF	6,888	7,418	6,888	7,371
Depreciation	22,780	19,724	22,780	19,724
Audit Fees	643	647	600	605
Legal Expenses	-	158	-	158
Professional Charges	503	548	461	506
Included in Selling and Distribution Costs				
Advertising Cost	318	1,682	318	1,659
Sales Promotion	88	1,874	88	1,874

8. INCOME TAX

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

8.1. Current Income Tax

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
Current Income Tax charge (Note 8.2)	23,669	14,456	23,497	13,948
Over Provision of current taxes in respect of prior years	(1,993)	(1,650)	(1,993)	(1,650)
Deferred Income Tax				
Deferred Taxation Charge/(Reversal) (Note 8.3)	6,918	(1,101)	6,918	(1,101)
Income tax expense reported in the Statement of profit or loss	28,594	11,705	28,422	11,197

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

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
Accounting Profit Before Tax	90,264	25,401	89,682	23,673
Deductible Expenses	(48,567)	(31,820)	(47,513)	(30,844)
Non Deductible Expenses	29,189	36,904	29,189	36,904
Profit from Business	70,886	30,485	71,358	29,733
Interest Income	27,736	21,142	26,546	20,080
Total Statutory Income	98,622	51,627	97,904	49,813
Tax Loss Utilized During the Year	-	-	-	-
Taxable Profit	98,622	51,627	97,904	49,813
Income Tax - 24% - on Normal Rate (Income tax - 28%-2020)	23,669	14,456	23,497	13,948
Income Tax Expense reported in the Statement of profit or loss	23,669	14,456	23,497	13,948

8.3. Deferred Tax Liability

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
Balance as at 31st March	**480,703**	376,544	**480,703**	376,544
Charge/ (Reversal) Recognised in Profit or Loss				
Arising on During the Year Movement	**7,494**	(1,101)	**7,494**	(1,101)
Due to Change in Tax Rates	**(576)**	-	**(576)**	-
	6,918	(1,101)	**6,918**	(1,101)
Charge/ (Reversal) Recognised in Other Comprehensive Income				
Arising on During the Year Movement	**(598)**	105,260	**(598)**	105,260
Due to Change in Tax Rates	**(68,096)**	-	**(68,096)**	-
	(68,694)	105,260	**(68,694)**	105,260
At the end of the year	**418,927**	480,703	**418,927**	480,703

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

For the year ended 31 March	Statement of Financial Position		Statement of Profit or Loss		Statement of Comprehensive Income	
	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
Deferred Tax Liability						
Capital Allowances for Tax Purposes	(18,889)	(9,650)	(9,239)	11,325	-	-
Tax Effect of Asset Revaluation	(408,573)	(476,669)	-	(11,085)	68,096	(103,595)
	(427,462)	(486,319)	(9,239)	240	68,096	(103,595)
Deferred Tax Assets						
Retirement Benefit Obligation	6,226	5,616	12	861	598	(1,665)
Provision for Doubtful & Bad Debts	1,326	-	1,326	-	-	-
Provision for Slow Moving & Obsolete Stocks	293	-	293	-	-	-
Unrealized Exchange Loss	690	-	690	-	-	-
	8,535	5,616	2,321	861	598	(1,665)
Recognized in the Statement of Other Comprehensive Income					68,694	(105,260)
Recognized in the Statement of Profit or Loss			(6,918)	1,101		
Net Deferred Tax Liability in the Statement of Financial Position	(418,927)	(480,703)				

Deferred tax has been calculated at the tax rate of 24%. (2020 - 28%).

9. EARNINGS PER SHARE

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
	5.14	1.14	5.11	1.04

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

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

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
Amount Used as the Numerator:				
Profit attributable to ordinary equity holders of the parent	61,670	13,696	61,260	12,476

For the year ended 31 March	2021 Number '000	2020 Number '000
Number of Ordinary Shares Used as Denominator:		
Weighted Average number of Ordinary Shares in issue		
applicable to Basic Earnings Per Share	12,000	12,000

10. PROPERTY, PLANT & EQUIPMENT

10.1. PROPERTY, PLANT AND EQUIPMENT - Group

10.1.1. Gross Carrying Amounts

For the year ended 31 March	FREEHOLD						
	Land	Buildings	Plant and Machinery	Motor vehicles	Furniture & Fittings	Computer	Total
At Cost or Valuation							
At 01 April 2020	1,584,230	242,397	46,984	44,680	10,921	4,820	1,934,032
Additions	-	1,229	1,193	90	-	270	2,782
Disposals	-	-	-	-	(23)	-	(23)
As at 31 March 2021	1,584,230	243,626	48,177	44,770	10,898	5,090	1,936,791

10.1.2. Accumulated Depreciation

At 01 April 2020	-	-	35,416	25,040	10,772	4,311	75,539
Charge for the Year	-	6,869	4,432	11,170	54	255	22,780
Disposals	-	-	-	-	(23)	-	(23)
As at 31 March 2021	-	6,869	39,848	36,210	10,803	4,566	98,296

10.1.3. Net book value

As at 31 March 2021	1,584,230	236,757	8,329	8,560	95	524	1,838,495
As at 31 March 2020	1,584,230	242,397	11,568	19,640	149	509	1,858,492

10.1.4. Additions during the financial year.

During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs.2,783,095/- (2020 - Rs.4,495,052/-).
In compliance with the accounting policy, the Group revalued the Union Place land and building by independent professional valuer and consultant, Mr.J.M.J Fernando, Incorporated valuer of the Institute of Valuers (Sri Lanka) as at 31 March 2021. The Ja-Ela land and building was revalued by independent valuer and consultant, Mr. Sunil Wickramaarachchi, Incorporated valuer of the Institute of Valuers (Sri Lanka) as at 31 March 2021.

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

Company	Address	Extent	Method of Valuation	Date of Valuation	Fair value measurement Basis & Sensitivity of Inputs: Valuer	Revalued Amount (Rs.)	Significant unobservable inputs (Level 3)	Interrelationship between key unobservable inputs and fair value measurements
	Land							
The Autodrome PLC	304, Union Place, Colombo 02.	OA-01R–23.43P (Excluding the Street line and quantity allowance of 10.88P)	Market Approach	31st March 2021	J.M.J Fernando	1,562,130,000	Rs.17,000,000 pp (2020 - Rs. 17,000,000 pp)	Positive correlated sensitivity
	Land at Ja-Ela No. 58/10A, Raja Mawatha Ekala Ja-Ela	0A-2R-08.40P	Market Approach	31st March 2021	Mr. Sunil Wickramaarachchi	22,100,000	Rs.250,000 pp (2020 - Rs. 250,000 pp)	Positive correlated sensitivity

	BUILDINGS							
The Autodrome PLC	304, Union Place, Colombo 02.	39,394Sq.ft	Cost Approach	31st March 2021	J.M.J Fernando	233,445,100	Rs.9,500-Rs.3,500 per Sq. Ft (2020-Rs.9,500-Rs.3,500 per Sq. Ft)	Positive correlated sensitivity
	Building at Ja-Ela No. 58/10A, Raja Mawatha Ekala Ja-Ela	9856 Sq. Ft	Cost Approach	31st March 2021	Mr. Sunil Wick-ramaarachchi	8,952,600	Rs.1,600-Rs.750 per Sq. Ft (2020-Rs.1,600-Rs.750 per Sq. Ft)	Positive correlated sensitivity

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

Class of Asset	Cost Rs.	Cumulative Depreciation if Assets were Carried at Cost Rs.	Net Carrying Amount 2020 Rs.	Net Carrying Amount 2019 Rs.
Group / Company				
Land	6,000	-	6,000	6,000
Building	112,000	33,000	79,000	81,500
	118,000	33,000	85,000	87,500

10.4. The Company dual purpose property at No. 304, Union Place Colombo 02 comprises a floor area of 39,394 sq.ft and out of which as of balance sheet date the Company had rented out 16.679 sq.ft of floor area and its 42% of the total floor area of the head office dual purpose premises.

11. INVESTMENT IN SUBSIDIARY

For the year ended 31 March	NO OF SHARES 2021	NO OF SHARES 2020	SHAREHOLDING 2021 %	SHAREHOLDING 2020 %	COMPANY 2021 LKR'000	COMPANY 2020 LKR'000
Non-Quoted						
Tourama (Private) limited*	49,994	49,994	99.99%	99.99%	500	500
					500	500

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

12. OTHER FINANCIAL ASSETS

For the year ended 31 March	GROUP 2021 LKR'000	GROUP 2020 LKR'000	Company 2021 LKR'000	Company 2020 LKR'000
Under Non Current Assets				
Quoted Debentures (Note 12.1.1)	-	23,067	-	23,067
Fixed Deposit (Note 12.1.2)	**88,534**	66,972	**81,434**	59,836
	88,534	90,039	**81,434**	82,903
Under Current Assets				
Quoted Debentures (Note 12.1.1)	**2,206**	43,597	**2,206**	43,597
Fixed Deposit (Note 12.1.2)	**6,541**	7,045	**6,541**	7,045
Unquoted Unit Trust (Note 12.1.3)	**258,868**	67,212	**255,612**	64,664
	267,615	117,854	**264,359**	115,306
Total Other Financial Investments	**356,149**	207,893	**345,793**	198,209

12.1. Other Financial Assets

12.1.1. Quoted Debentures

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
Quoted Debentures - Current Assets	2,206	43,651	2,206	43,651
Provision for Expected Credit Loss	-	(54)	-	(54)
	2,206	43,597	2,206	43,597
Quoted Debentures - Non Current Assets	-	23,116	-	23,116
Provision for Expected Credit Loss	-	(48)	-	(48)
	-	23,067	-	23,067
Total Debentures	2,206	66,664	2,206	66,664

Provision for Expected Credit Loss - Quoted Debentures

For the year ended 31 March	GROUP & Company	
	2021 LKR'000	2020 LKR'000
Balance as at 01 April	(102)	(71)
Impairment addition during the year	-	(31)
Impairment reversal during the year	102	-
Balance as at 31 March	-	(102)
Provision for Expected Credit Loss - Current	-	(54)
Provision for Expected Credit Loss - Non Current	-	(48)
	-	(102)

12.1.2. Fixed Deposits

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
Fixed Deposits - Current Assets	6,544	7,054	6,544	7,054
Provision for Expected Credit Loss	(3)	(9)	(3)	(9)
	6,541	7,045	6,541	7,045
Fixed Deposits - Non Current Assets	88,612	67,139	81,512	60,003
Provision for Expected Credit Loss	(78)	(167)	(78)	(167)
	88,534	66,972	81,434	59,836
Total Fixed Deposits	95,075	74,017	87,975	66,881

Provision for Expected Credit Loss - Fixed Deposits

For the year ended 31 March	GROUP & Company	
	2021 LKR'000	2020 LKR'000
Balance at the beginning of the year	(176)	(55)
Impairment addition during the year	-	(121)
Impairment reversal during the year	95	-
Balance at the end of the year	(81)	(176)
Provision for Expected Credit Loss - Current	(3)	(9)
Provision for Expected Credit Loss - Non Current	(78)	(167)
	(81)	(176)

12.1.3. Unquoted Unit Trust

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
Investment during the year	258,868	67,240	255,612	64,692
Provision for Expected Credit Loss	-	(28)	-	(28)
Balance at the end of the year net of provision	258,868	67,212	255,612	64,664

13. OTHER FINANCIAL LIABILITIES

13.1. Financial Liabilities

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
Current Interest -bearing loans and borrowings				
Bank overdrafts	2,943	4,129	2,943	4,129
Total Current Interest-bearing-loans and borrowings	2,943	4,129	2,943	4,129

14. INVENTORIES

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
Tyres & Related Products	76,205	125,011	76,205	125,011
Cosmetics - Prem-Henna	-	283	-	283
Goods in transit - Tyres	72,916	29,240	72,916	29,240
	149,121	154,534	149,121	154,534
Less : Provision for Slow Moving Stocks (Note 14.1)	(1,222)	(1,247)	(1,222)	(1,247)
	147,899	153,287	147,899	153,287

14.1. Provision for Slow Moving Stocks

For the year ended 31 March	Company	
	2021 LKR'000	2020 LKR'000
Balance as at 01 April	1,247	2,737
Write off during the year	(283)	(1,748)
Provision during the year	258	258
Balance as at 31 March	1,222	1,247

15. TRADE AND OTHER RECEIVABLES

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
Trade receivables*	59,268	111,659	58,952	111,512
Less: Allowance for expected credit losses (Note 15.1)	(5,206)	(16,977)	(5,206)	(16,977)
	54,062	94,682	53,746	94,535
Advances and Prepayments (Note 15.2)	11,657	12,364	11,622	11,850
Contract Asset	5,272	4,660	5,272	4,660
Other Receivables - Related Parties (Note 15.3)	-	-	-	82
	70,991	111,706	70,640	111,128

*Trade Receivables are not interest bearing receivables.

15.1. Allowance for Expected Credit Losses

For the year ended 31 March	GROUP		Company	
	20201 LKR'000	2020 LKR'000	**2021 LKR'000**	2020 LKR'000
Movement in Allowance for Expected Credit Losses				
Balance at the Beginning of the Year	16,977	9,738	16,977	9,738
Provision for the Year	-	7,239	-	7,239
Reversal of provision for the year	(11,577)	-	(11,577)	-
write off for the year	(194)	-	(194)	-
Balance at the End of the Year	5,206	16,977	5,206	16,977

	Days Past Due					
	Current	<30 Days	31-60 Days	61-90 Days	91< Days	Total
GROUP						
2021						
Expected credit loss rate	0.03%	0.05%	0.12%	0.41%	62.83%	
Estimated total gross carrying amounts at default	30,921	17,444	2,411	242	8,250	59,268
Expected Credit loss	(10)	(8)	(3)	(1)	(5,184)	(5,206)
Balance at the End of the Year	30,911	17,436	2,408	241	3,066	54,062
2021						
Expected credit loss rate	3.99%	6.77%	8.00%	12.56%	62.83%	
Estimated total gross carrying amounts at default	15,542	46,048	27,449	6,310	16,310	111,659
Expected Credit loss	(620)	(3,119)	(2,196)	(793)	(10,248)	(16,977)
Balance at the End of the Year	14,922	42,929	25,253	5,517	6,062	94,682
COMPANY						
2021						
Expected credit loss rate	0.03%	0.05%	0.12%	0.41%	62.83%	
Estimated total gross carrying amounts at default	30,605	17,444	2,411	242	8,250	58,952
Expected Credit loss	(10)	(8)	(3)	(1)	(5,184)	(5,206)
Balance at the End of the Year	30,595	17,436	2,408	241	3,066	53,746
2021						
Expected credit loss rate	4.03%	6.77%	8.00%	12.56%	62.83%	
Estimated total gross carrying amounts at default	15,395	46,048	27,449	6,310	16,310	111,512
Expected Credit loss	(620)	(3,119)	(2,196)	(793)	(10,248)	(16,977)
Balance at the End of the Year	14,775	42,929	25,253	5,517	6,062	94,535

15.2. Advances and Prepayments

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	**2021 LKR'000**	2020 LKR'000
Other Receivables	9,412	9,753	9,377	9,239
Deposits and Prepayments	2,245	2,611	2,245	2,611
	11,657	12,364	11,622	11,850

15.3 Other Receivables - Related Parties

For the year ended 31 March	Relationship	GROUP 2021 LKR'000	GROUP 2020 LKR'000	Company 2021 LKR'000	Company 2020 LKR'000
Tourama Private Limited	Subsidiary	-	-	-	82
		-	-	-	82

16. STATED CAPITAL - Group/Company

For the year ended 31 March	GROUP 2021 LKR'000	GROUP 2020 LKR'000	Company 2021 LKR'000	Company 2020 LKR'000
No of shares	12,000	12,000	12,000	12,000
As at March 31	12,440	12,440	12,440	12,440

16.1. Dividends paid and proposed - Group/Company

For the year ended 31 March	GROUP 2021 LKR'000	GROUP 2020 LKR'000	Company 2021 LKR'000	Company 2020 LKR'000
Declared and paid during the year:				
Declared and paid during the year				
Dividend on Oridinary Shares	3,600	-	3,600	-
Final Dividend	3,600	-	3,600	-

17. REVALUATION RESERVE

For the year ended 31 March	GROUP 2021 LKR'000	GROUP 2020 LKR'000	Company 2021 LKR'000	Company 2020 LKR'000
Balance as at the beginning of the year	**1,202,745**	939,332	**1,202,745**	939,332
Depreciation Transfers	**(4,151)**	(2,974)	**(4,151)**	(2,974)
Revaluations during the year	-	369,982	-	369,982
Income Tax Effect on Revaluation	-	(103,595)	-	(103,595)
Disposal of Revalued Fixed Asset	**68,096**	-	**68,096**	-
Balance as at the end of the year	**1,266,690**	1,202,745	**1,266,690**	1,202,745

18. RETIREMENT BENEFIT LIABILITY

For the year ended 31 March	GROUP 2021 LKR'000	GROUP 2020 LKR'000	Company 2021 LKR'000	Company 2020 LKR'000
Balance as at the beginning of the year	**20,056**	22,927	**20,056**	22,927
Current Service Cost	**1,539**	1,144	**1,539**	1,144
Interest Cost	**1,855**	2,339	**1,855**	2,339
Actuarial (Gain) / Loss	**2,493**	(5,946)	**2,493**	(5,946)
Payments during the year	-	(407)	-	(407)
Balance as at the end of the year	**25,943**	20,056	**25,943**	20,056
The expenses are recognized in the following line items in the statement of comprehensive income.				
Administrative Expenses	**3,394**	3,483	**3,394**	3,483
Other Comprehensive Income	**(2,493)**	5,946	**(2,493)**	5,946
	901	9,429	**901**	9,429

Messrs. Smiles Global (Private) Limited, independent acturial specialists carried out an actuarial valuation of the defined benefit plan gratuity as at 31 March 2021. Appropriate and compatible assumptions were used in determining the cost of retirement benefits.

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

For the year ended 31 March	Company	
	2021 LKR'000	2020 LKR'000
Discount Rate	**7.00%**	9.25%
Salary Increment Rate	**0% - 7%**	0% - 3%
Retirement Age	**55 Years**	55 Years
Staff Turnover:	**18% p.a**	25% p.a

18.3. Sensitivity of the principal assumptions used

For the year ended 31 March	Expected Future Salaries		Discount Rate	
	1% Increase LKR'000	1% Decrease LKR'000	1% Increase LKR'000	1% Decrease LKR'000
Group/Company				
Change in Present value of Defined Benefit Obligation	941	(895)	(764)	818

18.4. Expected average future working life.
Expected average future working life of the active participants is 4.78 years and average service period is considered as 10.29 years.

19. TRADE AND OTHER PAYABLES

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	**2021 LKR'000**	2020 LKR'000
Trade Payables	144,038	139,112	144,038	139,112
Sundry Creditors Including Accrued Expenses (Note 19.1)	28,576	33,544	27,904	33,328
Contract Liability	7,439	5,909	7,439	5,909
	180,053	178,565	179,381	178,349

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

19.1. Sundry Creditors Including Accrued Expenses

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	**2021 LKR'000**	2020 LKR'000
Accruals	2,567	3,021	2,519	2,874
Other Payables	1,065	3,309	1,065	3,309
Sundry Creditors	24,543	26,815	23,919	26,745
Dividend payable	401	399	401	399
	28,576	33,544	27,904	33,328

20. CASH AND CASH EQUIVALENTS IN CASH FLOW STATEMENT

Components of Cash and Cash Equivalents

20.1. Favourable Cash and Cash Equivalents Balances

For the year ended 31 March	GROUP		Company	
	2021 LKR'000	2020 LKR'000	**2021 LKR'000**	2020 LKR'000
Cash and Bank Balance	1,676	1,511	736	748

20.2. Unfavourable Cash and Cash Equivalent Balances

Bank Overdraft	(2,943)	(4,129)	(2,943)	(4,129)
Total Cash and Cash Equivalents for the purpose of Cash Flow Statement	(1,267)	(2,618)	(2,207)	(3,381)

21. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows;

21.1. Transactions with Related Entities

For the year ended 31 March	Subsidiary		Affiliates**	
	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
Nature of Transactions				
As at 1 April				
Sales	-	-	-	594
Collection / Payment on behalf of the Company	200	400	-	-
Loan Repaid	-	-	-	3,200
Interest paid	-	-	-	144
As at 31 March	200	400	-	3,938
Included in,				
*Trade and Other Receivables	-	82	-	-
	-	82	-	-

*Amounts classified as Trade and Other Receivables. (Note 15) **Affiliates - Mercury Limited and Seventy Limited.
For loans received from related parties refer note 13.2.

21.2. Transactions with Key Management Personnel of the Company

The key management personnel of the Company includes the Directors of the Company and Directors in subsidiary.

21.2.1. Compensation to Key Management Personnel

For the year ended 31 March	2021 LKR'000	2020 LKR'000
Nature of transaction		
Short Term Employment Benefits	28,476	25,688
Post employment Benefits	3,375	3,744

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

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

Impact of COVID 19 on Credit Risk
Group does not expect any significant risks of debtor defaults as of reporting date.

Liquidity risk
The Group's objective is to maintain a balance between continuity of funding and use of bank overdrafts. Access to sources of funding is sufficiently available and payables maturing within 12 months can be rolled over with existing lenders.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual payments.

	On demand LKR'000	< 3 months LKR'000	3 to 12 months LKR'000	1 to 5 years LKR'000	Total LKR'000
Year ended 31 March 2021					
Bank Overdraft	2,943	-	-	-	2,943
Trade and other payables	36,015	-	144,038	-	180,053
	38,958	-	144,038	-	182,996
Year ended 31 March 2020					
Bank Overdraft	4,129	-	-	-	4,129
Trade and other payables	39,453	-	139,112	-	178,565
	43,582	-	139,112	-	182,694

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

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2021.

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

Gearing ratio as at 31 March is as follows :

	GROUP		Company	
For the year ended 31 March	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
Long Tem Borrowings	-	-	-	-
Total Equity	1,769,977	1,645,705	1,759,266	1,635,364
Gearing Ration : Debt to Equity	0%	0%	0%	0%

23. FAIR VALUES

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

23.1.

	Date of valuation	Total	"Quoted prices in active markets (Level 1) "	"Significant observable inputs (Level 2)"	"Significant unobservable inputs (Level 3)"
The fair value measurement hierarchy for non financial assets as at 31 March 2021:					
Assets measured at fair value					
Revalued Property, Plant and Equipment					
Land	31-Mar-21	1,584,230	-	-	1,584,230
Buildings	31-Mar-21	236,757	-	-	236,757
Other Financial Assets					
Unquoted Unit Trust Investment*	31-Mar-21	258,868	-	258,868	-
The fair value measurement hierarchy for non financial assets as at 31 March 2020:					
Assets measured at fair value					
Revalued Property, Plant and Equipment					
Land	31-Mar-20	1,584,230	-	-	1,291,680
Buildings	31-Mar-20	166,405	-	-	166,405
Other Financial Assets					
Unquoted Unit Trust Investment *	31-Mar-20	67,212	-	67,212	-

There were no transfers between level 1 and level 2 during the year of 2021.
*Fair value of Unquoted Unit Trust has been calculated based on the Company's asset manager's fair value assessment.

23.2.

	GROUP				COMPANY			
	CARRYING AMOUNT		FAIR VALUE		CARRYING AMOUNT		FAIR VALUE	
For the year ended 31 March	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
Financial Assets								
Financial Assets Carried at Amortized Costs								
-Trade and other receivables	**82,870**	111,706	**82,870**	111,706	**82,519**	111,128	**82,519**	111,128
-Cash and cash equivalents	**1,676**	1,511	**1,676**	1,511	**736**	748	**736**	748
-Quoted Debentures	**2,206**	66,664	**2,205**	66,664	**2,206**	66,664	**2,205**	66,664
-Fixed Deposits	**95,075**	74,017	**98,590**	77,341	**87,975**	66,881	**91,259**	69,723
Financial Liabilities								
-Trade and other payables	**180,053**	178,565	**180,053**	178,565	**179,381**	178,349	**179,381**	178,349
-Bank overdraft	**2,943**	4,129	**2,943**	4,129	**2,943**	4,129	**2,943**	4,129

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

24. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has declared a final dividend of Rs. 0.60 per share for the year ended 31 March 2021 at the board meeting held on 16 September 2021. This would result in a total outflow of Rs. 7,200,000/-.
Except above, there were no material events occurring after the reporting date that require adjustments to or disclosure in the financial statements.

25. CAPITAL COMMITMENTS AND CONTINGENCIES

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

26. OPERATING SEGMENT

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Senior Management to make decisions about resources allocated to each segment and assess its performance and for which discrete financial information is available.

*Tyres and Related Products *Air Ticket Sales

	TYRES & RELATED PRODUCTS		COSMETICS		AIR TICKET SALES		TOTAL	
For the year ended 31 March	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000	2021 LKR'000	2020 LKR'000
External Revenue	**509,242**	553,574	**-**		**122**	1,915	**509,364**	555,489
Inter-segment revenue	**-**	-	**-**	-	**-**	-	**-**	-
Segment revenue	**509,242**	553,574	**-**		**122**	1,915	**509,364**	555,489
Segment Gross profit	**138,955**	114,821	**-**	-	**122**	1,915	**139,077**	116,736
Profit before tax	**89,682**	23,673	**-**	-	**582**	1,728	**90,264**	25,401
Interest income	**26,547**	20,080	**-**	-	**1,190**	1,062	**27,737**	21,142
Interest expense	**(5,885)**	(7,560)	**-**	-	**-**	-	**(5,885)**	(7,560)
Depreciation and amortization	**22,850**	19,794					**22,850**	19,794
Segment assets	**2,404,143**	2,322,232	**-**	283	**11,147**	10,808	**2,415,290**	2,333,040
Capital expenditure	**2,783**	4,494	**-**	-	**-**	-	**2,783**	4,494
Segment liabilities	**644,877**	687,151	**-**	-	**436**	184	**645,313**	687,335

26.1. Reconciliations of information on reportable segments

For the year ended 31 March	2021 LKR'000	2020 LKR'000
Revenue		
Total revenue for reportable segments	**509,242**	553,574
Revenue for other segments	**122**	1,914
Elimination from inter-segment revenue	**-**	-
Consolidated revenue	**509,364**	555,488
Profit before tax		
Total profit before tax for reportable segments	**90,264**	25,401
Profit before tax for other segments	**-**	-
Elimination from inter- segment profit	**-**	-
Consolidated profit before tax	**90,264**	25,401

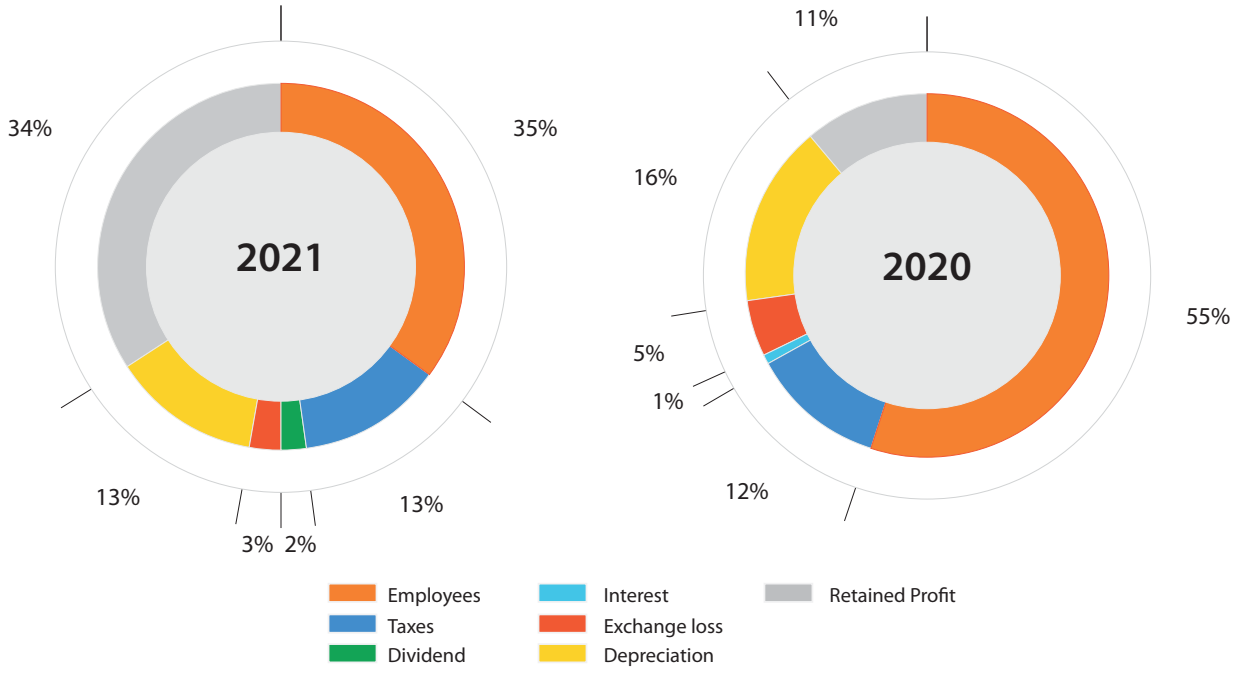
TEN YEARS AT A GLANCE

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
OPERATING RESULTS										
Turnover	509,364	555,489	478,738	567,392	711,296	605,108	596,530	608,516	590,214	637,236
Profit before finance charges	96,149	32,961	5,976	34,384	15,927	40,805	57,491	40,212	34,580	66,768
Finance cost	5,885	7,560	10,696	517	2,661	6,425	47	406	708	13,005
Non operating income	74,707	52,570	38,708	36,902	26,307	38,129	33,649	26546	12,487	8,723
Profit before taxation	90,264	25,401	(4,720)	33,866	13,266	34,380	57,444	39,806	34,368	53,763
Taxation	28,594	11,705	5,277	9,091	1,566	8,631	19,171	9,147	15,076	10,840
Profit after taxation	61,671	13,696	557	24,775	14,832	25,749	38,272	30,659	19,292	42,923
BALANCE SHEET										
Stated Capital	12,440	12,440	12,440	12,440	12,440	12,440	12,440	12,440	12,440	12,440
Capital Reserves	1,266,690	1,202,745	939,332	942,341	612,473	613,505	614,568	615,600	610,483	286,303
Revenue Reserves	490,846	430,520	409,570	415,210	373,105	363,604	344,903	308,790	281,380	261,250
	1,769,977	1,645,705	1,361,342	1,369,992	998,018	989,549	971,911	936,830	904,302	559,993
CAPITAL EMPLOYED										
Property , Plant, Equipment & Investments	1,927,110	1,948,682	1,677,722	1,632,738	743,558	749,286	755,979	812,835	790,239	473,858
Current Assets	488,180	384,358	229,150	251,341	303,206	312,517	342,748	259,032	248,589	263,085
Current Liabilities	(200,445)	(186,576)	(146,061)	(107,292)	(141,271)	(166,036)	(146,837)	(96,941)	(99,181)	(161,612)
Non - Current Liabilities	(444,870)	(500,759)	(399,469)	(406,795)	(42,059)	(42,532)	(41,767)	(38,096)	(35,344)	(15,338)
	1,769,977	1,645,705	1,361,342	1,369,991	863,433	853,235	910,123	936,830	904,302	559,993
OTHER INFORMATION										
Inventories	147,899	153,287	96,138	89,062	142,740	167,978	129,038	120,626	98,358	140,479
Trade Debtors	54,062	94,682	84,583	123,071	121,961	110,651	80,890	74,390	68,994	64,820
Gross Profit	139,077	116,736	95,251	117,865	119,269	129,453	144,880	127,705	122,648	145,759
Cost of Sales	370,287	438,753	383,487	449,527	592,027	475,655	451,650	480,811	467,566	491,477
Dividend Paid	3,600	-	6,000	6,000	7,200	8,400	3,600	3,600	3,600	4,800
No of Shares in issue	12,000	12,000	12,000	12,000	12,000	12,000	1,200	1,200	1,200	1,200
Dividend per share	0.30	0.00	0.50	0.50	0.60	0.6	7.00	6.00	3.00	4.00
Share price as at 31 March (Rs.)	70.10	58.00	84.90	85.00	70.00	91.90	885.00	924 .00	833.00	800.00
RATIOS & OTHER INFORMATION										
Liquidity										
Current Ratio	2.44	2.06	1.57	2.34	2.15	1.88	2.33	2.67	2.51	1.63
Quick Ratio	1.70	1.24	0.84	1.41	1.14	0.87	1.46	1.43	1.51	0.76
Capital Adequacy										
Total Liabilities / Sales (%)	126.69	123.74	113.95	90.61	25.77	34.47	31.62	22.19	22.79	27.77
Interest Cover (No. of times)	16.34	4.36	0.56	66.51	5.98	6.35	1,223	99.04	48.84	5.13
Profitability										
Return on Equity %	4.96	1.10	0.04	1.99	1.49	2.60	3.94	3.27	2.13	7.66
Return on Total Assets (%)	2.55	0.59	0.03	1.31	1.42	2.42	3.48	2.86	1.86	5.82
Operating Margin / Sales (%)	27.30	21.01	19.90	20.77	16.77	21.39	24.29	20.99	20.78	22.87
Earning Per Share (Rs.)	5.14	1.14	0.05	2.06	1.24	2.15	31.89	25.55	16.08	35.77
Revenue Growth (%)	(9.05)	16.00	18.72	14.93	17.55	1.44	(1.97)	3.10	(7.38)	3.59
Profit Before Tax Growth (%)	255.35	(6.38)	(1.14)	1.55	(61.41)	(40.15)	44.31	15.82	(36.08)	(29.41)
Profit After Tax Growth (%)	350.27	23.59	(0.98)	0.67	(42.40)	(32.72)	24.83	58.92	(55.05)	(7.72)
Efficiency (turnover ratios)										
Inventory Turnover Period (times)	2.56	3.52	4.14	3.88	3.81	3.20	3.62	4.39	3.92	4.31
Average Collection Period (days)	38.74	62.21	64.49	79.17	62.58	66.74	49.49	44.62	42.67	37.13
MARKET-BASED RATIOS										
Firm Ratios										
Dividend Payout Ratio	0.06	-	10.77	0.24	0.49	0.33	0.09	0.12	0.19	0.11
Dividend Cover (Times)	17.13	-	0.09	4.13	2.06	3.07	10.63	8.52	5.36	8.94
Net Assets Per Share	147.50	137.14	113.45	114.17	71.95	71.10	758.44	780.69	753.59	466.66
Combined Ratios										
Dividend Yield (%)	4.28	5.17	3.53	3.53	4.29	3.26	0.34	0.32	0.36	0.50
Price Earning Ratio (Times)	13.64	50.82	1,829.08	41.17	56.63	42.83	27.75	36.18	51.83	22.37

* A dividend of Rs. 0.60 per share for the year 2020/2021 approved by the Board of Directors on 16th September 2021 and this will be paid on 18th October 2021. Ex div date 29th September 2021..

STATEMENT OF VALUE ADDED (GROUP)

		2021 Rs'000	2020 Rs'000
Creation of Value Added			
Gross Sales		509,364	559,135
Other Income		46,970	31,428
		556,334	590,564
Less: Cost of Materials & Services		375,467	466,139
Purchased from External Sources			
Total Value Added		**180,866**	**124,425**
Distributed As Follows			
To Employees as Remuneration		63,065	68,203
To Government as Taxes		23,669	15,352
To Providers of Capital as			
	Dividend	3,600	-
	Interest	231	1,373
	Exchange loss	5,850	6,008
Retained in the business as			
Depreciation		22,780	19,794
Retained profit		61,671	13,696
		180,866	**124,425**
Distribution of Value Added		**180,866**	**124,425**



SHARE INFORMATION

01. GENERAL

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

02. STOCK EXCHANGE LISTING

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

03. DISTRIBUTION OF SHAREHOLDING

The Shares of The Autodrome PLC were held as follows :
The shares held by the public as at 31 March 2021 was 22.29% (2020 - 22.34%). The number of share holders 31 March 2021 was 565 (2020-544) out of which 555 (2020 - 535) was public. The option number for compliance with the Minimum Public Holding is Five (5) - Over 20% and over 500 shareholders are public.

	31 March 2021				31 March 2020			
Size of shareholdings	Shareholders		Holdings		Shareholders		Holdings	
	No.	%	No.	%	No.	%	No.	%
1-1000 shares	476	82.93	57,582	0.48	460	84.56	63926	0.53
1001-10,000 Shares	70	12.20	231,110	1.93	73	13.42	247,545	2.06
10001-100,000 shares	16	2.79	383,437	3.20	21	3.86	582,569	4.85
100,001-1,000,000 Shares	10	1.74	6,55,3571	54.61	9	1.65	6,331,660	52.76
Over 1,000,000 shares	2	0.35	4,774,300	39.79	2	0.37	4,774,300	39.79
	574	**100.00**	**12,000,000**	**100.00**	**565**	**103.86**	**12,000,000**	**100.00**

04. ANALYSIS OF SHAREHOLDERS

	31 March 2021				31 March 2020			
	Shareholders		Holdings		Shareholders		Holdings	
	No.	%	No.	%	No.	%	No.	%
Institutions	38	6.62	2,125,988	17.72	42	7.43	2,199,693	18.33
Individuals	536	93.38	9,874,012	82.28	523	92.57	9,800,307	81.67
Total	**574**	**100.00**	**12,000,000**	**100.00**	**565**	**100.00**	**12,000,000**	**100.00**
Non Residents	1	0.17	877,340	7.31	1	0.18	877,340	7.31
Residents	573	99.83	11,122,660	92.69	564	99.82	11,122,660	92.69
Total	**565**	**100.00**	**12,000,000**	**100.00**	**565**	**100.00**	**12,000,000**	**100.00**

05. SHARE VALUATION

(Company)

		LKR		LKR
Market Value	as at 31 March 2021	70.10	as at 31 March 2020	58.00
No.of Shares in Issue (Nos)		12,000,000		12,000,000
Market Capitalisation	as at 31 March 2021	841,200,000	as at 31 March 2020	696,000,000
Float Adjusted Market Capitalisation	as at 31 March 2021	178,082,040	as at 31 March 2020	155,152,320
Highest	Yr.2020/2021	92.00	Yr.2019/2020	78.00
Lowest	Yr.2020/2021	53.30	Yr.2019/2020	53.00
Earning per share		5.14		1.14
Dividend per share		Rs.0.30		Rs.0.00
Net asset value per share		Rs.147.50		Rs.137.14

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-Ninth 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-Ninth Annual General Meeting of the Company to be held as a virtual meeting emanating from the Boardroom of the Company at No. 304, Union Place, Colombo 02 on Friday 29th October 2021 at 3.00 p.m. and at any adjournment thereof, and at every poll which may be taken in consequence thereof to vote in the manner indicated below:

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

RESOLUTION	FOR	AGAINST
1. Adoption of Annual Report & Audited Accounts for the year ended 31st March 2021		
2. To re-elect as a Director Mrs. J. Joanne B. Aloysius Rajiyah to the Board		
3. To re-elect as a Director Mr. M. Raviraj Ratnasabapathy to the Board		
4. To re-elect Mrs. B J Aloysius who retires under s 210 of the Companies Act		
5. To re-elect Mr. B. Ponnambalam who retires under s 210 of the Companies Act		
6. To re-appoint Auditors and authorise Directors to fix their remuneration		
7. To authorise Directors to determine Contribute to Charities		
8. To approve any other business for which due notice has been given.		

As witness under my/our hand this.....day of October 2021.

.....
Signature of Member/Member(s)

INSTRUCTIONS FOR COMPLETION OF PROXY FORM

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

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

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

C|D|S

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

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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.

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