

INTERIM FINANCIAL STATEMENTS

For the Period Ended 31 December 2022



UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR NINE MONTHS ENDED 31 DECEMBER 2022
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group						Company					
		Un-audited 9 Months ended 31.12.2022	Un-audited 9 Months ended 31.12.2021	Variance	Un-audited 3 Months ended 31.12.2022	Un-audited 3 Months ended 31.12.2021	Variance	Un-audited 9 Months ended 31.12.2022	Un-audited 9 Months ended 31.12.2021	Variance	Un-audited 3 Months ended 31.12.2022	Un-audited 3 Months ended 31.12.2021	Variance
Revenue from contracts with customers	5	8,159,518	10,637,205	-23.3%	1,937,913	3,397,992	-43.0%	3,694,361	3,662,218	0.9%	1,297,602	1,858,627	-30.2%
Cost of sales		(5,986,900)	(8,403,443)	28.8%	(1,331,481)	(2,466,342)	46.0%	(2,432,782)	(2,486,504)	2.2%	(816,853)	(1,220,487)	33.1%
Gross profit		2,172,618	2,233,762	-2.7%	606,432	931,650	-34.9%	1,261,579	1,175,714	7.3%	480,749	638,140	-24.7%
Distribution expenses		(267,200)	(270,370)	1.2%	(106,940)	(108,864)	1.8%	(135,456)	(135,791)	0.2%	(49,192)	(59,372)	17.1%
Administrative expenses		(2,015,721)	(1,372,827)	-46.8%	(860,174)	(495,754)	-73.5%	(1,331,733)	(1,068,431)	-24.6%	(452,947)	(387,587)	-16.9%
Net impairment (losses)/gains on trade and other receivables		(75,099)	776	-9777.7%	(21,043)	19,930	-205.6%	(20,739)	3,879	-634.7%	(32,454)	19,963	-262.6%
Other gains/(losses)-net	6	167,317	43,682	283.0%	(27,898)	45,293	-161.6%	224,165	88,390	153.6%	57,174	58,552	-2.4%
Other income		75,383	104,412	-27.8%	29,207	22,333	30.8%	168,510	145,598	15.7%	61,799	38,578	60.2%
Profit/(loss) from operations		57,298	739,435	-92.3%	(380,416)	414,588	-191.8%	166,326	209,359	-20.6%	65,129	308,274	-78.9%
Finance income		66,248	60,113	10.2%	34,435	15,487	122.3%	352,750	95,971	267.6%	114,531	12,646	805.7%
Finance cost		(467,183)	(46,277)	-909.5%	(200,284)	(10,684)	-1774.6%	(11,776)	(27,932)	57.8%	(4,626)	(5,051)	8.4%
Net finance (cost)/income		(400,935)	13,836	-2997.8%	(165,849)	4,803	-3553.0%	340,974	68,039	401.1%	109,905	7,595	1347.1%
(Loss)/Profit before income tax expense		(343,637)	753,271	-145.6%	(546,265)	419,391	-230.3%	507,300	277,398	82.9%	175,034	315,869	-44.6%
Income tax expense	7.1	168,276	(182,322)	192.3%	257,882	(96,170)	368.2%	(187,999)	(72,295)	-160.0%	(110,796)	(74,486)	-48.7%
Profit/(loss) for the period		(175,361)	570,949	-130.7%	(288,383)	323,221	-189.2%	319,301	205,103	55.7%	64,238	241,383	-73.4%
Other Comprehensive Income													
Items that will never be reclassified to profit or loss													
Changes in the fair value of equity investments at fair value through Other Comprehensive Income		(19,445)	29,230		11,229	3,722		(21,357)	18,473		(10,211)	11,854	
Deferred tax on gains on revaluation of land	7.2	(281,375)	-		-	-		(262,975)	-		(262,975)	-	
Other Comprehensive Income for the period		(300,820)	29,230		11,229	3,722		(284,332)	18,473		(273,186)	11,854	
Total Comprehensive Income for the period		(476,181)	600,179		(277,154)	326,943		34,969	223,576		(208,948)	253,237	
Profit attributable to:													
Owners of United Motors Lanka PLC		(175,361)	570,949		(288,383)	323,221		319,301	205,103		64,238	241,383	
Profit/(loss) for the period		(175,361)	570,949		(288,383)	323,221		319,301	205,103		64,238	241,383	
Total Comprehensive Income attributable to:													
Owners of United Motors Lanka PLC		(476,181)	600,179		(277,154)	326,943		34,969	223,576		(208,948)	253,237	
Total Comprehensive Income for the period		(476,181)	600,179		(277,154)	326,943		34,969	223,576		(208,948)	253,237	

Earnings per share-basic and diluted (LKR)

(1.74) 5.66 (2.86) 3.20 3.16 2.03 0.64 2.39

Note:
All amounts are in LKR.'000s, unless otherwise stated.
Figures in brackets indicate deductions.

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR NINE MONTHS ENDED 31 DECEMBER 2022
STATEMENT OF FINANCIAL POSITION

As at	Group		Company	
	Un-audited 31.12.2022	Audited 31.03.2022	Un-audited 31.12.2022	Audited 31.03.2022
Assets				
Non-current assets				
Property, plant & equipment	8,133,036	8,232,589	7,493,356	7,581,106
Investment property	-	-	558,000	558,000
Intangible assets	175,217	191,218	172,329	188,330
Right-of-use assets	252,209	307,543	129,618	211,958
Investments in subsidiaries	-	-	222,400	222,400
Financial assets at fair value through other comprehensive income	90,448	140,562	68,884	106,369
Reimbursable right	34,833	34,833	29,346	29,346
Deferred tax assets	859,441	461,794	201,816	170,195
Total non-current assets	9,545,184	9,368,539	8,875,749	9,067,704
Current assets				
Inventories	5,494,322	6,228,438	1,772,084	1,959,600
Trade and other receivables	2,575,778	3,114,831	1,245,109	1,074,459
Amounts due from related parties	-	-	115,960	65,501
Current tax receivables	17,851	28,729	-	-
Other financial assets at amortised cost	-	-	2,305,177	2,014,797
Financial assets at fair value through profit or loss	223,540	1,129,393	223,540	1,129,393
Cash and cash equivalents	922,017	528,889	738,468	304,071
Total current assets	9,233,508	11,030,280	6,400,338	6,547,821
Total assets	18,778,692	20,398,819	15,276,087	15,615,525
Equity and liabilities				
Equity				
Stated capital	336,335	336,335	336,335	336,335
Capital reserve	5,540,823	5,822,198	5,163,283	5,426,258
Other components of equity	1,358,162	1,383,641	1,400,999	1,426,618
Retained earnings	6,117,331	6,337,108	6,895,412	6,622,299
Total equity attributable to the equity holders of the parent	13,352,651	13,879,282	13,796,029	13,811,510
Non-current liabilities				
Employee benefit obligations	259,146	224,438	228,645	200,136
Lease liabilities	134,164	218,740	91,935	81,961
Deferred tax liabilities	703,596	366,080	658,514	330,652
Total non-current liabilities	1,096,906	809,258	979,094	612,749
Current liabilities				
Interest bearing borrowings	2,789,348	1,856,611	24,042	-
Trade and other payables	1,212,706	3,514,778	206,959	907,548
Lease liabilities	116,482	93,205	46,632	133,346
Amounts due to related parties	-	-	69,024	11,768
Current tax liabilities	102,104	59,514	94,991	55,219
Bank overdrafts	108,495	186,171	59,316	83,385
Total current liabilities	4,329,135	5,710,279	500,964	1,191,266
Total liabilities	5,426,041	6,519,537	1,480,058	1,804,015
Total equity and liabilities	18,778,692	20,398,819	15,276,087	15,615,525
Net assets per share -LKR	132.33	137.55	136.73	136.88

Note:

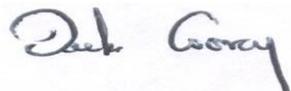
All amounts are in LKR.'000s, unless otherwise stated.

I certify that these interim financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



Thushara Jayasekara
Executive Director - Finance

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



Devaka Cooray
Chairman
6-Feb-2023
Colombo



Chanaka Yatawara
Group Chief Executive Officer / Executive Director

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR NINE MONTHS ENDED 31 DECEMBER 2022
STATEMENT OF CHANGES IN EQUITY

Group	Stated Capital LKR '000	Capital Reserve LKR '000	Other Components of Equity			Retained Earnings LKR '000	Total Equity LKR '000
			Development Reserve LKR '000	Property, Plant & Equipment Replacement Reserve LKR '000	General Reserves LKR '000		
Balance as at 01.04.2021	336,335	5,380,532	785,400	308,900	466,250	(195,978)	13,299,986
Profit for the nine months ended 31.12.2021						570,949	570,949
Other Comprehensive Income							
Items that will not be reclassified to profit or loss							
Net change in equity investments at fair value through Other Comprehensive Income						29,230	29,230
Net gain on disposal of equity investments at fair value through Other Comprehensive Income						(2,311)	(2,311)
Total comprehensive income for the period	-	-	-	-	-	26,919	600,179
Transactions with owners in their capacity as owners :							
Final dividend paid for 2020 / 2021						(100,901)	(100,901)
Balance as at 31.12.2021	336,335	5,380,532	785,400	308,900	466,250	(169,059)	13,799,264
Loss for the three months ended 31.03.2022						(255,931)	(255,931)
Other Comprehensive Income							
Items that will not be reclassified to profit or loss							
Re-measurements of post employment benefit obligations						60,128	60,128
Deferred tax on re-measurements of post employment benefit obligations						(13,136)	(13,136)
Net change in equity investments at fair value through Other Comprehensive Income						(1,358)	(1,358)
Net gain on disposal of equity investments at fair value through Other Comprehensive Income						(6,492)	(6,492)
Revaluation of land		490,740					490,740
Deferred tax on revaluation of land		(49,074)					(49,074)
Total comprehensive income for the period	-	441,666	-	-	-	(7,850)	231,369
Transactions with owners in their capacity as owners :							
Interim dividend paid for 2021 / 2022						(151,351)	(151,351)
Total Dividend	-	-	-	-	-	(151,351)	(151,351)
Balance as at 31.03.2022	336,335	5,822,198	785,400	308,900	466,250	(176,909)	13,879,282
Profit for the nine months ended 31.12.2022						(175,361)	(175,361)
Other Comprehensive Income							
Items that will not be reclassified to profit or loss							
Net change in equity investments at fair value through Other Comprehensive Income						(19,445)	(19,445)
Net gain on disposal of equity investments at fair value through Other Comprehensive Income						(6,034)	(6,034)
Deferred tax on revaluation of land (Note 7)		(281,375)					(281,375)
Total comprehensive income for the period	-	(281,375)	-	-	-	(25,479)	(476,181)
Transactions with owners in their capacity as owners :							
Final dividend paid for 2021 / 2022						(50,450)	(50,450)
Total Dividend	-	-	-	-	-	(50,450)	(50,450)
Balance as at 31.12.2022	336,335	5,540,823	785,400	308,900	466,250	(202,388)	13,352,651

Notes:
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Figures in the brackets indicate deduction.

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR NINE MONTHS ENDED 31 DECEMBER 2022
STATEMENT OF CHANGES IN EQUITY

Company	Stated Capital LKR '000	Capital Reserve LKR '000	Other Components of Equity			Retained Earnings LKR '000	Total Equity LKR '000
			Development Reserve LKR '000	Property, Plant & Equipment Replacement Reserve LKR '000	General Reserves LKR '000		
Balance as at 01.04.2021	336,335	5,017,658	785,400	308,900	466,250	(154,698)	13,314,663
Profit for the nine months ended 31.12.2021							205,103
Other Comprehensive Income							
Items that will not be reclassified to profit or loss							
Net change in equity investments at fair value through Other Comprehensive Income	-	-	-	-	-	18,473	18,473
Net gain on disposal of equity investments at fair value through Other Comprehensive Income						(7)	-
Total comprehensive income for the period	-	-	-	-	-	18,466	205,110
Transactions with owners, recognised directly in equity							
Final dividend paid for 2020 / 2021							(100,901)
Balance as at 31.12.2021	336,335	5,017,658	785,400	308,900	466,250	(136,232)	13,437,338
Profit for the three months ended 31.03.2022							67,703
Other Comprehensive Income							
Items that will not be reclassified to profit or loss							
Re-measurements of post employment benefit obligations							52,175
Deferred tax on re-measurements of post employment benefit obligations							(11,686)
Net change in equity investments at fair value through Other Comprehensive Income						8,731	8,731
Net gain on disposal of equity investments at fair value through Other Comprehensive Income						(6,431)	6,431
Revaluation of land		454,000					454,000
Deferred tax on revaluation of land		(45,400)					(45,400)
Total comprehensive income for the period	-	408,600	-	-	-	2,300	114,623
Transactions with owners in their capacity as owners :							
Interim dividend paid for 2021 / 2022							(151,351)
Total Dividend	-	-	-	-	-	-	(151,351)
Balance as at 31.03.2022	336,335	5,426,258	785,400	308,900	466,250	(133,932)	13,811,510
Profit for the nine months ended 31.12.2022							319,301
Other Comprehensive Income							
Items that will not be reclassified to profit or loss							
Net change in equity investments at fair value through Other Comprehensive Income						(21,357)	(21,357)
Net gain on disposal of equity investments at fair value through Other Comprehensive Income						(4,262)	4,262
Deferred tax on revaluation of land (Note 7)		(262,975)					(262,975)
Total comprehensive income for the period	-	(262,975)	-	-	-	(25,619)	323,563
Transactions with owners in their capacity as owners :							
Final dividend paid for 2021 / 2022							(50,450)
Total Dividend	-	-	-	-	-	-	(50,450)
Balance as at 31.12.2022	336,335	5,163,283	785,400	308,900	466,250	(159,551)	13,796,029

Notes:

All amounts are in LKR.'000s, unless otherwise stated.
Figures in the brackets indicate deduction.

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR NINE MONTHS ENDED 31 DECEMBER 2022
Statement of Cash Flows

For the period ended 31 December	Group		Company	
	2022 LKR '000	2021 LKR '000	2022 LKR '000	2021 LKR '000
Cash flows from operating activities				
Profit/(loss) before income tax expense	(343,637)	753,271	507,300	277,398
Adjustments for;				
Provision for depreciation / amortisation	141,735	171,265	124,199	140,056
Profit on disposal of property, plant & equipment	(19,693)	(51,878)	(18,959)	(45,238)
Net gains on disposal of financial asset at fair value through profit or loss	(8,330)	(12,449)	(8,330)	(12,449)
Net change in fair value - financial asset at fair value through profit or loss	15,030	(26,835)	15,030	(26,835)
Interest expense	467,184	46,277	11,776	27,932
Interest income	(66,248)	(60,113)	(60,823)	(95,971)
Dividend income	(7,477)	(10,942)	(6,660)	(8,709)
Impairment of trade & other receivables and losses on warranty claims	75,099	(776)	20,739	(3,879)
Provision for employee benefit obligations	35,440	29,968	28,509	23,667
Amortisation of right-of-use assets	120,938	106,429	109,669	106,480
Write-down of inventory to lower of cost or NRV (Net Realisable Value)	20,604	(3,738)	1,887	9,107
Fair value adjustment on unit trust and commercial papers	-	(8,678)	(140,163)	(47,663)
Operating profit before working capital changes	430,645	931,801	584,174	343,896
Decrease/(increase) in inventories	713,512	(1,039,951)	185,629	(298,929)
Decrease/(increase) in trade and other receivables	463,955	(888,330)	(154,395)	(197,538)
(Increase)/decrease in amounts due from related parties	-	-	(50,459)	319,113
Increase in amounts due to related parties	-	-	57,256	61,685
(Decrease)/increase in trade and other payables	(2,302,076)	400,429	(700,588)	(218,556)
(Cash out flow)/in flow from operating activities	(693,964)	(596,051)	(78,383)	9,671
Interest paid	(449,734)	(46,052)	(11,734)	(28,343)
Income tax paid	(119,763)	(112,794)	(114,962)	(84,516)
Contribution paid and received from investment plan (net)	(731)	-	-	-
Net cash out flow from operating activities	(1,264,192)	(754,897)	(205,079)	(103,188)
Cash flows from investing activities				
Investment in shares, unit trust and commercial papers	(1,690,000)	(5,675,321)	(3,141,948)	(6,805,321)
Proceeds from disposal of investments/unit trust/commercial papers	2,619,821	7,820,218	3,870,017	7,207,327
Acquisitions of property, plant & equipment and intangible assets	(32,640)	(93,169)	(24,966)	(87,136)
Proceeds from disposal of property, plant & equipment	26,153	62,525	23,478	49,875
Interest received	66,248	60,113	60,823	95,971
Dividend received	7,477	10,942	6,660	8,709
Net cash in flow from investing activities	997,059	2,185,308	794,064	469,425
Cash flows from financing activities				
Dividend paid	(50,450)	(100,901)	(50,450)	(100,901)
Principal element of lease payments	(126,902)	(127,215)	(104,069)	(108,425)
Loans obtained	3,934,254	5,153,914	108,726	1,020,000
Loans paid	(3,018,965)	(6,673,411)	(84,726)	(1,520,000)
Net cash in flow /(out flow) from financing activities	737,937	(1,747,613)	(130,519)	(709,326)
Net increase/(decrease) in cash & cash equivalents	470,804	(317,202)	458,466	(343,089)
Cash & cash equivalents at the beginning of the period	342,718	780,062	220,686	595,955
Cash and cash equivalents at the end of the period	813,522	462,860	679,152	252,866
		Group		Company
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	LKR.'000	LKR.'000	LKR.'000	LKR.'000
Cash and bank balances	314,498	506,168	182,709	277,041
Short term deposits	607,519	26,915	555,759	26,916
	922,017	533,083	738,468	303,957
Bank overdrafts	(108,495)	(70,223)	(59,316)	(51,091)
Total cash & cash equivalents	813,522	462,860	679,152	252,866

Notes:

All amounts are in LKR.'000s, unless otherwise stated.
Figures in brackets indicate deductions.

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR NINE MONTHS ENDED 31 DECEMBER 2022
NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Reporting entity

United Motors Lanka PLC (the "Company"), is a Public Quoted Company incorporated on 9 May 1989 and domiciled in Sri Lanka. The registered office and the principal place of business of the Company are located at No.100, Hyde Park Corner, Colombo 02.

The ultimate parent company - R I L Property PLC holds 51% of the issued shares of the Company.

2. Interim consolidated financial statements

The consolidated interim financial statements of the Group as at and for the period ended 31 December 2022 comprise the Company and its subsidiaries. All the group entities are limited liability companies, incorporated and domiciled in Sri Lanka.

The Company is primarily involved in distribution of brand new Mitsubishi and Fuso vehicles, used vehicles, spare parts, lubricants, 3D printers and filaments, after sales services and related services and other companies in the Group are engaged in distribution of vehicles of other brands, heavy equipment, generators, accessories, tyres and assembling of vehicles.

3. Basis of preparation

The interim financial statements of the Company and the Group have been prepared based on the Sri Lanka Accounting Standards SLFRS/LKAS and consistently applied the accounting policies as stated in the most recent annual report for the year ended 31 March 2022.

These interim financial statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on "Interim Financial Reporting" and should be read in conjunction with the annual financial statements for the year ended 31 March 2022.

These financial statements provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.

The presentation and classification of the consolidated financial statements of the previous periods have been amended where relevant, for better presentation and to be comparable with those of current period.

4. Operating segments

An operating segment is a component of the Group that engages in business activities from which it earns 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 Group Chief Executive Officer/Executive Director to make decisions about resources allocated to each segment and assess its performance and for which discrete financial information is available.

The business segments of the Group are highlighted in the table below:

Reportable segment	Nature of business
Spare parts & workshop	Repair and service of vehicles, machinery and equipment, Sale of vehicle spare parts, accessories and related components.
Vehicles	Sale of passenger vehicles, commercial vehicles, special purpose vehicles, pre-owned passenger vehicles and commercial vehicles. Provide vehicle sales facilitation and brokering services.
Equipment & machinery	Sale of heavy equipment, generators & machinery
3D Printers & services	Sale of 3D printers, filaments, spare parts and related services
Tyres	Sale of tyres
Lubricant and car care products	Sale of lubricants and car care products

5. Revenue from contracts with customers

	Group		Company	
	9 months ended 31.12.2022 LKR'000	9 months ended 31.12.2021 LKR'000	9 months ended 31.12.2022 LKR'000	9 months ended 31.12.2021 LKR'000
Spare parts, repairs and services	1,857,138	1,569,186	1,860,550	1,576,471
Vehicles	4,975,210	6,979,769	824,241	958,101
Local charges and brokering fees - vehicles	5,588	4,204	5,588	4,204
Equipment and machinery	219,127	789,412	-	1,410
3D printers and services	10,367	24,342	10,367	24,342
Tyres	103,157	184,464	-	-
Lubricants and car care products	988,931	1,085,828	990,278	1,094,515
Hiring	-	-	3,337	3,175
	<u>8,159,518</u>	<u>10,637,205</u>	<u>3,694,361</u>	<u>3,662,218</u>

Timing of revenue recognition

The group recognised total revenue from the transfer of goods and services at a point in time.

	Group		Company	
	9 months ended 31.12.2022 LKR'000	9 months ended 31.12.2021 LKR'000	9 months ended 31.12.2022 LKR'000	9 months ended 31.12.2021 LKR'000
Revenue recognised at a point in time	<u>8,159,518</u>	<u>10,637,205</u>	<u>3,694,361</u>	<u>3,662,218</u>
	<u>8,159,518</u>	<u>10,637,205</u>	<u>3,694,361</u>	<u>3,662,218</u>

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR NINE MONTHS ENDED 31 DECEMBER 2022
NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

Revenue by nature of transactions

	Group		Company	
	9 months ended 31.12.2022 LKR'000	9 months ended 31.12.2021 LKR'000	9 months ended 31.12.2022 LKR'000	9 months ended 31.12.2021 LKR'000
Sale of goods	7,775,934	10,328,320	3,265,976	3,313,377
Rendering of services	377,996	304,681	419,460	341,461
Service support income	5,588	4,204	8,925	7,380
	<u>8,159,518</u>	<u>10,637,205</u>	<u>3,694,361</u>	<u>3,662,218</u>

6. Other gains/(losses)-net

	Group		Company	
	9 months ended 31.12.2022 LKR'000	9 months ended 31.12.2021 LKR'000	9 months ended 31.12.2022 LKR'000	9 months ended 31.12.2021 LKR'000
Foreign exchange gains/(losses)-net	174,017	(4,280)	90,703	1,443
Net change in fair value of financial assets at				
Fair value through profit or loss-equity investments	(15,030)	26,835	(15,030)	26,835
Fair value through profit or loss-unit trust	-	8,678	-	8,663
Fair value through profit or loss-commercial papers	-	-	140,162	39,000
Net gains on disposal of				
Financial assets at fair value through profit or loss	8,330	12,449	8,330	12,449
	<u>167,317</u>	<u>43,682</u>	<u>224,165</u>	<u>88,390</u>

7. Taxation

7.1 Income tax rates of Corporates have been revised to 30% from 24% with effect from 1 October 2022.

The Group has computed income tax at the rate of 24% for the period up to 30 September 2022 and at the rate of 30% for the balance period from 1 October 2022 to 31 December 2022 in line with the Inland Revenue Amendment Act No. 45 of 2022.

Deferred tax has been computed using the current tax rate of 30% as at the reporting date, 31 December 2022.

7.2 Capital gain tax applicable on realization of investment assets has been increased from 10% to 30% with effect from 1 October 2022. Accordingly, the deferred tax liability of the Group on revaluation of land as at 31 December 2022 has increased.

8. Fair values Vs. carrying amounts

8.1 The following notes show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value.

Trade receivable includes the contractual amounts for settlement of trade and other obligations due to the Company. Trade and other payables and borrowings represent contract amounts and obligations due from the Company.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining the fair values, the Group has classified its financial instruments into the three levels prescribed in the accounting standard.

	Group					
	Carrying amount	31.12.2022 Fair value		Carrying amount	31.03.2022 Fair value	
		LKR '000	Level 1 LKR '000		Level 2 LKR '000	LKR '000
Financial assets at fair value through profit or loss (FVPL)						
Equity shares	223,540	223,540	-	261,758	261,758	-
Investments in unit trusts	-	-	-	867,635	-	867,635
Financial assets at amortised cost						
Trade & other receivables excluding prepayments	2,324,511	-	-	3,014,142	-	-
Cash & cash equivalents	922,017	-	-	528,889	-	-
Financial assets measured at fair value through other comprehensive income (FVOCI)						
Equity shares	90,448	90,448	-	140,562	140,562	-
	<u>3,560,516</u>	<u>313,988</u>	<u>-</u>	<u>4,812,986</u>	<u>402,320</u>	<u>867,635</u>
Financial liabilities at amortised cost						
Interest bearing borrowings	2,789,348	-	-	1,856,611	-	-
Bank overdrafts	108,495	-	-	186,171	-	-
	<u>2,897,843</u>	<u>-</u>	<u>-</u>	<u>2,042,782</u>	<u>-</u>	<u>-</u>

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 NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

	Company					
	Carrying amount	31.12.2022 Fair value		Carrying amount	31.03.2022 Fair value	
		LKR '000	Level 1 LKR '000		Level 2 LKR '000	LKR '000
Financial assets at fair value through profit or loss (FVPL)						
Equity shares	223,540	223,540	-	261,758	261,758	-
Investments in unit trusts	-	-	-	867,635	-	867,635
Financial assets at amortised cost						
Trade & other receivables excluding prepayments	1,204,714	-	-	1,039,514	-	-
Amounts due from related parties	115,960	-	-	65,501	-	-
Other financial assets at amortised cost-investments in commercial papers	2,305,177	-	-	2,014,797	-	-
Cash & cash equivalents	738,468	-	-	304,071	-	-
Financial assets measured at fair value through other comprehensive income (FVOCI)						
Equity shares	68,884	68,884	-	106,369	106,369	-
	<u>4,656,743</u>	<u>292,424</u>	<u>-</u>	<u>4,659,645</u>	<u>368,127</u>	<u>867,635</u>
Financial liabilities at amortised cost						
Interest bearing borrowings	24,042	-	-	-	-	-
Bank overdrafts	59,316	-	-	83,385	-	-
	<u>83,358</u>	<u>-</u>	<u>-</u>	<u>83,385</u>	<u>-</u>	<u>-</u>

The following table shows the valuation technique used in measuring level 2 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investments in unit trusts	Fair value is based on the published unit prices.	Based on published unit prices.	The estimated fair value will increase/(decrease) if; the published unit prices are higher/(lower).

8.2 Fair value hierarchy

Fair value of financial instruments are based on a fair value hierarchy which is defined below.

Level 1

Inputs that are quoted market prices (unadjusted) in active market for identical instruments. The Company measures the fair value of an instrument using active quoted prices or dealer price quotations without any deductions for transaction cost. Market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions at arm's length basis.

Level 2

Inputs other than quoted prices included within level one that are observable either directly or indirectly. This category includes instruments valued using : quoted market prices in an active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or valuation techniques in which whole significant inputs are directly or indirectly observable from market data.

Level 3

The input that are unobservable. This category includes all the instruments for which valuation techniques includes input not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

9. Approval of financial statements

These consolidated interim financial statements for the period ended 31 December 2022 were authorized for issue by the Board of Directors on 6 February 2023.

10 Impact on recent economic condition and other factors

10.1 The Directors are continuously monitoring the existing and the anticipated effects of the economic crisis in the country including the increases in the interest rates, the Impact on COVID-19, the external environment, and the effect on the same to the company, and taking appropriate measures to manage the impact.

10.2 Temporary suspension of vehicle imports

The temporary suspension of vehicle imports brought in through the Gazette Extraordinary No 2176/19 and later amended by Gazette Extraordinary No. 2182/10 is still in force.

11. Restricted quantities not available for immediate sale at Unimo Enterprises Ltd

In November 2021, Sri Lanka Customs commenced an investigation on compliance to the local value addition requirement on components sourced from a third party supplier and has resulted in suspension of ex-bonding operation. However, in May 2022 Sri Lanka Customs allowed ex-bonding with increased domestic value addition while the investigation continued. 147 units completed at the time of commencement of investigation is on hold till the investigation is over. Compliance of third party suppliers for value addition is regulated by the Ministry of Industries and cabinet appointed sub committees. The Company has no responsibility or an obligation to oversee the value addition or operations of the third party vendors. The inquiry done by Sri Lanka Customs commenced and based on the developments, we have made a provision and this is accounted under administration expenses.

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12. Capital commitments and other Contingent liabilities

The Unimo Enterprises Limited, a fully owned subsidiary of United Motors Lanka PLC has a dispute against a licensed commercial bank regarding certain unsettled letter of credits ("LCs"). The bank had settled LCs amounting to USD 1,880,982 to the principals on due date. However, it has not been debited and charged back to the subsidiary company after settlement to the principal, and thus the amount remained outstanding at the balance sheet date. The exchange rate prevailed at the time of LC settlement was LKR 203 and the subsidiary has considered this exchange rate to account for the above payable balance to the bank. As advised by the lawyers under the terms and conditions applicable to respective LCs, including Trade Financing General Agreement there is no provision for the said bank to delay debiting of the Company's bank account, specially after making settlement to the principal. The bank is obliged to debit the Company concurrently.

Subsequent to the Government's decision to float the Sri Lankan Rupee, the exchange rate prevailed as at 31 December 2022 was LKR 371.60. Accordingly, as claimed by the aforementioned bank if the Company accounted for the outstanding LC settlement by using prevailing exchange rate the Company would have incurred an additional exchange loss amounting to LKR 317 Mn for the period ended 31 December 2022.

Having considered the circumstances and the legal advice obtained, the directors of the Company determined any future cash outflows in lieu of the additional liability to be not probable, and hence have considered this as a contingent liability as at reporting date.

There has been no significant change in the nature of the contingencies and other commitments, which were disclosed in the Annual Report 2021/22 other than disclosed above.

13. Events after the reporting period and other matters

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

14. Related party transactions

14.1 Transactions with the parent company

Transaction type	9 months ended 31.12.2022 LKR'000	9 months ended 31.12.2021 LKR'000
United Motors Lanka PLC		
Repairs & services provided	1,311	789
Subsidiary-Unimo Enterprises Ltd		
Sale of vehicles	-	18,490

14.2 Transactions with subsidiaries

Transaction type	9 months ended 31.12.2022 LKR'000	9 months ended 31.12.2021 LKR'000
Sale of goods	3,536	12,729
Purchase of goods	1,073	2,992
Repairs and services provided	83,249	63,787
Repairs & services obtained	1,130	394
Fees on financial services provided	67,951	35,187
Expenses incurred	58,545	63,653
Reimbursement of expenses	5,321	7,677
Hiring income received	3,337	3,175
Hiring rentals paid for vehicles	601	601
Interest received	432,090	78,811
Loans granted	13,600	2,033,016
Loan settlements	13,600	2,301,700
Commission on sales	-	172
Investments in commercial papers	1,403,800	1,800,000
Settlement of commercial papers including interest	1,508,518	-
Rentals paid for premises occupied	73,533	73,533
Rentals received for premises occupied	30,580	16,190

14.3 Transactions with other related entities of the parent company

Company	Transaction type	9 months ended 31.12.2022 LKR'000	9 months ended 31.12.2021 LKR'000
Pap Solar One (Pvt) Ltd	Repairs & services provided	276	192

14.4 Non – recurrent related party transactions

There were no non – recurrent transactions for the period ended 31 December 2022 which requires immediate market disclosure.

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INTERIM FINANCIAL STATEMENTS FOR NINE MONTHS ENDED 31 DECEMBER 2022
NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

15. Share information

15.1 Stated capital

Stated capital is represented by number of shares in issue as given below:

As at	31.12.2022	31.03.2022
Ordinary shares	100,900,626	100,900,626

15.2 Public shareholding

As at	31.12.2022	31.03.2022
Number of public shareholders	3,580	3,619
Percentage of shares held by the public	24.48%	24.47%

The float adjusted market capitalisation as at 31 December 2022 - LKR. 1,504,029,822

Public shareholding percentage as at 31 December 2022 is 24.48% and the Company is in compliance with option 5 of Section 7.13.1 (a) of the Listing Rules of Colombo Stock Exchange.

15.3 Directors' shareholding

The number of shares held by the Board of Directors are as follows:

As at	31.12.2022	31.03.2022
Mr. Devaka Cooray	50,000	50,000
Mr. Chanaka Yatawara	1,696,193	1,696,193
Mr. Ananda Atukorala	3,000	3,000
Ms. Hiroshini Fernando	-	-
Mr. Ramesh Yaseen	10,620	10,620
Prof. Malik Ranasinghe	-	-
Mr. Stuart Chapman	-	-
Ms. Coralie Pietersz	-	-
Mr. Junya Takami	-	-
Mr. Thushara Jayasekara	-	-
Mr. Ruwindhu Peiris	-	-
	<u>1,759,813</u>	<u>1,759,813</u>

15.4 Twenty largest shareholders of the Company are as follows:

As at	31.12.2022		31.03.2022	
	Number of shares	%	Number of shares	%
R I L Property PLC	51,459,320	51.00	51,459,320	51.00
Ms. R. R. Takahashi	11,762,041	11.66	11,762,041	11.66
Mr. M. A. Yaseen	11,178,511	11.08	11,178,511	11.08
Mrs. S. M. Chrysostom	6,945,471	6.88	6,945,471	6.88
Mitsubishi Motors Corporation	4,937,142	4.89	4,937,142	4.89
Mr. Chanaka Yatawara	1,696,193	1.68	1,696,193	1.68
Mr. A. M. Weerasinghe	1,369,743	1.36	1,369,743	1.36
Amana Bank PLC / Mr. M. Z. Mohamed Ghouse	613,100	0.61	480,783	0.48
Seylan Bank PLC / Mr. Mohamed Nayaz Deen	359,175	0.36	-	-
Rubber Investment Trust LTD A/C No. 01	329,553	0.33	-	-
Amana Bank PLC / Mr. Mohamed Nayaz Deen	255,683	0.25	558,230	0.55
Mr. S. D. Yaseen	243,300	0.24	243,300	0.24
Mrs. L. E. M. Yaseen	200,000	0.20	200,000	0.20
Mr. M. S. Bahaudeen	161,995	0.16	146,004	0.14
Mr. P. Rathnayaka	156,000	0.15	156,000	0.15
Mercantile Investments and Finance PLC	150,000	0.15	150,000	0.15
Akbar Brothers (Pvt) Ltd A/C No. 1	136,648	0.14	136,648	0.14
Mr. S. A. C. Keerthisinghe & Mrs. D. M. J. S. Dissanayaka	130,500	0.13	120,000	0.12
Mr. M. J. Perera	124,000	0.12	-	-
Mr. M. Anndreino Yaseen	119,430	0.12	119,430	0.12

15.5 Earnings per share (EPS)

Earnings per share has been calculated for all the periods based on the number of shares in issue as at the current period end.

15.6 Net assets per share

Net assets per share has been calculated for all the periods based on the number of shares in issue as at the current period end.

15.7 Market price per share

For the quarter ended 31 December	2022	2021
	LKR	LKR
Highest price	65.90	110.00
Lowest price	53.00	70.00
Last traded price	60.90	93.10

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SEGMENT INFORMATION

Group	Spare parts and workshop		Vehicles		Equipment and machinery		3D Printers and services		Tyres		Lubricants and car care products		Total	
	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended	9 Months ended
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
In LKR'000	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited
Segment revenue	1,904,029	1,615,966	4,980,798	6,983,973	220,257	789,806	10,367	24,342	104,230	187,455	993,615	1,097,691	8,213,296	10,699,233
Inter segment revenue	(46,891)	(46,780)	-	-	(1,130)	(394)	-	-	(1,073)	(2,991)	(4,684)	(11,863)	(53,778)	(62,028)
Revenue from external customers	1,857,138	1,569,186	4,980,798	6,983,973	219,127	789,412	10,367	24,342	103,157	184,464	988,931	1,085,828	8,159,518	10,637,205
Revenue from contracts with customers														
Goods transferred at a point in time	1,479,142	1,264,505	4,975,210	6,979,769	219,127	789,412	10,367	24,342	103,157	184,464	988,931	1,085,828	7,775,934	10,328,320
Services rendered at a point in time	377,996	304,681	5,588	4,204	-	-	-	-	-	-	-	-	383,584	308,885
Total revenue from contracts with customers	1,857,138	1,569,186	4,980,798	6,983,973	219,127	789,412	10,367	24,342	103,157	184,464	988,931	1,085,828	8,159,518	10,637,205
Segment profit/(loss)	419,752	335,556	86,069	539,453	(69,090)	23,496	(7,587)	(3,679)	21,944	22,148	223,146	181,998	674,234	1,098,972
Unallocated income													75,383	104,412
Unallocated expenses													(692,319)	(463,949)
Profit from operations before finance cost													57,298	739,435
Finance income													66,248	60,113
Finance cost													(467,183)	(46,277)
Net finance (cost)/income													(400,935)	13,836
Profit before income tax expense													(343,637)	753,271
Income tax expenses													168,276	(182,322)
Profit for the year													(175,361)	570,949
Segment assets	4,785,556	3,526,321	6,680,170	6,619,095	666,583	958,964	16,152	28,209	192,294	359,301	2,256,817	1,832,302	14,597,574	13,324,192
Unallocated assets													4,181,118	4,841,636
Total assets	4,785,556	3,526,321	6,680,170	6,619,095	666,583	958,964	16,152	28,209	192,294	359,301	2,256,817	1,832,302	18,778,692	18,165,828
Segment liabilities	88,851	72,722	607,908	1,579,443	39,994	222,631	-	634	-	30,175	12,962	79,049	749,715	1,984,654
Unallocated liabilities													4,676,326	2,381,910
Total liabilities	88,851	72,722	607,908	1,579,443	39,994	222,631	-	634	-	30,175	12,962	79,049	5,426,041	4,366,564
Segment capital expenditure-allocated	7,429	13,744	19,924	61,171	877	6,914	41	213	413	1,616	3,956	9,511	32,640	93,169
Depreciation and amortisation-allocated	43,920	38,056	188,168	196,287	8,830	17,832	183	401	1,817	3,037	19,755	22,081	262,673	277,694
Non cash expenses/(income)	11,516	10,018	91,329	(20,677)	(253)	2,452	198	485	7,303	7,012	22,601	-3,804	132,694	(4,514)

Notes:
All amounts are in LKR.'000s, unless otherwise stated.
Figures in brackets indicate deductions.