

# INTERIM FINANCIAL STATEMENTS

**For Six Months Ended 30 September 2016**



**UNITED MOTORS LANKA PLC**  
**INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2016**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Group						Company					
	Unaudited 6 Months Ended 30.09.2016	Unaudited 6 Months Ended 30.09.2015	Variance	Unaudited 3 Months Ended 30.09.2016	Unaudited 3 Months Ended 30.09.2015	Variance	Unaudited 6 Months Ended 30.09.2016	Unaudited 6 Months Ended 30.09.2015	Variance	Unaudited 3 Months Ended 30.09.2016	Unaudited 3 Months Ended 30.09.2015	Variance
Revenue	8,702,823	7,012,456	24.1%	4,528,683	4,254,443	6.4%	4,703,611	5,208,411	-9.7%	2,519,883	2,909,124	-13.4%
Cost of sales	(7,039,025)	(5,090,812)	38.3%	(3,664,803)	(3,081,084)	18.9%	(3,477,683)	(3,518,713)	-1.2%	(1,880,463)	(1,915,025)	-1.8%
Gross profit	1,663,798	1,921,644	-13.4%	863,880	1,173,359	-26.4%	1,225,928	1,689,698	-27.4%	639,420	994,099	-35.7%
Other income	37,517	18,355	104.4%	25,181	5,078	395.9%	49,900	25,140	98.5%	30,203	8,704	247.0%
Distribution expenses	(185,749)	(178,041)	4.3%	(96,241)	(91,426)	5.3%	(103,612)	(113,469)	-8.7%	(53,022)	(52,717)	0.6%
Administrative and other expenses	(737,005)	(692,113)	6.5%	(393,196)	(359,082)	9.5%	(658,976)	(637,177)	3.4%	(351,061)	(329,400)	6.6%
<b>Profit from operating activities</b>	<b>778,561</b>	<b>1,069,845</b>	<b>-27.2%</b>	<b>399,624</b>	<b>727,929</b>	<b>-45.1%</b>	<b>513,240</b>	<b>964,192</b>	<b>-46.8%</b>	<b>265,540</b>	<b>620,686</b>	<b>-57.2%</b>
Finance income	84,609	102,997	-17.9%	39,247	26,312	49.2%	76,541	87,169	-12.2%	35,456	19,779	79.3%
Finance cost	(126,469)	(57,821)	118.7%	(62,571)	(28,134)	122.4%	(14,150)	(33,238)	-57.4%	(10,215)	(16,565)	-38.3%
Net finance (cost) / income	(41,860)	45,176	-192.7%	(23,324)	(1,822)	1180.1%	62,391	53,931	15.7%	25,241	3,214	685.3%
Share of profit of equity accounted investee (net of income tax)	33,276	87,168	-61.8%	28,015	38,156	-26.6%	-	-	-	-	-	-
Profit before income tax expense	769,977	1,202,189	-36.0%	404,315	764,263	-47.1%	575,631	1,018,123	-43.5%	290,781	623,900	-53.4%
Income tax expense	(131,369)	(306,018)	-57.1%	(61,250)	(218,893)	-72.0%	(88,204)	(281,624)	-68.7%	(38,545)	(195,125)	-80.2%
Profit for the period	638,608	896,171	-28.7%	343,065	545,370	-37.1%	487,427	736,499	-33.8%	252,236	428,775	-41.2%
<b>Other comprehensive income</b>												
<b>Items that are or may be reclassified to profit or loss</b>												
Net change in fair value of available for sale financial assets	81,242	(74,737)		55,637	(36,992)		59,188	(67,627)		41,933	(29,899)	
<b>Other comprehensive income for the period, net of tax</b>	<b>81,242</b>	<b>(74,737)</b>		<b>55,637</b>	<b>(36,992)</b>		<b>59,188</b>	<b>(67,627)</b>		<b>41,933</b>	<b>(29,899)</b>	
<b>Total comprehensive income for the period, net of tax</b>	<b>719,850</b>	<b>821,434</b>		<b>398,702</b>	<b>508,378</b>		<b>546,615</b>	<b>668,872</b>		<b>294,169</b>	<b>398,876</b>	
Profit attributable to:												
Equity holders of the parent	638,608	896,171		343,065	545,370		487,427	736,499		252,236	428,775	
Profit for the period	638,608	896,171		343,065	545,370		487,427	736,499		252,236	428,775	
Total comprehensive income attributable to:												
Equity holders of the parent	719,850	821,434		398,702	508,378		546,615	668,872		294,169	398,876	
Total comprehensive income for the period	719,850	821,434		398,702	508,378		546,615	668,872		294,169	398,876	
<b>Basic earnings per share (Rs.)</b>	<b>6.33</b>	<b>8.88</b>		<b>3.40</b>	<b>5.41</b>		<b>4.83</b>	<b>7.30</b>		<b>2.50</b>	<b>4.25</b>	

**UNITED MOTORS LANKA PLC**  
**INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2016**  
**STATEMENTS OF FINANCIAL POSITION**

As at	Group		Company	
	Un-audited 30.09.2016	Audited 31.03.2016	Un-audited 30.09.2016	Audited 31.03.2016
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant & equipment	4,921,710	4,747,746	4,664,754	4,482,016
Investment property	-	-	150,093	150,350
Intangible assets	3,365	3,913	460	921
Investments in subsidiaries	-	-	172,400	172,400
Investments in equity accounted investee	784,135	750,853	173,545	173,545
Other investments	792,953	735,573	646,496	614,655
Defined benefit plan	102,313	102,313	98,584	98,582
Deferred tax assets	8,419	15,670	-	1,898
<b>Total non current assets</b>	<b>6,612,895</b>	<b>6,356,068</b>	<b>5,906,332</b>	<b>5,694,367</b>
<b>Current assets</b>				
Inventories	5,125,151	5,426,634	2,887,739	2,349,153
Trade and other receivables	1,651,694	1,498,435	912,478	783,486
Amounts due from related parties	802	620	23,374	17,998
Current tax receivables	4,641	4,641	-	-
Other investments	645,798	1,282,125	645,798	1,282,125
Cash and cash equivalents	382,584	522,873	214,296	320,957
<b>Total current assets</b>	<b>7,810,670</b>	<b>8,735,328</b>	<b>4,683,685</b>	<b>4,753,719</b>
<b>Total assets</b>	<b>14,423,565</b>	<b>15,091,396</b>	<b>10,590,017</b>	<b>10,448,086</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Stated capital	336,335	336,335	336,335	336,335
Revaluation reserve	2,956,382	2,956,382	2,922,336	2,922,336
Other components of equity	1,475,608	1,394,366	1,490,614	1,431,426
Retained earnings	6,061,839	5,625,032	4,294,126	4,008,500
<b>Total equity attributable to the equity holders of the parent</b>	<b>10,830,164</b>	<b>10,312,115</b>	<b>9,043,411</b>	<b>8,698,597</b>
<b>Non-current liabilities</b>				
Employee benefits	181,647	166,758	166,532	154,070
Deferred tax liabilities	14,129	14,430	2,355	-
<b>Total non-current liabilities</b>	<b>195,776</b>	<b>181,188</b>	<b>168,887</b>	<b>154,070</b>
<b>Current liabilities</b>				
Interest bearing borrowings	2,250,761	2,635,284	492,519	-
Trade and other payables	679,617	1,323,945	464,929	1,012,017
Amounts due to related parties	88	361	47,550	29,280
Current tax liabilities	119,473	420,673	78,177	386,662
Bank overdrafts	347,686	217,830	294,544	167,460
<b>Total current liabilities</b>	<b>3,397,625</b>	<b>4,598,093</b>	<b>1,377,719</b>	<b>1,595,419</b>
<b>Total liabilities</b>	<b>3,593,401</b>	<b>4,779,281</b>	<b>1,546,606</b>	<b>1,749,489</b>
<b>Total equity and liabilities</b>	<b>14,423,565</b>	<b>15,091,396</b>	<b>10,590,017</b>	<b>10,448,086</b>
<b>Net assets per share (Rs.)</b>	<b>107.33</b>	<b>102.20</b>	<b>89.63</b>	<b>86.21</b>

Note:

All amounts are in Rs.'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.



A. C. M. Lafir  
Executive Director - Finance

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



Sunil G. Wijesinha  
Chairman  
28-Oct-16  
Colombo



C. Yatawara  
Group Chief Executive Officer / Executive Director

UNITED MOTORS LANKA PLC  
INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2016  
STATEMENTS OF CHANGES IN EQUITY

	Stated Capital Rs.'000s	Revaluation Reserve Rs.'000s	Other Components of Equity			Retained Earnings Rs.'000s	Total Equity Rs.'000s	
			Development Reserve Rs.'000s	Property, Plant & Equipment Replacement Reserve Rs.'000s	General Reserves Rs.'000s			Available for Sale Reserve Rs.'000s
<b>Group</b>								
<b>Balance as at 01.04.2015</b>	336,335	2,956,382	785,400	308,900	466,250	67,415	5,514,889	10,435,571
Super gain tax for the year of assessment 2013/14							(490,036)	(490,036)
<b>Balance as at 01.04.2015 (super gain tax adjusted)</b>	<b>336,335</b>	<b>2,956,382</b>	<b>785,400</b>	<b>308,900</b>	<b>466,250</b>	<b>67,415</b>	<b>5,024,853</b>	<b>9,945,535</b>
<b>Total comprehensive income for the six months period</b>								
Profit for the six months ended 30.09.2015							896,171	896,171
<b>Other comprehensive income</b>								
Net change in fair value of available for sale financial assets							(74,737)	(74,737)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(74,737)</b>	<b>896,171</b>	<b>821,434</b>
<b>Transactions with owners, recognised directly in equity</b>								
<b>Distribution to owners of the company</b>								
Final dividend paid 2014 / 2015							(403,603)	(403,603)
<b>Balance as at 30.09.2015</b>	<b>336,335</b>	<b>2,956,382</b>	<b>785,400</b>	<b>308,900</b>	<b>466,250</b>	<b>(7,322)</b>	<b>5,517,421</b>	<b>10,363,366</b>
<b>Total comprehensive income for the six months period</b>								
Profit for the six months ended 31.03.2016							806,052	806,052
<b>Other comprehensive income</b>								
Employee benefit plan actuarial gains							11,131	11,131
Deferred tax on actuarial gains on defined benefit obligations							(4,238)	(4,238)
Net change in fair value of available for sale financial assets							(158,862)	(158,862)
Equity accounted Investees - share of other comprehensive income							971	971
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(158,862)</b>	<b>813,916</b>	<b>655,054</b>
<b>Transactions with owners, recognised directly in equity</b>								
<b>Distribution to owners of the company</b>								
First interim dividend paid 2015 / 2016							(302,702)	(302,702)
Second interim dividend paid 2015 / 2016							(403,603)	(403,603)
<b>Balance as at 31.03.2016</b>	<b>336,335</b>	<b>2,956,382</b>	<b>785,400</b>	<b>308,900</b>	<b>466,250</b>	<b>(166,184)</b>	<b>5,625,032</b>	<b>10,312,115</b>
<b>Total comprehensive income for the six months period</b>								
Profit for the six months ended 30.09.2016							638,608	638,608
<b>Other comprehensive income</b>								
Net change in fair value of available for sale financial assets							81,242	81,242
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,242</b>	<b>638,608</b>	<b>719,850</b>
<b>Transactions with owners, recognised directly in equity</b>								
<b>Distribution to owners of the company</b>								
Final dividend paid 2015 / 2016							(201,801)	(201,801)
<b>Balance as at 30.09.2016</b>	<b>336,335</b>	<b>2,956,382</b>	<b>785,400</b>	<b>308,900</b>	<b>466,250</b>	<b>(84,942)</b>	<b>6,061,839</b>	<b>10,830,164</b>

Notes:

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

UNITED MOTORS LANKA PLC  
INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2016  
STATEMENTS OF CHANGES IN EQUITY

	Stated Capital Rs.'000s	Revaluation Reserve Rs.'000s	Development Reserve Rs.'000s	Other Components of Equity			Retained Earnings Rs.'000s	Total Equity Rs.'000s
				Property, Plant & Equipment Replacement Reserve Rs.'000s	General Reserves Rs.'000s	Available for Sale Reserve Rs.'000s		
<b>Company</b>								
<b>Balance as at 01.04.2015</b>	336,335	2,922,336	785,400	308,900	466,250	68,633	4,074,717	8,962,571
Super gain tax for the year of assessment 2013/14							(418,387)	(418,387)
<b>Balance as at 01.04.2015 (super gain tax adjusted)</b>	<b>336,335</b>	<b>2,922,336</b>	<b>785,400</b>	<b>308,900</b>	<b>466,250</b>	<b>68,633</b>	<b>3,656,330</b>	<b>8,544,184</b>
<b>Total comprehensive income for the six months period</b>								
Profit for the six months ended 30.09.2015							736,499	736,499
<b>Other comprehensive income</b>								
Net change in fair value of available for sale financial assets						(67,627)	-	(67,627)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(67,627)</b>	<b>736,499</b>	<b>668,872</b>
<b>Transactions with owners, recognised directly in equity</b>								
<b>Distribution to owners of the company</b>								
Final dividend paid 2014 / 2015							(403,603)	(403,603)
<b>Balance as at 30.09.2015</b>	<b>336,335</b>	<b>2,922,336</b>	<b>785,400</b>	<b>308,900</b>	<b>466,250</b>	<b>1,006</b>	<b>3,989,226</b>	<b>8,809,453</b>
<b>Total comprehensive income for the six months period</b>								
Profit for the six months ended 31.03.2016							720,627	720,627
<b>Other comprehensive income</b>								
Employee benefit plan actuarial gains							8,436	8,436
Deferred tax on actuarial gains on defined benefit obligations							(3,484)	(3,484)
Net change in fair value of available for sale financial assets						(130,130)		(130,130)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(130,130)</b>	<b>725,579</b>	<b>595,449</b>
<b>Transactions with owners, recognised directly in equity</b>								
<b>Distribution to owners of the company</b>								
First interim dividend paid 2015 / 2016							(302,702)	(302,702)
Second interim dividend paid 2015 / 2016							(403,603)	(403,603)
<b>Balance as at 31.03.2016</b>	<b>336,335</b>	<b>2,922,336</b>	<b>785,400</b>	<b>308,900</b>	<b>466,250</b>	<b>(129,124)</b>	<b>4,008,500</b>	<b>8,698,597</b>
<b>Total comprehensive income for the six months period</b>								
Profit for the six months ended 30.09.2016							487,427	487,427
<b>Other comprehensive income</b>								
Net change in fair value of available for sale financial assets						59,188		59,188
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,188</b>	<b>487,427</b>	<b>546,615</b>
<b>Transactions with owners, recognised directly in equity</b>								
<b>Distribution to owners of the company</b>								
Final dividend paid 2015 / 2016							(201,801)	(201,801)
<b>Balance as at 30.09.2016</b>	<b>336,335</b>	<b>2,922,336</b>	<b>785,400</b>	<b>308,900</b>	<b>466,250</b>	<b>(69,936)</b>	<b>4,294,126</b>	<b>9,043,411</b>

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

UNITED MOTORS LANKA PLC  
INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2016  
CASH FLOW STATEMENTS

For the six months ended 30 September	Group		Company	
	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
<b>Cash flows from operating activities</b>				
<b>Profit before income tax expense</b>	769,977	1,202,189	575,631	1,018,123
Adjustments for;				
Provision for depreciation / amortisation	66,668	74,652	47,477	48,159
Profit on disposal of property, plant & equipment	(396)	(7,549)	(60)	(6,099)
Net gain on available for sale financial assets	(8,181)	(57,916)	(6,526)	(56,578)
Net change in fair value - financial assets at fair value through profit or loss	(21,344)	-	(21,344)	-
Interest expense	126,453	56,707	14,133	32,424
Interest income	(29,589)	(29,631)	(27,788)	(18,345)
Dividend income	(16,118)	(6,949)	(13,231)	(6,233)
Impairment of trade receivables	4,683	6,499	3,159	2,907
Provision for employee benefit obligations	16,087	14,578	12,462	11,329
Share of profits of equity accounted investee	(33,276)	(87,168)	-	-
Provision for slow moving / obsolete inventories	13,837	5,512	9,782	4,619
Provision for bonus	84,738	68,614	61,047	57,400
Fair value adjustment on unit trust	(7,796)	(1,592)	(7,796)	-
<b>Operating profit before working capital changes</b>	<b>965,743</b>	<b>1,237,946</b>	<b>646,946</b>	<b>1,087,706</b>
Decrease / (increase) in inventories	287,645	279,909	(548,368)	256,966
Increase in trade and other receivables	(157,943)	(808,425)	(132,152)	(686,778)
Increase in amounts due from related party receivables	(182)	(1,391)	(5,376)	(1,720)
(Decrease) / increase in amounts due to related party payables	(273)	79	18,270	33,982
Decrease in trade and other payables	(582,573)	(302,820)	(472,029)	(169,734)
<b>Cash generated from / (used in) operations</b>	<b>512,417</b>	<b>405,298</b>	<b>(492,709)</b>	<b>520,422</b>
Interest paid	(128,718)	(60,134)	(13,815)	(33,509)
Income tax paid	(425,617)	(141,051)	(392,436)	(138,100)
Bonus paid	(146,495)	(89,529)	(136,106)	(87,601)
Contribution paid and received from investment plan (net)	(1,198)	-	-	-
<b>Net cash (used in) / generated from operating activities</b>	<b>(189,611)</b>	<b>114,584</b>	<b>(1,035,066)</b>	<b>261,212</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal / (acquisition) of shares	27,368	(419,164)	29,200	(345,099)
Proceeds from disposal of / (investment in) unit trust	670,140	1,102,851	670,140	924,414
Acquisitions of property, plant & equipment and intangible assets	(240,341)	(122,664)	(229,500)	(117,626)
Proceeds from disposal of property, plant & equipment	651	7,562	63	6,112
Interest received	29,589	29,631	27,788	18,345
Dividend received	16,118	6,949	13,231	6,233
<b>Net cash generated from investing activities</b>	<b>503,525</b>	<b>605,165</b>	<b>510,922</b>	<b>492,379</b>
<b>Cash flows from financing activities</b>				
Dividend paid	(201,801)	(403,603)	(201,801)	(403,603)
Loans obtained	8,183,009	11,770,894	4,405,101	9,579,094
Loans paid	(8,565,267)	(11,992,963)	(3,912,901)	(9,857,063)
<b>Net cash (used in) / generated from financing activities</b>	<b>(584,059)</b>	<b>(625,672)</b>	<b>290,399</b>	<b>(681,572)</b>
<b>Net (decrease) / increase in cash &amp; cash equivalents</b>	<b>(270,145)</b>	<b>94,077</b>	<b>(233,745)</b>	<b>72,019</b>
<b>Cash &amp; cash equivalents at the beginning of the period</b>	<b>305,043</b>	<b>103,179</b>	<b>153,497</b>	<b>66,482</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>34,898</b>	<b>197,256</b>	<b>(80,248)</b>	<b>138,501</b>

	Group		Company	
	30.09.2016 Rs.'000s	30.09.2015 Rs.'000s	30.09.2016 Rs.'000s	30.09.2015 Rs.'000s
Cash and bank balances	321,104	252,308	189,708	187,282
Short term deposits	61,480	31,138	24,588	31,137
Bank overdrafts	(382,584)	(283,446)	(214,296)	(218,419)
<b>Total cash and cash equivalents</b>	<b>34,898</b>	<b>197,256</b>	<b>(80,248)</b>	<b>138,501</b>

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

**UNITED MOTORS LANKA PLC**  
**INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2016**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**1. Reporting entity**

United Motors Lanka PLC (the "Company"), is a Public Quoted Company incorporated on 9<sup>th</sup> 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.

**2. Interim consolidated financial statements**

The consolidated interim financial statements of the Group as at and for the six months ended 30<sup>th</sup> September 2016 comprise the Company and its subsidiaries and the Group's interests in jointly controlled entities. All the group entities and joint venture are limited liability companies, incorporated and domiciled in Sri Lanka.

The Company is primarily involved in distribution of brand new Mitsubishi vehicles, spare parts, lubricants, after sales services and related services and other companies in the Group are engaged in distribution of motor bikes, three wheelers, vehicles of other brands, spare parts, tyres, lubricants 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<sup>st</sup> March 2016 to all period presented in the group financial statements.

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<sup>st</sup> March 2016.

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. Approval of financial statements**

These consolidated interim financial statements for the six months ended 30<sup>th</sup> September 2016 were authorized for issue by the Board of Directors on 28<sup>th</sup> October 2016.

**5. Operating segments**

An operating segment is a distinguishable component of the Group / Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments.

Segmentation has been determined based on the Group's management and internal reporting structure. Segment Information is based on the primary format representing the industry segments of the Company and the Group.

**6. Tax Expense**

For the six months ended 30 September	Group		Company	
	2016 Rs.'000s	2015 Rs.'000s	2016 Rs.'000s	2015 Rs.'000s
<b>Income statement</b>				
Current income tax	215,927	302,978	175,461	280,585
Adjustments in respect of prior years	(91,510)	-	(91,510)	-
Deferred tax charge	6,952	3,040	4,253	1,039
	<b>131,369</b>	<b>306,018</b>	<b>88,204</b>	<b>281,624</b>

Although the 2016 Budget had proposed revised tax rates effective from 1<sup>st</sup> April 2016 as given below, the Group has used the existing tax rates for its tax expense computation, as the proposed tax rates had not been enacted or substantively enacted, to be in line with Sri Lanka Accounting Standard - LKAS 12, by the end of the reporting period.

If the proposed tax rates were applied in computing the tax expense, the Group's tax expense for the six months, would have decreased by approximately Rs.20.6 million.

Sector	Primary income tax rates	
	Existing	Proposed
Retail	28%	28%
Others	28%	17.5%

**7. Contingencies, capital and other commitments**

The Group/Company has capital commitments amounting to Rs.160,621,621 in relation to buildings under construction approved by the Board of Directors which is incidental to the ordinary course of business, the details of which are as follows:

	Group		Company	
	30.09.2016 Rs.'000s	31.03.2016 Rs.'000s	30.09.2016 Rs.'000s	31.03.2016 Rs.'000s
Approved and contracted commitments in relation to construction of buildings	160,622	298,818	160,622	298,818

There has been no significant change in the nature of the contingencies and other commitments, which were disclosed in the annual report 2015 / 2016 other than what has been disclosed above.

**8. Change in Directorate**

Mr.A.D.E.I.Perera did not seek reappointment at the Annual General Meeting, & therefore ceased to be a Director of the Company with effect from 8<sup>th</sup> July 2016. Mr.S.A.Chapman was appointed as a Non- Executive Independent Director to the Board of Directors on 23<sup>rd</sup> September 2016.

**9. Events after the reporting period**

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

UNITED MOTORS LANKA PLC  
 INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2016  
 NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)

10. Related party transactions

10.1 Transactions with subsidiaries & equity accounted investees

Transactions with subsidiaries

Transaction Type	Six months ended 30.09.2016 Rs.'000s	Six months ended 30.09.2015 Rs.'000s
Sale of goods	1,450	833
Purchase of goods	55,918	63,336
Repairs & services provided	42,790	42,645
Expenses incurred	19,410	18,923
Reimbursement of expenses	142	146
Hiring income received	830	653
Hiring rentals paid for vehicles	25,691	22,982
Interest received	309	-
Loans granted	627,895	-
Loan settlements	627,895	-
Rentals paid for premises occupied	41,341	41,716
Rentals received for premises occupied	13,458	9,334

Transactions with equity accounted investees

Transaction Type	Six months ended 30.09.2016 Rs.'000s	Six months ended 30.09.2015 Rs.'000s
Repairs & services provided	324	456
Repairs & services obtained	287	284
Expenses incurred	2,317	2,162
Rentals received for premises occupied	830	921
Purchase of goods	225	-
Income on legal services	-	30

10.2 Transactions with other related entities controlled by the major shareholder

Company	Transaction Type	Six months ended 30.09.2016 Rs.'000s	Six months ended 30.09.2015 Rs.'000s
Readywear Industries (Pvt) Ltd	Repairs & services provided	-	358
R I L Property Ltd	Repairs & services provided	431	-
	Services obtained	68	-
Foodbuzz (Pvt) Ltd	Repairs & services provided	69	-
	Services obtained	70	-

11. Share information

11.1 Stated capital

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

	30.09.2016	31.03.2016
Ordinary shares	100,900,626	100,900,626

11.2 Public shareholding

	30.09.2016	31.03.2016
Number of public shareholders	4,035	4,059
Number of shares held by the public	27,063,022	27,063,322
Percentage of shares held by the public	26.82%	26.82%

11.3 Directors' shareholdings

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

As at	30.09.2016	31.03.2016
Mr. Sunil G. Wijesinha	-	-
Mr. C. Yatawara	1,253,455	1,253,455
Mr. A.W. Atukorala	3,000	3,000
Mr. A.C.M. Lafir	14,224	14,224
Ms. A.H. Fernando	-	-
Mr. R.H. Yaseen	10,620	10,620
Prof. K.A.M.K. Ranasinghe	-	-
Mr. T. Nomura	-	-
Mr. S.A. Chapman	-	-
	<u>1,281,299</u>	<u>1,281,299</u>



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS (contd.)**

**11.4 Twenty largest shareholders of the Company are as follows:**

As at	30.09.2016		31.03.2016	
	Number of Shares	%	Number of Shares	%
Mr. M.A. Yaseen	61,750,266	61.20	61,750,266	61.20
Ms. R.R. Yaseen	10,767,210	10.67	10,767,210	10.67
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. C. Yatawara	1,253,455	1.24	1,253,455	1.24
Mr.H.A. Van Starrex	875,864	0.87	810,664	0.80
Capital Development & Investment Company PLC - A/C No. 2	604,209	0.60	604,209	0.60
Bank of Ceylon Account No. 1	388,182	0.39	373,182	0.37
Deutsche Bank AG as Trustee to Candor Growth Fund	328,916	0.33	328,916	0.33
Mr. A.M.Weerasinghe	301,880	0.30	301,880	0.30
Mr. S.D. Yaseen	243,300	0.24	243,300	0.24
Deutsche Bank AG as Trustee to Amana Candor Sharia Fund	200,000	0.20	175,000	0.17
Mr. O. Kassim and Mrs. K. Kassim	191,972	0.19	-	-
Seylan Bank PLC / Lasantha Chandika Ranaweera Pathirana	184,752	0.18	-	-
Waldock Mackenzie Ltd / Hi-Line Trading (Pvt) Ltd	165,354	0.16	165,354	0.16
Mr. J.A. Yaseen	156,177	0.15	156,177	0.15
Mr. P.Rathnayaka	156,000	0.15	156,000	0.15
Deutsche Bank AG Trustee to Candor Opportunitie	150,000	0.15	260,000	0.26
Mercantile Investments and Finance PLC	150,000	0.15	150,000	0.15
Bank of Ceylon A/C NDB Wealth Growth Fund	140,237	0.14	-	-

**11.5 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 period end.

**11.6 Dividend paid**

Final dividend for the year ended 31<sup>st</sup> March 2016 amounting to Rs.201,801,252 (Rs. 2 per share) was paid on 20<sup>th</sup> July 2016.

**11.7 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 period end.

**11.8 Market price per share**

For the quarter ended 30 September	2016	2015
	Rs.	Rs.
Highest Price	99.80	118.00
Lowest Price	86.50	95.00
Closing Price	94.00	95.90

**UNITED MOTORS LANKA PLC**  
**INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2016**  
**SEGMENT INFORMATION**

**Group**

	Spare parts		Vehicles		Repairs & services		Tyres		Lubricant & other services		Group	
	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
	30.09.2016	30.09.2015	30.09.2016	30.09.2015	30.09.2016	30.09.2015	30.09.2016	30.09.2015	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited
<b>Revenue</b>												
External - Sales	863,226	765,520	6,934,723	5,132,580	-	-	110,036	85,161	382,251	285,758	8,290,236	6,269,019
- Services / commission	-	-	36,291	454,482	376,296	288,955	-	-	0	-	412,587	743,437
<b>Total revenue</b>	<b>863,226</b>	<b>765,520</b>	<b>6,971,014</b>	<b>5,587,062</b>	<b>376,296</b>	<b>288,955</b>	<b>110,036</b>	<b>85,161</b>	<b>382,251</b>	<b>285,758</b>	<b>8,702,823</b>	<b>7,012,456</b>
<b>Segment results</b>	<b>336,211</b>	<b>313,989</b>	<b>561,650</b>	<b>937,739</b>	<b>85,493</b>	<b>67,013</b>	<b>12,373</b>	<b>18,841</b>	<b>62,811</b>	<b>24,489</b>	<b>1,058,538</b>	<b>1,362,071</b>
Unallocated income											37,517	18,355
Unallocated expenses											(317,494)	(310,581)
Profit from operations before finance cost											778,561	1,069,845
Net finance (cost) / income											(41,860)	45,176
Profit from operations											736,701	1,115,021
Share of profit of equity accounted investee (net of income tax)											33,276	87,168
Profit before income tax expense											769,977	1,202,189
Income tax expenses											(131,369)	(306,018)
<b>Profit from ordinary activities</b>											<b>638,608</b>	<b>896,171</b>
Net change in fair value of available for sale financial assets											81,242	(74,737)
<b>Net profit attributable to equity holders of the parent</b>											<b>719,850</b>	<b>821,434</b>
<b>Segment assets</b>	<b>1,604,832</b>	<b>1,111,467</b>	<b>8,223,846</b>	<b>7,085,966</b>	<b>376,975</b>	<b>311,651</b>	<b>206,886</b>	<b>166,781</b>	<b>648,092</b>	<b>554,127</b>	<b>11,060,631</b>	<b>9,229,992</b>
Unallocated assets											3,362,934	3,912,252
<b>Total assets</b>	<b>1,604,832</b>	<b>1,111,467</b>	<b>8,223,846</b>	<b>7,085,966</b>	<b>376,975</b>	<b>311,651</b>	<b>206,886</b>	<b>166,781</b>	<b>648,092</b>	<b>554,127</b>	<b>14,423,565</b>	<b>13,142,244</b>
<b>Segment liabilities</b>	<b>12,252</b>	<b>26,629</b>	<b>207,630</b>	<b>378,642</b>	<b>9,215</b>	<b>6,625</b>	<b>8,449</b>	<b>9,929</b>	<b>-</b>	<b>-</b>	<b>237,546</b>	<b>421,825</b>
Unallocated liabilities											3,355,855	2,357,053
<b>Total liabilities</b>	<b>12,252</b>	<b>26,629</b>	<b>207,630</b>	<b>378,642</b>	<b>9,215</b>	<b>6,625</b>	<b>8,449</b>	<b>9,929</b>	<b>-</b>	<b>-</b>	<b>3,593,401</b>	<b>2,778,878</b>
Segment capital expenditure - allocated	23,839	13,391	192,515	97,730	10,392	5,053	3,039	1,490	10,556	5,000	240,341	122,664
Depreciation & amortisation - allocated	6,613	8,149	53,401	59,477	2,883	3,076	843	907	2,928	3,043	66,668	74,652
Non cash expenses / (income)	6,788	(2,116)	7,143	15,348	169	96	511	(1,768)	3,907	451	18,518	12,011

**Notes:**

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

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**INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS ENDED 30 SEPTEMBER 2016**  
**SEGMENT INFORMATION**

**Company**

	Spare parts		Vehicles		Repairs & services		Tyres		Lubricant & other services		Company	
	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
	30.09.2016	30.09.2015	30.09.2016	30.09.2015	30.09.2016	30.09.2015	30.09.2016	30.09.2015	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited
<b>Revenue</b>												
External - Sales	852,651	764,393	3,037,841	3,399,718	-	-	-	-	383,700	286,508	4,274,192	4,450,619
- Services / commission	-	-	34,289	453,544	394,316	303,671	-	-	814	577	429,419	757,792
<b>Total revenue</b>	<b>852,651</b>	<b>764,393</b>	<b>3,072,130</b>	<b>3,853,262</b>	<b>394,316</b>	<b>303,671</b>	<b>-</b>	<b>-</b>	<b>384,514</b>	<b>287,085</b>	<b>4,703,611</b>	<b>5,208,411</b>
<b>Segment results</b>	<b>335,169</b>	<b>313,999</b>	<b>293,605</b>	<b>835,463</b>	<b>103,514</b>	<b>81,729</b>	<b>-</b>	<b>-</b>	<b>76,636</b>	<b>46,226</b>	<b>808,924</b>	<b>1,277,417</b>
Unallocated income											49,900	25,140
Unallocated expenses											(345,584)	(338,365)
Profit from operations before finance cost											513,240	964,192
Net finance income											62,391	53,931
Profit before income tax expense											575,631	1,018,123
Income tax expenses											(88,204)	(281,624)
<b>Profit from ordinary activities</b>											<b>487,427</b>	<b>736,499</b>
Net change in fair value of available for sale financial assets											59,188	(67,627)
<b>Net profit attributable to equity holders of the Company</b>											<b>546,615</b>	<b>668,872</b>
<b>Segment assets</b>	<b>1,422,503</b>	<b>1,078,188</b>	<b>5,437,801</b>	<b>5,732,581</b>	<b>555,245</b>	<b>375,565</b>	<b>-</b>	<b>-</b>	<b>813,272</b>	<b>606,149</b>	<b>8,228,821</b>	<b>7,792,483</b>
Unallocated assets											2,361,196	2,931,183
<b>Total assets</b>	<b>1,422,503</b>	<b>1,078,188</b>	<b>5,437,801</b>	<b>5,732,581</b>	<b>555,245</b>	<b>375,565</b>	<b>-</b>	<b>-</b>	<b>813,272</b>	<b>606,149</b>	<b>10,590,017</b>	<b>10,723,666</b>
<b>Segment liabilities</b>	<b>9,215</b>	<b>6,625</b>	<b>116,207</b>	<b>314,203</b>	<b>9,215</b>	<b>6,625</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>134,637</b>	<b>327,453</b>
Unallocated liabilities											1,411,969	1,586,760
<b>Total liabilities</b>	<b>9,215</b>	<b>6,625</b>	<b>116,207</b>	<b>314,203</b>	<b>9,215</b>	<b>6,625</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,546,606</b>	<b>1,914,213</b>
Segment capital expenditure - allocated	41,603	17,263	149,896	87,022	19,240	6,858	-	-	18,761	6,483	229,500	117,626
Depreciation & amortisation - allocated	8,606	7,068	31,009	35,629	3,980	2,808	-	-	3,882	2,654	47,477	48,159
Non cash expenses / (income)	6,760	(2,116)	2,105	9,102	169	95	-	-	3,907	(142)	12,941	6,939

**Notes:**

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