

INTERIM FINANCIAL STATEMENTS

For the Year Ended 31 March 2023



UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group						Company					
		Un-audited Year ended	Audited Year ended	Variance	Un-audited 3 Months ended	Un-audited 3 Months ended	Variance	Un-audited Year ended	Audited Year ended	Variance	Un-audited 3 Months ended	Un-audited 3 Months ended	Variance
		31.03.2023	31.03.2022		31.03.2023	31.03.2022		31.03.2023	31.03.2022		31.03.2023	31.03.2022	
Revenue from contracts with customers	5	10,736,341	12,884,249	-16.7%	2,576,823	2,247,044	14.7%	4,940,801	5,268,274	-6.2%	1,246,440	1,606,056	-22.4%
Cost of sales		(7,868,859)	(10,081,012)	21.9%	(1,881,959)	(1,677,569)	-12.2%	(3,202,145)	(3,603,030)	11.1%	(769,363)	(1,116,526)	31.1%
Gross profit		2,867,482	2,803,237	2.3%	694,864	569,475	22.0%	1,738,656	1,665,244	4.4%	477,077	489,530	-2.5%
Distribution expenses		(380,575)	(421,510)	9.7%	(113,375)	(151,140)	25.0%	(205,589)	(248,341)	17.2%	(70,133)	(112,550)	37.7%
Administrative expenses		(2,506,293)	(1,818,301)	-37.8%	(490,572)	(445,474)	-10.1%	(1,808,895)	(1,451,019)	-24.7%	(477,162)	(382,588)	-24.7%
Net impairment (losses)/gains on trade and other receivables		(24,214)	5,792	-518.1%	50,885	5,016	914.5%	12,116	(1,137)	1165.6%	32,855	(5,016)	755.0%
Other gains/(losses)-net	6	193,210	(265,336)	172.8%	25,893	(309,018)	108.4%	288,872	(41,457)	796.8%	64,707	(129,847)	149.8%
Other income		112,253	135,469	-17.1%	36,870	31,057	18.7%	279,376	281,661	-0.8%	110,866	136,063	-18.5%
Profit/(loss) from operations		261,863	439,351	-40.4%	204,565	(300,084)	168.2%	304,536	204,951	48.6%	138,210	(4,408)	3235.4%
Finance income		88,404	86,613	2.1%	22,156	26,500	-16.4%	520,462	180,115	189.0%	167,712	84,144	99.3%
Finance cost		(662,703)	(76,729)	-763.7%	(195,520)	(30,453)	-542.0%	(35,665)	(32,540)	-9.6%	(23,889)	(4,608)	-418.4%
Net finance (cost)/income		(574,299)	9,884	-5910.4%	(173,364)	(3,953)	-4285.6%	484,797	147,575	228.5%	143,823	79,536	80.8%
(Loss)/profit before income tax expense		(312,436)	449,235	-169.5%	31,201	(304,037)	110.3%	789,333	352,526	123.9%	282,033	75,128	275.4%
Income tax reversal/(expense)	7.1	181,345	(134,217)	235.1%	13,069	48,105	72.8%	(236,817)	(79,720)	-197.1%	(48,818)	(7,425)	-557.5%
(Loss)/profit for the year/period		(131,091)	315,018	-141.6%	44,270	(255,932)	117.3%	552,516	272,806	102.5%	233,215	67,703	244.5%
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		12,640	27,872		32,085	(1,358)		6,207	27,204		27,564	8,731	
Re-measurements of post employment benefit obligations Deferred tax on re-measurements of post employment benefit obligations		18,562	60,128		18,562	60,128		17,200	52,175		17,200	52,175	
Revaluation of land Deferred tax on revaluation of land	7.2	(7,046)	(13,136)		(7,046)	(13,136)		(6,583)	(11,686)		(6,583)	(11,686)	
		412,500	490,740		412,500	490,740		390,000	454,000		390,000	454,000	
		(405,125)	(49,074)		(123,750)	(49,074)		(379,975)	(45,400)		(117,000)	(45,400)	
Other Comprehensive Income for the year/period		31,531	516,530		332,351	487,300		26,849	476,293		311,181	457,820	
Total Comprehensive Income for the year/period		(99,560)	831,548		376,621	231,368		579,365	749,099		544,396	525,523	
Profit /(loss) attributable to: Owners of United Motors Lanka PLC		(131,091)	315,018		44,270	(255,932)		552,516	272,806		233,215	67,703	
Profit/(loss) for the year/period		(131,091)	315,018		44,270	(255,932)		552,516	272,806		233,215	67,703	
Total Comprehensive Income attributable to: Owners of United Motors Lanka PLC		(99,560)	831,548		376,621	231,368		579,365	749,099		544,396	525,523	
Total Comprehensive Income for the year/period		(99,560)	831,548		376,621	231,368		579,365	749,099		544,396	525,523	
Earnings per share-basic and diluted (LKR)		(1.30)	3.12		0.44	(2.54)		5.48	2.70		2.31	0.67	

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

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
STATEMENT OF FINANCIAL POSITION

	Group		Company	
	Un-audited 31.03.2023	Audited 31.03.2022	Un-audited 31.03.2023	Audited 31.03.2022
As at				
Assets				
Non-current assets				
Property, plant & equipment	8,519,939	8,232,589	7,860,162	7,581,106
Investment property	-	-	580,000	558,000
Intangible assets	168,339	191,218	165,451	188,330
Right-of-use assets	251,682	307,543	131,138	211,958
Investments in subsidiaries	-	-	222,400	222,400
Financial assets at fair value through other comprehensive income	122,532	140,562	96,448	106,369
Reimbursable right	19,619	34,833	13,584	29,346
Deferred tax assets	925,524	461,794	213,138	170,195
Total non-current assets	10,007,635	9,368,539	9,282,321	9,067,704
Current assets				
Inventories	5,537,596	6,228,438	2,245,136	1,959,600
Trade and other receivables	2,642,257	3,114,831	1,070,440	1,074,459
Amounts due from related parties	5,845	-	72,903	65,501
Current tax receivables	19,544	28,729	-	-
Other financial assets at amortised cost	-	-	2,694,773	2,014,797
Financial assets at fair value through profit or loss	615,479	1,129,393	312,619	1,129,393
Cash and cash equivalents	329,583	528,889	203,053	304,071
Total current assets	9,150,304	11,030,280	6,598,924	6,547,821
Total assets	19,157,939	20,398,819	15,881,245	15,615,525
Equity and liabilities				
Equity				
Stated capital	336,335	336,335	336,335	336,335
Capital reserve	5,829,573	5,822,198	5,436,283	5,426,258
Other components of equity	1,390,247	1,383,641	1,428,563	1,426,618
Retained earnings	6,072,216	6,337,108	7,038,343	6,622,299
Total equity attributable to the equity holders of the parent	13,628,371	13,879,282	14,239,524	13,811,510
Non-current liabilities				
Employee benefit obligations	234,612	224,438	208,286	200,136
Lease liabilities	153,884	218,740	96,524	81,961
Deferred tax liabilities	821,589	366,080	785,034	330,652
Total non-current liabilities	1,210,085	809,258	1,089,844	612,749
Current liabilities				
Interest bearing borrowings	2,926,236	1,856,611	-	-
Trade and other payables	1,143,205	3,514,778	344,630	907,548
Lease liabilities	94,957	93,205	28,883	133,346
Amounts due to related parties	-	-	33,803	11,768
Current tax liabilities	90,198	59,514	88,203	55,219
Bank overdrafts	64,887	186,171	56,358	83,385
Total current liabilities	4,319,483	5,710,279	551,877	1,191,266
Total liabilities	5,529,568	6,519,537	1,641,721	1,804,015
Total equity and liabilities	19,157,939	20,398,819	15,881,245	15,615,525
Net assets per share -LKR	135.07	137.55	141.12	136.88

Note:

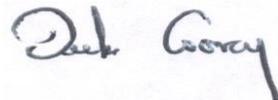
All amounts are in LKR.'000s, unless otherwise stated.

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
25-May-2023
Colombo



Chanaka Yatawara
Group Chief Executive Officer / Executive Director

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
STATEMENT OF CHANGES IN EQUITY

	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	FVOCI Reserve LKR '000		
Group								
Balance as at 01.04.2021	336,335	5,380,532	785,400	308,900	466,250	(195,978)	6,218,547	13,299,986
Profit for the year							315,018	315,018
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							27,872	27,872
Net gains on disposal of equity investments at fair value through Other Comprehensive Income							(8,803)	-
Revaluation of land		490,740					-	490,740
Deferred tax on revaluation of land		(49,074)					-	(49,074)
Total comprehensive income for the year	-	441,666	-	-	-	19,069	370,813	831,548
Transactions with owners in their capacity as owners :								
Final dividend paid for 2020 / 2021							(100,901)	(100,901)
Interim dividend paid 2021 / 2022							(151,351)	(151,351)
Total Dividends	-	-	-	-	-	-	(252,252)	(252,252)
Balance as at 31.03.2022	336,335	5,822,198	785,400	308,900	466,250	(176,909)	6,337,108	13,879,282
Profit for the year							(131,091)	(131,091)
Other Comprehensive Income								
Items that will not be reclassified to profit or loss								
Re-measurements of post employment benefit obligations							18,562	18,562
Deferred tax on re-measurements of post employment benefit obligations							(7,046)	(7,046)
Net change in equity investments at fair value through Other Comprehensive Income							12,640	12,640
Net gains on disposal of equity investments at fair value through Other Comprehensive Income							(6,034)	6,034
Revaluation of land		412,500					-	412,500
Deferred tax on revaluation of land		(405,125)					-	(405,125)
Total comprehensive income for the year	-	7,375	-	-	-	6,606	(113,541)	(99,560)
Transactions with owners in their capacity as owners :								
Final dividend paid for 2021 / 2022							(50,450)	(50,450)
Interim dividend payable 2022 / 2023							(100,901)	(100,901)
Total Dividends	-	-	-	-	-	-	(151,351)	(151,351)
Balance as at 31.03.2023	336,335	5,829,573	785,400	308,900	466,250	(170,303)	6,072,216	13,628,371

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

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Capital Reserve	Other Components of Equity				Retained Earnings	Total Equity
			Development Reserve	Property, Plant & Equipment Replacement Reserve	General Reserves	FVOCI Reserve		
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	
Company								
Balance as at 01.04.2021	336,335	5,017,658	785,400	308,900	466,250	(154,698)	6,554,818	13,314,663
Profit for the year							272,806	272,806
Other Comprehensive Income								
Items that will not be reclassified to profit or loss								
Re-measurements of post employment benefit obligations							52,175	52,175
Deferred tax on re-measurements of post employment benefit obligations							(11,686)	(11,686)
Net change in equity investments at fair value through Other Comprehensive Income	-	-	-	-	-	27,204	-	27,204
Net gains on disposal of equity investments at fair value through Other Comprehensive Income						(6,438)	6,438	-
Revaluation of land		454,000						454,000
Deferred tax on revaluation of land		(45,400)						(45,400)
Total comprehensive income for the year	-	408,600	-	-	-	20,766	319,733	749,099
Transactions with owners, recognised directly in equity								
Final dividend paid for 2020 / 2021							(100,901)	(100,901)
Interim dividend paid 2021 / 2022							(151,351)	(151,351)
Total Dividends	-	-	-	-	-	-	(252,252)	(252,252)
Balance as at 31.03.2022	336,335	5,426,258	785,400	308,900	466,250	(133,932)	6,622,299	13,811,510
Profit for the year							552,516	552,516
Other Comprehensive Income								
Items that will not be reclassified to profit or loss								
Re-measurements of post employment benefit obligations							17,200	17,200
Deferred tax on re-measurements of post employment benefit obligations							(6,583)	(6,583)
Net change in equity investments at fair value through Other Comprehensive Income						6,207	-	6,207
Net gains on disposal of equity investments at fair value through Other Comprehensive Income						(4,262)	4,262	-
Revaluation of land		390,000						390,000
Deferred tax on revaluation of land		(379,975)						(379,975)
Total comprehensive income for the year	-	10,025	-	-	-	1,945	567,395	579,365
Transactions with owners in their capacity as owners :								
Final dividend paid for 2021 / 2022							(50,450)	(50,450)
Interim dividend payable 2022 / 2023							(100,901)	(100,901)
Total Dividends	-	-	-	-	-	-	(151,351)	(151,351)
Balance as at 31.03.2023	336,335	5,436,283	785,400	308,900	466,250	(131,987)	7,038,343	14,239,524

Notes:

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

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Statement of Cash Flows

For the year ended 31 March	Group		Company	
	2023 LKR '000	2022 LKR '000	2023 LKR '000	2022 LKR '000
Cash flows from operating activities				
(Loss)/profit before income tax expense	(312,436)	449,235	789,333	352,526
Adjustments for;				
Provision for depreciation / amortisation	182,398	221,761	159,901	182,423
Profit on disposal of property, plant & equipment	(34,674)	(53,125)	(33,514)	(46,485)
Net gains on disposal of financial asset at fair value through profit or loss	(8,330)	(13,559)	(8,330)	(13,559)
Net change in fair value - financial asset at fair value through profit or loss	(13,855)	44,575	(13,855)	44,575
Change in fair value of investment property	-	-	(22,000)	(36,740)
Interest expense	662,703	76,729	35,665	32,540
Interest income	(88,404)	(86,613)	(81,127)	(121,989)
Dividend income	(10,536)	(20,972)	(9,533)	(17,468)
Dividend received from subsidiary	-	-	(43,031)	(75,000)
Impairment of trade & other receivables and losses on warranty claims	24,214	(5,792)	(12,116)	1,137
Provision for employee benefit obligations	51,906	18,410	44,959	16,232
Amortisation of right-of-use assets	162,316	146,450	145,427	141,036
Return on reimbursable right	(4,557)	(3,742)	(3,823)	(3,334)
Write-down of inventory to lower of cost or NRV (Net Realisable Value)	124,355	(31,659)	14,560	4,490
WIP write offs	188	723	188	-
Fair value adjustment on unit trust and commercial papers	(3,053)	(7,635)	(156,501)	(22,432)
Operating profit before working capital changes	732,235	734,786	806,203	437,952
Decrease/(increase) in inventories	566,487	(2,812,818)	(300,096)	(536,153)
Decrease/(increase) in trade and other receivables	448,360	(1,043,256)	29,677	(311,550)
(Increase)/decrease in amounts due from related parties	(5,845)	-	(7,402)	314,705
Increase in amounts due to related parties	-	-	22,035	8,927
(Decrease)/increase in trade and other payables	(2,371,573)	1,195,616	(562,918)	287,633
Cash (out flow)/in flow from operating activities	(630,336)	(1,925,672)	(12,501)	201,514
Interest paid	(644,469)	(70,697)	(35,665)	(32,951)
Income tax paid	(199,178)	(138,215)	(178,952)	(99,619)
Contribution paid and received from investment plan (net)	(3,399)	(401)	(24)	(43)
Net cash (out flow)/in flow from operating activities	(1,477,382)	(2,134,985)	(227,142)	68,901
Cash flows from investing activities				
Investment in shares, unit trust and commercial papers	(1,900,000)	(7,382,050)	(3,701,948)	(11,182,050)
Proceeds from disposal of investments/unit trust/commercial papers	2,469,822	9,685,233	4,020,017	11,471,413
Acquisitions of property, plant & equipment and intangible assets	(44,980)	(110,360)	(30,769)	(94,816)
Proceeds from disposal of property, plant & equipment	45,097	64,073	38,017	51,424
Interest received	88,404	86,613	81,127	121,989
Dividend received	10,536	20,972	52,564	92,468
Net cash in flow from investing activities	668,879	2,364,481	459,008	460,428
Cash flows from financing activities				
Dividend paid	(151,351)	(252,252)	(151,351)	(252,252)
Principal element of lease payments	(169,559)	(158,188)	(154,506)	(152,346)
Loans obtained	8,404,990	7,916,096	768,726	1,020,000
Loans paid	(7,353,599)	(8,172,496)	(768,726)	(1,520,000)
Net cash in flow /(out flow) from financing activities	730,481	(666,840)	(305,857)	(904,598)
Net decrease in cash & cash equivalents	(78,022)	(437,344)	(73,991)	(375,269)
Cash & cash equivalents at the beginning of the year	342,718	780,062	220,686	595,955
Cash and cash equivalents at the end of the year	264,696	342,718	146,695	220,686
		Group		Company
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	LKR.'000	LKR.'000	LKR.'000	LKR.'000
Cash and bank balances	214,117	502,610	137,730	277,792
Short term deposits	115,466	26,279	65,323	26,279
Bank overdrafts	329,583	528,889	203,053	304,071
Total cash & cash equivalents	264,696	342,718	146,695	220,686

Notes:

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

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
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 year ended 31 March 2023 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 relates 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	
	Year ended 31.03.2023 LKR'000	Year ended 31.03.2022 LKR'000	Year ended 31.03.2023 LKR'000	Year ended 31.03.2022 LKR'000
Spare parts, repairs and services	2,612,660	2,241,905	2,611,894	2,239,819
Vehicles	6,171,173	7,783,492	908,261	1,500,847
Local charges and brokering fees - vehicles	15,329	19,454	15,329	19,454
Equipment and machinery	389,974	1,079,122	-	1,410
3D printers and services	12,617	33,257	12,617	33,257
Tyres	148,152	269,745	-	-
Lubricants and car care products	1,386,436	1,457,274	1,388,421	1,469,253
Hiring	-	-	4,279	4,234
	<u>10,736,341</u>	<u>12,884,249</u>	<u>4,940,801</u>	<u>5,268,274</u>

Timing of revenue recognition

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

	Group		Company	
	Year ended 31.03.2023 LKR'000	Year ended 31.03.2022 LKR'000	Year ended 31.03.2023 LKR'000	Year ended 31.03.2022 LKR'000
Revenue recognised at a point in time	<u>10,736,341</u>	<u>12,884,249</u>	<u>4,940,801</u>	<u>5,268,274</u>
	<u>10,736,341</u>	<u>12,884,249</u>	<u>4,940,801</u>	<u>5,268,274</u>

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

Revenue by nature of transactions

	Group		Company	
	Year ended 31.03.2023 LKR'000	Year ended 31.03.2022 LKR'000	Year ended 31.03.2023 LKR'000	Year ended 31.03.2022 LKR'000
Sale of goods	10,186,560	12,401,699	4,323,576	4,734,255
Rendering of services	534,452	463,096	597,617	510,331
Service support income	15,329	19,454	19,608	23,688
	<u>10,736,341</u>	<u>12,884,249</u>	<u>4,940,801</u>	<u>5,268,274</u>

6. Other gains/(losses)-net

	Group		Company	
	Year ended 31.03.2023 LKR'000	Year ended 31.03.2022 LKR'000	Year ended 31.03.2023 LKR'000	Year ended 31.03.2022 LKR'000
Foreign exchange gains/(losses)-net	167,972	(241,955)	88,186	(69,613)
Net change in fair value of financial assets at				
Fair value through profit or loss-equity investments	13,855	(44,575)	13,855	(44,575)
Fair value through profit or loss-unit trust	3,053	7,635	193	7,635
Fair value through profit or loss-commercial papers	-	-	156,308	14,797
Change in fair value of investment property	-	-	22,000	36,740
Net gains on disposal of				
Financial assets at fair value through profit or loss	8,330	13,559	8,330	13,559
	<u>193,210</u>	<u>(265,336)</u>	<u>288,872</u>	<u>(41,457)</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 March 2023 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 March 2023.

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 March 2023 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 LKR '000	31.03.2023 Fair value		Carrying amount LKR '000	31.03.2022 Fair value	
		Level 1 LKR '000	Level 2 LKR '000		Level 1 LKR '000	Level 2 LKR '000
Financial assets at fair value through profit or loss (FVPL)						
Equity shares	252,426	252,426	-	261,758	261,758	-
Investments in unit trusts	363,053	-	363,053	867,635	-	867,635
Financial assets at amortised cost						
Trade & other receivables excluding prepayments	2,304,238	-	-	3,014,142	-	-
Amounts due from related parties	5,845	-	-	-	-	-
Cash & cash equivalents	329,583	-	-	528,889	-	-
Financial assets measured at fair value through other comprehensive income (FVOCI)						
Equity shares	122,532	122,532	-	140,562	140,562	-
	<u>3,377,677</u>	<u>374,958</u>	<u>363,053</u>	<u>4,812,986</u>	<u>402,320</u>	<u>867,635</u>
Financial liabilities at amortised cost						
Interest bearing borrowings	2,926,236	-	-	1,856,611	-	-
Bank overdrafts	64,887	-	-	186,171	-	-
	<u>2,991,123</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	31.03.2023		Carrying amount	31.03.2022	
		Fair value			Fair value	
		Level 1	Level 2		Level 1	Level 2
LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	
Financial assets at fair value through profit or loss (FVPL)						
Equity shares	252,426	252,426	-	261,758	261,758	-
Investments in unit trusts	60,193	-	60,193	867,635	-	867,635
Financial assets at amortised cost						
Trade & other receivables excluding prepayments	1,010,006	-	-	1,039,514	-	-
Amounts due from related parties	72,903	-	-	65,501	-	-
Other financial assets at amortised cost-investments in commercial papers	2,694,773	-	-	2,014,797	-	-
Cash & cash equivalents	203,053	-	-	304,071	-	-
Financial assets measured at fair value through other comprehensive income (FVOCI)						
Equity shares	96,448	96,448	-	106,369	106,369	-
	<u>4,389,802</u>	<u>348,874</u>	<u>60,193</u>	<u>4,659,645</u>	<u>368,127</u>	<u>867,635</u>
Financial liabilities at amortised cost						
Interest bearing borrowings	-	-	-	-	-	-
Bank overdrafts	56,358	-	-	83,385	-	-
	<u>56,358</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 year ended 31 March 2023 were authorized for issue by the Board of Directors on 25 May 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 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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

11. Capital commitments and other Contingent liabilities

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

12. Events after the reporting period and other matters

In the financial year 2021/22, Unimo Enterprises Limited, a fully owned subsidiary of United Motors Lanka PLC had a dispute with a licensed commercial bank regarding settlement of some letters of credit. 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 at the rate prevailed on that day.

However, on 19 May 2023, the bank has debited company's current account at the rate of 1USD = LKR 308 in settlement of letters of credit that are in dispute. The total amount debited by over drawing the company's account on the above basis amounted to LKR 580Mn. In last financial year, the bank has already recovered LKR 382Mn from the company at the rate of 1USD = LKR 203, without settling the LC. As a result of the above, bank has charged additional LKR 198 Mn to the company's account. Further the bank has charged another LKR 27Mn as overdue interest. The Company is not in agreement with above action taken by the bank and will vehemently challenge actions of the bank in consultation with our lawyers.

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

13. Related party transactions

13.1 Transactions with the parent company

Transaction type	Year ended 31.03.2023 LKR'000	Year ended 31.03.2022 LKR'000
United Motors Lanka PLC		
Repairs & services provided	1,979	1,402
Subsidiary-Unimo Enterprises Ltd		
Reimbursement of expenses	67	-
Sale of vehicles	8,845	18,490

13.2 Transactions with subsidiaries

Transaction type	Year ended 31.03.2023 LKR'000	Year ended 31.03.2022 LKR'000
Sale of goods	9,427	16,143
Sale of fixed assets	64	-
Purchase of goods	1,971	4,022
Repairs and services provided	127,649	88,854
Repairs & services obtained	2,002	394
Fees on financial services provided	90,600	60,999
Expenses incurred	88,807	85,230
Reimbursement of expenses	7,023	11,588
Hiring income received	4,279	4,234
Hiring rentals paid for vehicles	801	801
Interest received	595,766	112,733
Interest paid	4,997	-
Loans granted	73,600	2,033,016
Loan settlements	73,600	2,301,700
Commission on sales	-	778
Dividend received	43,031	75,000
Investments in commercial papers	1,753,800	3,800,000
Settlement of commercial papers including interest	1,547,847	1,845,126
Rentals paid for premises occupied	98,043	98,043
Rentals received for premises occupied	40,396	22,025

13.3 Transactions with other related entities of the parent company

Company	Transaction type	Year ended 31.03.2023 LKR'000	Year ended 31.03.2022 LKR'000
Pap Solar One (Pvt) Ltd	Repairs & services provided	369	322

13.4 Non – recurrent related party transactions

There were no non – recurrent transactions for the period ended 31 March 2023 which requires immediate market disclosure.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

14. Share information

14.1 Stated capital

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

As at	31.03.2023	31.03.2022
Ordinary shares	100,900,626	100,900,626

14.2 Public shareholding

As at	31.03.2023	31.03.2022
Number of public shareholders	3,593	3,619
Percentage of shares held by the public	24.48%	24.47%

The float adjusted market capitalisation as at 31 March 2023 - LKR. 1,479,333,109

Public shareholding percentage as at 31 March 2023 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.

14.3 Directors' shareholding

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

As at	31.03.2023	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 (Resigned w.e.f. 31.03.2023)	-	-
	<u>1,759,813</u>	<u>1,759,813</u>

14.4 Twenty largest shareholders of the Company are as follows:

As at	31.03.2023		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	636,000	0.63	480,783	0.48
Rubber Investment Trust LTD A/C No. 01	389,427	0.39	-	-
Seylan Bank PLC / Mr. Mohamed Nayaz Deen	359,175	0.36	-	-
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	184,497	0.18	146,004	0.14
Hatton National Bank PLC / Mohamed Zulficar Mohamed	171,000	0.17	-	-
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	131,000	0.13	120,000	0.12
Mr. M. Anndreino Yaseen	119,430	0.12	119,430	0.12

14.5 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.

14.6 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.

14.7 Market price per share

For the quarter ended 31 March	2023	2022
	LKR	LKR
Highest price	65.90	106.00
Lowest price	56.30	55.00
Last traded price	59.90	55.10

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SEGMENT INFORMATION

Group

In LKR'000	Spare parts and workshop		Vehicles		Equipment and machinery		3D Printers and services		Tyres		Lubricants and car care products		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
Segment revenue	2,689,736	2,300,253	6,186,502	7,802,946	391,976	1,079,516	12,617	33,257	150,123	273,767	1,392,700	1,473,487	10,823,654	12,963,226
Inter segment revenue	(77,076)	(58,348)	-	-	(2,002)	(394)	-	-	(1,971)	(4,022)	(6,264)	(16,213)	(87,313)	(78,977)
Revenue from external customers	2,612,660	2,241,905	6,186,502	7,802,946	389,974	1,079,122	12,617	33,257	148,152	269,745	1,386,436	1,457,274	10,736,341	12,884,249
Revenue from contracts with customers														
Goods transferred at a point in time	2,078,208	1,778,809	6,171,173	7,783,492	389,974	1,079,122	12,617	33,257	148,152	269,745	1,386,436	1,457,274	10,186,560	12,401,699
Services rendered at a point in time	534,452	463,096	15,329	19,454	-	-	-	-	-	-	-	-	549,781	482,550
Total revenue from contracts with customers	2,612,660	2,241,905	6,186,502	7,802,946	389,974	1,079,122	12,617	33,257	148,152	269,745	1,386,436	1,457,274	10,736,341	12,884,249
Segment profit/(loss)	593,940	515,859	458,154	459,978	(61,585)	39,323	(10,520)	(6,297)	33,257	49,773	274,141	189,488	1,287,387	1,248,124
Unallocated income													112,253	135,469
Unallocated expenses													(1,137,777)	(944,242)
Profit from operations before finance cost													261,863	439,351
Finance income													88,404	86,613
Finance cost													(662,703)	(76,729)
Net finance (cost)/income													(574,299)	9,884
(Loss)/profit before income tax expenses													(312,436)	449,235
Income tax reversal/(expense)													181,345	(134,217)
(Loss)/profit for the year													(131,091)	315,018
Segment assets	4,276,408	5,251,468	6,950,010	6,830,558	695,317	1,083,876	18,126	31,747	290,034	337,428	2,958,016	1,982,791	15,187,911	15,517,868
Unallocated assets													3,970,028	4,880,951
Total assets	4,276,408	5,251,468	6,950,010	6,830,558	695,317	1,083,876	18,126	31,747	290,034	337,428	2,958,016	1,982,791	19,157,939	20,398,819
Segment liabilities	80,738	194,396	432,617	1,629,254	13,293	526,525	805	1,061	-	30,062	10,309	249,600	537,762	2,630,898
Unallocated liabilities													4,991,806	3,888,639
Total liabilities	80,738	194,396	432,617	1,629,254	13,293	526,525	805	1,061	-	30,062	10,309	249,600	5,529,568	6,519,537
Segment capital expenditure-allocated	10,946	19,203	25,919	66,837	1,634	9,243	53	285	620	2,311	5,809	12,482	44,980	110,361
Depreciation and amortisation-allocated	59,178	55,990	243,199	250,137	13,346	25,489	217	586	2,552	4,749	26,222	31,259	344,714	368,210
Non cash expenses/(income)	52,595	7,776	101,741	(33,942)	9,160	1,648	398	690	6,157	(3,118)	(21,482)	(10,505)	148,569	(37,451)

Notes:

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