

# HISTORICAL NOTE

Diesel & Motor Engineering PLC (DIMO) one of Sri Lanka's oldest and most respected organisations, celebrates this year, 70 years of trust with its stakeholders.

In 1932, Mr. F.K.Heller, a well known German businessman set up his own business in Sri Lanka with the distributorship of several world renowned German brands such as Mercedes Benz, Bosch, Siemens etc., under the name of Heller & Company. Being a German, in 1939 when World War broke out, the business of Mr. Heller was acquired by the Government.

The same year four unemployed youth Messrs Stephen Peries, Pandithage Don Alexander, Cyril Algama and Harold Algama from Heller & Company, got together and commenced a workshop at a rented premises off Prince of Wales Avenue with few mechanics. This was the beginning of DIMO. The initial business was making gaskets and turning out parts thus catering to the high demand prevalent for reconditioning, as new part replacement was costly due to the war. As business expanded, DIMO diversified to sale of electrical parts, fittings for motor vehicles and engine parts etc.

The four youth began humbly, but had great ambition to excel. Their vision was for DIMO to achieve the status of a world-class company in the products and services that it offered. Their vision remains undiluted even today, as the management of the Company has remained in the main in the hands of the founding families. The progeny have held true to the vision of the Company's first owners, of a commitment to excellence and ethical business practices.

In 1945 DIMO was incorporated as a Private Limited Liability Company. With the end of the 2nd World War, Mr. Heller was released and subsequently became a prominent industrialist in Germany. In 1949, Mr. Heller was an active partner of DIMO via Lohmann & Company Bremen Germany. In order to expand the activities, the business was relocated to

Jethawana Road, from where it still operates. In 1952, a showroom, main stores and garage was opened for business.

The first notable achievement for the Company came in 1959, when over 200 Mercedes Benz buses were supplied to the recently nationalised bus company.

DIMO is probably the oldest sole distributor for Mercedes-Benz Passenger and Commercial Vehicles in the Asian Region. In Sri Lanka, DIMO is colloquially known as the "Benz Company".

In 1960, the Company extended its rear boundaries up to Bloemendhal Road, facilitating the expansion of its workshop.

In 1964, DIMO was converted into a public Quoted Company by obtaining a listing at the Colombo Brokers' Association, as it was then known. Since its modest beginning, the Company has grown in size as well as in scope, and presently has a workforce of over 800. With seven decades of experience in the automobile and engineering industry, the Company over the years has made a significant contribution towards the development of the transportation sector in Sri Lanka.

In 1966, the Company commenced manufacturing of radiators, radiator cores, silencer barrels and light engineering products for motor vehicles.

Dimo Industries (Pvt) Ltd., and Dimo (Pvt) Ltd. were incorporated as wholly owned subsidiaries in the early 70s. Dimo Industries (Pvt) Ltd. was established to manufacture automobile parts, while Dimo (Pvt) Ltd. was for the sale and service of Telecommunications, Power Engineering and Medical Equipment.

In 1986, the Hayleys Group acquired a stake in the equity capital making DIMO one of its associate companies.

The divisional organisational structure was introduced in 1987 to support and nurture the development of the Company and to institutionalise the corporate management process.

As part of its evolving strategy of enhancing local expertise, in 1990 DIMO set up an automobile training school offering a two-year comprehensive service and maintenance course designed by Mercedes-Benz Germany. It is the only such enterprise of its kind in the corporate sector. The school has expanded, also offering automotive training courses for the UK-based City & Guilds programme.

DIMO is involved in a number of related fields, but maintains its core expertise representing many prestigious principal automobile and heavy-vehicle manufacturers and their allied services. Its portfolio consists of "best in class" brands such as Daimler, TATA, Bosch, MTU, Komatsu, Siemens, Michelin, Osram and Mahindra & Mahindra to name but a few. Its portfolio reaffirms the prestige and historicity of DIMO as a company committed to providing truly top-end products and services.



T.S. Peries



P.D. Alexandra



C.A. Algama



H.A. Algama

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In 1996, the Company relocated its after sales and service activities of commercial vehicles, construction machinery and power systems at Siyambalape, Biyagama which is about ten kilo metres away from Colombo city limits. The workshop complex is equipped with state-of-the-art machinery and equipment.

The Company continues to expand its branch network and presently has five showrooms within Colombo city limits and five outstation branches located at Anuradhapura, Kurunegala, Matara, Yakkala and Kandy.

The Head office is conveniently and spaciouly remains located in an area of approximately 10,000 sq. metres in a central commercial sector in Colombo. The complex houses the Company's administrative and sales offices, passenger car and automotive workshops with its showrooms.

In 1998, Browns Dimo Industrial Products (Pvt) Ltd. was formed with Browns Group and DFCC Bank to undertake the activities of fabricating heat exchanges. During 2006, the Company invested in tyre rethreading and filter manufacturing ventures namely Dimo Industries (Pvt) Ltd. and Dimo KLN Industries (Pvt) Ltd. respectively. These factories were located in Homagama and Kandana.

The Company's logistical operations are being carried out from the property acquired at Weliwariya in Gampaha district in February 2008.

In 2008, the entirety of the divested stockholding of Hayleys Group was repurchased by DIMO.

During the last few decades DIMO has achieved sustainable growth with its annual turnover increasing from a mere Rs. 215 mn to Rs. 9.3 bn. The stated capital has increased from Rs. 10 mn to Rs. 182 mn through rights issues and capitalisation of reserves. Thus DIMO has laid the foundation towards achieving world class status.