

INTERIM FINANCIAL STATEMENTS

For the Period Ended 30 September 2022



UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2022
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group						Company					
		Un-audited 6 Months ended 30.09.2022	Un-audited 6 Months ended 30.09.2021	Variance	Un-audited 3 Months ended 30.09.2022	Un-audited 3 Months ended 30.09.2021	Variance	Un-audited 6 Months ended 30.09.2022	Un-audited 6 Months ended 30.09.2021	Variance	Un-audited 3 Months ended 30.09.2022	Un-audited 3 Months ended 30.09.2021	Variance
Revenue from contracts with customers	5	6,221,605	7,239,213	-14.1%	3,183,388	3,819,616	-16.7%	2,396,759	1,803,591	32.9%	1,116,402	1,024,546	9.0%
Cost of sales		(4,655,419)	(5,937,101)	21.6%	(2,400,879)	(3,066,414)	21.7%	(1,615,929)	(1,266,017)	-27.6%	(679,385)	(720,185)	5.7%
Gross profit		1,566,186	1,302,112	20.3%	782,509	753,202	3.9%	780,830	537,574	45.3%	437,017	304,361	43.6%
Distribution expenses		(160,260)	(161,506)	0.8%	(70,034)	(89,541)	21.8%	(86,264)	(76,419)	-12.9%	(32,112)	(45,662)	29.7%
Administrative expenses		(1,155,547)	(877,073)	-31.8%	(594,996)	(449,260)	-32.4%	(878,786)	(680,844)	-29.1%	(451,975)	(351,571)	-28.6%
Net impairment (losses)/gains on trade and other receivables		(54,056)	(19,154)	-182.2%	(7,329)	2,899	-352.8%	11,715	(16,084)	172.8%	7,341	5,095	44.1%
Other gains/(losses)-net	6	195,215	(1,611)	12217.6%	336,338	(5,273)	6478.5%	166,991	29,838	459.7%	72,816	20,576	253.9%
Other income		46,176	82,079	-43.7%	31,488	61,767	-49.0%	106,711	107,020	-0.3%	60,287	84,594	-28.7%
Profit/(loss) from operations		437,714	324,847	34.7%	477,976	273,794	74.6%	101,197	(98,915)	202.3%	93,374	17,393	436.9%
Finance income		31,813	44,626	-28.7%	14,052	24,513	-42.7%	238,219	83,325	185.9%	192,207	40,200	378.1%
Finance cost		(266,899)	(35,593)	-649.9%	(154,665)	(12,636)	-1124.0%	(7,150)	(22,881)	68.8%	(2,916)	(7,489)	61.1%
Net finance (cost)/income		(235,086)	9,033	-2702.5%	(140,613)	11,877	-1283.9%	231,069	60,444	282.3%	189,291	32,711	478.7%
Profit/(loss) before income tax expense		202,628	333,880	-39.3%	337,363	285,671	18.1%	332,266	(38,471)	963.7%	282,666	50,104	464.2%
Income tax expense		(89,606)	(86,152)	-4.0%	(86,116)	(51,236)	-68.1%	(77,203)	2,191	-3623.7%	(59,371)	(1,713)	-3365.9%
Profit/(loss) for the period		113,022	247,728	-54.4%	251,247	234,435	7.2%	255,063	(36,280)	803.0%	223,294	48,391	361.4%
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		(6,889)	9,568		23,785	3,722		(11,146)	6,619		15,192	3,835	
Other Comprehensive Income for the period		(6,889)	9,568		23,785	3,722		(11,146)	6,619		15,192	3,835	
Total Comprehensive Income for the period		106,133	257,296		275,032	238,157		243,917	(29,661)		238,487	52,226	
Profit attributable to:													
Owners of United Motors Lanka PLC		113,022	247,728		251,247	234,435		255,063	(36,280)		223,294	48,391	
Profit/(loss) for the period		113,022	247,728		251,247	234,435		255,063	(36,280)		223,294	48,391	
Total Comprehensive Income attributable to:													
Owners of United Motors Lanka PLC		106,133	257,296		275,032	238,157		243,917	(29,661)		238,487	52,226	
Total Comprehensive Income for the period		106,133	257,296		275,032	238,157		243,917	(29,661)		238,487	52,226	

Earnings per share-basic and diluted (LKR)

1.12 2.46 2.49 2.32 2.53 (0.36) 2.21 0.48

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

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2022
STATEMENT OF FINANCIAL POSITION

	Group		Company	
	Un-audited 30.09.2022	Audited 31.03.2022	Un-audited 30.09.2022	Audited 31.03.2022
As at				
Assets				
Non-current assets				
Property, plant & equipment	8,166,014	8,232,589	7,522,556	7,581,106
Investment property	-	-	558,000	558,000
Intangible assets	182,248	191,218	179,359	188,330
Right-of-use assets	281,174	307,543	156,160	211,958
Investments in subsidiaries	-	-	222,400	222,400
Financial assets at fair value through other comprehensive income	103,004	140,562	79,096	106,369
Reimbursable right	34,833	34,833	29,346	29,346
Deferred tax assets	464,662	461,794	177,578	170,195
Total non-current assets	9,231,935	9,368,539	8,924,495	9,067,704
Current assets				
Inventories	5,506,025	6,228,438	1,586,628	1,959,600
Trade and other receivables	2,806,869	3,114,831	933,443	1,074,459
Amounts due from related parties	-	-	87,436	65,501
Current tax receivables	21,931	28,729	-	-
Other financial assets at amortised cost	-	-	2,815,794	2,014,797
Financial assets at fair value through profit or loss	246,110	1,129,393	246,110	1,129,393
Cash and cash equivalents	1,079,319	528,889	772,709	304,071
Total current assets	9,660,254	11,030,280	6,442,120	6,547,821
Total assets	18,892,189	20,398,819	15,366,615	15,615,525
Equity and liabilities				
Equity				
Stated capital	336,335	336,335	336,335	336,335
Capital reserve	5,822,198	5,822,198	5,426,258	5,426,258
Other components of equity	1,370,718	1,383,641	1,411,210	1,426,618
Retained earnings	6,405,714	6,337,108	6,831,174	6,622,299
Total equity attributable to the equity holders of the parent	13,934,965	13,879,282	14,004,977	13,811,510
Non-current liabilities				
Employee benefit obligations	247,495	224,438	219,142	200,136
Lease liabilities	180,574	218,740	89,414	81,961
Deferred tax liabilities	350,071	366,080	318,140	330,652
Total non-current liabilities	778,140	809,258	626,696	612,749
Current liabilities				
Interest bearing borrowings	2,213,762	1,856,611	-	-
Trade and other payables	1,576,721	3,514,778	383,980	907,548
Lease liabilities	118,960	93,205	75,296	133,346
Amounts due to related parties	-	-	46,786	11,768
Current tax liabilities	74,886	59,514	69,193	55,219
Bank overdrafts	194,755	186,171	159,687	83,385
Total current liabilities	4,179,084	5,710,279	734,942	1,191,266
Total liabilities	4,957,224	6,519,537	1,361,638	1,804,015
Total equity and liabilities	18,892,189	20,398,819	15,366,615	15,615,525
Net assets per share -LKR	138.11	137.55	138.80	136.88

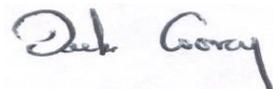
Note:
All amounts are in LKR.'000s, unless otherwise stated.

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
10-Nov-2022
Colombo



Chanaka Yatawara
Group Chief Executive Officer / Executive Director

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2022
STATEMENT OF CHANGES IN EQUITY

Group	Stated Capital	Capital Reserve	Development Reserve	Other Components of Equity			Retained Earnings	Total Equity
	LKR '000	LKR '000	LKR '000	Property, Plant & Equipment Replacement Reserve LKR '000	General Reserves LKR '000	FVOCI Reserve LKR '000	LKR '000	LKR '000
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 six months ended 30.09.2021							247,728	247,728
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						9,568	-	9,568
Net gain on disposal of equity investments at fair value through Other Comprehensive Income						(14)	14	-
Total comprehensive income for the period	-	-	-	-	-	9,554	247,742	257,296
Transactions with owners in their capacity as owners :								
Final dividend paid for 2020 / 2021							(100,901)	(100,901)
Balance as at 30.09.2021	336,335	5,380,532	785,400	308,900	466,250	(186,424)	6,365,388	13,456,381
Profit for the six months ended 31.03.2022							67,290	67,290
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						18,304		18,304
Net gain on disposal of equity investments at fair value through Other Comprehensive Income						(8,789)	8,789	-
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	-	-	-	9,515	123,071	574,252
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)	6,337,108	13,879,282
Profit for the six months ended 30.09.2022							113,022	113,022
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						(6,889)	-	(6,889)
Net gain on disposal of equity investments at fair value through Other Comprehensive Income						(6,034)	6,034	-
Total comprehensive income for the period	-	-	-	-	-	(12,923)	119,056	106,133
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 30.09.2022	336,335	5,822,198	785,400	308,900	466,250	(189,832)	6,405,714	13,934,965

Notes:

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

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2022
STATEMENT OF CHANGES IN EQUITY

Company	Stated Capital	Capital Reserve	Other Components of Equity				Retained Earnings	Total Equity
	LKR '000	LKR '000	Development Reserve	Property, Plant & Equipment Replacement Reserve	General Reserves	FVOCI Reserve	LKR '000	LKR '000
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
Loss for the six months ended 30.09.2021							(36,280)	(36,280)
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	-	-	-	-	-	6,619	-	6,619
Net gain on disposal of equity investments at fair value through Other Comprehensive Income						(14)	14	-
Total comprehensive income for the period	-	-	-	-	-	6,605	(36,266)	(29,661)
Transactions with owners, recognised directly in equity								
Final dividend paid for 2020 / 2021							(100,901)	(100,901)
Balance as at 30.09.2021	336,335	5,017,658	785,400	308,900	466,250	(148,093)	6,417,651	13,184,101
Profit for the six months ended 31.03.2022							309,086	309,086
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						20,585	-	20,585
Net gain on disposal of equity investments at fair value through Other Comprehensive Income						(6,424)	6,424	-
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	-	-	-	14,161	355,999	778,760
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	5,426,258	785,400	308,900	466,250	(133,932)	6,622,299	13,811,510
Profit for the six months ended 30.09.2022							255,063	255,063
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						(11,146)	-	(11,146)
Net gain on disposal of equity investments at fair value through Other Comprehensive Income						(4,262)	4,262	-
Total comprehensive income for the period	-	-	-	-	-	(15,408)	259,325	243,917
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 30.09.2022	336,335	5,426,258	785,400	308,900	466,250	(149,340)	6,831,174	14,004,977

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

UNITED MOTORS LANKA PLC

INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2022

Statement of Cash Flows

For the period ended 30 September	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	202,628	333,880	332,266	(38,471)
Adjustments for;				
Provision for depreciation / amortisation	96,055	116,228	83,498	94,543
Profit on disposal of property, plant & equipment	(11,370)	(48,121)	(10,750)	(44,038)
Net gains on disposal of financial asset at fair value through profit or loss	(8,330)	(1,300)	(8,330)	(1,300)
Net change in fair value - financial asset at fair value through profit or loss	(7,539)	(14,101)	(7,539)	(14,101)
Interest expense	266,900	35,594	7,150	22,880
Interest income	(31,813)	(44,626)	(28,534)	(83,325)
Dividend income	(3,626)	(5,966)	(2,809)	(4,006)
Impairment of trade & other receivables and losses on warranty claims	54,056	19,154	(11,715)	16,084
Provision for employee benefit obligations	23,626	19,979	19,005	15,778
Amortisation of right-of-use assets	83,717	67,599	75,552	71,365
Write-down of inventory to lower of cost or NRV (Net Realisable Value)	27,294	(3,035)	12,320	3,490
Fair value adjustment on unit trust and commercial papers	-	(5,582)	(53,846)	(15,332)
Operating profit before working capital changes	691,598	469,703	406,268	23,567
Decrease/(increase) in inventories	695,118	(154,034)	360,652	(261,242)
Decrease/(increase) in trade and other receivables	253,906	(1,077,533)	152,732	(339,413)
(Increase)/decrease in amounts due from related parties	-	-	(21,935)	310,089
Increase in amounts due to related parties	-	-	35,018	43,342
(Decrease)/increase in trade and other payables	(1,938,058)	621,113	(523,565)	111,275
(Cash out flow)/in flow from operating activities	(297,436)	(140,751)	409,170	(112,382)
Interest paid	(259,878)	(35,754)	(7,150)	(22,960)
Income tax paid	(86,314)	(73,016)	(83,125)	(53,554)
Contribution paid and received from investment plan (net)	(569)	-	-	-
Net cash (out flow)/in flow from operating activities	(644,197)	(249,521)	318,895	(188,896)
Cash flows from investing activities				
Investment in shares, unit trust and commercial papers	(1,130,000)	(4,026,264)	(2,581,948)	(5,826,264)
Proceeds from disposal of investments/unit trust/commercial papers	2,059,821	6,013,714	2,750,076	6,013,714
Acquisitions of property, plant & equipment and intangible assets	(25,155)	(85,877)	(18,748)	(82,087)
Proceeds from disposal of property, plant & equipment	16,016	58,050	13,521	48,675
Interest received	31,813	44,626	28,534	83,325
Dividend received	3,626	5,966	2,809	4,006
Net cash in flow from investing activities	956,121	2,010,215	194,244	241,369
Cash flows from financing activities				
Dividend paid	(50,450)	(100,901)	(50,450)	(100,901)
Principal element of lease payments	(69,759)	(61,166)	(70,353)	(65,054)
Loans obtained	3,091,528	4,498,914	-	1,020,000
Loans paid	(2,741,397)	(6,230,261)	-	(1,300,000)
Net cash in flow /(out flow) from financing activities	229,922	(1,893,414)	(120,803)	(445,955)
Net increase/(decrease) in cash & cash equivalents	541,846	(132,720)	392,336	(393,482)
Cash & cash equivalents at the beginning of the period	342,718	780,062	220,686	595,955
Cash and cash equivalents at end of the period	884,564	647,342	613,022	202,473
		Group		Company
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	LKR.'000	LKR.'000	LKR.'000	LKR.'000
Cash and bank balances	493,682	620,382	237,277	175,291
Short term deposits	585,637	120,586	535,432	120,586
	1,079,319	740,968	772,709	295,877
Bank overdrafts	(194,755)	(93,626)	(159,687)	(93,404)
Total cash & cash equivalents	884,564	647,342	613,022	202,473

Notes:

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

UNITED MOTORS LANKA PLC
INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 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 30 September 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	
	6 months ended 30.09.2022 LKR'000	6 months ended 30.09.2021 LKR'000	6 months ended 30.09.2022 LKR'000	6 months ended 30.09.2021 LKR'000
Spare parts, repairs and services	1,175,849	761,395	1,171,879	762,555
Vehicles	4,072,816	5,118,562	534,688	333,870
Local charges and brokering fees - vehicles	2,275	4,204	2,275	4,204
Equipment and machinery	216,405	540,885	-	1,410
3D printers and services	8,547	15,618	8,547	15,618
Tyres	69,721	120,421	-	-
Lubricants and car care products	675,992	678,128	677,075	683,816
Hiring	-	-	2,295	2,118
	<u>6,221,605</u>	<u>7,239,213</u>	<u>2,396,759</u>	<u>1,803,591</u>

Timing of revenue recognition

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

	Group		Company	
	6 months ended 30.09.2022 LKR'000	6 months ended 30.09.2021 LKR'000	6 months ended 30.09.2022 LKR'000	6 months ended 30.09.2021 LKR'000
Revenue recognised at a point in time	<u>6,221,605</u>	<u>7,239,213</u>	<u>2,396,759</u>	<u>1,803,591</u>
	<u>6,221,605</u>	<u>7,239,213</u>	<u>2,396,759</u>	<u>1,803,591</u>

UNITED MOTORS LANKA PLC
 INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2022
 NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

Revenue by nature of transactions

	Group		Company	
	6 months ended 30.09.2022 LKR'000	6 months ended 30.09.2021 LKR'000	6 months ended 30.09.2022 LKR'000	6 months ended 30.09.2021 LKR'000
Sale of goods	5,988,859	7,084,439	2,137,213	1,633,843
Rendering of services	230,471	150,570	254,976	163,427
Service support income	2,275	4,204	4,570	6,321
	<u>6,221,605</u>	<u>7,239,213</u>	<u>2,396,759</u>	<u>1,803,591</u>

6. Other gains/(losses)-net

	Group		Company	
	6 months ended 30.09.2022 LKR'000	6 months ended 30.09.2021 LKR'000	6 months ended 30.09.2022 LKR'000	6 months ended 30.09.2021 LKR'000
Foreign exchange gains/(losses)-net	179,346	(22,594)	97,276	(895)
Net change in fair value of financial assets at				
Fair value through profit or loss-equity investments	7,539	14,101	7,539	14,101
Fair value through profit or loss-unit trust	-	5,582	-	5,582
Fair value through profit or loss-commercial papers	-	-	53,846	9,750
Net gains on disposal of				
Financial assets at fair value through profit or loss	8,330	1,300	8,330	1,300
	<u>195,215</u>	<u>(1,611)</u>	<u>166,991</u>	<u>29,838</u>

7. Fair values Vs. carrying amounts

7.1 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	30.09.2022		Carrying amount	31.03.2022	
		Fair value	Level 1		Level 2	Fair value
LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Financial assets at fair value through profit or loss (FVPL)						
Equity shares	246,110	246,110	-	261,758	261,758	-
Investments in unit trusts	-	-	-	867,635	-	867,635
Financial assets at amortised cost						
Trade & other receivables excluding prepayments	2,581,167	-	-	3,014,142	-	-
Cash & cash equivalents	1,079,319	-	-	528,889	-	-
Financial assets measured at fair value through other comprehensive income (FVOCI)						
Equity shares	103,004	103,004	-	140,562	140,562	-
	<u>4,009,600</u>	<u>349,114</u>	<u>-</u>	<u>4,812,986</u>	<u>402,320</u>	<u>867,635</u>
Financial liabilities at amortised cost						
Interest bearing borrowings	2,213,762	-	-	1,856,611	-	-
Bank overdrafts	194,755	-	-	186,171	-	-
	<u>2,408,517</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	30.09.2022		Carrying amount	31.03.2022	
		Fair value			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	246,110	246,110	-	261,758	261,758	-
Investments in unit trusts	-	-	-	867,635	-	867,635
Financial assets at amortised cost						
Trade & other receivables excluding prepayments	878,881	-	-	1,039,514	-	-
Amounts due from related parties	87,436	-	-	65,501	-	-
Other financial assets at amortised cost-investments in commercial papers	2,815,794	-	-	2,014,797	-	-
Cash & cash equivalents	772,709	-	-	304,071	-	-
Financial assets measured at fair value through other comprehensive income (FVOCI)						
Equity shares	79,096	79,096	-	106,369	106,369	-
	<u>4,880,026</u>	<u>325,206</u>	<u>-</u>	<u>4,659,645</u>	<u>368,127</u>	<u>867,635</u>
Financial liabilities at amortised cost						
Bank overdrafts	159,687	-	-	83,385	-	-
	<u>159,687</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).

7.2 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.

8. Approval of financial statements

These consolidated interim financial statements for the period ended 30 September 2022 were authorized for issue by the Board of Directors on 10 November 2022.

9 Impact on recent economic condition and other factors

9.1 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.

9.2 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.

10. 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. Further as at the balance sheet date and the date of approval of these financial statements aforementioned investigation remains open and outflow if any cannot be measured reliably.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

11. 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 30 September 2022 was LKR 369.91. 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 314 Mn for the period ended 30 September 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.

12. 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.

13. Related party transactions

13.1 Transactions with the parent company

Transaction type	6 months ended 30.09.2022 LKR'000	6 months ended 30.09.2021 LKR'000
United Motors Lanka PLC		
Repairs & services provided	825	446
Subsidiary-Unimo Enterprises Ltd		
Sale of vehicles	-	8,495

13.2 Transactions with subsidiaries

Transaction type	6 months ended 30.09.2022 LKR'000	6 months ended 30.09.2021 LKR'000
Sale of goods	1,386	7,667
Purchase of goods	423	1,111
Repairs and services provided	48,812	31,645
Repairs & services obtained	1,130	379
Fees on financial services provided	45,300	21,374
Expenses incurred	39,729	38,223
Reimbursement of expenses	3,086	6,592
Hiring income received	2,294	2,117
Hiring rentals paid for vehicles	401	401
Interest received	263,531	49,561
Loans granted	13,600	2,033,016
Loan settlements	13,600	2,301,700
Investments in commercial papers	1,403,800	1,800,000
Settlement of commercial papers including interest	866,334	-
Rentals paid for premises occupied	49,022	49,022
Rentals received for premises occupied	20,527	10,872

13.3 Transactions with other related entities of the parent company

Company	Transaction type	6 months ended 30.09.2022 LKR'000	6 months ended 30.09.2021 LKR'000
Pap Solar One (Pvt) Ltd	Repairs & services provided	167	-

13.4 Non – recurrent related party transactions

There were no non – recurrent transactions for the period ended 30 September 2022 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	30.09.2022	31.03.2022
Ordinary shares	100,900,626	100,900,626

14.2 Public shareholding

As at	30.09.2022	31.03.2022
Number of public shareholders	3,611	3,619
Percentage of shares held by the public	24.48%	24.47%

The float adjusted market capitalisation as at 30 September 2022 - LKR. 1,432,409,354

Public shareholding percentage as at 30 September 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.

14.3 Directors' shareholding

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

As at	30.09.2022	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>

14.4 Twenty largest shareholders of the Company are as follows:

As at	30.09.2022		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	577,100	0.57	480,783	0.48
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	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
Mr. D. G. Wijemanna	138,091	0.14	-	-
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	129,500	0.13	120,000	0.12
Hatton National Bank / Mr. Padmesh Sajeewa Weerasekara	120,613	0.12	125,870	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 30 September	2022	2021
	LKR	LKR
Highest price	60.90	80.50
Lowest price	50.00	70.00
Last traded price	58.00	76.80

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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	
	6 Months ended	6 Months ended	6 Months ended	6 Months ended	6 Months ended	6 Months ended	6 Months ended	6 Months ended	6 Months ended	6 Months ended	6 Months ended	6 Months ended	6 Months ended	6 Months ended
	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021
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	1,203,101	781,212	4,075,091	5,122,766	217,535	541,264	8,547	15,618	70,144	121,532	679,370	685,934	6,253,787	7,268,326
Inter segment revenue	(27,252)	(19,817)	-	-	(1,130)	(379)	-	-	(423)	(1,111)	(3,378)	(7,806)	(32,183)	(29,113)
Revenue from external customers	1,175,849	761,395	4,075,091	5,122,766	216,405	540,885	8,547	15,618	69,721	120,421	675,992	678,128	6,221,605	7,239,213
Revenue from contracts with customers														
Goods transferred at a point in time	945,378	610,825	4,072,816	5,118,562	216,405	540,885	8,547	15,618	69,721	120,421	675,992	678,128	5,988,859	7,084,439
Services rendered at a point in time	230,471	150,570	2,275	4,204	-	-	-	-	-	-	-	-	232,746	154,774
Total revenue from contracts with customers	1,175,849	761,395	4,075,091	5,122,766	216,405	540,885	8,547	15,618	69,721	120,421	675,992	678,128	6,221,605	7,239,213
Segment profit/(loss)	254,323	68,612	446,749	398,606	(43,282)	8,493	(4,602)	(2,033)	14,324	10,847	151,907	79,172	819,419	563,697
Unallocated income													46,176	82,079
Unallocated expenses													(427,881)	(320,929)
Profit from operations before finance cost													437,714	324,847
Finance income													31,813	44,626
Finance cost													(266,899)	(35,593)
Net finance (cost)/income													(235,086)	9,033
Profit before income tax expense													202,628	333,880
Income tax expenses													(89,606)	(86,152)
Profit for the year													113,022	247,728
Segment assets	4,734,103	2,753,148	7,265,519	7,018,795	760,341	833,665	19,120	27,317	205,361	363,634	1,863,677	1,844,388	14,848,121	12,840,947
Unallocated assets													4,044,068	4,937,489
Total assets	4,734,103	2,753,148	7,265,519	7,018,795	760,341	833,665	19,120	27,317	205,361	363,634	1,863,677	1,844,388	18,892,189	17,778,436
Segment liabilities	86,124	140,851	834,289	1,334,517	93,042	55,942	1,789	1,431	1,495	18,489	45,689	498,401	1,062,428	2,049,631
Unallocated liabilities													3,894,796	2,272,424
Total liabilities	86,124	140,851	834,289	1,334,517	93,042	55,942	1,789	1,431	1,495	18,489	45,689	498,401	4,957,224	4,322,055
Segment capital expenditure-allocated	4,754	9,032	16,476	60,770	875	6,416	35	185	282	1,429	2,733	8,045	25,155	85,877
Depreciation and amortisation-allocated	26,841	20,628	132,003	134,957	6,720	12,064	135	257	1,097	1,978	12,976	13,943	179,772	183,827
Non cash expenses/(income)	14,143	17,295	68,853	(15,143)	(54)	3,814	140	429	8,733	6,401	(10,465)	3,323	81,350	16,119

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