



AGILE BY **NATURE**

OUR PERFORMANCE

Section 1 – Financial Statements

This section identifies the Financial Statements of the Company and the Group, and presents the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows. The Responsibility for the Financial Statements and its authorisation is also identified in this section.

Consolidated Financial Statements

The financial statements for the year ended 31st March 2024 comprise "Company" referring to Diesel and Motor Engineering PLC as the holding company, and the "Group" referring to the companies that have been consolidated therein together with the Group's Interests in Equity Accounted Investees.

Composition of Financial Statements

The Financial Statements comprise of the following;

- Statement of Profit or Loss and Other Comprehensive Income (Page 169)
- Statement of Financial Position (Page 170)
- Statement of Changes in Equity (Page 171)
- Statement of Cash Flows (Page 172)
- Notes to the Financial Statements comprising of Corporate Information (Section 2), Basis of Accounting (Section 3), Specific Accounting Policies and Notes (Section 4). (page 174 – 242)

Responsibilities for the Financial Statements

The Board of Directors acknowledges their responsibility for Financial Statements, as set out in the Annual Report of the Board of Directors, Statement of Directors' Responsibilities for Financial Statements and in the certification on the Statement of Financial Position on page 155 to 159, 162 and 170 respectively, of this Annual Report.

Authorisation of Financial Statements by the Board of Directors

The Financial Statements for the year ended 31st March 2024, were authorised for issue by the Board of Directors on 20th June 2024.



Financial Statements in
Sinhala

<https://www.dimolanka.com/2023-2024-dimo-annual-report/url.php?id=32>



Financial Statements in
Tamil

<https://www.dimolanka.com/2023-2024-dimo-annual-report/url.php?id=33>

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March		Group			Company		
		2024 Rs.'000	2023 Rs.'000	Change %	2024 Rs.'000	2023 Rs.'000	Change %
Note							
Revenue	4.1	43,644,295	35,299,201	24	32,557,940	26,668,117	22
Cost of sales		(31,790,151)	(22,556,267)	41	(23,364,689)	(16,256,088)	44
Gross profit		11,854,144	12,742,934	(7)	9,193,251	10,412,029	(12)
Other operating income	4.3	575,243	295,694	95	771,686	511,783	51
Selling and distribution expenses		(884,002)	(536,020)	65	(804,412)	(496,629)	62
Impairment loss on trade receivables	4.16.1.1	(105,241)	(79,680)	32	(50,790)	(124,838)	(59)
Administrative expenses		(8,354,442)	(7,123,775)	17	(6,773,205)	(5,768,198)	17
Operating profit		3,085,702	5,299,153	(42)	2,336,530	4,534,147	(48)
Finance income		58,173	141,859	(59)	669,087	491,979	36
Finance costs		(2,992,174)	(4,708,351)	(36)	(2,519,671)	(4,232,256)	(40)
Net finance costs	4.4	(2,934,001)	(4,566,492)	(36)	(1,850,584)	(3,740,277)	(51)
Share of results of equity-accounted investees, net of tax	4.12.5	31,410	4,595	584	31,410	4,595	584
Profit before tax	4.5	183,111	737,256	(75)	517,356	798,465	(35)
Income tax expense	4.6.2	(90,506)	(39,112)	131	(159,332)	(154,649)	3
Profit for the year		92,605	698,144	(87)	358,024	643,816	(44)
Other Comprehensive Income							
Items that will not be reclassified to profit or loss in subsequent periods							
Remeasurement (loss)/gain on defined benefit obligation	4.23.1	(83,285)	49,315	(269)	(63,026)	42,712	(248)
Deferred tax reversal/(charge) on actuarial (loss)/gain	4.24.1	24,986	(13,660)	283	18,908	(12,814)	248
Revaluation of freehold land	4.9	2,208,774	-	100	2,179,200	-	100
Deferred tax charge on land revaluation	4.24.3	(665,654)	-	100	(653,760)	-	100
Income tax rate change impact on revaluation of freehold land	4.21.1	-	(493,462)	(100)	-	(480,800)	(100)
Net change in fair value of equity investments at FVOCI		2,687	(1,604)	(267)	2,687	(2,529)	(206)
		1,487,508	(459,411)	(424)	1,484,009	(453,431)	(427)
Items that are or may be reclassified to profit or loss in subsequent periods							
Foreign currency translation differences of foreign operations	4.21.2	(53,543)	(87,509)	(39)	(21,040)	(58,313)	(64)
		(53,543)	(87,509)	(39)	(21,040)	(58,313)	(64)
Total other comprehensive income, net of tax		1,433,965	(546,920)	(362)	1,462,969	(511,744)	(386)
Total comprehensive income for the year		1,526,570	151,224	909	1,820,993	132,072	1,279
Profit attributable to:							
Equity holders of the parent		42,962	579,060	(93)	358,024	643,816	(44)
Non-controlling interest		49,643	119,084	(58)	-	-	-
		92,605	698,144	(87)	358,024	643,816	(44)
Total comprehensive income attributable to:							
Equity holders of the parent		1,477,282	33,403	4,323	1,820,993	132,072	1,279
Non-controlling interest		49,288	117,821	(58)	-	-	-
		1,526,570	151,224	909	1,820,993	132,072	1,279
Basic and diluted earnings per share (Rs.)	4.7	4.65	62.73		38.78	69.74	
Dividend per share (Rs.)	4.8	-	-		10.00	12.50	

Figures in brackets indicate deductions.

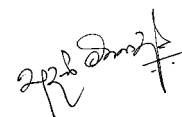
The Notes appearing on page 174 to 242 form an integral part of these Financial Statements.

Statement of Financial Position

As at 31st March	Note	Group		Company	
		2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Assets					
Property, plant and equipment	4.9	17,492,521	14,429,034	16,270,067	13,536,452
Right-of-use assets	4.10	558,976	678,523	381,666	464,367
Intangible assets and goodwill	4.11	1,616,535	1,467,922	700,147	551,306
Investments in subsidiaries	4.12.1.1	–	–	1,656,292	1,669,224
Investments in equity accounted investees	4.12.5	148,877	101,933	148,877	101,933
Equity securities	4.14	136	864	136	864
Other financial assets	4.17.1	12,225	18,461	–	–
Deferred tax assets	4.24	791,155	565,422	–	–
Total non-current assets		20,620,425	17,262,159	19,157,185	16,324,146
Inventories	4.15	9,717,071	9,978,466	7,209,835	6,103,387
Trade and other receivables	4.16	11,630,934	7,360,070	6,963,984	4,095,221
Other current assets	4.17	3,029,589	1,933,247	1,614,169	1,142,192
Income tax receivable	4.29	116,705	111,453	16,632	16,632
Amounts due from related parties	4.30.1	32,696	53,206	4,023,211	2,823,242
Other financial assets	4.17.1	4,306	4,816	–	–
Cash and cash equivalents	4.18	3,841,272	2,858,970	2,152,229	1,552,370
Total current assets		28,372,573	22,300,228	21,980,060	15,733,044
Total assets		48,992,998	39,562,387	41,137,245	32,057,190
Equity and Liabilities					
Equity					
Stated capital	4.19	620,578	620,578	620,578	620,578
Other components of equity	4.21	7,102,059	5,611,961	7,107,697	5,601,495
Revenue reserves	4.20	8,679,535	8,743,765	7,699,680	7,477,206
Equity attributable to equity holders of the parent		16,402,172	14,976,304	15,427,955	13,699,279
Non-controlling interests		446,463	377,327	–	–
Total equity		16,848,635	15,353,631	15,427,955	13,699,279
Interest-bearing borrowing	4.22.1.1	2,114,973	1,258,065	1,899,630	1,094,703
Lease liabilities	4.22.3.1	517,967	348,696	373,096	135,685
Employee benefits	4.23.1	1,241,371	990,362	1,085,397	869,903
Deferred tax liabilities	4.24	2,860,303	2,131,667	2,860,303	2,066,118
Contract liabilities	4.25.1	868,681	287,355	95,090	7,736
Total non-current liabilities		7,603,295	5,016,145	6,313,516	4,174,145
Trade payables	4.27	1,155,556	1,506,933	589,211	944,545
Other current liabilities	4.28	1,840,166	2,952,500	1,322,926	1,781,028
Current portion of long-term interest-bearing borrowings	4.22.1.1	750,758	714,746	642,253	524,846
Lease liabilities	4.22.3.1	158,872	424,984	93,047	397,727
Contract liabilities	4.25.1	854,855	1,302,993	691,577	470,970
Income tax payable	4.29	67,636	87,372	–	–
Short-term interest – bearing borrowings	4.22.2	19,529,060	11,757,223	16,008,047	9,977,541
Amounts due to related parties	4.30.1.3	184,165	445,860	48,713	87,109
Total current liabilities		24,541,068	19,192,611	19,395,774	14,183,766
Total liabilities		32,144,363	24,208,756	25,709,290	18,357,911
Total equity and liabilities		48,992,998	39,562,387	41,137,245	32,057,190
Net assets per share		1,776.76	1,622.31	1,671.23	1,483.97

Certification

These Financial Statements as set out on page 168 and 242 have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.



M.H.B.U.S.B. Mahagedara
General Manager – Group Finance

The Board of Directors is responsible for these Financial Statements.

Signed for and on behalf of the Board,



A.G. Pandithage
Group Managing Director/
Chief Executive Officer



B.C.S.A.P. Gooneratne
Director/Chief Financial Officer

20th June 2024
Colombo

The Notes appearing on page 174 to 242 form an integral part of these Financial Statements.

Statement of Changes in Equity

For the year ended 31st March	Note	Stated Capital	Other Components of Equity			Revenue Reserves		Non-Controlling Interests	Total
		Rs.'000	Revaluation Reserve Rs.'000	Fair value Reserve Rs.'000	Foreign Currency Translation Reserve Rs.'000	General Reserve Rs.'000	Retained Earnings Rs.'000	Rs.'000	Rs.'000
Group									
As at 01st April 2022		620,578	6,112,161	6,371	84,165	5,392,290	2,845,318	405,604	15,466,487
Total comprehensive income									
Profit for the year		-	-	-	-	-	579,060	119,084	698,144
Derecognition of financial assets due to disposal -FVOCI	4.14	-	-	(6,837)	-	-	6,837	-	-
Other comprehensive income, net of tax		-	(493,462)	(1,604)	(88,834)	-	35,655	(1,263)	(549,506)
		-	(493,462)	(8,441)	(88,834)	-	621,551	117,821	148,636
Acquisition of non-controlling interests		-	-	-	-	-	-	(146,098)	(146,098)
Dividends to equity holders									
2021/22 final dividend	4.8	-	-	-	-	-	(115,394)	-	(115,394)
		-	-	-	-	-	(115,394)	(146,098)	(261,492)
As at 31st March 2023		620,578	5,618,699	(2,070)	(4,668)	5,392,290	3,351,475	377,327	15,353,631
As at 01st April 2023		620,578	5,618,699	(2,070)	(4,668)	5,392,290	3,351,475	377,327	15,353,631
Adjustments	4.24.3	-	-	-	-	-	40,901	39,297	80,198
Total comprehensive income									
Profit for the year		-	-	-	-	-	42,962	49,643	92,605
Derecognition of financial assets due to disposal -FVOCI	4.14	-	-	(885)	-	-	885	-	-
Other comprehensive income, net of tax		-	1,539,001	2,687	(50,705)	-	(56,663)	(355)	1,433,964
		-	1,539,001	1,802	(50,705)	-	(12,816)	49,288	1,526,570
Acquisition of non-controlling interests		-	-	-	-	-	-	-	-
Dividends to equity holders									
2022/23 final dividend	4.8	-	-	-	-	-	(92,315)	-	(92,315)
Subsidiary dividend to Non Controlling Interest		-	-	-	-	-	-	(19,449)	(19,449)
		-	-	-	-	-	(92,315)	(19,449)	(111,764)
As at 31st March 2024		620,578	7,157,700	(268)	(55,373)	5,392,290	3,287,245	446,463	16,848,635
Company									
As at 01st April 2022		620,578	6,090,133	5,502	53,462	4,929,464	1,983,462	-	13,682,601
Total comprehensive income									
Profit for the year		-	-	-	-	-	643,816	-	643,816
Derecognition of financial assets due to disposal -FVOCI	4.14	-	-	(5,960)	-	-	5,960	-	-
Other comprehensive income, net of tax		-	(480,800)	(2,529)	(58,313)	-	29,898	-	(511,744)
		-	(480,800)	(8,489)	(58,313)	-	679,674	-	132,072
Dividends to equity holders									
2021/22 final dividend	4.8	-	-	-	-	-	(115,394)	-	(115,394)
		-	-	-	-	-	(115,394)	-	(115,394)
As at 31st March 2023		620,578	5,609,333	(2,987)	(4,851)	4,929,464	2,547,742	-	13,699,279
As at 01st April 2023		620,578	5,609,333	(2,987)	(4,851)	4,929,464	2,547,742	-	13,699,279
Total comprehensive income									
Profit for the year		-	-	-	-	-	358,022	-	358,022
Derecognition of financial assets due to disposal - FVOCI	4.14	-	-	(885)	-	-	885	-	-
Other comprehensive income, net of tax		-	1,525,440	2,687	(21,040)	-	(44,118)	-	1,462,969
		-	1,525,440	1,802	(21,040)	-	314,789	-	1,820,991
Dividends to equity holders									
2022/23 final dividend	4.8	-	-	-	-	-	(92,315)	-	(92,315)
		-	-	-	-	-	(92,315)	-	(92,315)
As at 31st March 2024		620,578	7,134,773	(1,185)	(25,891)	4,929,464	2,770,216	-	15,427,955

The General Reserve and Retained Earnings represent reserves available for distribution

Revaluation reserve relates to the revaluation of land

Fair value reserve consists of net unrealised gains/(losses) arising from fair valuation of equity securities designated at FVOCI, excluding the impact arising from impairment of assets.

Foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Figures in brackets indicate deductions.

The Notes appearing on page 174 to 242 form an integral part of these Financial Statements.

Statement of Cash Flows

For the year ended 31st March	Note	Group	Company		
		2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Cash Flows from Operating Activities					
Profit before taxation		183,110	737,256	517,356	798,465
Adjustments for;					
Depreciation on property, plant and equipment	4.9	454,321	402,872	346,304	337,891
Amortisation of intangible assets	4.11	25,128	11,145	24,900	7,454
Depreciation and derecognition of right-of-use assets	4.10	155,680	146,015	107,498	113,020
Provision for impairment of investments in subsidiaries	4.12.1.2	–	–	12,932	–
Exchange rates impact on term loan revaluation	4.22.1.1	(9,376)	12,553	(9,376)	32,642
Gain on sale of property, plant and equipment	4.3	(6,201)	(281)	(198)	(3,116)
Derecognition of capital work-in-progress	4.9	1,938	5,696	1,938	5,696
Interest expenses	4.4	2,993,510	3,386,283	2,519,671	2,862,266
Finance income	4.4	(59,509)	(141,859)	(669,087)	(491,979)
Dividend income	4.3	–	(320)	(38,578)	(320)
Share of gain of equity-accounted investees, net of tax	4.12.5	(31,410)	(4,595)	(31,410)	(4,595)
Impairment loss on trade receivables	4.16.1	105,241	79,680	50,790	124,838
Provision/(reversal) on inventories	4.15.1	(249,642)	783,327	(265,979)	669,140
Provision for employee benefits obligation excluding actuarial gain	4.23.1	255,270	193,117	222,276	164,583
		3,818,060	5,610,889	2,789,037	4,615,985
Changes in working capital					
Decrease/(increase) in inventories		511,036	(921,206)	(840,469)	756,673
(Increase)/decrease in trade and other receivables		(4,376,105)	1,935,955	(2,919,553)	2,724,925
(Increase)/decrease in other current assets		(1,096,342)	470,193	(471,977)	6,783
Decrease/(increase) in amounts due from related parties		20,510	36,468	(1,199,969)	(1,752,257)
Decrease in trade payables		(351,377)	(6,460,673)	(355,334)	(6,347,650)
Decrease in other current liabilities		(1,112,334)	(240,466)	(458,102)	(398,194)
Increase/(decrease) in contract liabilities		133,189	(93,690)	307,961	65,779
(Decrease)/increase in amounts due to related parties		(261,695)	–	(38,396)	10,841
Cash (used in)/generated from operating activities		(2,715,058)	337,470	(3,186,802)	(317,115)
Interest paid		(2,992,174)	(3,136,991)	(2,467,051)	(2,709,148)
Employee benefits paid	4.23.1	(87,546)	(62,972)	(69,808)	(33,859)
Income tax paid	4.29	(173,060)	(620,315)	–	(457,883)
Net cash used in operating activities		(5,967,838)	(3,482,808)	(5,723,661)	(3,518,005)
Cash Flows from Investing Activities					
Net proceeds from sale of property, plant and equipment		97,039	45,888	53,628	45,018
Dividends received		–	320	38,578	320
Interest received		59,509	141,859	669,087	491,979
Investments in other financial assets		(6,236)	(23,277)	–	–
Net proceed from sale of equity securities		885	6,989	885	3,568
Investment in Equity instruments		(38)	–	(38)	–
Investment in subsidiaries and equity accounted investees		–	(51,250)	–	(917,194)
Acquisition of subsidiaries, net of cash acquired		–	(512,465)	–	–
Acquisition and construction of property, plant and equipment and capital work-in-progress	4.9	(1,405,679)	(497,395)	(956,189)	(271,251)
Acquisition of intangible assets and capital work-in-progress	4.11	(173,741)	(365,546)	(173,741)	(365,303)
Net cash used in investing activities		(1,428,261)	(1,254,877)	(367,790)	(1,012,863)

For the year ended 31st March	Note	Group		Company	
		2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Cash Flows from Financing Activities					
Proceeds from long-term borrowings	4.22.1.1	1,583,819	–	1,500,000	–
Repayment of long-term borrowings	4.22.1.1	(670,584)	440,000	(558,624)	440,000
Net movement of short-term borrowings		7,605,021	(654,151)	6,085,420	(580,921)
Repayment of lease liabilities		(212,162)	4,212,568	(144,972)	4,048,665
Dividend paid to equity holders of the parent	4.20	(92,315)	(165,222)	(92,315)	(135,942)
Dividend paid to non-controlling interests		(19,449)	(115,394)	–	(115,394)
Net cash from financing activities		8,194,330	–	6,789,509	–
Net increase/ (decrease) in cash and cash equivalents		798,231	3,717,801	698,058	3,656,408
Cash and cash equivalents as at 1st April		2,568,154	3,653,478	1,364,785	2,299,207
Effect of exchange rate changes on cash and cash equivalents		17,255	(65,442)	(43,287)	(59,961)
Cash and cash equivalents as at 31st March (Note-A)		3,383,640	2,568,153	2,019,556	1,364,783
Note – A					
Analysis of cash and cash equivalents as at 31st March					
Cash and bank balances	4.18	3,841,272	2,858,970	2,152,229	1,552,370
Bank overdrafts	4.22.2	(457,632)	(290,817)	(132,673)	(187,587)
Cash and cash equivalents		3,383,640	2,568,153	2,019,556	1,364,783

Figures in brackets indicate deductions.

The Notes appearing on page 174 to 242 form an integral part of these Financial Statements.

Section 2 – Corporate Information

This section gives a description of the reporting entity, its subsidiaries and the equity accounted investees.

2.1 Reporting Entity

The Reporting Entity is Diesel & Motor Engineering PLC (the 'Company') which is a public limited liability Company, incorporated and domiciled in Sri Lanka. The registered office and principal place of business of the Company is located at No. 65, Jetawana Road, Colombo 14. The ordinary shares of the Company are listed at the Colombo Stock Exchange.

Diesel & Motor Engineering PLC does not have an identifiable parent of its own. The Company is the ultimate parent of the Group.

2.2 The principal place of business and business activities of the Company, Subsidiaries and the Equity accounted investees

Descriptions of the nature of operations and principal activities of the Company, its subsidiaries and equity accounted investees are given on page 205 – 210 to the Financial Statements.

There were no significant changes in the nature of the principal activities of the Company and the Group during the financial year under review.

Table 65: Principle place of business and its activities

Entity	Principal place of business	Principal business activities
The Company		
Diesel & Motor Engineering PLC	Sri Lanka	<p>Import, sale and repair of passenger vehicles, commercial vehicles, material handling equipments, construction machineries, agri machineries, earth moving machineries, car parking solutions, storage systems and power tools.</p> <p>Import and sale of vehicle spares, components, consumer products, accessories, lamps, home appliances, paint, industrial chemicals, water pumps.</p> <p>Provide solutions in lighting, power engineering including solar power generation, water & waste water systems and fluid management systems.</p> <p>Sale and after sales in the business domains of industrial refrigeration systems, marine & rail propulsion.</p> <p>Import, repack and distribution of inorganic fertilizer, sale of agriculture produced greenhouse and Irrigation processing & sale of coconut shell charcoal for local and export market.</p>
	Uganda – Branch	Provide power engineering solutions.
Subsidiaries		
DIMO (Private) Limited	Sri Lanka	Incorporated on 05th September 1972 as a Private Limited Company ,Sale and after sales in the business domains of bio-medical engineering, power engineering, building technologies, civil engineering, elevators and escalators, industrial refrigeration systems, marine and rail propulsion and water & wastewater systems and fluid management systems.
DIMO Travels (Private) Limited	Sri Lanka	Incorporated on 19th June 1975 as a Private Limited Company for the provision of transportation facilities.
DIMO Industries (Private) Limited	Sri Lanka	Incorporated on 14th September 1979 as a Private Limited Company in order to import and sale of tyres.
PlantChem (Private) Limited	Sri Lanka	On 23rd February 2018, the Company acquired 51% ordinary shares in PlantChem (Private) Limited. Subsequently on 1st July 2021, an additional shareholding of 19% of PlantChem (Private) Limited was acquired to bring the total shareholding of the subsidiary to 70%. PlantChem (Private) Limited was incorporated on 16th February 2005 as a Private Limited Company to import, re-packing and sales of pesticides, fungicides, insecticides, herbicides, weedicides, plant growth regulators, compound fertilizers and liquid fertilizers, and manufacture and processing of organic fertilizer & inorganic fertilizer.
Plant Seeds (Private) Limited	Sri Lanka	On 23rd February 2018, the Company acquired 51% ordinary shares in Plant Seed (Private) Limited. Subsequently on 1st July 2021, an additional shareholding of 19% of Plant Seed (Private) Limited was acquired to bring the total shareholding of the subsidiary to 70%. Plant Seeds (Private) Limited was incorporated on 24th March 2015 as a Private Limited Company to import and sale of hybrid seeds and production, processing and distribution of seed paddy, hybrid seeds and vegetable seeds, and import, re-packing, sales of compound fertilizer, manufacturing and sale of agriculture pipes,using recyclable materials.

Entity	Principal place of business	Principal business activities
DIMO Lifeline (Private) Limited	Sri Lanka	Incorporated on 13th July 2020 as a Private Limited Company for providing solutions for cardiac rhythm management, interventional cardiac operations and related therapy line.
Moveflex (Private) Limited	Sri Lanka	Incorporated on 10th February 2021 as a Private Limited Company. The business of provision of transport facilities previously carried out by Diesel and Motor Engineering PLC was transferred to Moveflex (Private) Limited with effect from the date of incorporation to provide transport solutions.
DIMO Lanka Company Limited	Myanmar	Incorporated on 20th June 2017 as a Limited Company under the Myanmar Companies Act, Investee Company of Diesel and Motor Engineering PLC for operations in Myanmar.
United DIMO Company Limited	Myanmar	Incorporated on 24th October 2017 as a Private Company Limited by Shares under the Myanmar Companies Act to sale of automobiles, automobile repair and servicing. This is a subsidiary of DIMO Lanka Company Limited.
DIMO Bangladesh (Pvt) Ltd	Bangladesh	On 10th May 2022, Diesel & Motor Engineering PLC incorporated DIMO Bangladesh (Private) Limited with 99.99% equity interest. The principal business activities of the Company include sale and after sales services of heavy machinery & equipment.
Tropical Health Food (Private) Limited	Sri Lanka	On 25th May 2022, the Company acquired 94.50% of ordinary shares of Tropical Health Food (Private) Limited. The Company was incorporated on 06th April 1994 as a Private Limited Company. The principal business activities of the Company include the processing and preparing fruits and vegetables for export & local market.
Virgin Oil International (Private) Limited	Sri Lanka	On 02nd August 2022, Diesel & Motor Engineering PLC acquired 51% of ordinary shares of Virgin Oil International (Private) Limited by investing Rs. 40 million. Virgin Oil International (Private) Limited was incorporated on 14th May 2013 as a Private Limited. The principal business activities of the Company includes processing and exporting pure virgin coconut oil and trading of coconut based products.
Mansel (Ceylon) (Private) Limited	Sri Lanka	On 28th September 2022, the Company acquired 75% of ordinary shares of Mansel (Ceylon) (Private) Limited. Mansel (Ceylon) (Private) Limited was incorporated on 05th February 1964 as a Private Limited Company. The principal business activities include the importation, sale, and distribution of pharmaceutical products.
Associated Laboratories (Private) Limited	Sri Lanka	On 28th September 2022, Diesel & Motor Engineering PLC acquired 75% of ordinary shares of Associated Laboratories (Private) Limited by investing Rs. 45 million. Associated Laboratories (Private) Limited was incorporated on 29th April 1967 as a Private Limited Company. The principal business activities of Associated Laboratories (Private) Limited include is importation, sale, and distribution of pharmaceutical products.
DIMO Australia Pty Ltd*	Australia	On 04th October 2022, the Company incorporated DIMO Australia Pty Ltd under the Corporations Act 2001 in Australia. No shares have been issued during the period. The principal business activities include manufacturing and sale of off-road camper trailer caravans.
DIMO Global Pte. Ltd	Singapore	On 31st August 2022, DIMO (Private) Limited incorporated DIMO Global Pte. Ltd. as a Private Limited Company in Singapore. No shares have been issued during the period. The principal business activities include Engineering design and consultancy services in energy management and clean energy systems.
DI Solar Beliatta (Private) Limited*	Sri Lanka	On 22nd August 2023, the Company incorporated DI-Solar Beliatta (Private) Limited as a private limited company. The principal business activity includes the generation of solar power and handling of solar power projects.
DIMO Solar Anuradhapura (Private) Limited*	Sri Lanka	On 28th December 2023, the Company incorporated DIMO Solar Anuradhapura (Private) Limited as a private limited company. The principal business activity includes the generation of solar power and handling of solar power projects.
DIMO Solar Galle (Private) Limited*	Sri Lanka	On 20th December 2023, Diesel & Motor Engineering PLC incorporated DIMO Solar Galle (Private) Limited as a private company limited by shares. The principal business activity includes the generation of solar power and handling of solar power projects.

Section 2 – Corporate Information

Entity	Principal place of business	Principal business activities
DIMO Solar Galle Two (Private) Limited*	Sri Lanka	On 2nd February 2024, the Company incorporated DIMO Solar Galle Two (Private) Limited as a private company limited by shares. The principal business activity includes the generation of solar power and handling of solar power projects.
DIMO Solar Galle Three (Private) Limited*	Sri Lanka	On 2nd February 2024, Diesel & Motor Engineering PLC incorporated DIMO Solar Galle Three (Private) Limited as a private company limited by shares. The principal business activity includes the generation of solar power and handling of solar power projects.
DIMO Solar Galle Four (Private) Limited*	Sri Lanka	On 2nd February 2024, Diesel & Motor Engineering PLC incorporated DIMO Solar Galle Four (Private) Limited as a private company limited by shares. The principal business activity includes the generation of solar power and handling of solar power projects.
DIMO Academy of Higher Education (Private) Limited*	Sri Lanka	On 11th March 2024, Diesel & Motor Engineering PLC incorporated DIMO Academy of Higher Education (Private) Limited as a private company limited by shares. The principal business activity of the Company is the provision of higher educational services.
Equity accounted investee		
DIMO Coastline (Private) Limited	Maldives	On 22nd February 2018, the Company acquired 40% equity interest of DIMO Coastline (Private) Limited. DIMO Coastline (Private) Limited is a company incorporated in Republic of Maldives and whose financial year ends on 31st December. The Company has invested in DIMO Coastline (Private) Limited as part of expansion into marine and general engineering business overseas.
Azend Technologies (Private) Limited	Sri Lanka	On 09th November 2021, the Company invested in Azend Technologies (Private) Limited acquiring a 49% equity interest. Azend Technologies (Private) Limited is in the business of providing information technology solutions.
Azendtech LLC-FZ*	Dubai	On 08th July 2023, Azend Technologies (Private) Limited (Joint venture of Diesel & Motor Engineering PLC & Azend Technologies (Private) Limited) incorporated Azendtech LLC-FZ as wholly owned subsidiary in Dubai, United Arab Emirates. The Company owns 49% of Azendtech LLC-FZ through Azend Technologies (Private) Limited. The principal business activity of Azendtech LLC-FZ includes the customizing of softwares. It's under discussion to liquidate company during 2024/25.

The country of incorporation of the above companies is the same country where the principal place of business is domiciled.

More details of the Group is available in the Group structure on page 9.

* During the year, there were no financial transactions involving the specified companies above, hence they were not included in the consolidated financial statements 2023/24.

Section 3 – Basis of Accounting

This section covers the basis of preparation of Financial Statements including policies, assumptions, judgements, estimates, and adoption of Sri Lanka Accounting Standards (SLFRSs/LKASs). Accounting policies and basis for judgements and estimates that are specific to notes in section 4, is given in the relevant note.

3.1 Statement of Compliance

The Consolidated Financial Statements of the Group and the separate Financial Statements of the Company have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs) laid down by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the requirements of the Companies Act No. 07 of 2007.

3.2 Basis of Measurement

The Financial Statements of the Group and the Company have been prepared on historical cost basis, except for following:

Table 66: Basis of Measurement

Item	Basis of measurement	Note	Page No
Freehold land	Initially measured at cost and subsequently carried at revalued amounts which are the fair values at the date of revaluation.	4.9	197
Equity instruments designated at fair value through other comprehensive income (FVOCI)	Fair value	4.13	210
Defined benefit obligation	Actuarially valued and recognised at present value	4.23	229

The Financial Statements, except for information on Statement of Cash Flows have been prepared following the accrual basis of accounting.

3.3 Going concern

Management has assessed the ability of the Group to continue as a going concern. In making this assessment, the Management has considered the potential negative impact that the current economic conditions could bring to the business operation of the Group. In doing so, Management has prepared estimates of performance and the forecasted liquidity based on the likely, worst, and best-case scenarios by considering available information and economic forecasts and the available resources and assets at the Group's disposal.

The Board believes that the Group has adequate financial strength, resources, and business plans to continue to operate the business as a going concern for the foreseeable future by mitigating the risks arising from the current economic conditions.

Therefore, the Board is of the view that the Financial Statements for the year ended 31 March 2024 should be prepared and presented as a going concern.

3.4 Functional and Presentation Currency

The Consolidated Financial Statements are presented in Sri Lankan Rupees (LKR), which is the currency of the primary economic environment in which the reporting entity operates. Each entity of the Group uses the currency of the primary economic environment in which it operates as its functional currency.

The subsidiaries and equity-accounted investees whose functional currency is different from the presentation currency is given below.

Table 67: Functional Currencies

Name of the Entity	Country of Domicile	Functional Currency
DIMO Lanka Company Limited	Myanmar	Burmese Kyat
United DIMO Company Limited	Myanmar	Burmese Kyat
DIMO Coastline (Private) Limited	Maldives	US Dollar
Diesel & Motor Engineering PLC – Uganda Branch	Uganda	Uganda Shilling
DIMO Bangladesh (Pvt) Ltd	Bangladesh	Bangladeshi Taka
DIMO Global Pte. Ltd.	Singapore	Singapore Dollar
DIMO Australia Pty Ltd	Australia	Australian Dollar
Azendtech LLC-FZ	Dubai	UAE Dirham

3.5 Materiality, Aggregation, Offsetting, Rounding and Current Versus Non-Current Classification

Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are treated immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on 'Presentation of Financial Statements'.

Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

Section 3 – Basis of Accounting

Notes to the Financial Statements are presented in a systematic manner that ensures the understandability and comparability of Financial Statements.

Offsetting

Assets and liabilities or income and expenses are not set off unless required or permitted by Sri Lanka Accounting Standards.

Rounding

Financial information presented in Sri Lankan Rupees has been rounded to the nearest thousand, unless indicated otherwise.

Current Versus Non-Current Classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

3.6.3 Reclassification of Stock Provision

Reclassification of stock provision from administrative expense to cost of sales as follows in accordance with Sri Lanka Accounting Standards –LKAS 01" Presentation of Financial Statements". This adjustment has been made to provide a more accurate representation of the costs directly associated with the production and sale of goods. It ensures that the financial statements are consistent with the principle of presenting expenses based on their function within the entity.

Table 68: Stock Provision Reclassification

	Reclassified		As Reported		Difference	
	Group Rs'000	Company Rs'000	Group Rs'000	Company Rs'000	Group Rs'000	Company Rs'000
Cost of sales	22,556,267	16,256,088	21,750,718	15,591,191	805,549	664,897
Administrative expenses	7,123,775	5,768,198	7,929,324	6,433,095	(805,549)	(664,897)

3.6.4 Current Assets : Separation of Other Financial Assets

In the current year, we have separately disclosed "Other Financial Assets," which were previously included under "Other Current Assets."

Table 69: Current Assets Separation of Other Financial Assets

Group Rs'000	Reclassified	As Reported
Other current assets (Note 4.17)	1,933,247	1,938,063
Other financial assets (Note 4.17.1)	4,816	-
	1,938,063	1,938,063

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.6 Comparative Information

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

In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in Financial Statements.

Following comparative changes have been made during the year for the Company & Group,

3.6.1 Reclassification of Revenue by Nature

Amounts reported in the Note 4.1.1.1 – Revenue by nature have been reclassified as a result of the change in the operating segment. Sales of goods relating to construction related contracts have been reclassified to sales of goods.

3.6.2 Changes in Operating Segments Comparatives

The Company has revised the comparatives for both the Company and the Group. These changes have been made to better reflect the current operational and management structure.

Details of these changes are disclosed in Note 4.2

3.7 Summary of Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Financial Statements of the Group requires the Management to make judgements, estimates and assumptions that may affect the reported amounts of assets, liabilities, income, expenses and accompanying disclosures as well as the disclosure of contingent liabilities, at the end of the reporting period. The management makes estimates and judgements based on current knowledge, historical experience and various other assumptions that are held to be reasonable under the circumstances. However, actual results may differ from these judgements and estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes to the Financial Statements. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Judgements, estimates and assumptions made by management which have the most significant effect on the amounts recognised in these Consolidated Financial Statements are described in the following Notes.

Table 70: Accounting Policies

Accounting Policy	Note
Revenue Recognition	4.1
Impairment of non financial assets	3.9.3
Income tax and deferred tax assets and liabilities	4.24/4.29
Useful life time of property, plant and equipment	4.9
Revaluation of property, plant and equipment	4.9
Provision for impairment of trade receivables	4.16
Employee benefits	4.23
Warranty provisions	4.27
Provision on inventories	4.15
Right-of-use assets and lease liabilities	4.10
Commitments and Contingencies	5.2
Consolidation	3.9.1
Equity accounted investees	3.9.1
Acquisition of subsidiaries	3.9.1
Impairment test on goodwill	3.9.1

3.8 Material Accounting Policies

Summary of material accounting policies are presented along with the relevant individual notes to the Consolidated Financial Statements.

3.8.1 Changes in material accounting policies during the year

Deferred tax related to assets and liabilities arising from a single transaction

The Group and the Company adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12) from 1 April 2023. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under LKAS 12. There was also no impact on the opening retained earnings as at 1 April 2023 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised.

Material accounting policy information

The Group and the Company also adopted Disclosure of Accounting Policies (Amendments to LKAS 1) from 1 April 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the Financial Statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies.

Those accounting policies presented with each note, have been applied consistently by the Group to the all periods presented in this report.

Set out below is an index of the material accounting policies, the details of which are available on the page indicated.

Table 71: Material Accounting Policies

Note	Accounting Policy	Page No.
4.1	Revenue	184
4.2	Operating Segments	187
4.3	Other Operating Income	192
4.4	Net Finance Cost	192
4.5	Profit Before Tax	193
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4.8	Dividends	196
4.9	Property, Plant and Equipment	197
4.10	Right-of-Use Assets	202
4.11	Intangible Assets and Goodwill	203
4.12	Investments in Subsidiaries and Equity-Accounted Investees	205
4.13	Financial Assets and Liabilities	210
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Section 3 – Basis of Accounting

Note	Accounting Policy	Page No.
4.15	Inventories	219
4.16	Trade and Other Receivables	220
4.17	Other Current Assets	222
4.18	Cash and Cash Equivalents	223
4.19	Stated Capital	223
4.20	Revenue Reserve	224
4.21	Other Components of Equity	224
4.22	Interest-Bearing Borrowings	225
4.23	Employee Benefits	229
4.24	Deferred Tax	231
4.25	Contract Liabilities	235
4.26	Provisions	235
4.27	Trade Payables	236
4.28	Other Current Liabilities	237
4.29	Income Tax Assets and Liabilities	237
4.30	Amounts due (to)/from Subsidiaries and Equity-Accounted Investees	238
4.31	Related Party Disclosures	240

3.9 Other Material Accounting Policies Not Covered with Individual Notes

Following accounting policies, which have been applied consistently by the Group, are considered to be significant, and are not covered under individual Notes in section 4.

Table 72: Other Material Accounting Policies

Accounting Policy	Note
Basis of consolidation	3.9.1
Foreign currency	3.9.2
Impairment of Non-financial assets	3.9.3
Statement of Cash Flows	3.9.4

3.9.1 Basis of Consolidation

The Group's Financial Statements comprise Consolidated Financial Statements of the Company and its subsidiaries prepared as per the Sri Lanka Accounting Standard-SLFRS 10 on 'Consolidated Financial Statements'.

Subsidiaries are disclosed in Note 4.12 to the Financial Statements.

a) Business Combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in Statement of Profit or Loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in Profit or Loss.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in Profit or Loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument within the scope of SLFRS 9 is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in Profit or Loss.

b) Subsidiaries

Subsidiaries are investees that are controlled by the Company. The Company 'Controls' an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. At each reporting date the Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control mentioned above. The Financial Statements of all the subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date when control ceases.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Consolidation of subsidiaries with different accounting periods

The Financial Statements of the parent Company and subsidiaries are prepared to a common financial year ending 31st March, except for DIMO Lanka Company Limited and United DIMO Company Limited whose financial year ends on 30th September. These subsidiaries prepared financial information as at 31st March 2024 for consolidation purpose. The reason for using different reporting periods by the above two subsidiaries located in Myanmar is due to the requirement imposed by the Government of Myanmar. The Financial Statements of the parent and subsidiaries are prepared using uniform accounting policies.

There are no significant restrictions (other than obtaining approval from the Central Bank of the relevant country) on the ability of subsidiaries to transfer funds to the Company (the "Parent") in the form of cash dividend or repayment of loans and advances except for the subsidiaries incorporated in Myanmar. The current regulations in Myanmar are unclear about remittance of cash dividends or repayment of loans and advances being remitted out of the country.

c) Non-Controlling Interests

Non-controlling interests are measured initially at their proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in Equity.

A list of material non-controlling interest is set out in Note 4.12.4 to the Financial Statements

d) Measurement of goodwill and impairment

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Statement of Profit or Loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

e) Equity-Accounted Investees

Interests in the Joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs, in terms of Sri Lanka Accounting Standards – LKAS 28 on "Investments in Associates and Joint Ventures". Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees,

until the date on which significant influence or joint control ceases.

A Joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Financial Statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within 'Share of profit or loss of equity accounted investees' in the Statement of Profit or Loss.

Upon loss of significant influence over the joint control, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the Statement of Profit or Loss

Except DIMO Coastline (Private) Limited Financial Statements of the joint ventures are prepared for the same reporting period as the Group.

Equity accounted investees are disclosed in Note 4.12.5 to the Financial Statements.

f) Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the Consolidated Financial Statements. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

3.9.2 Foreign Currency

Transactions and Balances

Transactions in foreign currencies are translated into functional currency at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date.

Section 3 – Basis of Accounting

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are recognised in the Statement of Profit or Loss. However, foreign currency differences arising from equity securities designated as FVOCI (except foreign currency differences relating to impairment) are recognised in Other Comprehensive Income (OCI).

Share capital denominated in a currency other than the functional currency is initially converted using the exchange rate as at date of issue but is not re-translated.

Foreign operations

The results and financial position of entities whose functional currency is not Sri Lankan Rupee has been translated into Sri Lankan Rupees as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) Income and expenses for each statement presenting profit or loss and other comprehensive income are translated at the average exchange rates for the period.
- (iii) Foreign currency differences are recognised in Other Comprehensive Income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

On disposal of a foreign entity, the deferred cumulative amount recognised in Other Comprehensive Income relating to that particular foreign operation is recognised in the income statement.

3.9.3 Impairment of non-financial assets

The carrying amount of all non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment. Refer note 3.9.1 (d) for goodwill impairment.

The 'recoverable amount' of an asset is the greater of its value in use and its fair value less costs to sell. 'Value in use' is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value

of money and the risks specific to the asset. The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in Profit or Loss except for properties previously revalued with the revaluation taken to Other Comprehensive Income. For such properties, the impairment is recognised in Other Comprehensive Income up to the amount of any previous revaluation. Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss recognised in prior years.

The parent, subsidiaries and joint ventures have access to adequate funding to continue their business operations. Based on the assessments made to the recoverable amounts of non-financial assets, including investments in subsidiaries, there were no indications that require an adjustment in the financial statements other than disclosure made in 4.12.2.

3.9.3.1. Right to Use of Assets

The Group does not foresee any impairment of the right to use assets due to the prevailing and anticipate effects of the current economic conditions and does not anticipate discontinuation of any asset before the previously expected date, for which the Group possesses the right to use. Lease liabilities are not reassessed as there are no known moratoriums received for the lease payments so far.

3.9.4 Statement of Cash Flows

The Statement of Cash Flows has been prepared by using the 'Indirect Method' of preparing cash flows in accordance with Sri Lanka Accounting Standard-LKAS 7 on 'Statement of Cash Flows'. Cash and cash equivalents as referred to in the Statement of Cash Flows comprised of those items as explained in Note 4.18 and 4.22.2

3.10 Standards Issued but not yet Effective

Following amendments Sri Lanka Accounting Standards issued not yet effective as at the reporting date have not been applied in preparing the Consolidated Financial Statements. The Group plans to apply these amendments to the standards from their effective dates:

A summary of the requirements stipulated by the amendments and their possible impact on financial statements, when implemented, is presented in the table below;

Table 73: Summary of standards issued but not yet effective

New or amended Standards	Summary of requirements	Possible impact on Financial Statements
Amendments to LKAS 1 – Classification of Liabilities as Current or Non-current and Non current liabilities with Covenants	The amendments, aim to clarify the requirements on determining whether the liability is current or Non-current, and require new disclosures for non- current liabilities that are subject to future covenants. The Standard will become effective for the Group from 1 April 2024.	
Amendments to LKAS 7 and SLFRS 7 – Supplier Finance Arrangements	The amendments introduced new disclosures relating to supplier finance arrangement that assist users of the financial statements to assess the effect of these arrangements on an entity's liabilities and cash flow and on an entity's exposure to liquidity risk. The Standard will become effective for the Group from 1 April 2024.	The Group is assessing the potential impact on its Financial Statements resulting from the application of these amendments.
Amendments to SLFRS 16 – Lease liability in a Sale and Leaseback	The amendments specifically affect seller-lessee accounting in sale and leaseback transactions that qualify as a sale under SLFRS 16, especially those involving variable lease payments not based on an index or rate. They modify how a seller-lessee accounts for these leasebacks, preventing recognition of gains on retained rights of use due to lease term modifications or changes which previously could occur when variable payments not defined as 'lease payments' were excluded. The Standard will become effective for the Group from 1 April 2024.	No material impact is expected on adoption.
SLFRS S1 General Requirements for Disclosure of Sustainability related Financial Information	The standard requires an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.	These standards will become effective for the Group from 1 April 2025. No financial impact is expected on the Group except for additional disclosures reported in non financial section in this report.
SLFRS S2 Climate-related Disclosures	This standard requires an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.	

3.10.1. Other Standards

The following amendments and improvements are not expected to have a significant impact on the Group's Financial Statements.

- Amendments to LKAS 21 – Lack of exchangeability.

Section 4 – Specific Accounting Policies and Notes

This section provides specific accounting policies and basis of accounting estimates in relation to the reported values in the Financial Statements with additional Notes and explanations thereon.

4.1 Revenue Accounting Policy

The Group recognises revenue from contracts with customers when control of the goods or services is transferred to the customer at an amount that reflects the consideration that the Group is to be entitled in exchange for those goods or services. Determining the timing of the transfer of control of goods or services, at a point in time or over time, requires judgments taking into consideration the nature of goods or services that Group offers.

Some contracts include multiple deliverables. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

The Group disaggregate its revenue into following categories based on the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Sale of Goods

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, usually on delivery of the goods. Sales are measured at the fair value of the consideration received or receivable excluding amounts collected on behalf of third parties (e.g. Sales taxes) and variable consideration (e.g. discounts and rebates). The Group estimates an amount of variable consideration by using the expected value method which is the sum of probability weighted amounts in a range of possible considerations.

Rendering of Services

Revenue from rendering of services is recognised when the Group satisfies all performance obligations by transferring a promised service to a customer.

Construction Related Contracts

Revenue from construction related contracts is recognised upon satisfaction of a performance obligation agreed in the contract. At contract inception, the Group determines whether it satisfies the performance obligation over time or at a point in time. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer. For each performance obligation satisfied over time, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

The progress is assessed based on surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

Service Support Income

Service support income which is included in revenue represents income received from foreign principals on indent sales. Such income is recognised on an accrual basis at the time of satisfying performance obligation relating to the service support provided by the Group.

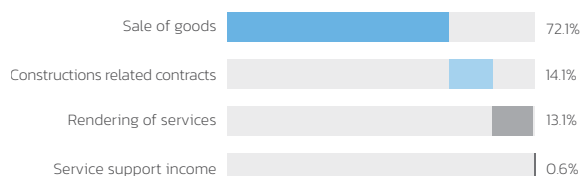
4.1.1 Disaggregation of Revenue from Contracts with Customers

In the following tables, revenue from contract with customers is disaggregated by nature of the product and timing of revenue recognition.

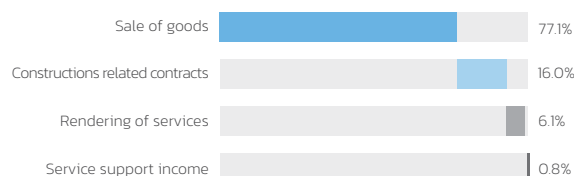
4.1.1.1 Revenue by Nature

For the year ended 31st March	Group			Company		
	2024 Rs.'000	Current Presentation 2023 Rs.'000	As Reported 2023 Rs.'000	2024 Rs.'000	Current Presentation 2023 Rs.'000	As Reported 2023 Rs.'000
Revenue sources						
Sale of goods	31,483,852	25,730,009	23,799,330	25,097,065	21,176,398	21,161,868
Constructions related contracts	6,167,672	5,578,858	7,524,386	1,993,004	1,726,206	1,740,636
Rendering of services	5,722,345	3,895,066	3,880,217	5,223,112	3,676,672	3,676,772
Service support income	270,426	95,268	95,268	244,759	88,841	88,841
Total revenue	43,644,295	35,299,201	35,299,201	32,557,940	26,668,117	26,668,117

Graph 45:
Revenue by Nature – Group



Graph 46:
Revenue by Nature – Company



4.1.1.2. Timing of Revenue Recognition

	Group			Company		
	2024 Rs.'000	Current Presentation 2023 Rs.'000	As Reported 2023 Rs.'000	2024 Rs.'000	Current Presentation 2023 Rs.'000	As Reported 2023 Rs.'000
For the year ended 31st March						
Revenue recognised at a point in time	37,476,623	29,720,343	27,774,815	30,564,936	24,941,962	24,927,483
Revenue recognised over time	6,167,672	5,578,858	7,524,386	1,993,004	1,726,205	1,740,634
	43,644,295	35,299,201	35,299,201	32,557,940	26,668,117	26,668,117

4.1.2 Reconciliation of Revenue

Reconciliation between disaggregated revenue from contracts with customers and revenue information that is disclosed for each reportable segment is set out below;

For the year ended 31st March	Group - 2024				
	Sale of goods Rs.'000	Rendering of services Rs.'000	Constructions related contracts Rs.'000	Service support income Rs.'000	Total Rs.'000
Vehicle Sales	2,846,035	-	-	97,299	2,943,334
Automotive Engineering Solutions	2,089,618	3,951,966	-	10,722	6,052,306
Retail	6,617,509	268,457	-	54,210	6,940,176
Infrastructure Engineering	1,163,527	541,965	2,564,343	97,529	4,367,364
Agriculture	16,325,780	85,425	-	9,608	16,420,813
Power Engineering & Building Services	195,987	874,532	3,603,329	1,058	4,674,906
Healthcare	2,245,396	-	-	-	2,245,396
	31,483,852	5,722,345	6,167,672	270,426	43,644,295

For the year ended 31st March	Company - 2024				
	Sale of goods Rs.'000	Rendering of services Rs.'000	Constructions related contracts Rs.'000	Service support income Rs.'000	Total Rs.'000
Vehicle Sales	2,846,035	-	-	97,299	2,943,334
Automotive Engineering Solutions	2,089,620	3,954,186	-	10,722	6,054,528
Retail	6,617,727	116,406	-	54,207	6,788,340
Infrastructure Engineering	1,014,147	541,966	89,545	72,922	1,718,580
Agriculture	12,501,295	84,093	-	9,609	12,594,997
Power Engineering & Building Services	28,241	526,461	1,903,459	-	2,458,161
	25,097,065	5,223,112	1,993,004	244,759	32,557,940

Section 4 – Specific Accounting Policies and Notes

For the year ended 31st March	Group – 2023				
	Sale of goods	Rendering of services	Constructions related contracts	Service support income	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current Presentation					
Vehicle Sales	2,615,764	–	–	1,118	2,616,882
Automotive Engineering Solutions	2,244,535	3,362,109	–	–	5,606,644
Retail	5,731,504	241,039	–	–	5,972,543
Infrastructure Engineering	1,065,380	278,286	2,074,615	87,723	3,506,004
Agriculture	11,317,161	13,632	–	–	11,330,793
Power Engineering & Building Services	1,083,698	–	3,504,243	–	4,587,941
Healthcare	1,671,967	–	–	6,427	1,678,394
	25,730,009	3,895,066	5,578,858	95,268	35,299,201

As Reported					
Vehicle sales	2,320,680	387,788	–	1,118	2,709,586
Aftersales services & auto-engineering	3,157,294	2,828,779	–	–	5,986,073
Retail	4,723,989	322,639	1,217,590	10,235	6,274,453
Construction and logistical solutions	530,130	290,342	533,430	77,488	1,431,390
Agriculture	11,317,160	13,632	–	–	11,330,792
Engineering solutions	1,750,077	37,037	5,773,366	6,427	7,566,907
	23,799,330	3,880,217	7,524,386	95,268	35,299,201

For the year ended 31st March	Company – 2023				
	Sale of goods	Rendering of services	Constructions related contracts	Service support income	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current Presentation					
Vehicle Sales	2,615,758	–	–	1,118	2,616,876
Automotive Engineering Solutions	2,244,571	3,212,842	–	–	5,457,413
Retail	5,718,165	254,829	–	–	5,972,994
Infrastructure Engineering	1,148,199	195,468	–	87,723	1,431,390
Agriculture	8,856,902	13,632	–	–	8,870,534
Power Engineering & Building Services	592,754	–	1,726,205	–	2,318,959
	21,176,349	3,676,771	1,726,205	88,841	26,668,166

As Reported					
Vehicle sales	2,320,476	387,991	–	1,118	2,709,585
Aftersales services & auto-engineering	3,207,803	2,628,639	–	–	5,836,442
Retail	4,723,232	313,537	1,226,772	10,235	6,273,776
Construction and logistical solutions	507,158	332,880	513,864	77,488	1,431,390
Agriculture	8,856,809	13,725	–	–	8,870,534
Engineering solutions	1,546,390	–	–	–	1,546,390
	21,161,868	3,676,772	1,740,635	88,841	26,668,117

4.2 Operating Segments

Accounting Policy

The operating business segments are organised and managed separately according to the nature, risks and returns.

The Board of Directors regularly reviews the operating results of all operating business segments for the purpose of making decisions about

resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, is measured differently from operating profit or loss in the Consolidated Financial Statements.

The Group has the following seven strategic business segments which are reportable segments, namely:

Table 74 : Segment details

Reportable segments	Operations
Vehicle Sales	Sale of brand new vehicles, special purpose vehicles and pre-owned vehicles.
Automotive Engineering Solutions	Premium vehicles aftersales, mainstream vehicles aftersales, marine and general engineering, assembly of vehicles and pumps, recreation of vehicles (camper trailer) and education in engineering and automotive solutions
Retail	Sale of automotive parts, tyres, auto-care solutions, lighting products, power tools, home appliances, gardening and construction solutions
Infrastructure Engineering	Sales and services of construction machinery, storage & material handling solutions, car parking solutions, projects in water & fluid management
Agriculture	Import, processing, distribution of fertilizer, seeds, agrochemical & plant nutrients, agri machinery, value-added organic food (fruits, vegetables, virgin coconut oil) products for export and local markets, trading of coconut based products, R&D techno-parks, agri advisory services, agriculture pipes, advance agri technologies including micro-irrigation & greenhouse projects, processing & sales of coconut shell charcoal for local & export markets and operates customer experience centre.
Power Engineering & Building Services	Engineering and related solutions in power & energy, generation of solar power, building technologies, elevator and escalator solutions
Healthcare	Medical equipments, consumables, pharmaceuticals, cardiology devices and contrast mediums

4.2.1 Segment Mapping

Current year, we have restructured business segments to better align with the evolving nature of our operations due to recent acquisitions aimed at diversification. Furthermore, certain business units have been realigned based on their specific business characteristics, resulting in adjustments to the reported financial figures for each segment. We now operate under seven distinct segments as follows,

Table 75: Segment Mapping

New Segment	Previous Segment
Vehicle Sales	Vehicle Sales
Automotive Engineering Solutions	Aftersales Services & Auto-Engineering Engineering Solutions (marine solutions)**
Retail	Retail*
Infrastructure Engineering	Construction & Logistical Solutions
Agriculture	Agriculture
Power Engineering & Building Services	Engineering Solutions** Retail (lighting solution)*
Healthcare	Engineering Solutions** Retail (pharmaceutical)*

* Two business units which was included in retail segment in previous year were reclassified as specified above.

** Marine Solutions which was included in Engineering Solutions was reclassified as above.

To enhance transparency and clarity for stakeholders, we have restructured our segment structure and revised comparative data. The identification of reportable segments has been conducted based on quantitative thresholds and management's assessment of the importance of this information to users of our financial statements.

Inter-segment transactions are carried in the ordinary course of business. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Unallocated assets and liabilities comprise mainly of assets and liabilities that cannot be attributed to a particular segment.

Finance income and finance expenses and income taxes are managed on a Group basis and are not allocated to operating business segments.

Sales to any single customer does not represent more than 10% of the total sales and no segments are determined based on the geographical area.

Segment capital expenditure is the total cost incurred during the period to acquire Property, Plant and Equipment and intangible assets other than goodwill.

4.2.2 Import Restriction on Vehicles

The temporary suspension of imports of vehicles was scheduled to be in effect till 30th December 2020. This restriction has now been extended by the government until further notice. Until the import restrictions are removed, there are no prospects of new stocks being received by the Company except for any vehicles assembled in Sri Lanka. The import restrictions will lead to an adverse impact on vehicle sales revenue.

The management believes that the diversity of other sources of income and initiatives embarked upon will minimise the impact caused by the above.

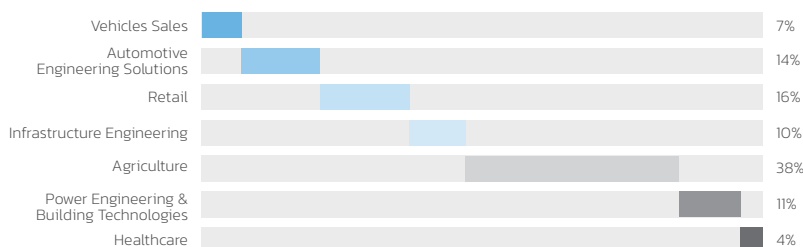
Section 4 – Specific Accounting Policies and Notes

Segmental Results, Assets and Liabilities

Group

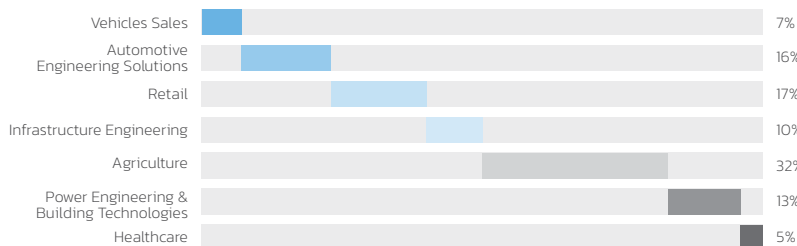
	Vehicle Sales		Automotive Engineering Solutions		Retail	
For the year ended 31st March	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Business Segment Turnover and Results						
Total segment revenue	3,067,274	2,710,628	6,766,678	6,115,615	7,105,817	6,127,135
Inter-segment revenue	(123,940)	(93,746)	(714,372)	(508,971)	(165,641)	(154,592)
Total external revenue	2,943,334	2,616,882	6,052,306	5,606,644	6,940,176	5,972,543
Segment results	84,303	(37,981)	1,423,587	1,150,293	745,973	1,313,410
Unallocated other income	-	-	-	-	-	-
Unallocated expenses	-	-	-	-	-	-
Unallocated Finance income	-	-	-	-	-	-
Unallocated Finance expenses	-	-	-	-	-	-
Share of results of equity-accounted investees	-	-	21,136	4,115	-	-
Income tax expense	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-
Business Segment Assets and Liabilities						
Segment assets	813,387	828,287	2,917,271	2,074,424	4,226,584	3,734,470
Unallocated assets	-	-	-	-	-	-
Total assets	-	-	-	-	-	-
Segment liabilities	299,022	371,798	1,324,186	2,754,936	1,527,590	1,019,758
Unallocated liabilities	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Total equity and liabilities	-	-	-	-	-	-
Other Information						
Capital expenditure	3,686	3,870	24,913	87,869	6,213	31,254
Capital expenditure – new business initiatives	-	-	-	-	-	-
Unallocated capital expenditure	-	-	-	-	-	-
Depreciation and amortisation	13,052	14,216	81,721	83,339	31,117	30,992
Unallocated depreciation and amortisation	-	-	-	-	-	-

Graph 47:
Group Segmental Results 2024



Infrastructure Engineering		Agriculture		Power Engineering & Building Services		Healthcare		Total	
2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
4,404,784 (37,420)	3,559,481 (53,477)	16,524,285 (103,472)	11,419,324 (88,531)	4,717,227 (42,321)	4,616,517 (28,576)	2,245,396 -	1,678,394 -	44,831,461 (1,187,166)	36,227,094 (927,893)
4,367,364	3,506,004	16,420,813	11,330,793	4,674,906	4,587,941	2,245,396	1,678,394	43,644,295	35,299,201
728,469	357,921	2,037,781	3,753,114	566,236	762,798	786,091	404,261	6,372,440	7,703,815
-	-	-	-	-	-	-	-	575,243	295,694
-	-	-	-	-	-	-	-	(3,861,981)	(2,700,356)
-	-	-	-	-	-	-	-	58,173	141,859
-	-	-	-	-	-	-	-	(2,992,174)	(4,708,351)
-	-	-	-	10,274	480	-	-	31,410	4,595
-	-	-	-	-	-	-	-	(90,506)	(39,112)
-	-	-	-	-	-	-	-	92,605	698,144
3,301,028	5,002,650	12,453,456	7,096,948	3,296,318	5,317,140	2,323,444	2,535,359	29,331,488	26,589,279
-	-	-	-	-	-	-	-	19,661,510	12,973,108
-	-	-	-	-	-	-	-	48,992,998	39,562,387
1,697,183	1,994,687	8,389,656	6,312,374	2,644,960	2,183,946	1,670,659	1,761,052	17,553,256	16,398,550
-	-	-	-	-	-	-	-	14,591,107	7,810,206
-	-	-	-	-	-	-	-	16,848,635	15,353,631
-	-	-	-	-	-	-	-	48,992,998	39,562,387
74,519	11,091	174,993	240,342	4,969	474	23,555	-	312,848	374,899
-	-	746,902	258,045	-	-	-	78,512	746,902	336,557
-	-	-	-	-	-	-	-	345,929	588,050
37,256	43,096	96,729	49,978	30,426	29,405	14,665	5,246	304,965	256,271
-	-	-	-	-	-	-	-	174,492	157,746

Graph 48:
Group Segmental Results 2023



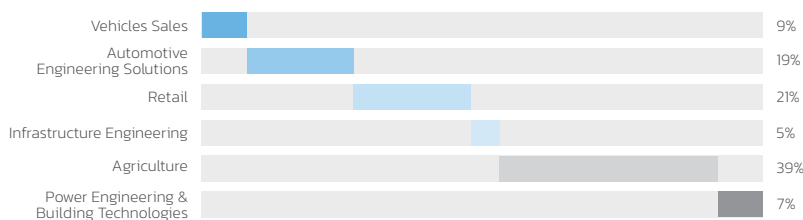
Section 4 – Specific Accounting Policies and Notes

Segmental Results, Assets and Liabilities

Company

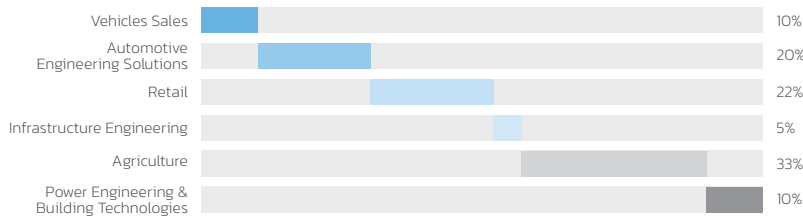
	Vehicle Sales		Automotive Engineering Solutions		Retail	
For the year ended 31st March	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Business Segment Turnover and Results						
Total segment revenue	3,067,274	2,710,628	6,768,900	5,966,384	6,953,981	6,127,530
Inter-segment revenue	(123,940)	(93,752)	(714,372)	(508,971)	(165,641)	(154,586)
Total external revenue	2,943,334	2,616,876	6,054,528	5,457,413	6,788,340	5,972,944
Segment results	84,303	(37,981)	1,423,587	1,150,293	745,781	1,345,790
Unallocated other income	-	-	-	-	-	-
Unallocated expenses	-	-	-	-	-	-
Unallocated Finance income	-	-	-	-	-	-
Unallocated Finance expenses	-	-	-	-	-	-
Share of results of equity accounted investees	-	-	21,136	4,115	-	-
Income tax expense	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-
Business Segment Assets and Liabilities						
Segment assets	813,387	828,287	2,813,469	1,855,212	4,126,847	3,689,517
Unallocated assets	-	-	-	-	-	-
Total assets	-	-	-	-	-	-
Segment liabilities	299,022	371,798	1,144,463	2,572,744	1,465,736	518,362
Unallocated liabilities	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Total equity and liabilities	-	-	-	-	-	-
Other Information						
Capital expenditure	3,686	3,870	24,913	87,869	6,213	31,253
Capital expenditure- new business initiatives	-	-	-	-	-	-
Unallocated capital expenditure	-	-	-	-	-	-
Depreciation and amortisation	13,052	14,216	80,737	83,339	30,907	33,035
Unallocated depreciation and amortisation	-	-	-	-	-	-

Graph 49:
Company Segmental Results 2024



Infrastructure Engineering		Agriculture		Power Engineering & Building Services		Total	
2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
1,756,000 (37,420)	1,484,867 (53,477)	12,698,469 (103,472)	8,959,065 (88,531)	2,500,482 (42,321)	2,347,535 (28,576)	33,745,106 (1,187,166)	27,596,010 (927,893)
1,718,580	1,431,390	12,594,997	8,870,534	2,458,161	2,318,959	32,557,940	26,668,117
482,217	398,799	1,728,852	3,232,768	328,575	316,483	4,793,314	6,406,152
-	-	-	-	-	-	771,686	511,783
-	-	-	-	-	-	(3,228,470)	(2,383,788)
-	-	-	-	-	-	669,087	491,979
-	-	-	-	-	-	(2,519,671)	(4,232,256)
-	-	-	-	10,274	480	31,410	4,595
-	-	-	-	-	-	(159,332)	(154,649)
-	-	-	-	-	-	358,024	643,816
2,785,596	1,306,118	8,167,487	4,266,851	2,887,691	1,346,432	21,594,478	13,292,417
-	-	-	-	-	-	19,542,767	18,764,773
-	-	-	-	-	-	41,137,245	32,057,190
896,173	750,057	5,610,195	3,482,277	1,648,830	1,122,932	11,064,419	8,818,170
-	-	-	-	-	-	14,644,871	9,539,741
-	-	-	-	-	-	15,427,955	13,699,279
-	-	-	-	-	-	41,137,245	32,057,190
63,079	8,692	22,459	45,609	648	337	120,998	177,630
-	-	433,912	-	-	-	433,912	-
-	-	-	-	-	-	401,276	559,176
17,799	19,445	40,201	20,920	25,188	3,084	207,884	174,039
-	-	-	-	-	-	163,321	171,306

Graph 50:
Company Segmental Results 2023



Section 4 – Specific Accounting Policies and Notes

4.3 Other Operating Income

Accounting Policy

Other operating income and expenses are recognised on an accrual basis. Other operating income and expenses comprise disposal gains/losses on sale of property, plant and equipment, dividend income, incentives from principals, management service income and sundry income.

Expenses are recognised in the Profit or Loss on the basis of a direct association between the cost incurred and the earnings of specific items of income. All expenditures incurred in the running of the business has been charged to income in arriving at the profit for the year. For the purpose of presentation of the Statement of Profit or Loss, the function of expenses method is adopted.

Other Operating Income

For the year ended 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Dividend income	-	320	38,578	320
Gains on sale of property, plant and equipment	6,201	281	198	3,116
Incentives from principals	28,682	27,166	28,682	27,166
Management service income	-	-	505,395	277,385
Sundry income*	540,360	267,927	198,833	203,796
	575,243	295,694	771,686	511,783

*Sundry income includes Rs. 237.0 million which is generated from director loan write back in Mansel (Ceylon) (Private) Limited and Associated Laboratories (Pvt) Limited.

4.4 Net Finance Costs

Accounting Policies

Finance income comprises of interest income and is recognised as it accrues, using the effective interest method.

Gains and Losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment are accounted in the income statement, after deducting the carrying amount from proceeds on disposal of such assets and the related selling expenses.

Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions, which are not material are aggregated, reported and presented on a net basis.

Dividend Income

Dividend income is recognised when the Group's right to receive payment is established which in the case of quoted securities is the ex-dividend date.

Finance costs comprise of interest expense on borrowings, leases and significant financing element of contract liabilities that are recognised in the income statement. Interest expense is recognised as it accrues using the effective interest rate (EIR).

Foreign currency gains and losses are reported on a net basis as either finance income or finance costs, depending on whether foreign currency movements are in a net gain or net loss position.

Finance Income and Costs

For the year ended 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Interest income	59,509	141,859	574,477	491,979
Net foreign exchange gain	-	-	94,610	-
Finance income	59,509	141,859	669,087	491,979
Interest on long-term Interest-bearing borrowings	(255,205)	(300,630)	(251,109)	(273,954)
Interest on short-term Interest-bearing borrowings	(2,611,103)	(2,917,154)	(2,191,630)	(2,506,838)
Finance charges under leases (Note 4.22.3.1)	(77,145)	(67,558)	(52,620)	(56,569)
Unwinding of significant financing component (Note 4.25.1)	(48,722)	(100,941)	(24,312)	(24,906)
Net foreign exchange loss	(1,335)	(1,322,068)	-	(1,369,989)
Finance costs	(2,993,510)	(4,708,351)	(2,519,671)	(4,232,256)
Net finance costs recognised in Profit or Loss	(2,934,001)	(4,566,492)	(1,850,584)	(3,740,277)

4.5 Profit Before Tax

Profit before tax is stated after charging the following:

For the year ended 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Directors' emoluments				
– Short-term employment benefits	557,231	582,214	543,198	553,600
– Post-employment benefits	108,716	119,215	108,716	117,409
Auditors' Remuneration				
– Audit and audit-related services	10,960	10,662	7,101	6,114
– Non-audit services	8,772	10,003	5,845	5,921
Depreciation on property, plant and equipment (Note 4.9)	454,321	402,872	346,304	337,891
Depreciation on right-of-use assets (Note 4.10)	155,680	146,015	107,498	113,020
Amortisation of intangible assets (Note 4.11)	25,128	11,145	24,900	7,454
Impairment loss on trade receivables (Note 4.16.1.1)	105,241	79,680	50,790	124,838
(Reversal)/Provision on Inventories (Notes 4.15.1)	(249,642)	783,327	(265,979)	669,140
Donations	1,644	2,749	1,026	1,384
Legal fees	14,709	15,678	12,700	15,665
Staff expenses (Note 4.5.1)	4,400,483	3,464,386	3,361,940	2,521,960
Trade receivable write off (Note 4.16.1)	181,920	9,414	164,056	6,627

4.5.1 Staff Expenses

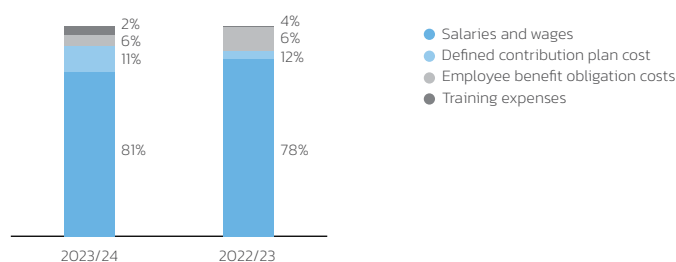
Accounting Policy

Salaries and wages, contribution to EPF and ETF, training expenses and cost of defined benefit plans are recognised as an expense in the year in which the related services are provided.

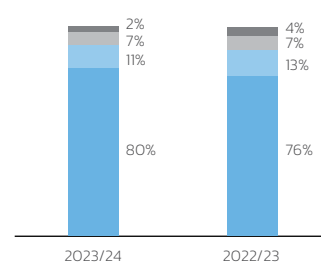
For the year ended 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Salaries and wages	3,582,619	2,718,967	2,695,440	1,922,015
Defined contribution plan cost	467,820	416,632	363,931	324,049
Employee benefit obligation costs (Note 4.23.1)	255,270	193,117	222,277	164,583
Training expenses	94,774	135,670	80,292	111,313
	4,400,483	3,464,386	3,361,940	2,521,960
Average number of employees for the year	1,791	1,854	1,341	1,393

The average number of employees is calculated by averaging the number of employees as at the year end in the current and previous year.

Graph 51:
Staff Expenses – Group



Graph 52:
Staff Expenses – Company



Section 4 – Specific Accounting Policies and Notes

4.6 Taxation

Accounting Policy

As per Sri Lanka Accounting Standard – LKAS 12 (Income Taxes), tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current and deferred taxation. Income tax expense is recognised in the Statement of Profit or Loss, except to the extent it relates to items recognised directly in equity or other comprehensive income in which case it is recognised in equity or in other comprehensive income.

The Group applied IFRIC Interpretation 23 “Uncertainty over Income Tax Treatment” in the determination of taxable profit, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over the income tax treatment.

Current tax

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to the taxation authorities in respect of the current as well as prior years. The amount of current tax receivable or payable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Accordingly, provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto, at the rates specified in Note 4.6.1 to the Financial Statements.

Accounting Estimate

The Group recognises liabilities for anticipated tax, based on an estimate of taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded. Where the final tax outcome of such matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax amounts in the period in which the determination is made.

4.6.1 Tax Rate

Table 76: Income tax rates of Group and Company

Name of the Entity	Country of Domicile	Tax Rates		
		2024	2023	
			First Six months	Second Six months
Diesel & Motor Engineering PLC	Sri Lanka	30%	14% / 18% / 24%	30%
DIMO (Private) Limited, DIMO Lifeline (Private) Limited, DIMO Industries (Private) Limited, DIMO Travels (Private) Limited and MoveFlex (Private) Limited, Mansel Ceylon (Private) Limited and Associated Laboratories (Private) Limited	Sri Lanka	30%	24%	30%
Virgin Oil International (Private) Limited and Tropical Health Foods (Private) Limited	Sri Lanka	30%	14% / 24%	30%
PlantChem (Private) Limited and Plant Seeds (Private) Limited	Sri Lanka	30%	24% / 18%	30%
DIMO Lanka Company Limited and United DIMO Company Limited	Myanmar	22%	22%	22%
DIMO Bangladesh (Pvt) Ltd	Bangladesh	27.5%	27.5%	27.5%
DIMO Global Pte. Ltd	Singapore	17%	17%	17%
DIMO Australia Pty Ltd	Australia	30%	30%	30%
Diesel & Motor Engineering PLC – Uganda Branch	Uganda	30%	30%	30%

Deferred Tax

A detail disclosure of accounting policies and estimate of deferred tax are available in Note 4.24.

Sales Tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on the purchase of an asset or service is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Where receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Value Added Tax (VAT) rate on applicable goods and services increased from 15% to 18% starting 01st January 2024. During the previous year and prior to aforesaid period, 12% applied up to 31st August 2023 and 15% applied from 01st September 2023. The VAT threshold for businesses was also reduced to an annual turnover of LKR 60 million (from LKR 80 million) and LKR 15 million per taxable period (from LKR 20 million) w.e.f. 01st January 2024.

Social Security Contribution Levy (SSCL) shall be paid by any person carrying on the business of manufacturing, supply of services or whole/ retail sales, on the liable turnover specified in the Second Schedule of the Social Security Contribution Levy Act No. 25 of 2022, at the rate of 25%, with effect from 1st October 2022 and subsequent amendments thereto.

Name of the Entity	Country of Domicile	Tax Rates	
		2024	2023
			First Six months Second Six months
DI Solar Beliatta (Private) Limited, DIMO Solar Anuradhapura (Private) Limited, DIMO Solar Galle (Private) Limited, DIMO Solar Galle Two (Private) Limited, DIMO Solar Galle Three (Private) Limited and DIMO Solar Galle Four (Private) Limited*	Sri Lanka	30%	N/A N/A

Corporate taxes of non-resident companies in the Group have been computed in keeping with the domestic statutes in their respective countries.

4.6.2 Tax Expense

For the year ended 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Current Tax Expense				
Current tax on profit for the year	(130,372)	(175,974)	-	-
Advanced Income Tax on Intercompany Dividend	(6,808)	-	-	-
(Under)/over provision in respect of previous years	(10,893)	29	-	-
	(148,073)	(175,945)	-	-
Deferred Tax Expense				
Reversal/(charge) of temporary differences (Note 4.6.4)	57,567	136,833	(159,332)	(154,649)
Total income tax expense	(90,506)	(39,112)	(159,332)	(154,649)
Effective tax rate (%)–including deferred tax	49%	5%	31%	19%
Effective tax rate (%)–excluding deferred tax	81%	24%	0%	0%

4.6.3 Reconciliation of Accounting Profit to Income Tax Expense

For the year ended 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Profit before taxation	183,111	737,256	517,356	798,465
Disallowable expenses	10,405,648	3,366,890	2,934,847	2,702,855
Allowable expenses	(10,727,004)	(4,522,758)	(3,008,501)	(3,858,713)
Income not liable for tax	(153,625)	(8,553)	(74,145)	(23,766)
Tax losses utilised	(371,815)	33,106	(369,557)	-
Taxable loss	(663,685)	(394,059)	-	(381,159)
Income tax				
Tax at 30%	130,372	92,207	-	-
Tax at 28%	-	2,354	-	-
Tax at 24%	-	80,215	-	-
Tax at 18%	-	1,183	-	-
Tax at 14%	-	15	-	-
Current tax on profit for the year	130,372	175,974	-	-

Current tax has been computed in accordance with the provisions of Inland Revenue Act No 24 of 2017 and the amendments thereon.

Section 4 – Specific Accounting Policies and Notes

4.6.4 Recognition of Deferred Tax Expenses in the Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Statement of Profit or Loss (Note 4.24.1)	57,567	136,833	(159,332)	(154,649)
Other Comprehensive Income (Note 4.24.1)	(560,470)	(507,000)	(634,852)	(493,614)
	(502,903)	(370,167)	(794,184)	(648,263)

4.7 Earnings Per Share-Basic and Diluted

Accounting Policy-Measurement Basis

The earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events that have changed the number of ordinary shares outstanding during the year.

There were no potentially dilutive ordinary shares outstanding at any time during the year /previous year.

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
Profit attributable to ordinary shareholders (Rs.'000)	42,962	579,060	358,024	643,816
Weighted average number of ordinary shares	9,231,494	9,231,494	9,231,494	9,231,494
Earnings per ordinary share-basic and diluted (Rs.)	4.65	62.73	38.78	69.74

As per the LKAS 33 – Earnings per share, If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation, bonus issue or a share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes

occur after the reporting period but before the Financial Statements are authorised for issue, the per share calculations for those and any prior period Financial Statements presented shall be based on the new number of shares.

4.8 Dividends

For the year ended 31st March	Company	
	2024	2023
Dividend paid (Previous years' First and final dividend paid in the current year) (Rs'000)	92,315	115,394
Dividend per share 2021/22 (Rs.)	–	12.50
Dividend per share 2022/23 (Rs.)	10.00	–

A first and final dividend of Rs. 5.00 per share was declared by the Board of Directors on 20th June 2024 for the Financial Year 2023/24 and which is to be paid on or before 19th July 2024.(A first and final dividend of Rs. 10.00 per share was declared by the Board of directors on 29th May 2023 for the financial year 2022/23 and was paid on 4th July 2023).

First and Final Dividends for the Financial Year 2023/24

A statement of solvency completed and duly signed by the Board of Directors on 20th June 2024. The certificate of solvency audited by Messrs KPMG, Chartered Accountants will be obtained prior to payment of the dividends

4.8.1 Compliance with Section 56 and 57 of Companies Act No. 07 of 2007

As required by Section 56 of the Companies Act No. 07 of 2007, the Board of Directors of the Company satisfied the solvency test in accordance with Section 57, prior to recommending the dividends.

First and Final Dividends for the Financial Year 2022/23

A statement of solvency completed and duly signed by the Board of Directors on 29th May 2023 was audited by Messrs KPMG, Chartered Accountants.

4.9 Property, Plant and Equipment

Accounting Policy

Basis of Recognition

Property, plant and equipment (PPE) are recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably, in accordance with the Sri Lanka Accounting Standard – LKAS 16 on “Property Plant and Equipment”.

Basis of Measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and subsequent costs (as explained under subsequent cost). The cost of self-constructed assets include the cost of materials, direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs that are directly attributable to the asset under construction.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Purchased software which is integral to the functionality of the related equipment is capitalised as part of that equipment.

Cost Model

All property, plant and equipment except freehold land, are recorded at cost, less accumulated depreciation and accumulated impairment losses, if any.

When an asset's carrying value is higher than its recoverable amount, the carrying value is written down to its recoverable amount (Please refer Note 3.9.3 – Impairment of non-financial assets).

Revaluation Model

The Group applies the revaluation model for the entire class of freehold land for measurement after initial recognition. The Group policy is to revalue all freehold land by an independent professional valuer every three years or when there is a substantial difference between the fair value and the carrying amount.

On revaluation of an asset, any increase in the carrying amount is recognised in revaluation reserve in equity through Other Comprehensive Income or used to reverse a previous loss on revaluation of the same asset, which was charged to Profit or Loss. In this circumstance, the increase is recognised as income only to the extent of the previous write down in value. Any decrease in the carrying amount is recognised as an expense in Profit or Loss or charged to revaluation reserve in equity through Other Comprehensive Income, only to the extent of any credit balance existing in the revaluation reserve in respect of that asset. Any balance remaining in the revaluation reserve in respect of an asset, is transferred directly to retained earnings upon disposal of the asset.

The freehold lands were valued by reference to transactions involving properties of a similar nature.

Subsequent Costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Group and its cost can be measured reliably. The costs of day to day servicing of property, plant and equipment are expensed as incurred.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is recognised in Profit or Loss in the year the asset is derecognised.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the qualifying asset. A qualifying asset is an asset which takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are completed. Other borrowing costs are recognised in Profit or Loss in the period in which they are incurred.

Capital work-in-progress

Capital work-in-progress is stated in the Statement of Financial Position at cost, including borrowing costs, less any accumulated impairment losses. Capital work-in-progress would be transferred to the relevant asset when it is in the location and condition necessary for it to be capable of operating in the manner intended by management (i.e. available for use).

Depreciation

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in Profit or Loss. Freehold land is not depreciated.

Depreciation of an asset begins from the date it is available for use or in respect of self constructed assets from the date that the asset is completed and ready for use. Depreciation ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognised.

The estimated useful lives of PPE are as follows:

Table 77: Useful Lives of Property Plant and Equipment

Class of Asset	Year
Buildings and Premises	36 – 40
Buildings on leasehold land and improvements	Over the remanning lease period
Plant and machinery	04–20
Tools and implements	03–04
Motor vehicles	03–04
Furniture and fittings	04–13
Electrical fixtures and office equipment	04–10
Computer hardware and accessories	02–04

Residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted if appropriate.

Section 4 – Specific Accounting Policies and Notes

Carrying Value of Property, Plant and Equipment

Group

	Freehold lands and Land improvements	Buildings and Premises	Buildings on Leasehold Land and Improvements	Plant and Machinery	Tools and Implements	Motor Vehicles	Computer Hardware and Accessories	Electrical Fixtures, Furniture and Fittings and Office Equipment	Total	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	2024 Rs.'000	2023 Rs.'000
Cost or Revalued Amount										
At the beginning of the year	9,799,979	3,081,851	709,179	1,852,686	390,060	884,309	426,339	804,789	17,949,192	17,205,139
On acquisition of subsidiary	–	–	–	–	–	–	–	–	–	336,557
Additions	195,802	316,749	12,512	274,423	10,322	32,639	81,679	28,944	953,070	382,384
Transferred from capital work-in-progress	–	11,193	–	12,965	–	–	8,947	–	33,105	101,520
Disposals	–	–	(59,670)	(109,284)	(6,765)	(9,694)	(9,788)	(14,370)	(209,570)	(69,828)
Revaluations	2,208,774	–	–	–	–	–	–	–	2,208,774	–
Effect of movements in exchange rates	–	–	(1,319)	(8)	(175)	–	(41)	(291)	(1,833)	(6,581)
At the end of the year	12,204,555	3,409,793	660,702	2,030,783	393,442	907,254	507,136	819,073	20,932,738	17,949,191
Accumulated Depreciation										
At the beginning of the year	–	753,664	332,309	777,492	344,637	760,451	313,124	559,301	3,840,978	3,446,454
Charge for the year	–	109,419	41,131	158,031	18,359	30,164	52,899	44,318	454,321	402,872
On disposals	–	–	(42,420)	(38,064)	(6,303)	(9,655)	(9,610)	(11,399)	(117,450)	(24,223)
Effect of movements in exchange rates	–	–	279	6	56	–	284	130	755	15,876
At the end of the year	–	863,083	331,299	897,465	356,750	780,960	356,697	592,350	4,178,604	3,840,979
Carrying amount before capital work-in-progress	12,204,555	2,546,710	329,403	1,133,318	36,692	126,294	150,439	226,723	16,754,134	14,108,212
Capital Work-in-Progress at Cost										
At the beginning of the year	969	78,605	4,157	10,047	22,333	22,922	171,760	10,028	320,822	313,027
Additions	–	225,907	20,089	140,216	16,848	–	31,089	18,460	452,608	115,011
Transferred to PPE	–	(11,193)	–	(12,965)	–	–	(8,947)	–	(33,105)	(101,520)
Reclassification	(969)	969	–	–	–	–	–	–	–	–
Derecognitions	–	–	–	(1,938)	–	–	–	–	(1,938)	(5,696)
At the end of the year	–	294,288	24,246	135,360	39,181	22,922	193,902	28,488	738,387	320,822
Carrying amount as at 31st March 2024	12,204,555	2,840,998	353,649	1,268,678	75,873	149,215	344,341	255,211	17,492,521	14,429,035

Group property plant and equipment with a carrying value of Rs. 13 million have been written off during the year (2022/23–Nil)

There were no capitalised borrowing costs related to the acquisition of property, plant and equipment during the year 2023/24 (2022/23 – Nil).

Carrying Value of Property, Plant and Equipment Company

	Freehold lands and Land improvements	Buildings and Premises	Buildings on Leasehold Land and Improvements	Plant and Machinery	Tools and Implements	Motor Vehicles	Computer Hardware and Accessories	Electrical Fixtures, Furniture and Fittings and Office Equipment	Total 2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost or Revalued Amount										
At the beginning of the year	9,666,239	2,995,885	351,301	1,586,583	348,153	712,800	359,296	743,926	16,764,182	16,547,354
Additions	77,865	151,660	-	216,801	6,848	20,659	61,441	21,513	556,787	179,162
Transferred from capital work-in-progress	-	-	-	-	-	-	8,947	-	8,947	101,520
Disposals	-	-	-	(61,343)	(1,030)	(4,876)	(5,850)	(576)	(73,675)	(65,712)
Revaluations	2,179,200	-	-	-	-	-	-	-	2,179,200	-
Transfers to intangible asset	-	-	-	-	-	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	(8)	-	-	(7)	(185)	(200)	1,858
At the end of the year	11,923,304	3,147,545	351,301	1,742,033	353,971	728,583	423,827	764,678	19,435,242	16,764,182
Accumulated Depreciation										
At the beginning of the year	-	747,997	258,626	714,792	314,350	681,099	266,776	516,794	3,500,434	3,186,521
Charge for the year	-	86,562	20,631	126,043	12,598	19,346	41,387	39,737	346,304	337,891
On disposals	-	-	-	(8,825)	(490)	(4,875)	(5,824)	(230)	(20,244)	(23,811)
Effect of movements in exchange rates	-	-	-	(2)	-	-	(7)	(92)	(101)	(167)
At the end of the year	-	834,559	279,257	832,008	326,458	695,570	302,332	556,209	3,826,393	3,500,434
Carrying amount before capital work-in-progress	11,923,304	2,312,986	72,044	910,026	27,513	33,013	121,495	208,469	15,608,849	13,263,748
Capital Work-in-Progress at Cost										
At the beginning of the year	969	69,331	4,156	9,955	6,695	-	171,697	9,899	272,702	287,832
Additions	-	178,891	20,089	137,230	16,849	-	27,883	18,460	399,402	92,088
Transferred to PPE	-	-	-	-	-	-	(8,947)	-	(8,947)	(101,520)
Reclasifications	(969)	969	-	-	-	-	-	-	-	-
Derecognitions	-	-	-	(1,939)	-	-	-	-	(1,939)	(5,698)
At the end of the year	-	249,191	24,245	145,246	23,544	-	190,634	28,359	661,218	272,702
Carrying amount as at 31st March 2024	11,923,304	2,562,177	96,289	1,055,272	51,057	33,013	312,128	236,828	16,270,067	13,536,452

There were no capitalised borrowing costs related to the acquisition of property, plant and equipment during the year 2023/24 (2022/23 – Nil).

Section 4 – Specific Accounting Policies and Notes

4.9.1 Revaluation of Freehold Land

Freehold land was revalued as at 31st March 2024 by Prathap Chartered Valuation and Consultancy (Private) Limited who is a professionally qualified independent valuer. The valuation method adopted was the Market Comparable Method.

The value of freehold land has been written up to correspond with the market value and the details are as follows:

Group	Estimates for unobservable inputs (level 3)	Extent	Original cost	Revalued amount	Revalued amount as number of times of cost	Freehold building square feet	No of buildings	Pledged	Mortgaged to financial institution
Location	Rs.		Rs.'000	Rs.'000					
01. No. 65, Jetawana Road, Colombo 14* No. 56, K. Cyril C. Perera Mawatha, Colombo 14 Sanctioned Street Line	11,000,000 p.p	2A-OR-33.29P	414	3,850,000	9,300	98,271	3	No	No
02. No. 61, Jetawana Road, Colombo 14	13,000,000 p.p	0A-IR-04.00P	18,014	572,000	31.75	13,239	1	No	No
03. No. 74, Jetawana Road, Colombo 14	10,000,000 p.p	0A-IR-19.22P	113,808	592,200	5	5,926	1	No	No
04. No. 800, Sirimawo Bandaranaike Mawatha, Colombo 14	4,250,000 p.p	3A-3R-20.60P	641,519	2,637,000	4	202,349	1	No	No
05. No. 135, Mahena Road, Siyambalape and No. 274/A, Kakunagaha Watta, Siyambalape**	406,250 p.p	8A-3R-19.90P	37,606	573,200	15	116,079	6	No	No
06. Kirindiwela Road, Weliveriya	218,750 p.p	15A-3R-30.00P	89,958	557,800	6	240,928	6	No	No
07. No. 360, Madampitiya Road, Mahawatta, Colombo 14 ***	5,000,000 p.p	1A-2R-26.80P	301,599	1,334,000	4	-	-	-	-
08. No. 09, Kandy Road, Aathikadu Valavu, Ariyalai, Jaffna	225,000 p.p	1A-2R-26.72P	32,487	60,000	2	40,357	1	No	No
09. No. 88, Dambulla Road, Yaggapitiya, Kurunegala	Front portion (320p) at 1,200,000 p.p and rear (480p) at 450,000 p.p	5A-OR-00.00P	54,599	600,000	11	30,747	1	-	-
10. No. 23, Kaldemulla Road, Ratmalana	1,700,000 p.p	0A-3R-27.04P	92,102	250,000	3	21,295	3	No	No
11. No. 63 & 63 A, Jetawana Road, Colombo 14	13,000,000 p.p	0A-IR-08.75P	176,539	633,000	4	13,797	2	No	No
12. No. 30, Kurihena, Lenadora, Dambulla	34,375 p.p	29A-OR-27.85P	68,107	160,000	2	45,439	8	No	No
13. Kahatakulama Waththa, Galkulama, Andigama	25,000 p.p	13A-3R-28.80P	7,575	55,700	7	28,077	5	No	No
14. Kumbukgaha Mula, Nabadewa, Nikaweratiya	Commercial portion (10p) at 175,000 p.p and balance (30p) at 50,000 p.p	0A-IR-00.00P	1,100	3,100	3	-	-	No	No
15. Katuwelandahena, Panliyadda, Ibbagamuwa, Kurunegala ***	200,000 p.p	0A-IR-38.7P	11,470	15,700	1	659	1	No	No
16. Kentune Galeyaya, Kachchigala, Embilipitiya, Ratnapura ****	20,000 p.p	4A-IR-4P	4,445	13,600	3	-	-	No	No
17. Kentune Galeyaya, Kachchigala, Embilipitiya, Ratnapura ****	20,000 p.p	01A-2R-08.65P	2,343	4,900	2	-	-	No	No
18. Biyagama Road, Pethiyagoda, Kelaniya *****	2,400,000 p.p	0A-IR-36.45P	73,827	87,400				No	No
			1,727,511	11,999,600		857,163	39		

p.p-per perch

*Land original extent is 2A-OR-33.29P, but valuation has been given only for 2A-OR-30.15P.

**Land original extent is 8A-3R-19.90P, but valuation has been given only for 8A-3R-11P.

*** Represents freehold land without building as at reporting date. - However, this land is used as a vehicle yard where necessary.

**** Represents freehold land with the installation of solar power panel.

***** Represents freehold land that going to be utilized for business.

Description of the valuation technique used together with a narrative description on sensitivity of the fair value measurement to changes in significant unobservable inputs are as follows:

The fair value measurement for all properties has been categorised as level 3 fair value based on the input to the valuation technique used.

Table 78: Valuation Methods

Valuation Technique	Significant Unobservable Inputs	Sensitivity of Fair Value Measurement to Inputs
Market Comparable Method		
This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for any differences in the nature, size, location or condition of the specific property.	Market value of land (Price per perch). Valuer has used range of prices for respective lands based on their recently transacted cost	Estimated fair value would increase/ (decrease) if the price per perch would increase/ (decrease).

4.9.1.1 Sensitivity Analysis

Five percentage change at the reporting date to the Fair value per perch would have the following effects to the overall Fair value of the lands.

Assumption	Change in Land Fair Value			
	Group		Company	
	5% Increase Rs.'000	5% Decrease Rs.'000	5% Increase Rs.'000	5% Decrease Rs.'000
Fair value per perch	600,166	(600,166)	594,704	(594,704)

4.9.1.2 Land Addition During the year

The group has acquired three lands during the year 2023/24 and these lands have not been revaluated during the year assuming that the acquisition values reflect the current market values. The details of these acquisitions are given follows:

Land Location	Acquisition Date	Extent	Acquisition Value Rs.'000
Samurdhi Mawatha, Heiyantuduwa, Biyagama	30th September 2023	00A 02R 30.70P	103,218
Kokkichchankulama, Andigama, Anamaduwa	7th September 2023	14A 03R 13.03P	77,865
Andigama Road, Halmillewa, Nikaweratiya	7th August 2023	04A 00R 00P	14,718

4.9.2 Fully Depreciated Assets but still in Use

The cost of fully depreciated property, plant and equipment of the Group and the Company which are still in use amounted to Rs. 2,149.1 million (2022/23 - Rs. 1,857.4 million) and Rs.1,821.7 million (2022/23 - Rs. 1577.7 million) respectively.

4.9.3 Property, Plant and Equipment pledged as security against short term and long-term bank borrowing

Buildings of PlantChem (Private) Limited with a carrying value of Rs. 6.3 million (2022/23 - Rs. 8 million) have been pledged as security against short-term and long-term borrowing obtained.

4.9.4 Permanent Fall in Value of Property, Plant and Equipment

There is no permanent fall in the value of property, plant and equipment which require a provision for impairment.

4.9.5 Title Restriction on Property, Plant and Equipment

There were no restrictions that existed on the title to the property, plant and equipment of the Group as at the reporting date.

Section 4 – Specific Accounting Policies and Notes

4.9.6 Depreciation charge for the year is included in following line items in statement of profit or loss

For the year ended 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Cost of sales	27,193	13,639	8,693	2,949
Administrative expenses	427,128	389,233	337,611	334,942
	454,321	402,872	346,304	337,891

4.9.7 During the Financial Year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 1,405.7 million and Rs. 956.2 million respectively (2022/23 – Group Rs. 497.3 million and company Rs. 271.3 million) on cash basis.

4.10 Right-of-Use Assets

Accounting Policy

Basis of Recognition

The Group applies Sri Lanka Accounting Standard SLFRS 16 “Leases” in accounting for all leasehold rights except for leases due to expire during the financial year and leases on which implications to the financial statements are not considered to be material.

The Group uses its judgment to determine whether an operating lease contract qualifies for recognition of right-of-use assets. The Group applies judgements in evaluating the level of certainty whether the option of renewing the lease exists or otherwise. That is, it considers all relevant factors that create an economic benefits for it to exercise either the renewal or termination options. The Group has leased land and buildings with an option to renew after the original lease period. Lease terms are modified on an individual basis and contain a wide range of different terms and conditions.

Basis of Measurement

The Group recognises right-of-use assets at the date of commencement of the lease, which is the present value of lease payments to be made over the lease term. Right-of-Use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of the right-of-use assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right of use assets are depreciated on the straight-line basis over the lease term and are in the range of 2 to 60 years.

Short-term Leases and Leases of Low-Value Assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Carrying value of Right-of-Use Assets

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Land and Buildings				
Cost				
At the beginning of the year	1,192,148	991,955	878,839	849,706
Additions during the year	66,601	205,094	37,995	34,542
Derecognition of right-of-use assets	(11,981)	(5,644)	(11,981)	(5,644)
Effect of movements in exchange rates	(19,007)	703	(1,217)	235
At the end of the year	1,227,761	1,192,148	903,636	878,839
Accumulated Depreciation				
At the beginning of the year	513,625	367,610	414,472	301,452
Depreciation for the year (Note 4.5)	155,680	146,015	107,498	113,020
Effect of movements in exchange rates	(520)	-	-	-
At the end of the year	668,785	513,625	521,970	414,472
Carrying amount at the end of the year	558,976	678,523	381,666	464,367
Right-of-use assets are presented in financial position as follows;				
Classified as non-current assets	558,976	678,523	381,666	464,367
	558,976	678,523	381,666	464,367

Expenses relating to short term leases and leases amounting to Rs. 52.7 million (2022/23– Rs.25.8 million) has recognized in Profit or Loss.

4.11 Intangible Assets and goodwill

Accounting Policy

Basis of recognition

An intangible asset is recognised if it is probable that future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with the Sri Lanka Accounting Standard – LKAS 38 on “Intangible Assets”.

Basis of Measurement

Intangible assets acquired separately are measured on initial recognition at cost. The costs of intangible assets acquired in a business combination are recognised at their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of Profit or Loss in the year in which the expenditure is incurred.

Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Profit or Loss as an when incurred.

Useful Economic Lives, Amortisation and Impairment

Intangible assets with finite lives are amortised using the straight-line method to write down the cost over its estimated useful economic lives and are generally recognised in Profit or Loss. Goodwill and intangible assets with indefinite useful lives are not amortised. These assets are assessed for impairment annually and whenever there is an indication that the intangible asset may be impaired.

Carrying Value of Intangible Assets

Group	Software	Goodwill	Total	
As at 31st March	Rs.'000	Rs.'000	2024 Rs.'000	2023 Rs.'000
Cost				
At the beginning of the year	150,111	916,291	1,066,402	266,222
Additions during the year	-	-	-	798,911
Transferred from capital work in progress	685,894	-	685,894	1,269
At the end of the year	836,005	916,291	1,752,296	1,066,402
Accumulated Impairment/ amortisation				
At the beginning of the year	136,694	-	136,694	125,549
Amortisation for the year (Note 4.5)	25,128	-	25,128	11,145
At the end of the year	161,822	-	161,822	136,694
Carrying amount before capital work-in-progress	674,183	916,291	1,590,474	929,708
Capital work-in-progress at cost				
At the beginning of the year	538,214	-	538,214	175,449
Additions during the year	173,741	-	173,741	364,034
Transferred to Intangible assets	(685,894)	-	(685,894)	(1,269)
At the end of the year	26,061	-	26,061	538,214
Carrying amount as at end of the year	700,244	916,291	1,616,535	1,467,922

The period over which intangible assets are amortised is as follows;

Table 79: Useful Lives of Intangible Assets

Class of Asset	Years
Computer software	04 – 10

The above rate is consistent with the rate used in the previous years. The amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Goodwill Arisen through Business Combination

The Group recognised an intangible asset by way of goodwill in respect of the registered and established product portfolio, customer lists, technical expertise and distribution network acquired from acquisition of the stake in each subsidiary which mentions in Note 4.11.1 below. The management is of the opinion that the brand names of the subsidiaries acquired together with its duly registered product portfolio will bring synergies to the current product offering of the Company in each sector which it operates and bring future economic benefits to the group.

Impairment of Goodwill

Based on the impairment assessment carried out by the management at the reporting date, management assumed that no impairment is required as there is no significant change in the fair value of such acquired assets and liabilities, subsequent to the acquisition.

Derecognition

Intangible assets are derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset, is recognised in Profit or Loss in the year the asset is derecognised.

Section 4 – Specific Accounting Policies and Notes

Company As at 31st March	Software	Total	
	Rs.'000	2024 Rs.'000	2023 Rs.'000
Cost			
At the beginning of the year	135,739	135,739	134,470
Transferred from capital work in progress	685,894	685,894	1,269
At the end of the year	821,633	821,633	135,739
Accumulated Impairment /amortisation			
At the beginning of the year	122,647	122,647	115,193
Amortisation for the year (Note 4.5)	24,900	24,900	7,454
At the end of the year	147,547	147,547	122,647
Carrying amount before capital work-in-progress	674,086	674,086	13,092
Capital work-in-progress at cost			
At the beginning of the year	538,214	538,214	175,449
Additions during the year	173,741	173,741	364,034
Transferred to Intangible assets	(685,894)	(685,894)	(1,269)
At the end of the year	26,061	26,061	538,214
Carrying amount as at end of the year	700,147	700,147	551,306

Fully amortised but still in Use

The cost of fully amortised Intangible Assets of the Group and the Company which are still in use amounted to Rs. 128.4 million (2022/23 – Rs.120.8 million) and Rs. 112.2 million (2022/23 – Rs. 106.8 million) respectively.

4.11.1 Net Carrying value of goodwill

Goodwill acquired through business combinations have been allocated to each cash generating units (CGUs) for impairment testing as follows;

As at 31st March	2024 Rs.'000	2023 Rs.'000
Plant Seeds (Private) Limited	117,623	117,623
Tropical Health Food (Private) Limited	270,526	270,526
Virgin Oil International (Private) Limited	150,026	150,026
Mansel (Ceylon) (Private) Limited	205,074	205,074
Associated Laboratories (Private) Limited	173,042	173,042
	916,291	916,291

CGUs in which the carrying amount of goodwill is 'significant' in comparison with the entity's total carrying amount.

The recoverable amount of goodwill is determined based on value in use calculations. The value in use was determined by discounting the future cashflows generated from the continuing use of the unit and key assumptions used are given below.

4.11.1.1 Key Assumptions

Assumption	2024	2023
Rate of discount	12.5%	25.0%
Terminal value Growth Rate	3.0%	5.0%–20.0%

Business Growth – Based on historical growth rate and business plan of next five years

Inflation – Based on the projected economic conditions

Discount rate – Average market borrowing rate

Terminal growth rate – For the purposes of the Group's value in use calculations, a long-term growth rate into perpetuity is applied immediately at the end of the five year forecast period and is based on the lower of

- the nominal GDP growth rate forecasts for the country of operations; and
- the long-term compound annual growth rate in adjusted EBITDA as estimated by management

There has been no permanent impairment of intangible assets that requires provision during the year. (2022/23 – Nil)

4.12 Investments in Subsidiaries and Equity-Accounted Investees

4.12.1 Investments in Subsidiaries

Accounting Policy

Investments in subsidiaries are initially recognised at cost in the Financial Statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries are immediately recognised in Profit or Loss. Following initial recognition, investments in subsidiaries are carried at cost less any accumulated impairment losses. The net assets of each

subsidiary are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the investment is estimated and the impairment loss is recognised to the extent of its net assets loss.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions– that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

Please refer the Note 2.2 to the financial statements for Nature and the Business operations of the subsidiary companies.

Accounting Estimate – Provision for Impairment

The carrying amount of investments made in subsidiaries are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. However goodwill arising from the business combination is tested annually for impairment as given in the Note 4.12.1.

Based on impairment assessment carried out as at 31st March 2024, it was concluded that the net realisable value of all the investments included under unquoted investments exceeds its carrying value except for investment made in Tropical Health Food (Private) Limited, DIMO Company Limited and DIMO Travels (Private) Limited. Therefore, based on an assessment made for impairment, the provision given in the Note 4.12.1.3 was considered to be adequate as at the reporting date.

Section 4 – Specific Accounting Policies and Notes

4.12.1.1 Carrying Value of Investments in Subsidiaries made by the Company

As at 31st March	2024			2023		
	Holding (%)	No. of shares	Cost Rs.'000	Holding (%)	No. of shares	Cost Rs.'000
Unquoted Investment – Ordinary Shares						
DIMO (Private) Limited	99.99	25,000	250	99.99	25,000	250
DIMO Industries (Private) Limited	99.99	2,305,000	23,050	99.99	2,305,000	23,050
DIMO Travels (Private) Limited	99.80	9,981	998	99.80	9,981	998
DIMO Lanka Company Limited	99.90	78,000	128,593	99.90	78,000	128,593
PlantChem (Private) Limited	70	19,483,949	346,258	70	19,483,949	346,258
Plant Seeds (Private) Limited	70	9,027,509	357,772	70	9,027,509	357,772
Moveflex (Private) Limited	100	120,000	12,000	100	120,000	12,000
DIMO Bangladesh (Pvt) Ltd	99.99	618,049	213,864	99.99	618,049	213,864
Tropical Health Food (Private) Limited	94.45	12,670,420	450,080	94.45	12,670,420	450,080
Virgin Oil International (Private) Limited	51	7,007,991	40,000	51	7,007,991	40,000
Mansel (Ceylon) (Private) Limited	75	2,380,848	179,992	75	2,380,848	179,992
Associated Laboratories (Private) Limited	75	2,075,145	45,010	75	2,075,145	45,010
			1,797,867			1,797,867
Impairment provision (Note 4.12.1.2)			(141,575)			(128,643)
			1,656,292			1,669,224

Please refer 2.2 for more details of the companies in the Group.

4.12.1.2 Movement in Provision for Impairment of Investments in Subsidiaries

As at 31st March	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	128,643	128,643
Impairment made during the year	12,932	–
At the end of the year	141,575	128,643

Impairment in investment in subsidiary is pertaining to DIMO Travels (Private) Limited, DIMO Lanka Company Limited and Tropical Health Food (Private) Limited amounting to Rs.0.05 million, Rs. 128.6 million and 12.9 million respectively.

4.12.2 Goodwill or Bargaining Purchase Arising from Acquisition of Subsidiaries

The following represents the fair values of the identifiable assets and liabilities of the newly acquired subsidiaries, as at the date of acquisition.

	PlantChem (Private) Limited Rs.'000	Plant Seeds (Private) Limited Rs.'000	Tropical Health Food (Private) Limited Rs.'000	Virgin Oil International (Private) Limited Rs.'000	Mansel (Ceylon) (Private) Limited Rs.'000	Associated Laboratories (Private) Limited Rs.'000
Assets						
Property, plant and equipment	197,337	99,362	127,834	133,883	78,312	200
Intangible Assets	-	-	-	-	243	-
Fixed Deposits	119,839	10,980	-	1,259	357,461	40,693
Deferred tax Asset	16,359	-	-	-	91,053	29,551
Inventories	140,924	85,743	9,002	-	22,370	9,266
Trade and other receivables	199,857	80,709	12,528	12,404	47,663	22,583
Other Current Assets	50,810	43,296	-	-	-	-
Amount Due from Related Parties	20,059	76,372	-	32,500	59,992	63,759
Cash and Cash Equivalents	16,082	14,384	78,971	2,465	76,755	28,839
Total Assets	761,267	410,846	228,335	182,511	733,849	194,891
Liabilities						
Lease Liability	10,543	7,832	-	-	-	-
Interest-bearing borrowings	-	-	-	300,333	195,667	106,998
Trade Creditors	68,081	39,903	8,489	4,557	30,649	130,670
Other current liabilities	218,255	77,665	-	4,955	-	-
Amount Due to Related Parties	76,372	20,059	-	44,143	478,623	101,165
Retirement Gratuity	9,567	1,723	6,434	4,503	23,745	11,040
Tax liability	1,914	-	-	7	-	-
Deferred tax liability	-	3,103	23,307	22,587	12,086	-
Accrued expenses	11,940	7,226	-	-	-	-
Bank overdrafts	22,534	1,552	-	17,166	26,521	15,728
Total Liabilities	419,206	159,063	38,230	398,251	767,291	365,601
Total identifiable net assets at fair value	342,061	251,783	190,105	(215,740)	(33,442)	(170,710)
Non-controlling interest measured at fair value	167,610	123,374	10,551	(105,712)	(8,361)	(42,677)
Goodwill arising on acquisition	-	117,624	270,526	150,026	205,074	173,042
Bargain purchase arising on acquisition	38,623	-	-	-	-	-
Purchased consideration	183,595	250,989	450,080	40,000	179,992	45,010
Net cash outflow on acquisition	391,534	310,864	371,109	54,701	54,758	31,889

Acquisition-related costs

The Group had no acquisition-related costs as at 31 March 2024 (2022/23 -Rs. 16.9 million on legal fees and due diligence costs. These costs have been included in 'Administrative expenses'.)

Section 4 – Specific Accounting Policies and Notes

4.12.4 Subsidiaries with Material Non-Controlling Interests

Accounting Policy

Non-controlling interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the Statement of Profit or Loss and Other Comprehensive and as a component of equity in the Statement of Financial Position, separately from equity attributable to owners of the Company.

	United DIMO Company Limited		PlantChem (Private) Limited		Plant Seeds (Private) Limited		Virgin Oil International (Private) Limited		Mansel (Ceylon) (Private) Limited		Associated Laboratories (Private) Limited	
As at 31st March	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Non-controlling interest percentage	30%	30%	30%	30%	30%	30%	49%	49%	25%	25%	25%	25%
Summarised Statement of Financial Position												
Current assets	54,101	178,051	2,081,602	1,532,992	1,024,785	683,556	26,649	16,929	208,410	618,139	345,106	317,100
Non-current assets	-	44,849	421,226	152,229	259,267	174,908	192,021	75,767	235,528	182,578	21,961	43,369
Total assets	54,101	222,900	2,502,828	1,685,221	1,284,052	858,464	218,670	92,696	443,938	800,717	367,066	360,469
Current liabilities	130,245	260,010	1,457,222	613,908	345,399	148,747	347,136	304,719	89,713	770,194	277,155	448,639
Non-current liabilities	-	-	32,118	17,395	3,516	2,775	202,741	111,920	247,070	37,926	207,102	52,321
Total liabilities	130,245	260,010	1,489,340	631,303	348,914	151,522	549,877	416,639	336,783	808,120	484,256	500,960
Net assets	(76,144)	(37,110)	1,013,488	1,053,918	935,137	706,942	(331,207)	(323,943)	107,155	(7,403)	(117,190)	(140,491)
Net assets attributable to non-controlling interest	(22,843)	(11,133)	304,046	316,175	280,541	212,083	(162,291)	(158,732)	26,789	(1,851)	(29,298)	(35,123)
Summarised Statement of Profit or Loss and Other Comprehensive Income												
Revenue	-	149,631	2,425,074	1,437,988	1,308,045	895,212	131,498	62,344	160,835	92,490	379,628	197,040
Profit / (Loss) after tax	(29,574)	(34,983)	11,954	275,641	237,730	182,844	(87,438)	(43,909)	108,078	26,040	23,301	30,218
Other comprehensive income	-	-	(3,675)	1,797	(1,254)	919	-	-	(7,094)	-	-	-
Total comprehensive income	(29,574)	(34,983)	8,279	277,438	236,476	183,763	(87,438)	(43,909)	100,984	26,040	23,301	30,218
Profit / (Loss) attributable to non-controlling interest	(8,872)	(10,495)	3,586	82,692	71,319	54,853	(42,845)	(21,515)	27,019	6,510	5,825	7,555
Other comprehensive income attributable to non-controlling interest	-	-	(1,103)	539	(376)	276	-	-	(1,773)	-	-	-
Total comprehensive income attributable to non-controlling interest	(8,872)	(10,495)	2,484	83,231	70,943	55,129	(42,845)	(21,515)	25,246	6,510	5,825	7,555
Summarised statement of cash flow												
Cash flows from (used in) operating activities	(123,755)	59,089	(542,791)	(972,723)	196,431	(44,249)	(95,833)	(73,146)	(242,259)	(125)	(236,909)	117,661
Cash flows from (used in) investing activities	44,849	2,586	(246,607)	28,052	(249,331)	(165,331)	(33,031)	(30,491)	302,437	(1,217)	122,450	4,570
Cash flows from (used in) financing activities	-	-	797,343	415,385	20,591	7,231	122,500	106,102	(78,450)	48,253	54,432	(101,837)
Net increase / (decrease) in cash and cash equivalents	(78,906)	61,675	7,945	(529,286)	(32,309)	(202,349)	(6,363)	2,465	(18,272)	46,911	(60,028)	20,394

4.12.5 Equity-Accounted Investees

Accounting Policy

The Equity-accounted investees shown in the financial statements are Joint ventures.

Investment in DIMO Coastline (Private) Limited

On 22 February 2018, the Group acquired 40% equity interest of DIMO Coastline (Private) Limited for an aggregate consideration of Rs. 58.2 million. DIMO Coastline (Private) Limited is a company incorporated in Republic of Maldives and whose financial year ends on 31st December. The Group has acquired the Company as part of expansion into marine and general engineering business overseas.

Investment in Azend Technologies (Private) Limited

On 9th November 2021, the Company invested Rs. 25.0 million in Azend Technologies (Private) Limited acquiring a 49% equity interest. During the year Company further invested Rs. 51.3 million without changing its stake of holding. Azend Technologies (Private) Limited is in the business of providing information technology solutions.

The following table summarises the financial information relating to DIMO Coastline (Private) Limited and Azend Technologies (Private) Limited as included in these own Financial Statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in DIMO Coastline (Private) Limited and Azend Technologies (Private) Limited.

As at 31st March	DIMO Coastline (Private) Limited		Azend Technologies (Private) Limited		Total	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Ownership interest	40%	40%	49%	49%		
Non-current assets	218,521	284,060	24,121	41,769	242,642	325,829
Current assets	289,023	265,901	407,750	214,781	696,773	480,682
Total assets	507,544	549,961	431,870	256,550	939,415	806,511
Current liabilities	364,426	395,043	204,899	83,041	569,325	478,084
Non Current liabilities	-	103,469	39,972	7,476	39,972	110,945
Total liabilities	364,426	498,512	244,871	90,517	609,297	589,029
Net assets (100%)	143,119	51,449	186,999	166,033	330,117	217,482
Carrying amount of interest in equity accounted investees - Group share of net asset	57,247	20,580	91,629	81,356	148,877	101,933
Statement of Profit or Loss and Other Comprehensive Income						
Revenue	490,879	468,607	442,616	282,583	933,495	751,190
Depreciation	(32,846)	(57,387)	(7,061)	(4,066)	(39,906)	(61,453)
interest expense	(11,923)	(26,568)	(22,922)	(3,622)	(34,846)	(30,190)
Profit/(loss) after tax	52,841	10,287	20,967	980	73,807	11,267
Total comprehensive income (100%)	52,841	10,287	20,967	980	73,807	11,267
Group's Share of results of equity accounted investee, net of tax	21,136	4,115	10,274	480	31,410	4,595

The joint ventures had no contingent liabilities or capital commitments as at 31 March 2024 (2022/23 - Nil).

Section 4 – Specific Accounting Policies and Notes

Reconciliations of Summarised Financial Information

Reconciliation of the above summarised financial information to the carrying amount of the interest in equity accounted investees recognised in the Financial Statements is as follows;

	DIMO Coastline (Private) Limited		Azend Technologies (Private) Limited		Total	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	20,581	15,808	81,352	29,622	101,933	45,430
Investment made during the year	-	-	-	51,250	-	51,250
Group's Share of profit/(loss) recognised in Statement of Profit or Loss and Other Comprehensive Income	21,136	4,115	10,274	480	31,410	4,595
Effect of movements in exchange rates	15,534	658	-	-	15,534	658
Carrying amount of interest in equity-accounted investees	57,251	20,581	91,626	81,352	148,877	101,933

4.13 Financial Assets and Financial Liabilities

Accounting Policies

Financial Assets

Recognition and Initial Measurement

The Group classifies financial assets at initial recognition as investment designated at FVOCI and amortised cost based on the purpose, characteristics and Management's intention in acquiring them. At the end of each reporting period all classifications are re-evaluated to the extent that such classification is required and permitted.

Receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition.

Classification and Measurement

Business Model Assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level, because it reflects the way the business is managed and information is provided to management. The information considered includes:

- how the performance of the portfolio is evaluated and reported to the Company's Management;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Assessment whether Contractual Cash Flows are Solely Payments of Principal and Interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Equity Securities measured at FVOCI

The Company's investment in equity securities are classified as Fair Value through Other Comprehensive Income (FVOCI).

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income. This election is made on an investment-by-investment basis.

Financial Asset at Amortised Cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets classified and measured at amortised cost are limited to its trade and other receivables, amounts due from related parties and cash & cash equivalents.

Subsequent Measurement and Gains and Losses

Subsequent measurement of Group's financial assets are as follows;

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Profit or Loss. Any gain or loss on derecognition is recognised in Profit or Loss
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in Other Comprehensive Income and are never reclassified to Profit or Loss.

Derecognition of Financial Assets

The Group derecognises a financial asset (or where applicable a part of thereof) when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in Other Comprehensive Income is recognised in Profit or Loss.

Financial liabilities

Initial Recognition and Measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held – for – trading at the initial recognition. Financial liabilities at FVTPL are measured at fair value and any resulting gains and losses, including any interest expense, are recognised in Profit or Loss.

The Group classifies financial liabilities at initial recognition as other financial liabilities. At the end of each reporting period all classifications are re-evaluated to the extent that such classification is permitted and required.

All the financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Other financial liabilities mainly consist of trade payables and bank borrowings.

Subsequent Measurement

Other financial liabilities are subsequently measured at amortised cost. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in Profit or Loss.

The amortised cost of a financial liability is the amount at which the financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method minus any reduction for impairment.

Details of financial liabilities recognised in the Statement of Financial Position are given in Notes 4.22 and 4.27 on page 225 and 236.

Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Section 4 – Specific Accounting Policies and Notes

4.13.1 Financial Assets and Liabilities by Category

Financial Assets

As at 31st March	Note	Group	Company		
		2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
i. Financial assets at amortized cost					
– Trade and other receivables	4.16	11,630,934	7,360,070	6,963,984	4,095,221
– Cash and cash equivalents	4.18	3,841,272	2,858,970	2,152,229	1,552,370
– Amounts due from subsidiaries	4.30.1	–	–	3,990,515	2,770,036
– Amount due from equity accounted investees	4.30.1	32,696	53,206	32,696	53,206
– Other financial assets	4.17.1	16,531	23,277	–	–
ii. Financial assets designated at fair value through Other Comprehensive Income					
– Equity securities	4.14	136	864	136	864
Total financial assets		15,521,569	10,296,387	13,172,257	8,471,697

Financial Liabilities

As at 31st March	Note	Group	Company	2023 Rs.'000	
		2024 Rs.'000	2024 Rs.'000		
i. Financial liabilities at fair value through profit or loss					
ii. Financial liabilities: interest-bearing loans and borrowings					
– Current portion of long-term interest-bearing borrowings	4.22.1.1	750,758	714,746	642,253	524,846
– Long-term interest-bearing borrowings	4.22.1.1	2,114,973	1,258,065	1,899,630	1,094,703
– Current portion of lease liabilities	4.22.3.1	158,872	424,984	93,047	397,727
– Non current portion of lease liabilities	4.22.3.1	517,967	348,696	373,096	135,685
– Short-term interest- bearing borrowings	4.22.2	19,529,060	11,757,223	16,008,047	9,977,541
iii. Other financial liabilities at amortized cost					
– Trade payables	4.27	1,155,556	1,506,933	589,211	944,545
– Amounts due to related parties	4.30.1.3	184,165	445,860	48,713	87,109
Total financial liabilities		24,411,350	16,456,507	19,653,997	13,162,156

4.13.2 Fair Value of Assets and Liabilities

Accounting Policies

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Group measures the fair value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurement.

Fair value hierarchy

Level 1: Inputs that are quoted market prices (unadjusted) in an active market for identical instruments;

Level 2: Inputs other than quoted prices included within level that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Valuation techniques that use inputs that have a significant effect on the recorded fair values that are not based on observable market data.

For assets and liabilities that are recognised in the Financial Statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

The Group held the following financial and non-financial assets carried at fair value in the Statement of Financial Position.

			Group		Company	
			2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Financial Assets						
FVOCI – Equity instruments	Level 1	Quoted prices in active markets	136	864	136	864
Non-Financial Assets						
Freehold land	Level 3	Significant unobservable inputs	12,204,555	9,799,979	11,923,304	9,666,239

There were not transfer between level 1 and level 2 fair value measurements during the Financial Year 2023/24.

Fair Values

The following method and assumptions were used to measure the fair value.

- The fair value of equity instruments at FVOCI was determined based on the active market price as at the reporting date.
- The fair value of financial assets and financial liabilities at amortized cost does not materially deviate from carrying value based on amortised cost methodology as at the reporting date.
- The fair values of the following financial instruments are assumed as approximate their carrying amounts largely due to the short-term maturities of these instruments.
 - Trade and other receivables
 - Amounts due from related parties
 - Cash and cash equivalents
 - Trade payables

The valuation technique and inputs used in measuring the fair value of freehold land are given in Note 4.9.1.

4.13.3 Financial Risk Management

The Group has exposure mainly to the following risks from financial instruments:

- Market risk
- Credit risk
- Liquidity risk

Risk Management Framework

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management process. The Group's risk management process identifies and analyses the risks it faces, establishes appropriate risk limits and controls, and monitors and manages events that could have a substantial impact on capital and earnings.

The overall objectives and policies for the Group's financial risk management are as per the internal treasury practices. It will cover foreign exchange policy, investment policy, financing policy and policies on credit risk and risk limits.

The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. Further details of management of risk is available from page 120 to 126.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Group's profit or loss or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Section 4 – Specific Accounting Policies and Notes

(i) Foreign Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign currency risk from the cash flows of overseas operations and foreign currency transactions and balances which are affected by foreign exchange movements.

Being imports oriented, fluctuations in foreign currency exchange rates have a significant impact on the cost of materials and the stocks purchased by the Group Companies. The Group's Financial Statements which are presented in LKR, are affected by foreign exchange fluctuations through both translation risk and transaction risk.

As at 31st March 2024, rupee appreciated by 9% against the US dollar compared to its closing rate on 31st March 2023. Apart from the currency appreciation there were some improvements in foreign currency market due to the improved market liquidity. Most of the import restrictions were lifted and margin requirements for certain imports were withdrawn. However the volatility of the rupee can be expected once the foreign debt repayment commences and import restrictions are fully lifted. There is no formal guidance by Central Bank of Sri Lanka (CBSL) on exchange rate.

Group Treasury closely monitors the behaviour of exchange rates and the market conditions to provide continuous market updates to Group

Management Committee (GMC) and Cluster Heads to make timely decisions. Group Treasury also proactively adopted prudent measures to mitigate the adverse impacts arising from such constraints and currency fluctuations by matching foreign currency liabilities with foreign currency assets wherever possible and by leveraging on the strong relationships the Group maintains with the Financial Institutions. With the conscious strategy of the Group to preserve foreign currency cash balances and the decision to invoice certain customers in foreign currency, Group managed to create natural hedges to the extent possible mitigating the foreign currency risk.

The overall objective of currency risk management is to reduce the short-term negative impact of exchange rate fluctuations on earnings and cash flow, thereby increasing the predictability of the financial results.

The following table demonstrates Group exposure to currency risk as at the reporting date.

Sensitivity Analysis – Based on Exchange Rate Fluctuation

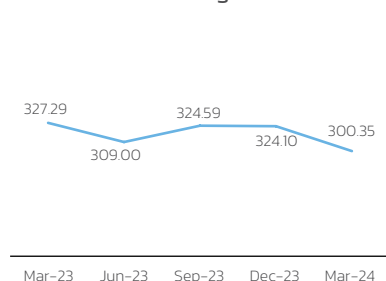
The main foreign currencies that the Group transacts in are the US dollar and the Euro. The following tables demonstrate the sensitivity to a possible change in the US dollar and Euro exchange rate, with all other variables held constant. The analysis relates only to assets and liabilities shown in Financial Statements as at 31st March 2024.

Impact to the Profitability

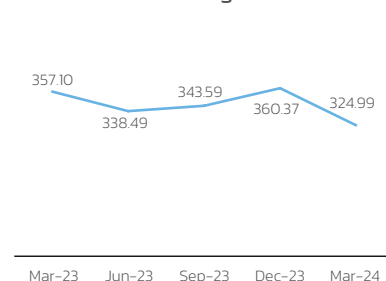
	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
US Dollar (USD)				
Appreciation 10%(2023/24 – 10%)	83,965	190,520	53,623	78,435
Depreciation 10%(2022/23 – 10%)	(83,965)	(190,520)	(53,623)	(78,435)
Euro (EUR)				
Appreciation 10% (2023/24 – 10%)	(622)	40,287	(9,834)	18,323
Depreciation 10% (2022/23 – 10%)	629	(40,287)	9,954	(18,323)

The Group's exposure to foreign currency changes for all other currencies is not material.

Graph 53:
Movement in Exchange Rate –USD



Graph 54:
Movement in Exchange Rate – EUR



(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group mainly borrows in the short term to fund its working capital requirements which are mostly linked to floating interest rates based on AWPLR. For Long Term funding needs the Group maintains an appropriate mix of fixed and floating interest rates. Cap & floor arrangements are also

negotiated wherever appropriate for Long Term Borrowings on floating rates. Group Treasury closely monitors the interest rate fluctuations in the market and negotiates favourable rates on borrowing to manage interest rate risk.

The interest rate profile of the Group's long-term borrowings are disclosed in the Note 4.22.12

Sensitivity Analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of term loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings as follows:

Impact to the Profitability

	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
LKR borrowings				
Increase in 300 Basis Points *	(78,940)	(46,590)	(69,224)	(36,776)
Decrease in 300 Basis Points *	78,940	46,590	69,224	36,776

*The spread of basis points for the interest rate sensitivity analysis is assumed based on movement of base floating interest rates in the market during financial year 2023/24.

(iii) Equity Price Risk

The Group is exposed to equity price risk because of investments in quoted shares held by the Group classified as Equity instruments at FVOCI.

The value of these investments is subjected to the performance of investee company and the factors that affects the status of the stock market. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Board of Directors reviews and approves all equity investment decisions. Sensitivity analysis on the value of the investments is not provided as it is deemed to be not material.

Credit Risk Exposure

The maximum risk exposure of financial assets which are generally subject to credit risk are equal to their carrying amounts. Following table shows the maximum risk positions.

		Group		Company	
	Note	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
As at 31st March					
Trade and other receivables	4.16	11,630,934	7,360,070	6,963,984	4,095,221
Amounts due from related parties	4.30.11	32,696	53,206	4,023,211	2,823,242
Cash and cash equivalent	4.18	3,841,272	2,858,970	2,152,229	1,552,370
Total credit risk exposure		15,504,902	10,272,246	13,139,424	8,470,833

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from Group's trade receivables.

The Group has taken several measures to manage and mitigate the credit risk including carrying out a credit evaluation as per the Group credit policy, prior to extending credit. A review of age analysis of trade receivables and follow-up meetings are carried out by the business unit managers at least once a month and by the Group Management Committee (GMC) at least once a quarter. In the event of a debt becoming doubtful, legal action is initiated by the Manager-Legal.

The Group has taken necessary steps to monitor creditors more closely and frequently to ensure that the payables are settled on time.

Section 4 – Specific Accounting Policies and Notes

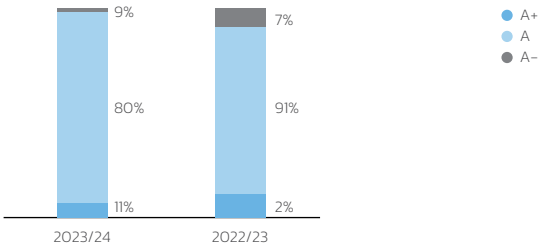
When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward-looking information.

Age analysis of trade and other receivables after provision for impairment is disclosed in Note 4.16.2.

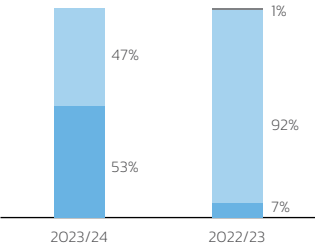
Balances with Banks

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Fitch Rating				
A+	403,463	187,988	155,908	1,309,754
A	3,011,581	2,540,236	1,876,707	1,146,693
A-	316,428	69,170	14,174	3,117
Total bank balances (Note 4.18)	3,731,742	2,797,395	2,046,789	2,459,564

Graph 55:
Balances with Banks – Group



Graph 56:
Balances with Banks – Company



(c) Liquidity Risk

This is the risk that the Group will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

In managing the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group’s operations and to meet any unforeseen obligations and opportunities without incurring unacceptable losses or risking damage to the Group’s reputation. The Group holds cash and undrawn committed facilities to enable the Group to manage its liquidity risk. The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. Access to sources of funding is sufficiently available under both normal and stressed conditions.

The Group considered that Cash flow scrutiny is paramount in the days and months ahead and has adopted a disciplined approach across the Group including setting up of Group-wide spend control, reducing operating costs and deferring capital expenditure to secure the financial position of the Group. If required Group had unutilised bank facilities as at 31st March 2024 amounting to Rs. 6,340 million.

Given below is the summary of the maturity profile of the Group’s and Company’s financial liabilities based on contractual payments as at the reporting date.

As at 31 March 2024	Note	Group			
		Within 1 year Rs.'000	Between 1-5 years Rs.'000	More than 5 years Rs.'000	Total Rs.'000
Long-term interest-bearing borrowings	4.22.1.1	750,758	2,114,973	-	2,865,731
Short-term interest-bearing borrowings	4.22.2	19,529,060	-	-	19,529,060
Lease liabilities	4.22.3.1	158,872	370,487	147,480	676,839
Trade payables	4.27	1,155,556	-	-	1,155,556
Amounts due to related parties	4.30.1.3	184,165	-	-	184,165
		21,778,411	2,485,460	147,480	24,411,351

As at 31 March 2024	Note	Company			
		Within 1 year Rs.'000	Between 1-5 years Rs.'000	More than 5 years Rs.'000	Total Rs.'000
Long-term interest-bearing borrowings	4.22.1.1	642,253	1,899,630	-	2,541,883
Short-term interest-bearing borrowings	4.22.2	16,008,047	-	-	16,008,047
Lease liabilities	4.22.3.1	93,047	250,486	122,610	466,143
Trade payables	4.27	589,211	-	-	589,211
Amounts due to related parties	4.30.1	48,713	-	-	48,713
		17,381,271	2,150,116	122,610	19,653,997

As at 31 March 2023	Note	Group			
		Within 1 year Rs.'000	Between 1-5 years Rs.'000	More than 5 years Rs.'000	Total Rs.'000
Long-term interest-bearing borrowings	4.22.1.1	714,746	1,258,065	-	1,972,811
Short-term interest-bearing borrowings	4.22.2	11,757,223	-	-	11,757,223
Lease liabilities	4.22.3.1	424,984	189,296	159,399	773,679
Trade payables	4.27	1,506,933	-	-	1,506,933
Amounts due to related parties	4.30.1	445,860	-	-	445,860
		14,849,746	1,447,361	159,399	16,456,506

As at 31 March 2023	Note	Company			
		Within 1 year Rs.'000	Between 1-5 years Rs.'000	More than 5 years Rs.'000	Total Rs.'000
Long-term interest-bearing borrowings	4.22.1.1	524,846	1,094,703	-	1,619,549
Short-term interest-bearing borrowings	4.22.2	9,977,541	-	-	9,977,541
Lease liabilities	4.22.3.1	397,727	135,685	-	533,412
Trade payables	4.27	944,545	-	-	944,545
Amounts due to related parties	4.30.1	87,109	-	-	87,109
		11,931,768	1,230,388	-	13,162,156

Section 4 – Specific Accounting Policies and Notes

4.13.4 Capital Risk Management

The objectives of the capital management can be summarised as follows:

- Appropriately allocate capital to meet strategic objectives
- Enable the Group to face any economic downturn/ crisis situation

The Group's policy is to maintain a strong capital base so as to ensure investor, creditor and market confidence in order to sustain future development of the business. The impact of the shareholders' return is

also recognised and the Group recognises the need to maintain a balance between higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Company manages its capital structure and adjusts it accordingly in line with changes in global and local economic and market conditions and its overall risk appetite.

Given below is a summary of the capital structure of the Group and the Company as follows:

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Interest-bearing borrowings	22,394,791	13,730,034	18,549,930	11,597,090
Equity	16,403,471	14,976,304	15,427,954	13,699,279
Total equity and long-term borrowings	38,798,262	28,706,338	33,977,884	25,296,369
Gearing ratio (%)	57.7%	47.8%	54.6%	45.8%

4.14 Equity Securities

Accounting Policy

After initial measurement, Equity Securities are subsequently measured at fair value. Dividends are recognized as income in Profit or Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains or losses are recognized in Other Comprehensive Income and are never reclassified to Profit or Loss.

Dividends earned whilst holding Equity Securities are recognised in Profit or Loss as 'Other Operating Income' when the right to receive the payment has been established.

The Company designated the investments shown below as equity investments at FVOCI because these equity investments represent investments that the Company intends to hold for strategic purposes.

The fair values of quoted shares are based on bid prices at the end of the reporting period. (Fair Value hierarchy – level 1)

Carrying Value of Equity instruments

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Carrying Value as at beginning of the year	864	7,829	864	6,952
Additions	38	–	38	–
Disposals	(885)	(6,837)	(885)	(5,960)
Fair Value (loss)	119	(128)	119	(128)
Carrying Value as at the end of the year	136	864	136	864

The Group and the Company has disposed Rs. 884,790 of its invested shares respectively and has gained a disposal cumulative loss of Rs. 20,504 during the year.

Above has disclosed as a transfer within the equity in the financial statements.

As at 31st March	Group					Company				
	No. of shares	Market value per share	Total cost	Fair value		No. of shares	Market value per share	Total cost	Fair value	
		2024 Rs.	Rs.'000	2024 Rs.'000	2023 Rs.'000		2024 Rs.	Rs.'000	2024 Rs.'000	2023 Rs.'000
Quoted Investments										
Ordinary Shares										
Hatton National Bank PLC (non-voting)	435	150	–	65	–	435	150	–	65	–
Ceylinco Insurance PLC (non-voting)	83	850	782	71	864	83	850	782	71	864
			782	136	864			782	136	864

4.15 Inventories

Accounting Policy

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price less estimated cost of completion and the estimated costs necessary to make the sale.

The costs incurred in bringing inventories to its present location and condition, are accounted for as follows:

- Raw materials – At actual cost on a weighted average basis

- Finished goods – At the cost of direct materials, direct labour and an appropriate proportion of fixed production overheads based on normal operating capacity but excluding borrowing costs.
- work-in-progress – Remaining incomplete work-in-progress are stated at cost.
- Stock-in-trade – Inventories that are not interchangeable are valued by identifying their specific individual costs, and inventories that are interchangeable are valued using weighted average cost.
- Other inventories – At actual cost
- Goods-in-transit are recognised at actual cost as at reporting date.

Carrying Value of Inventories

As at 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Raw material	2,502,337	1,035,320	1,962,454	722,592
Stock-in-trade and finish goods	6,768,941	7,036,305	5,358,578	5,695,924
Work-in-progress	1,234,059	2,959,511	712,838	716,377
Provision on inventories (Note 4.15.1)	(1,047,555)	(1,297,195)	(835,983)	(1,101,961)
	9,457,782	9,733,941	7,197,887	6,032,932
Goods-in-transit	259,289	244,525	11,948	70,455
Total inventories at the lower of cost and net realisable value	9,717,071	9,978,466	7,209,835	6,103,387

4.15.1 Provision on inventories

As at 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	1,297,195	513,868	1,101,961	432,821
(Reversal)/Provision on inventories	(249,642)	783,327	(265,979)	669,140
At the end of the year	1,047,555	1,297,195	835,983	1,101,961

Details of inventories jointly with trade receivables have been pledged as security for short-term borrowings are given in Note 4.16.3.

Inventory written off of the Group was Rs.86.9 million (2022/23 – Rs. 5.3 million) and the Company was Rs. 85.8 million (2022/23 – Rs. 5.3 million).

The Group and the Company has recognised in income statement as an expense for inventories carried at net realisable value amounting Rs. 108.3 million and Rs. 64.9 million in 2023/2024 (2022/2023 – Rs. 64.0 million and Rs. 14.8 million) respectively.

Section 4 – Specific Accounting Policies and Notes

4.16 Trade and Other Receivables

Accounting Policy

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other financial nature receivables are recognised as other receivables. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Accounting Estimate – Provision for Impairment

Group makes impairment for receivables based on the simplified approach to provide for Expected Credit Losses (ECLs) as per SLFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Carrying Value of Trade and Other Receivables

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Trade receivables	12,307,083	7,498,737	7,474,668	4,896,675
Provision for impairment (Note 4.16.1)	(1,132,245)	(1,208,924)	(900,381)	(1,013,647)
	11,174,838	6,289,813	6,574,287	3,883,028
Other receivables	10,973	13,114	8,592	9,135
Deposits	445,122	1,057,143	381,105	203,058
	11,630,934	7,360,070	6,963,984	4,095,221

4.16.1 Movement in Provision for Impairment of Trade Receivables

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	1,208,924	1,135,298	1,013,647	895,436
Additions through subsidiaries	–	3,360	–	–
Provision made during the year (Note 4.16.1.1)	105,241	79,680	50,790	124,838
Write-off during the year	(181,920)	(9,414)	(164,056)	(6,627)
At the end of the year	1,132,245	1,208,924	900,381	1,013,647

Trade receivables which were written off during the year are not subject to any of enforcement activity.

4.16.1.1 Impairment loss on Trade Receivables

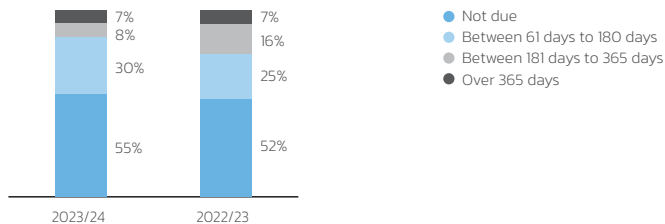
For the year ended 31 st March	Group	2023	Company	2023
	2024 Rs.'000	Rs.'000	2024 Rs.'000	Rs.'000
Impairment loss on Trade Receivables	105,241	79,680	50,790	124,838

4.16.2 Age Analysis of Trade Receivables after Provision for Impairment

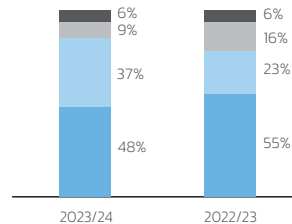
Group	2024			2023		
	Gross debtor Rs.'000	Impairment Rs.'000	Net debtor Rs.'000	Gross debtor Rs.'000	Impairment Rs.'000	Net debtor Rs.'000
Between 0 days to 60 days	6,217,017	45,627	6,171,390	3,323,994	32,622	3,291,372
Between 61 days to 180 days	3,520,553	139,993	3,380,560	1,575,325	35,913	1,539,412
Between 181 days to 365 days	1,037,221	149,843	887,378	1,098,013	102,109	995,904
Over 365 days	1,532,291	796,782	735,509	1,501,405	1,038,280	463,125
Total	12,307,083	1,132,245	11,174,838	7,498,737	1,208,924	6,289,813

Company	2024			2023		
	Gross debtor Rs.'000	Impairment Rs.'000	Net debtor Rs.'000	Gross debtor Rs.'000	Impairment Rs.'000	Net debtor Rs.'000
Between 0 days to 60 days	3,191,293	25,329	3,165,964	2,158,576	22,313	2,136,263
Between 61 days to 180 days	2,552,410	116,610	2,435,800	930,120	24,014	906,106
Between 181 days to 365 days	704,869	119,620	585,249	676,179	56,634	619,545
Over 365 days	1,026,096	638,822	387,274	1,131,800	910,686	221,114
Total	7,474,668	900,381	6,574,287	4,896,675	1,013,647	3,883,028

Graph 57:
Trade Receivables Age Analysis – Group



Graph 58:
Trade Receivables Age Analysis – Company



Section 4 – Specific Accounting Policies and Notes

4.16.3 Carrying Amount of Trade Receivables, Net of Impairment, are Denominated in the following Currencies

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Currency				
Sri Lankan Rupees	10,196,005	5,371,607	6,224,535	3,246,432
US Dollar	455,442	442,340	116,383	230,560
Euro	295,930	62,662	29,462	15,790
Other	227,462	413,204	203,908	390,246
	11,174,838	6,289,813	6,674,287	3,883,028

Banking facilities for subsidiaries, PlantChem (Private) Limited and Plantseeds (Private) Limited have been obtained by providing a concurrent mortgage on book debts and inventories.

4.16.4 Terms of Trade and Other Receivables

Trade and other receivables are non-interest-bearing and are expected to be received within 60 days.

4.17 Other Current assets

Accounting Policy

The Group classifies all non-financial current assets under other current assets. Other current assets mainly comprise of advances, prepayments, statutory receivables and other miscellaneous receivables.

Advances and prepayments are carried at historical value less provision for impairment. Prepayments are amortised over the period during which it is utilised and carried at historical value less amortisation charge and any impairment.

Carrying value of other current assets

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Advances and prepayments	2,460,340	1,697,363	1,209,258	1,096,300
Other receivables	569,249	235,884	404,911	45,892
	3,029,589	1,933,247	1,614,169	1,142,192

4.17.1 Other financial assets

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	23,277	-	-	-
Advance given	-	24,080	-	-
Repayments	(6,746)	(803)	-	-
At the end of the year	16,531	23,277	-	-
Current	4,306	4,816	-	-
Non Current	12,225	18,461	-	-
	16,531	23,277	-	-

DIMO Bangladesh (Pvt) Ltd has provided an advance to landlord in Bangladesh to construct a workshop and give back to the Company on lease terms. Total advance amount is Rs. 8.0 million Bangladesh Taka "BDT" (Rs. 29.5 million) and expected to be recovered in 60 monthly instalments (5 years) starting from 1st February 2023 onwards. Monthly instalment of 133,333 BDT (Rs. 380,087 approx.) will be deducted from lease rental which is payable by the Company to landlord.

4.18 Cash and Cash Equivalents

Accounting Policy

Cash and cash equivalents comprise of cash at bank and in hand and deposits with short-term maturity (i.e. three months or less from date of investment). Cash and bank balances are stated at recoverable values. There were no cash and cash equivalents held by the Group companies that were not available for use.

Bank overdrafts form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of preparing the Statement of Cash Flows.

Carrying Value of Cash and Cash Equivalents

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Bank balances	3,562,246	2,511,273	1,882,616	1,337,798
Cash in hand	109,531	61,575	105,440	51,511
Short-term deposits	169,496	286,122	164,173	163,061
	3,841,272	2,858,970	2,152,229	1,552,370

Review of Credit Risk

The credit risk relating to Group bank balances are analysed according to credit ratings of each bank which is available on page 215.

4.18.1 Carrying Amount of Cash and Cash Equivalents are Denominated in the Following Currencies

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Currency				
Sri Lankan Rupees	1,056,380	1,153,141	395,969	587,162
US Dollar	2,161,455	1,409,121	1,455,109	822,014
Euro	393,207	294,380	175,921	140,866
Other	230,230	2,328	125,232	2,328
	3,841,272	2,858,970	2,152,229	1,552,370

4.19 Stated Capital

As at 31st March	Company			
	No. of Shares	2024 Rs.'000	No. of Shares	2023 Rs.'000
Ordinary Shares				
Issued and fully-paid ordinary shares				
At the beginning of the year	9,231,494	620,578	9,231,494	620,578
At the end of the year	9,231,494	620,578	9,231,494	620,578

Section 4 – Specific Accounting Policies and Notes

4.20 Revenue Reserve

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	8,743,765	8,237,608	7,477,206	6,912,926
Adjustment	40,901	-	-	-
Statement of Profit or Loss and Other Comprehensive Income				
Profit for the year	42,962	579,060	358,022	643,816
Derecognition of financial assets due to disposal –FVOCI	885	6,837	885	5,960
Final dividend paid in 2021/22	-	(115,394)	-	(115,394)
Final dividend paid in 2022/23	(92,315)	-	(92,315)	-
Other Comprehensive Income				
Actuarial (loss)/ gain arising from employees benefits (net of tax)	(56,663)	35,654	(44,118)	29,898
At the end of the year	8,679,535	8,743,764	7,699,680	7,477,206

Revenue reserves includes general reserves and retained earnings.

General reserve represents the amounts set aside by the Directors to meet any contingencies and potential future unknown liabilities. The Group transfers the surplus profit, after retaining sufficient profits to pay final dividends declared from retained earnings account to the general reserve account.

4.21 Other Components of Equity

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	5,611,961	6,202,697	5,601,495	6,149,097
Other Comprehensive Income				
Revaluation of freehold land, net of tax (Note 4.21.1)	1,539,001	-	1,525,440	-
Income tax rate change impact on revaluation of freehold land	-	(493,562)	-	(480,800)
Net fair value gain/(loss) on remeasuring equity securities	2,687	(1,604)	2,687	(2,529)
Derecognition of financial assets due to disposal –FVOCI	(885)	(6,837)	(885)	(5,960)
Foreign currency translation reserve (Note 4.21.2)	(50,705)	(88,833)	(21,040)	(58,313)
At the end of the year	7,102,059	5,611,961	7,107,697	5,601,495

4.21.1 Revaluation Reserve

The Revaluation reserve comprises the net surplus resulting from the revaluation of land as described in the Note 4.9.1.

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	5,618,699	6,112,161	5,609,333	6,090,133
Revaluation of freehold land	2,208,774	-	2,179,200	-
Deferred tax charge on land revaluation	(665,654)	-	(653,760)	-
Income tax rate change impact on revaluation of freehold land	-	(493,462)	-	(480,800)
Revaluation reserve attributable to Non-controlling Interest	(4,120)	-	-	-
	1,539,001	(493,462)	1,525,440	(480,800)
At the end of the year	7,157,700	5,618,699	7,134,773	5,609,333

4.21.2 Foreign Currency Translation Reserve

The Foreign currency translation reserve comprises all foreign currency differences arising from the translation of the Financial Statements of foreign operations.

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	(4,668)	84,165	(4,851)	53,462
Net gains arising from translating the Financial Statements of foreign operations	(53,543)	(88,833)	(21,040)	(58,313)
Foreign currency translation reserve attributable to non-controlling Interest	2,838	-	-	-
	(50,705)	(88,833)	(21,040)	(58,313)
At the end of the year	(55,373)	(4,668)	(25,891)	(4,851)

4.22 Interest-Bearing Borrowings

Borrowings are initially recognised at fair value less any directly attributable transaction costs. Subsequently, they are stated at amortised cost, any difference between the proceeds (net of transaction cost) and the repayable amount (including interest) is recognised in Profit or Loss over the period of the loan using the effective interest method

4.22.1 Long-Term Interest-Bearing Borrowings

4.22.1.1 Movement of Long-term Interest-Bearing Borrowings

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	1,961,872	1,723,062	1,609,883	1,718,162
Acquisition through business combination	-	440,408	-	-
Loans obtained during the year	1,583,819	440,000	1,500,000	440,000
Repayments during the year	(670,584)	(654,151)	(558,624)	(580,921)
Effect of movements in exchange rates	(9,376)	12,553	(9,376)	32,642
At the end of the year (before adjusting interest payable)	2,865,731	1,961,872	2,541,883	1,609,883
Interest payable	-	10,939	-	9,666
At the end of the year	2,865,731	1,972,811	2,541,883	1,619,549
Classified as current liabilities (repayable within one year)	750,758	714,746	642,253	524,846
Classified as non current liabilities (repayable after one year)	2,114,973	1,258,065	1,899,630	1,094,703
	2,865,731	1,972,811	2,541,883	1,619,549

Section 4 – Specific Accounting Policies and Notes

4.22.1.2 Security and Repayment Terms of Long-Term Interest-Bearing Borrowings

Group As at 31st March	Interest rate	Principal amount '000	Repayment term	Security	Outstanding Value	
					2024 Rs.'000	2023 Rs.'000
Diesel & Motor Engineering PLC (LKR)						
Commercial Bank of Ceylon PLC	Variable	500,000	Monthly	Clean basis	109,900	209,500
Commercial Bank of Ceylon PLC	Fixed	500,000	Monthly	Clean basis	234,400	334,000
Commercial Bank of Ceylon PLC	Variable	572,000	Monthly	Clean basis	572,000	-
Commercial Bank of Ceylon PLC	Variable	696,000	Monthly	Clean basis	696,000	-
Commercial Bank of Ceylon PLC	Variable	232,000	Monthly	Clean basis	220,390	-
Hong Kong & Shanghai Banking Corporation Ltd	Variable	600,000	Monthly	Clean basis	-	50,000
Hatton National Bank PLC	Variable	800,000	Monthly	Clean basis	279,740	439,820
Sampath Bank PLC	Variable	440,000	Monthly	Clean basis	372,500	430,000
Diesel & Motor Engineering PLC (USD)						
Hong Kong & Shanghai Banking Corporation Ltd	Variable	750	Monthly	Clean basis	56,953	146,563
Associated Laboratories (Private) Limited (LKR)						
Commercial Bank of Ceylon PLC	Variable	25,000	Monthly	Fixed deposit	2,760	11,100
Commercial Bank of Ceylon PLC	Variable	83,592	Monthly	Fixed deposit	39,455	67,331
National Development Bank	Fixed	17,900	Monthly	Fixed deposits/inventory	-	4,882
Mansel (Ceylon) (Private) Limited (LKR)						
Commercial Bank of Ceylon PLC	Variable	120,000	Monthly	Fixed deposit	-	21,420
Commercial Bank of Ceylon PLC	Variable	33,000	Monthly	Fixed deposit	7,077	18,150
Commercial Bank of Ceylon PLC	Variable	15,000	Monthly	Fixed deposit	11,550	12,081
National Development Bank	Fixed	71,095	Monthly	Fixed deposits/inventory	-	19,997
Virgin Oil International (Private) Limited (LKR)						
Sampath Bank PLC	Variable	138,193	Monthly	Registered primary mortgage bond	136,067	148,900
Sampath Bank PLC	Variable	43,740	Monthly	Personal Guarantee	42,616	47,129
Sampath Bank PLC	Variable	1,987	Quarterly	Personal Guarantee	504	998
Sampath Bank PLC	Variable	23,383	Monthly	Mortgage	18,419	-
Sampath Bank PLC	Variable	66,708	Monthly	Corporate Guarantee	65,400	-
					2,865,731	1,961,872

Company As at 31st March	Interest rate	Principal amount '000	Repayment term	Security	Outstanding Value	
					2024 Rs.'000	2023 Rs.'000
(LKR)						
Commercial Bank of Ceylon PLC	Variable	500,000	Monthly	Clean basis	109,900	209,500
Commercial Bank of Ceylon PLC	Fixed	500,000	Monthly	Clean basis	234,400	334,000
Commercial Bank of Ceylon PLC	Variable	572,000	Monthly	Clean basis	572,000	-
Commercial Bank of Ceylon PLC	Variable	696,000	Monthly	Clean basis	696,000	-
Commercial Bank of Ceylon PLC	Variable	696,000	Monthly	Clean basis	220,390	-
Hong Kong & Shanghai Banking Corporation Ltd	Variable	232,000	Monthly	Clean basis	-	50,000
Hatton National Bank PLC	Variable	600,000	Monthly	Clean basis	279,740	439,820
Sampath Bank PLC	Variable	800,000	Monthly	Clean basis	372,500	430,000
(USD)						
Hong Kong & Shanghai Banking Corporation Ltd	Variable	750	Monthly	Clean basis	56,953	146,563
					2,541,883	1,609,883

Details of assets pledged against long-term loan facilities are disclosed in the Note 4.9.3.

4.22.1.3 Analysis of Long-term Interest-Bearing Borrowings by the year of Repayment

Group	Commercial Bank of Ceylon PLC	Hong Kong & Shanghai Banking Corporation Ltd	Hatton National Bank PLC	Sampath Bank PLC	National Development Bank	Total	2023
						2024	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Movement of Loans							
At the beginning of the year	673,582	196,563	439,820	627,028	24,879	1,961,872	1,723,062
Acquisition through business combination	-	-	-	-	-	-	440,409
Loans obtained during the year	1,500,000	-	-	83,819	-	1,583,819	440,000
Repayments during the year	(280,050)	(130,234)	(160,080)	(75,341)	(24,879)	(670,584)	(654,151)
Effect of movements in exchange rates	-	(9,376)	-	-	-	(9,376)	12,552
At the end of the year	1,893,532	56,953	279,740	635,506	-	2,865,731	1,961,872
Interest payable	-	-	-	-	-	-	10,939
At the end of the year	1,893,532	56,953	279,740	635,506	-	2,865,731	1,972,811
Analysis of long-term Interest-Bearing borrowings by period of repayment							
- Less than 1 year	368,640	56,953	160,080	165,085	-	750,758	714,746
- 1 to 5 year	1,524,892	-	119,660	470,421	-	2,114,973	1,258,065
	1,893,532	56,953	279,740	635,506	-	2,865,731	1,972,811

Company	Sampath Bank PLC	Commercial Bank of Ceylon PLC	Hong Kong & Shanghai Banking Corporation Ltd	Hatton National Bank PLC	Total	2023
					2024	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Movement of Loans						
At the beginning of the year	430,000	543,500	196,563	439,820	1,609,883	1,718,162
Loans obtained during the year	-	1,500,000	-	-	1,500,000	440,000
Repayments during the year	(57,500)	(210,810)	(130,234)	(160,080)	(558,624)	(580,921)
Effect of movements in exchange rates	-	-	(9,376)	-	(9,376)	32,642
At the end of the year	372,500	1,832,690	56,953	279,740	2,541,883	1,609,883
Interest payable	-	-	-	-	-	9,666
At the end of the year	372,500	1,832,690	56,953	279,740	2,541,883	1,619,549
Analysis of long-term borrowings by period of repayment						
- Less than 1 year	104,400	320,820	56,953	160,080	642,253	524,846
- 1 to 5 year	268,100	1,511,870	-	119,660	1,899,630	1,094,703
	372,500	1,832,690	56,953	279,740	2,541,883	1,619,549

Section 4 – Specific Accounting Policies and Notes

4.22.2 Short-term Interest-Bearing Borrowings

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Short-term bank loans	19,071,428	11,466,406	15,875,374	9,789,954
Bank overdrafts	457,632	290,817	132,673	187,587
	19,529,060	11,757,223	16,008,047	9,977,541

Short-term bank loans are repayable within a period of six months. Details of inventories and trade receivables which have been pledged against the above short-term loan facilities are disclosed in Note 4.16.3.

Unutilised bank facilities as at 31st March 2024 amounted to Rs. 8,499.6 million (2022/23 – Rs.9,644.3 million).

4.22.3 Lease Liabilities

Accounting Policy

At the inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SLFRS 16.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

4.22.3.1 Movement of Lease Liabilities

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Cost				
At the beginning of the year	773,680	679,583	533,412	583,888
Additions during the year	74,340	197,402	37,995	34,541
Accretion of interest (Note 4.4)	77,145	67,558	52,620	56,569
Derecognition of lease agreements during the year	(16,524)	(165,222)	(12,910)	(135,942)
Payments to lease creditors	(212,162)	(5,644)	(144,972)	(5,644)
Effect of movements in exchange rates	(19,639)	3	-	-
At the end of the year	676,839	773,680	466,143	533,412
Lease liabilities presented in Statement of Financial Position as follows;				
Classified as non current liabilities	517,967	348,696	373,096	135,685
Classified as current liabilities	158,872	424,984	93,047	397,727
	676,839	773,680	466,143	533,412
Maturity Analysis of lease payments				
- Less than 1 year	158,872	424,984	93,047	397,727
- 1 to 5 year	370,488	189,297	250,486	135,685
- More than 5 years	147,479	159,399	122,610	-
	676,839	773,680	466,143	533,412
Interest recognised in net finance cost (Note 4.4)	77,145	67,558	52,620	56,569
Depreciation of right-of-use assets recognised in administrative expenses (Note 4.5)	155,680	146,015	107,498	113,020

The Group and the Company had total cash outflows for leases of Rs. 212.7 million and Rs. 145 million in 2023/24. (2022/23 – Rs. 165.2 million and Rs. 135.9 million) respectively.

4.23 Employee Benefits

Accounting Policy

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of the past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed determinable contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Employees are eligible to Employees' Provident Fund (EPF) contributions and Employees' Trust Fund (ETF) contributions as per the respective statutes. These obligations come within the scope of a defined contribution plan as per LKAS -19 on 'Employee Benefits'. Obligations for contributions to defined contribution plans are recognised in Profit or Loss as the related service is provided.

Defined benefit obligation

In accordance with the Gratuity Act No. 12 of 1983, a liability arises for a defined benefit obligation to employees.

Such defined benefit obligation is a post-employment benefit obligation falling within the scope of Sri Lanka Accounting Standard LKAS -19 on 'Employee Benefits'.

The liability recognised in the Statement of Financial Position is the present value of the defined benefit obligation at the reporting date. The calculation is performed annually by Mr. Poopalanathan Messer, Actuarial & Management Consultants (Private) Limited, firm of professionally qualified actuary using the Projected Unit Credit method (PUC). Remeasurement of the defined benefit liability, which comprises actuarial gains and losses are recognised immediately in Other Comprehensive Income. The Group recognises the increase in defined benefit liability attributable to the services provided by employees during the year (current service cost) in Profit or Loss together with the interest expenses. In the absence of a deep market in long term corporate bonds in Sri Lanka, the discount rate has been derived, and approximation of a long term interest rate of 13% (2022/23 - 19%) has been used to discount future liabilities.

The liability is not externally funded.

Accounting Estimate

The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. The complexity of the valuation, the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4.23.1 Movement in Defined Benefit Obligation

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
At the beginning of the year	990,362	864,286	869,903	781,892
Acquisition through business combinations	-	45,246	-	-
Included in Profit or Loss				
Current service cost	71,490	73,918	56,995	55,118
Interest cost	183,780	119,199	165,282	109,465
	255,270	193,117	222,277	164,583
Included in Other Comprehensive Income				
Net actuarial loss/(gain)	83,285	(49,315)	63,026	(42,712)
Total charge for the year	338,555	143,802	285,303	121,871
Included in Statement of Cash Flows				
Benefits paid during the year	(87,546)	(62,972)	(69,808)	(33,859)
At the end of the year	1,241,372	990,362	1,085,399	869,903
The expenses are recognised in the Statement of Profit or Loss and other comprehensive income in the following line item;				
Administrative expenses	255,270	193,117	222,277	164,583
Other Comprehensive Income	83,285	(49,315)	63,026	(42,712)
	338,555	143,802	285,303	121,871

Section 4 – Specific Accounting Policies and Notes

4.23.2 Principal Actuarial Assumptions

Assumption	2024	2023
Financial		
Rate of discount	13% p.a.	19% p.a.
Salary escalation rate	14 % in 2024 , 12% in 2025 and thereafter 10% p.a.	14.5% in 2023 , 12% in 2024 and thereafter 10% p.a.
Demographic		
Mortality-in service	A 1967/70 mortality table, issued by the Institute of Actuaries, London	
Retirement Age	60 years	60 years
Staff turnover		
Up to age 54	0-39%	0%-27%
Above age 54	0%	0%
Weighted average duration of the defined benefit obligation		
Diesel & Motor Engineering PLC	2.99	1.92
DIMO (Private) Limited	4.22	3.10
PlantChem (Private) Limited	5.49	6.26
Plant Seeds (Private) Limited	6.31	5.42
Tropical Health Foods (Private) Limited	6.46	2.85
Virgin Oil International (Private) Limited	10.00	-
Mansel (Ceylon) (Private) Limited	2.04	-
Associated Laboratories (Private) Limited	4.03	-

The demographic assumptions underlying the valuation are with respect to retirement age early withdrawals from service and retirement on medical grounds.

However, According to the Payment of Gratuity Act No. 12 of 1983, the liability for gratuity to an employee arises only on completion of five years of continuous service. The liability as required by the Payment of Gratuity Act for the Group and the Company as at 31st March 2024 amounted to Rs. 1,241.4 million (2022/23- Rs.937.6 million) and Rs. 1,085.4 million (2022/23- Rs.852.7 million) respectively.

4.23.3 Sensitivity Analysis

A one percentage change at the reporting date to one of the actuarial assumptions would have the following effects to defined benefit obligation.

2024 Assumption	Change in defined benefit obligation				Defined benefit obligation			
	Group		Company		Group		Company	
	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Rate of discount	(33,818)	36,760	(28,053)	30,489	1,206,483	1,277,061	1,057,345	1,115,887
Salary escalation rate	42,007	(39,307)	34,996	(32,764)	1,282,308	1,200,994	1,120,394	1,052,634

2023 Assumption	Change in defined benefit obligation				Defined benefit obligation			
	Group		Company		Group		Company	
	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Rate of discount	(16,634)	17,514	(14,037)	14,744	945,552	979,701	855,866	884,647
Salary escalation rate	22,297	(21,479)	18,941	(18,294)	984,483	940,708	888,844	851,609

4.23.4 Maturity Analysis of the Payments

The table below summarises the maturity profile of the Group's/ Company's defined benefit obligation.

As at 31st March 2024	Group Rs.'000	Company Rs.'000
Within the next 12 months	620,154	592,564
Between 1-2 years	214,992	159,049
Between 2-5 years	177,395	144,322
Between 5-10 years	151,546	125,816
Beyond 10 years	77,283	63,648
	1,241,372	1,085,399

4.24 Deferred Tax

Accounting Policy

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they arise, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

Accounting Estimate

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profits will be available and can be utilised against such tax losses. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax-planning strategies.

Recoverability of Temporary Difference Arising from Tax Losses

As at 31st March 2024, the Group has recognised Rs. 2,010.4 million (2022/23- Rs. 1,719.4 million) as a deferred tax assets on the deductible temporary differences arising from tax losses, defined benefit obligations, obsolete stocks, debtor impairment, free service provision, Customer Incentives, SLFRS adjustments on Leases and warranty provision.

According to the Group policy, deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which they can be used. In the back ground of the Business Continuity Plans in place, the Board of Directors has assessed the current economic implications on the Group and is of the view that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Section 4 – Specific Accounting Policies and Notes

4.24.1 Carrying Value of Deferred Tax Assets/(Liabilities)

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Summary of net deferred tax assets/(liabilities)				
At the beginning of the year	(1,566,245)	(1,253,420)	(2,066,118)	(1,417,856)
Reversal/(origination) of temporary differences to Profit or Loss due to during the year transactions	57,567	10,497	(159,332)	(280,984)
Reversal/(origination) of temporary differences to Profit or Loss due to income tax rate change	-	126,336	-	126,336
	57,567	136,833	(159,332)	(154,649)
Amount recorded in Other comprehensive Income				
Deferred tax recognition due to prior year adjustment	80,198	-	-	-
Deferred tax recognition on business acquisition effect	-	57,342	-	-
Amounts recorded in Changes in Equity Statement				
Reversal/(origination) of temporary differences to Other Comprehensive Income due to during the year transactions (Note 2.24.3)	24,986	(13,660)	18,908	(12,814)
(Reversal) of temporary differences to Other Comprehensive Income due to revaluation	(665,654)	-	(653,760)	-
(Reversal) of temporary differences to Other Comprehensive Income due to rate change*	-	(493,462)	-	(480,800)
	(560,470)	(507,000)	(634,852)	(493,614)
At the end of the year	(2,069,148)	(1,566,245)	(2,860,303)	(2,066,118)
Made up as follows:				
Deferred tax assets	791,155	565,422	-	-
Deferred tax liabilities	(2,860,303)	(2,131,667)	(2,860,303)	(2,066,118)
	(2,069,148)	(1,566,245)	(2,860,303)	(2,066,118)

*During the year ended 31st March 2023, the income tax rates applicable to the Group have been revised based on the amendments to the Inland Revenue Act No. 24 of 2017. Accordingly, deferred tax impact due to the change in the income tax rates was recognised in Profit or Loss and Other Comprehensive Income as detailed above.

4.24.2 Reconciliation of Deferred Tax Assets and Liabilities

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Deferred Tax Liability				
Temporary difference arising from;				
Property, plant and equipment	(13,277,047)	(10,869,671)	(12,847,327)	(10,492,451)
SLFRS 16 adjustments on ROU Assets	(473,427)	(499,592)	(369,911)	(451,158)
Long term contracts	151,787	(82,547)	5,253	5,253
Total temporary difference of deferred tax liability	(13,598,687)	(11,451,810)	(13,211,985)	(10,938,356)
Closing deferred tax liability @ 30%	(4,079,606)	(3,285,665)	(3,963,596)	(3,146,159)
Temporary difference arising from;				
Defined benefit obligation	1,246,323	1,000,961	1,085,397	874,557
Provision for inventories	1,045,520	1,293,101	835,982	1,101,961
Provision for impairment of trade receivables	855,050	931,473	626,655	739,920
Provision for free services	26,327	49,015	26,328	49,015
SLFRS 15 adjustments on rebates	209,117	322,215	143,074	183,486
SLFRS 16 adjustments on lease	528,008	617,100	480,918	550,929
Provision for warranty	138,840	78,076	123,332	62,936
Tax losses	2,374,913	1,913,090	409,917	381,150
Provision for other receivables	37,290	31,673	37,290	31,673
Unrealised exchange gain/(loss)	175,893	(51,014)	(104,184)	39,014
Provision for staff bonus and incentives	-	45,303	-	36,654
Provision for customer incentive	50,077	-	-	-
Provision for Thin Capitalization	1,237	-	-	-
Provision for Investment impairment	12,933	-	12,933	-
Total temporary difference of deferred tax assets	6,701,528	6,230,993	3,677,642	4,051,296
Closing deferred tax assets @ 30%	2,010,458	1,719,420	1,103,293	1,080,040
Net temporary differences	(6,897,159)	(5,220,817)	(9,534,343)	(6,887,060)
Net deferred tax liability	(2,069,148)	(1,566,245)	(2,860,303)	(2,066,118)

Section 4 – Specific Accounting Policies and Notes

4.24.3 Movement in Deferred Tax Assets and Liabilities during the Year

Assumption	Group					Company				
	As at 01.04.2023	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Adjustments*	As at 31.03.2024	As at 01.04.2023	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	As at 31.03.2024	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Deferred Tax Asset										
Retirement benefit obligation	300,288	48,623	24,986	–	373,897	262,367	44,344	18,908	325,619	
Provision for inventories	387,930	(74,274)	–	–	313,656	330,588	(79,794)	–	250,794	
Provision for impairment of trade receivables	279,442	(22,927)	–	–	256,515	222,009	(34,013)	–	187,996	
Provision for warranty	23,423	18,229	–	–	41,652	18,879	18,120	–	36,999	
Provision for free service	14,704	(6,806)	–	–	7,898	14,704	(6,806)	–	7,898	
SLFRS 15 adjustments on rebates	96,664	(33,929)	–	–	62,735	55,046	(12,124)	–	42,922	
SLFRS 16 adjustments on leases	185,130	(26,728)	–	–	158,402	165,278	(21,003)	–	144,275	
Provision for other receivables	9,502	1,685	–	–	11,187	9,502	1,685	–	11,187	
Provision for staff bonus and incentives	13,591	(13,591)	–	–	–	10,997	(10,997)	–	–	
Provision for customer incentive	–	15,023	–	–	15,023	–	–	–	–	
Unrealised exchange gain/(loss)	(15,304)	68,072	–	–	52,768	12,190	(43,444)	–	(31,254)	
Tax losses	573,927	58,349	–	80,198	712,474	114,345	8,630	–	122,975	
Thin Capitalization	–	371	–	–	371	–	–	–	–	
Provision for Investment Impairment	–	3,880	–	–	3,880	–	3,880	–	3,880	
Total Deferred Tax Asset	1,869,297	35,977	24,986	80,198	2,010,458	1,215,905	(131,522)	18,908	1,103,291	
Deferred tax liability										
Property Plant and Equipments	(777,195)	(56,560)	–	–	(833,755)	(744,253)	(52,185)	–	(796,438)	
Revaluation of lands	(2,483,705)	–	(665,654)	–	(3,149,359)	(2,403,999)	–	(653,760)	(3,057,759)	
SLFRS 16 adjustments on ROU Assets	(149,878)	7,850	–	–	(142,028)	(135,348)	24,374	–	(110,974)	
Long-term contracts	(24,764)	70,300	–	–	45,536	1,577	–	–	1,577	
Total Deferred Tax Liability	(3,435,542)	21,590	(665,654)	–	(4,079,606)	(3,282,023)	(27,811)	(653,760)	(3,963,594)	
	(1,566,245)	57,567	(640,668)	80,198	(2,069,148)	(2,066,118)	(159,333)	(634,852)	(2,860,303)	

*During the year, Virgin Oil International (Private) Limited recognised a deferred tax asset of Rs. 80.2 million by restating their individual accounts' comparative figures due to brought forward tax losses.

4.24.4 Tax Loss Movement

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Tax losses brought forward	(1,913,090)	(337,236)	(381,150)	–
Tax losses arising during the year	(1,032,637)	(1,124,814)	(0)	(381,150)
Adjustment arised on business acquisition	–	(606,700)	–	–
Under / (Over) statement of Losses in previous year	157,037	114,622	(398,323)	–
Tax Losses Utilized	413,777	41,038	369,557	–
Tax losses carried forward	(2,374,913)	(1,913,090)	(409,917)	(381,150)

4.25 Contract Liabilities

Accounting Policy

Contract liabilities are the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount of consideration is due) from the customer. Contract liabilities include long-term advances received to deliver goods and services, short-term advances received to render certain services as well as transaction price allocated to unprovided free services relating to vehicle sales.

Upon transferring the promised goods or services related to the liability, amount will be recognised as revenue in Statement of Profit or Loss and Other Comprehensive income.

4.25.1 Carrying Value of Contract Liabilities

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Balance beginning of the year	1,590,348	1,583,096	478,706	388,021
During the year addition	4,646,363	5,828,953	3,142,190	3,241,924
Recognised as revenue during the year	(4,466,836)	(5,884,138)	(2,836,732)	(3,158,061)
Interest income during the year	(95,062)	(38,504)	(21,810)	(18,084)
Interest expense during the year	48,722	100,941	24,312	24,906
At the end of the year	1,723,536	1,590,348	786,667	478,706
Classified as current liabilities	854,855	1,302,993	691,577	470,970
Classified as non current liabilities	868,681	287,355	95,090	7,736
	1,723,536	1,590,348	786,667	478,706

4.26 Provisions

Accounting Policy

4.26.1 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in Profit or Loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Unprovided Free Services Relating to Vehicle Sales

Accounting Policy

The Company sells vehicles bundled with free services to the customers with limitations on mileage or usage period. The unprovided free services are recognised as contract liability at the time of selling the vehicles at its relative fair value and recognised as revenue when the performance obligation relating to liability is satisfied, i.e. upon provision of the service or expiration of entitled period or/and criteria, whichever occurs first.

Accounting Estimate – Relative Fair Value of Free Services

The amount charged by the Company in respect of each service is recognised at the relative fair value of free services. These amounts are estimated using the combination of historical experience in service and price changes.

Provisions are calculated based on the historical experience and the specific terms in the individual cases. The Group arrives at an estimate on the basis of an evaluation of the most likely outcome.

All known provisions have been accounted for in preparing these Financial Statements.

4.26.2 Warranty Provisions

The provision for warranty relates mainly to vehicles sold for which the Company gives warranty commencing from the date of sale. The warranty received by manufacturer is effective from date of shipment. This causes a time window during which the Company is exposed to warranty liability. A provision for warranty is recognised to cover such exposure to a liability. The provision is based on the historical warranty data and a weighting of possible outcomes against their associated probabilities. The said warranty provision will be reversed upon expiration of the warranty period.

Section 4 – Specific Accounting Policies and Notes

4.26.3 Provision for Litigation and Claims

The Management considers likelihood of any claim succeeding, in making provisions. The time of concluding legal claims is uncertain, as is the amount of possible outflow of economic benefits. The timing and cost ultimately depend on the due process in the respective legal jurisdictions.

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Provision for litigation and claims	11,000	11,000	11,000	11,000
Provisions for warranty (Note 4.26.3.1)	138,841	78,076	123,332	62,931
	149,841	89,076	134,332	73,931

4.26.3.1 Carrying value of warranty provision

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Balance Beginning of the year	78,076	46,944	62,931	32,018
Provision made during the year	97,559	49,186	89,449	43,564
Amount reversed during the year	(36,794)	(18,054)	(29,048)	(12,651)
Carrying value at the end of the year	138,841	78,076	123,332	62,931

4.27 Trade Payables

Accounting Policy

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less (or in the

normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Carrying Value of Trade Payables

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Trade payables	1,155,556	1,506,933	589,211	944,545
	1,155,556	1,506,933	589,211	944,545

4.27.1 Carrying Amount of Trade Payables are Denominated in the following Currencies

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Currency				
Sri Lankan Rupees	283,135	999,919	198,518	477,610
US Dollar	468,720	458,294	248,358	418,215
Euro	342,906	48,720	135,303	48,720
Other	60,795	–	7,033	–
	1,155,556	1,506,933	589,211	944,545

4.27.2 Review of Liquidity Risk

Trade payables are non-interest-bearing and have settlement periods less than 90 days. The quick assets ratio of the Group and the Company as at the year-end was 0.76:1 and 0.77:1 respectively (2022/23 – Group 0.64:1, Company 0.68:1). As a liquidity risk management measure, the Group continuously compare trade payables with receivables, cash and cash equivalents and unutilised banking facilities.

Unutilised banking facilities are given in Note 4.22.2.

Carrying Value of Other Current Liabilities

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Advanced received	-	829,667	-	546,530
Unclaimed dividend	13,796	11,895	13,730	11,828
Value Added Tax (VAT)	31,013	24,018	-	-
Provisions for litigation and claims (Note 4.26.3)	11,000	11,000	11,000	11,000
Provision for warranty (Note 4.26.3)	138,841	78,076	123,332	62,931
Other payables and accrued expenses	1,645,516	1,997,844	1,174,864	1,148,739
	1,840,166	2,952,500	1,322,926	1,781,028

Details of provisions are disclosed in Note 4.26

4.28.1 Terms of Settlement of Other Current Liabilities

Other current liabilities are non-interest-bearing and payable within three months excluding advances and unclaimed dividends. Advances received are expected to be set-off within three months.

4.29 Income tax asset and liability

Current tax assets are recognised at historical value less impairment. Current tax liabilities are recorded at the amounts expected to be paid.

Carrying Value of Current Tax Asset/(Liability)

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Opening balance	24,082	(420,289)	16,632	(441,451)
Current tax for the year (Note 4.6.2)	(148,073)	(175,945)	-	-
	(123,991)	(596,234)	16,632	(441,451)
Income tax paid during the year	173,060	620,316	-	457,883
Income tax (liability)/asset	49,069	24,082	16,632	16,432
Income tax receivable	116,705	111,453	16,632	16,632
Income tax payable	(67,636)	(87,372)	-	-
	49,069	24,082	16,632	16,632

Section 4 – Specific Accounting Policies and Notes

4.30 Amounts due (to)/from Subsidiaries and Equity-Accounted Investees

Name of the Company	DIMO (Private) Limited	DIMO Industries (Private) Limited	DIMO Travels (Private) Limited	Moveflex (Private) Limited	DIMO Lifeline (Private) Limited	PlantChem (Private) Limited	Plant Seeds (Private) Limited	DIMO Coastline (Private) Limited*	Azend Technologies (Private) Limited*	Virgin Oil International (Private) Limited	Tropical Health Foods (Private) Limited	Mansel (Ceylon) (Private) Limited	Associated Laboratories (Private) Limited	As at 31/03/2024	As at 31/03/2023
Shareholding	99.99% Rs.'000	99.99% Rs.'000	99.80% Rs.'000	100% Rs.'000	75% Rs.'000	70% Rs.'000	70% Rs.'000	40% Rs.'000	49% Rs.'000	51% Rs.'000	94.45% Rs.'000	75% Rs.'000	75% Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	2,125,660	(6,119)	825	13,297	65,013	(11,273)	3,764	22,828	30,378	116,591	185,477	204,702	(15,010)	2,736,133	1,069,719
Sale of goods and services	14,456	-	-	905	-	253	5,608	1,161	-	-	1,314	179	81	23,956	247,551
Purchase of goods and services	(9,930)	-	-	(122,934)	-	(12,282)	(28,955)	-	-	-	-	-	-	(174,100)	(512,027)
Rendering of management services	366,448	-	-	13,176	-	11,057	8,737	-	-	26,989	24,750	19,523	31,021	501,701	314,439
Expenses incurred on behalf of subsidiaries/ equity accounted investees	6,658	-	-	20,188	-	1,249	3,019	1,629	3,094	14,186	311	1,141	-	51,475	156,593
Fund transfers – net	1,311,122	3,571	-	23,000	-	-	-	-	-	-	-	-	-	1,337,693	504,220
Net Cash Inflow / (Outflow)	(1,049,076)	2	-	70,733	24,515	29,798	28,112	4,378	(31,497)	(72,592)	(134,681)	(276,778)	(8,335)	(1,415,420)	-
Interest on fund transfers – net	436,629	-	-	5,440	-	-	-	-	-	-	-	-	-	442,070	429,472
Short Term Loans granted/ (Obtained)	-	-	-	-	-	-	-	-	-	149,851	270,000	-	-	419,851	489,000
Interest income on loan granted	-	-	-	-	-	-	-	-	1,663	15,916	29,434	5,066	-	52,078	34,731
Exchange rate translation difference	-	-	-	-	-	-	-	(938)	-	-	-	-	-	(938)	2,434
Closing balance due (to)/from related parties	3,201,967	(2,546)	825	23,805	89,528	18,802	20,285	29,058	3,638	250,941	376,605	(46,167)	7,757	3,974,498	2,736,133

*DIMO Coastline (Private) Limited and Azend Technologies (Private) Limited are equity-accounted investees.

**During the year, there were no related party transaction made with Dimo Lanka Company Limited, United DIMO Company Limited, DIMO Bangladesh (Private) Limited, DIMO Australia Pty Ltd, DIMO Global Pte. Ltd, DI Solar Beliatta (Private) Limited, DIMO Solar Anuradhapura (Private) Limited, DIMO Solar Galle (Private) Limited, DIMO Solar Galle Two (Private) Limited, DIMO Solar Galle Three (Private) Limited, DIMO Solar Galle Four (Private) Limited, DIMO Academy of Higher Education (Pvt) Ltd & Azendtech LLC-FZ.

4.30.1 Summary of Amounts due (to)/from Subsidiaries and Equity-Accounted Investees Comprise:

4.30.1.1 Amounts due from Subsidiaries and Equity-Accounted Investees

As at 31st March	Relationship	Group		Company	
		2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
DIMO (Private) Limited	Subsidiary	-	-	3,201,967	2,126,070
DIMO Travels (Private) Limited	Subsidiary	-	-	825	825
Moveflex (Private) Limited	Subsidiary	-	-	23,805	13,295
DIMO Lifeline (Private) Limited	Subsidiary	-	-	89,528	65,013
PlantChem (Private) Limited	Subsidiary	-	-	18,803	-
Plant Seeds (Private) Limited	Subsidiary	-	-	20,286	3,764
Virgin Oil International (Private) Limited	Subsidiary	-	-	250,941	116,591
Tropical Health Foods (Private) Limited	Subsidiary	-	-	376,605	185,478
Mansel (Ceylon) (Private) Limited	Subsidiary	-	-	-	259,000
Associated Laboratories (Private) Limited	Subsidiary	-	-	7,757	-
				3,990,515	2,770,036
DIMO Coastline (Private) Limited	Joint Venture	29,057	22,828	29,057	22,828
Azend Technologies (Private) Limited	Joint Venture	3,639	30,378	3,639	30,378
		32,696	53,206	32,696	53,206
Total		32,696	53,206	4,023,211	2,823,242

4.30.1.2 Amounts due (to) Subsidiaries and Equity-Accounted Investees

As at 31st March	Relationship	Group		Company	
		2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
DIMO (Private) Limited	Subsidiary	-	-	-	(410)
DIMO Industries (Private) Limited	Subsidiary	-	-	(2,546)	(6,118)
PlantChem (Private) Limited	Subsidiary	-	-	-	(11,273)
Mansel (Ceylon) (Private) Limited	Subsidiary	-	-	(46,168)	(54,298)
Associated Laboratories (Private) Limited	Subsidiary	-	-	-	(15,010)
Total		-	-	(48,713)	(87,109)

4.30.1.3 Amounts due (to) Related Parties

As at 31st March	Group		Company	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Amounts due (to) related parties	(184,165)	(445,860)	-	-
Total	(184,165)	(445,860)	(48,713)	(87,109)

Amounts due to related parties include an amount due to Ms. L.W.B. De Silva, from Mansel (Ceylon) (Private) Limited and Associated Laboratories (Private) Limited of Rs. 141.6 million and Rs. 42.5 million respectively.

Ms. L.W.B. De Silva is a shareholder and a director of Mansel (Ceylon) (Private) Limited and Associated Laboratories (Private) Limited.

Section 4 – Specific Accounting Policies and Notes

4.31 Related Party Disclosures

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties as per Sri Lanka Accounting Standard – LKAS 24 on ‘Related Party Disclosures’.

Diesel & Motor Engineering PLC does not have an identifiable parent of its own. The Company is the ultimate parent of the Group.

4.31.1. (a) Transactions with Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard – LKAS 24 on ‘Related Party Disclosures’, Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly. Accordingly, the members of the Board of Directors of the Company (Executive and Non-Executive Directors) have been classified as KMP. As the Company is the ultimate parent of the subsidiaries (listed in Note 4.12.1), the Board of Directors of the Company has the authority and responsibility for planning or controlling the activities of the Group directly or indirectly. Accordingly, the Board of Directors of the Company (Executive and Non Executive) are KMP of the Group.

Key Management Personnel (KMP) are entitled to discount schemes which are uniformly applicable to all employees of the Group.

Officers who are employees of Diesel & Motor Engineering PLC and Directors of the subsidiaries and not of the Company have been classified as KMP of the respective subsidiary only.

The Group revenue includes sales made to Key Management Personnel amounting to Rs. 0.8 million (2022/23– Rs. 15.9 million).

4.31.1. (b) The Compensation Paid to Key Management Personnel (KMP)

The Executive Directors are entitled to a structured incentive scheme which is linked to performance.

The Company contributes towards a post-employment contribution plan for the Executive Directors. In addition to their salaries, the Company provides non-cash benefits to KMPs.

There are no share-based payments made to the Directors during the year.

No loans were granted to KMPs of the Company.

Compensation to Key Management Personnel of the Company are as follows:

For the year ended 31st March	Group		Company	
	2024 Rs.’000	2023 Rs.’000	2024 Rs.’000	2023 Rs.’000
Short-term employment benefits	557,231	582,214	543,198	553,600
Post-employment benefits	108,716	119,215	108,716	117,409
Total compensation applicable to Key Management Personnel	665,947	701,429	651,914	671,009

The Company also has an obligation towards a post-employment benefit plan for the Executive Directors. The liability arising from the post-employment obligation has been provided for, based on an actuarial valuation and is disclosed under Employee Benefits in Note 4.23 to the Financial Statements.

4.31.1. (c) Transactions with Close Family Members of Key Management Personnel (KMP)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include;

- (a) that person's children and spouse or domestic partner
- (b) children of that person's spouse or domestic partner and
- (c) dependents of that person or that person's spouse or domestic partner

There were no transactions with the close family members during the year.

4.31.2 Transactions with Companies in which Key Management Personnel (KMP) have Control or Significant Influence

There were no transactions with companies on which KMP have control.

The transactions with companies in which KMP is a Director of such entities are disclosed in 'Directors' Interests in Contracts' on page 160.

4.31.3 Terms and Conditions of Transactions with the Companies on which Key Management Personnel (KMP) have Control or Significant Influence

Outstanding balances at the year-end relating to the companies on which KMP have control or significant influence over these companies are unsecured, interest free, and all related-party dues are on demand. There have been no guarantees provided or received for any related party receivables or payables for the year ended 31st March 2024.

4.31.4 Transactions with Group Entities

The Group and the Company carried out transactions in the ordinary course of business with its related parties as arms length transactions. The list of Directors at each of the subsidiary / equity accounted invitees have been disclosed in Corporate Information section of the Annual Report. The details are set out in Corporate Information section.

The Group has not recorded any impairment for receivables relating to amount owed by Group entities.

There are no related parties or related party transactions other than those disclosed in Note 4.30 to the Financial Statements.

4.31.4. (a) Non-Recurrent Related Party Transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets, whichever is lower, of the Group as per 31st March 2024 audited Financial Statements, which required additional disclosures in the 2023/24 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission.

4.31.4. (b) Recurrent Related Party Transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2024 audited Financial Statements, which required additional disclosures in the 2022/23 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission.

4.32 Commitments and Contingencies

Capital Expenditure Commitments

Capital expenditure committed by the Board of Directors for which a provision has not been made in the Financial Statements amounted to approximately Rs. 1,039.4 million (2022/23 – Rs. 1,593.7 million).

Contingent Liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be readily measured as defined in the Sri Lanka Accounting Standard – LKAS 37 on "Provisions, Contingent Liabilities and Contingent Assets". Further, contingent liabilities are not recognised in Statement of Financial Position but are disclosed unless its occurrence is remote.

A contingent liability recognised in a business combination is initially measured at its fair value.

Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with the requirements for revenue recognition.

Currently the Group/Company is involved in legal actions arising out of the normal course of the business. The Group/Company does not expect the pending litigations and claims, individually and in aggregate, to have a material impact on the reported financial results of the Group.

Litigation Against the Company

The claims for lawsuits filed against the Company as at 31st March 2024 amounted to Rs.75.9 million (2021/22 – Rs. 67.9 million). Although, there can be no assurance, the Directors believe, based on the information currently available that the ultimate resolution of such lawsuits are not likely to have a material effect on the results of operations, financial position or liquidity.

Guarantees

The contingent liabilities as at 31st March 2024 on guarantees given by Diesel & Motor Engineering PLC and its subsidiaries, in respect of bank guarantees, bid bonds and performance bonds amounted to Rs. 5,491.4 million (2022/23 – Rs. 5,094.9 million).

Section 4 – Specific Accounting Policies and Notes

4.33 Events Occurring After the Reporting Period

There were no material events that occurred after the reporting date that require adjustments or disclosure to the Financial Statements except for the following,

4.33.1 First and Final Dividend

Subsequent to the reporting date, the Board of directors of the Company approved a first and final dividend of Rs. 5.00 per share for the year ended 31st March 2024, which will be paid on or before 19th July 2024. Details of the above dividend are disclosed in Note 4.8 to the Financial Statements.

In accordance with LKAS 10, Events after the reporting period, the final dividend has not been recognised as a liability in the financial statements as at 31 March 2024.

AN ENDURING STRENGTH



Over the years, we have been reinforced by inherent strengths and a powerful endurance that have empowered us to navigate through changing times.

Dragonflies roamed the earth over 200 million years ago, thereby demonstrating their incredible resilience, adaptability, and evolutionary capabilities that have ensured their continuity amid overwhelming odds.

Annexures

244	GRI Content Index	257	Ten Year Summary
248	SASB Indicators	258	Corporate Information
253	SLFRS S1 & S2 Index – Early Adoption	262	Notice of Meeting
256	Independent Report Assurance	263	Form of Proxy

GRI Content Index

GRI Standard / Other Source	Disclosure	Omission			GRI Sector Standard Ref. No.
		Requirement(s) Omitted	Reason	Explanation	Page(s) or URL(s)
Statement of use :		DIMO has reported in accordance with the GRI Standards for the period [2022/23]			
GRI 1 used	GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)		[Titles of the applicable GRI Sector Standards]			
GRI 2	General disclosures				
1. The organization and its reporting practices					
2-1	Organisational details				8-9
2-2	Entities included in the organisation’s sustainability reporting				8-9
2-3	Reporting period, frequency and contact point				4-5,16
2-4	Restatements of information				4-5
2-5	External assurance				4-5
2. Activities and workers					
2-6	Activities, value chain and other business relationships				18-20,32-52
2-7	Employees				137-148
2-8	Workers who are not employees				137-148
3. Governance					
2-9	Governance structure and composition				80-109
2-10	Nomination and selection of the highest governance body				80-109
2-11	Chair of the highest governance body				80-109
2-12	Role of the highest governance body in overseeing the management of impacts				80-109
2-13	Delegation of responsibility for managing impacts				121, 129
2-14	Role of the highest governance body in sustainability reporting				129
2-15	Conflicts of interest				95
2-16	Communication of critical concerns				95-137
2-17	Collective knowledge of the highest governance body				84
2-18	Evaluation of the performance of the highest governance body				93
2-19	Remuneration policies				100
2-20	Process to determine remuneration				100
2-21	Annual total compensation ratio				Not Reported
4. Strategy, policies and practices					
2-22	Statement on sustainable development strategy				24-25
2-23	Policy commitments				131
2-24	Embedding policy commitments				131
2-25	Processes to remediate negative impacts				22, 120-126
2-26	Mechanisms for seeking advice and raising concerns				121, 137-148
2-27	Compliance with laws and regulations				5, 70, 137-148
2-28	Membership associations				74
5. Stakeholder engagement					
2-29	Approach to stakeholder engagement				116-119
2-30	Collective bargaining agreements				63-66

GRI Standard / Other Source	Disclosure	Omission			GRI Sector Standard Ref. No.
		Requirement(s) Omitted	Reason	Explanation	Page(s) or URL(s)
GRI 3	Material Topics				
	1. The organization and its reporting practices				
3-1	Process to determine material topics	Meeting with CFO to understand materiality			117-118
3-2	List of material topics	List of Material topics and board approval for the same.			22, 118
3-3	Management of material topics	Stakeholder engagement details such as surveys, interviews etc.			22-26, 118-119

GRI Standard	Disclosure	Page number(s) and/ or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Material Topics					
GRI 200 Economic Standard Series					
Economic Performance					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	145–146			
	201-2 Financial implications and other risks and opportunities due to climate change	24, 77, 123, 137–148			
	201-3 Defined benefit plan obligations and other retirement plans	229 – 231			
	201-4 Financial assistance received from government	Not received			
Indirect Economic Impacts					
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	44–49, 139			
	203-2 Significant indirect economic impacts	146			
Procurement Practices					
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	74			
GRI 300 Environmental Standards Series					
Materials					
GRI 301: Materials 2016	301-1 Materials used by weight or volume	137			
	301-2 Recycled input materials used	140–141			
	301-3 Reclaimed products and their packaging materials	140–141			
Energy					
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	139			
	302-2 Energy consumption outside of the organisation	139			
	302-3 Energy intensity	139			
	302-4 Reduction of energy consumption	139			
	302-5 Reductions in energy requirements of products and services	33, 36, 39, 42, 45, 48, 51, 139			

GRI Content Index

GRI Standard	Disclosure	Page number(s) and/ or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Water					
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	19, 33, 36, 39, 42, 45, 48, 49, 51, 77, 140			
	303-2 Management of water discharge-related impacts	19, 137-140			
	303-3 Water withdrawal	19, 33, 36, 39, 42, 45, 48, 51, 77, 137-140			
	303-4 Water discharge	19, 137-140			
Biodiversity					
GRI: 304: Biodiversity 2016	304-3 Habitats protected or restored	78, 137, 142			
Emissions					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	137, 141			
	305-2 Energy indirect (Scope 2) GHG emissions	141			
	305-3 Other indirect (Scope 3) GHG emissions	141			
	305-4 GHG emissions intensity	19, 137, 141			
	305-5 Reduction of GHG emissions	19, 137, 141			
	305-6 Emissions of ozone-depleting substances (ODS)	137,141			
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	137,141			
Effluents and Waste					
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	19, 137-140			
	306-2 Waste by type and disposal method	140-141			
	306-3 Significant spills	140-141			
	306-4 Transport of hazardous waste	140-141			
	306-5 Water bodies affected by water discharges and/or runoff	19, 137-140			
Environmental Compliance					
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	137			
GRI 400 Social Standards Series					
Employment					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	64, 137, 143			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	64, 65, 137, 145, 146			
	401-3 Parental leave	64			
Labour/Management Relations					
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	80 (Articles of Association)			
Occupational Health and Safety					
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	19, 137, 148			
	403-2 Hazard identification, risk assessment, and incident investigation	66, 122, 124-125			
	403-3 Occupational health services	19, 137, 148			
	403-4 Worker participation, consultation, and communication on occupational health and safety	65-66			
	403-5 Worker training on occupational health and safety	137			
	403-6 Promotion of worker health	66			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	66			
	403-9 Work-related injuries	66, 137, 144			

GRI Standard	Disclosure	Page number(s) and/ or URL(s)	Omission		
			Part Omitted	Reason	Explanation
Training and Education					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	137, 145			
	404-2 Programs for upgrading employee skills and transition assistance programs	65, 137, 145			
	404-3 Percentage of employees receiving regular performance and career development reviews	65, 137, 145			
Diversity & Equal Opportunity					
GRI 405: Diversity & Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	64, 143			
Non-discrimination					
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	137			
Human Rights Assessment					
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	124			
	412-2 Employee training on human rights policies or procedures	137			
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	146			
Local Communities					
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	146–147			
	413-2 Operations with significant actual and potential negative impacts on local communities	118			
Customer Health and Safety					
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	137			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	137			
Marketing and Labelling					
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	145			
	417-2 Incidents of non-compliance concerning product and service information and labelling	145			
	417-3 Incidents of non-compliance concerning marketing communications	145			
Customer Privacy					
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	145			
Socioeconomic Compliance					
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	137			

SASB Indicators

Sector as per SASB Standard	Industry as per SASB Standard	Topic	Accounting Metric	Code	Page number(s) and/or URL(s)	Omission		
						Part	Full	Reason
Food & Beverages	Agricultural Products	Greenhouse Gas Emissions	Gross global Scope 1 emissions	FB-AG-110a.1	Reference			
		Greenhouse Gas Emissions	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	FB-AG-110a.2	131			
		Greenhouse Gas Emissions	Fleet fuel consumed, percentage renewable	FB-AG-110a.3	137			
		Energy Management	Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	FB-AG-130a.1	137			
		Water Management	Total water withdrawn, (2) total water consumed	FB-AG-140a.1	137			
		Water Management	Description of water management risks and discussion of strategies and practices to mitigate those risks	FB-AG-140a.2	123			
		Water Management	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	FB-AG-140a.3	137			No incidents of non-compliance associated with water quality permits, standards and regulations
		Food Safety	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	FB-AG-250a.1	69-70			
		Food Safety	Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	FB-AG-250a.2	69-70			
		Food Safety	(1) Number of recalls issued and (2) total amount of food product recalled	FB-AG-250a.3				No recalls during the year.
		Workforce Health & Safety	(1) Total recordable incident rate	FB-AG-320a.1	137			
		Environmental & Social Impacts of Ingredient Supply Chain	Percentage of agricultural products sourced that are certified to a third-party environmental and/or social standard, and percentages by standard	FB-AG-430a.1	69-70			
		Environmental & Social Impacts of Ingredient Supply Chain	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	FB-AG-430a.2	69-70			
		Environmental & Social Impacts of Ingredient Supply Chain	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	FB-AG-430a.3	122-123			

Sector as per SASB Standard	Industry as per SASB Standard	Topic	Accounting Metric	Code	Page number(s) and/or URL(s)	Omission		
						Part	Full	Reason
Food & Beverages	Agricultural Products	GMO Management	Discussion of strategies to manage the use of genetically modified organisms (GMOs)	FB-AG-430b.1		x		Not applicable as GMOs are not part of DIMOs product range
		Ingredient	Identification of principal crops and description of risks and opportunities presented by climate change	FB-AG-440a.1	122-123			
		Ingredient	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	FB-AG-440a.2			x	Regional stress level will be evaluated and reported going forward
		Activity metrics	Production by principal crop	FB-AG-000.A	38-40			
		Activity metrics	Number of processing facilities	FB-AG-000.B	59-62			
		Activity metrics	Total land area under active production	FB-AG-000.C	59-62			
		Activity metrics	Cost of agricultural products sourced externally	FB-AG-000.D	38-40			
Consumer Goods	Multiline and Specialty Retailers & Distributors	Energy Management	"(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable"	CG-MR-130a.1	137			Sectorwise breakdown of energy consumption is not reported.
		Data Security	Description of approach to identifying and addressing data security risks	CG-MR-230a.1	124-125			
		Data Security	"(1) Number of data breaches (2) percentage involving personally identifiable information (PII) (3) number of customers affected"	CG-MR-230a.2	137			No data breaches during the year
		Labour Practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	CG-MR-310a.1			X	Data unavailable as the classifications are not defined for the diverse sectors.
		Labour Practices	(1) Voluntary and (2) involuntary turnover rate for in-store employees	CG-MR-310a.2			X	
		Labour Practices	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	CG-MR-310a.2				No monetary losses as a result of legal proceedings during the year.
		Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	CG-MR-330a.1	137, 42			
		Workforce Diversity & Inclusion	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	CG-MR-330a.1				No monetary losses as a result of legal proceedings during the year.

SASB Indicators

Sector as per SASB Standard	Industry as per SASB Standard	Topic	Accounting Metric	Code	Page number(s) and/or URL(s)	Omission		
						Part	Full	Reason
		Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	CG-MR-410a.1	131			
		Product Sourcing, Packaging & Marketing	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-MR-410a.2	123-125			
		Product Sourcing, Packaging & Marketing	Discussion of strategies to reduce the environmental impact of packaging	CG-MR-410a.2	41-43			
		Activity metrics	Number of: (1) retail locations and (2) distribution centers	CG-MR-000.A	59-62			
		Activity metrics	Total area of: (1) retail space and (2) distribution centers	CG-MR-000.A			X	Partially covered.
Infrastructure	Engineering & Construction Services	Environmental Impacts of Project Development	Number of incidents of non-compliance with environmental permits, standards, and regulations	IF-EN-160a.1	137			No incidents of non-compliance with environmental permits, standards and regulations.
		Environmental Impacts of Project Development	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	IF-EN-160a.2	123-125			
		Structural Integrity & Safety	Amount of defect- and safety-related rework costs	IF-EN-250a.1			X	While individual project rework costs exist, quantification for overall cost and definition of rework costs were not incorporated. Data is being collated for future reporting
		Structural Integrity & Safety	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	IF-EN-250a.2				No monetary losses as a result of legal proceedings associated with defect- and safety-related incidents

Sector as per SASB Standard	Industry as per SASB Standard	Topic	Accounting Metric	Code	Page number(s) and/or URL(s)	Omission		
						Part	Full	Reason
		Workforce health & Safety	Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	IF-EN-320a.1	137			Fatality rate is not applicable as it is nil. (Fatality Rate – measures the severity of an injury by defining the total number of deaths as a proportion of reported cases at a specific time) – No Deaths during the year
		Lifecycle Impacts of Buildings & Infrastructures	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	IF-EN-410a.1				No commissioned projects reporting during the year.
			Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	IF-EN-410a.2	44, 47– 48			
		Climate Impacts of Business Mix	Amount of backlog for (1) hydrocarbon-related projects and (2) renewable energy projects	IF-EN-410b.1		x		No backlogs for renewable energy projects. DIMO does not have hydrocarbon-related projects
		Climate Impacts of Business Mix	Amount of backlog cancellations associated with hydrocarbon-related projects	IF-EN-410b.2		x		Not Applicable due to No Backlogs
		Climate Impacts of Business Mix	Amount of backlog for non-energy projects associated with climate change mitigation	IF-EN-410b.3		x		Not Applicable due to No Backlogs
		Business Ethics	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	IF-EN-510a.1		x		Not Applicable – No business in the 20 lowest rankings in Transparency International's Corruption Perception Index. Operations in Myanmar suspended. (20 Ranking)

SASB Indicators

Sector as per SASB Standard	Industry as per SASB Standard	Topic	Accounting Metric	Code	Page number(s) and/or URL(s)	Omission		
						Part	Full	Reason
		Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices	IF-EN-510a.2				No monetary losses as a result of legal proceedings associated with charges of bribery or corruption and anti-competitive practices
		Business Ethics	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes	IF-EN-510a.3	63-66			
		Activity metrics	Number of active projects	IF-EN-000A	44, 47-48			
		Activity metrics	Number of commissioned projects	IF-EN-000B				No commissioned projects reporting during the year.
		Activity metrics	Total backlog	IF-EN-000C				No backlogs

SLFRS S1 & S2 Index –

Early Adoption

SLFRS S1 Table

Core Elements	Recommended Disclosures	Page Reference
Governance	(a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities.	82, 129
Governance	(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities	82, 129
Strategy	(a) the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects	123
Strategy	Sustainability related risks and opportunities	22–26
Strategy	Business model and value chain	18–20
Strategy	(b) the current and anticipated effects of those sustainability-related risks and opportunities on the entity's business model and value chain	22–26, 36, 77–78
Strategy	(c) the effects of those sustainability-related risks and opportunities on the entity's strategy and decision-making	22–26
Strategy	(d) an entity shall disclose quantitative and qualitative information about the effects of those sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those sustainability-related risks and opportunities have been factored into the entity's financial planning	22–24, 36, 39
Strategy	Financial position, financial performance and cash flows	22–24
Strategy	(e) the resilience of the entity's strategy and its business model to those sustainability-related risks	22–24, 36, 39
Risk Management	(a) the processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about:	120–122
Risk Management	(b) the processes the entity uses to identify, assess, prioritise and monitor sustainability-related opportunities	121
Risk Management	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	121
Metrics and Targets	(a) An entity shall disclose, for each sustainability-related risk and opportunity that could reasonably be expected to affect the entity's prospects:	121
Metrics and Targets	(b) the specific quantitative or qualitative target the entity has set or is required to meet;	131
Metrics and Targets	(c) the period over which the target applies;	131
Metrics and Targets	(d) the base period from which progress is measured;	131
Metrics and Targets	(e) any milestones and interim targets;	131
Metrics and Targets	(f) performance against each target and an analysis of trends or changes in the entity's performance; and	131
Metrics and Targets	(g) any revisions to the target and an explanation for those revisions.	131

IFRS S1 & S2 Index – Early Adoption

IFRS S2 Table

Core Elements	Recommended Disclosures	Page Reference
Governance	(a) the governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities.	82, 129
Governance	(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	82, 129
Strategy	(a) the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects	123
Strategy	(b) the current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain	22–26, 36, 77–78
Strategy	(c) the effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan	24
Strategy	(d) the effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning	22–24, 36, 39
Strategy	(e) the climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities	24
Risk Management	(a) the processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about:	120–122
Risk Management	(b) the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities	121
Risk Management	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	121
Metrics and Targets	(a) information relevant to the cross-industry metric categories (see paragraphs 29–31)	131
Metrics and Targets	(b) industry-based metrics that are associated with particular business models, activities or other common features that characterise participation in an industry (see paragraph 32)	131
Metrics and Targets	(c) targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets (see paragraphs 33–37)	131

Independent Limited Assurance Report

to the Directors of Diesel & Motor Engineering PLC



KPMG
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We have been engaged by the Directors of Diesel & Motor Engineering PLC ("the Company") to provide limited assurance in respect of the Integrated Report for the year ended 31st March 2024 (the "Integrated Report"). The criteria used as a basis of reporting is the content elements of the International Integrated Reporting Council (IIRC)'s Integrated Reporting Framework (<IR> Framework) as disclosed in this Integrated Report.

Basis for Conclusion

We conducted our work in accordance with the Sri Lankan Standard on Assurance Engagements SLSAE 3000 (Standard). In accordance with the Standard we have:

- Ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.
- Used our professional judgement to plan and perform the engagement to provide limited assurance that we are not aware of any material misstatements in the Company's Integrated Report, whether due to fraud or error;
- Considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and

Our Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

We have not been engaged to provide an assurance conclusion on the fitness for purpose or the operating effectiveness of the Company's strategy or how the Company creates value, including the governance, strategic management and other key business processes. The procedures we have performed in relation to the Company's strategy and how the Company creates value are outlined below.

Limited Assurance Integrated Report

Based on the evidence we obtained from the assurance procedures performed, as described below, we are not aware of any material misstatements that causes us to believe that the Integrated Report, as

defined above, for the year ended 31st March 2024, has not in all material respects, been prepared in accordance with the Content Elements of the IIRC's International Integrated <IR> Framework.

Board of Directors and Management's responsibility

The Board of Directors and Management are responsible for:

- Determining that the criteria is appropriate to meet the needs of intended users, being the company's members and any other intended users.
- Preparing and presenting of the Report in accordance with the criteria set out in the IIRC's <IR> Framework. This includes disclosing the criteria, including any significant inherent limitations.
- Ensuring the Company's strategy is wellpresented in the Company's Integrated Report and reflects how the Company creates value as they operate in practice
- Identifying stakeholders and stakeholder requirements;
- Identifying material issues and reflecting those in the Company's Integrated Report; and
- Preparation and fair presentation of the Integrated reporting information;
- Design and implementation of internal controls that the company determines necessary to enable the preparation and presentation of the Integrated Report that is free from material misstatement, whether due to fraud or error.
- Informing us of any known and/or contentious issues relating to the Integrated Report.
- Preventing and detecting of fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities;
- Process to ensure that the Company personnel involved with the preparation and presentation of the integrated reporting information are properly trained, systems are properly updated and that any changes in reporting is relevant to the integrated report information encompass all significant business units. This responsibility also includes informing us of any changes in the Company's operations.

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R.W.M.O.W.D.B. Rathnadiwakara FCA

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A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA (UK)

Independent Limited Assurance Report

to the Directors of Diesel & Motor Engineering PLC

- The responsibility also includes informing changes in the Company's Operations since the date of our most recent assurance report on the Integrated reporting information.

Our responsibility

Our responsibility is to perform an external assurance engagement in relation to the Integrated Report and to issue an assurance report that includes our conclusions.

We conducted our assurance engagement in accordance with Sri Lanka Standard on Assurance Engagements SLSAE 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information (SLSAE 3000) issued by the Institute of Chartered Accountants of Sri Lanka.

We have complied with the independence and other ethical requirements of the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics).

SLSAE 3000 requires that we plan and perform the engagement to obtain limited assurance about whether the Integrated Report is free from material misstatement.

The firm applies Sri Lanka Standard on Quality Control (SLSQC) 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding professional compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Limited assurance on the Integrated Report

Our limited assurance engagement on the Integrated Report consisted of making enquiries, primarily of persons responsible for the preparation of the Integrated Report, and applying analytical and other procedures, as appropriate. These procedures included:

1. Interviews with executives, senior management and relevant staff to understand the internal controls, governance structure and reporting process relevant to the Report;
2. Reviewing of the relevant internal policies and procedures developed by the Company, including those relevant to determining what matters most to the Company's stakeholders, how the Company creates value, the Company's external environment, strategy, approaches to putting members first, governance and reporting.
3. Reviewing the description of the Company's strategy and how the Company creates value in the Report and enquiring of management as to whether the description accurately reflects their understanding;
4. Assessing of the suitability and application of the Content Elements of the <IR> Framework in the Report;
5. Assessing of the alignment between the Company's strategy, the disclosures on how the Company creates value and what matters most to the Company's stakeholders.
6. Reviewing Board minutes to ensure consistency with the content of the Report.

7. Reviewing the Report in its entirety to ensure it is consistent with our overall knowledge obtained during the assurance engagement.
8. Obtaining a letter of representation from management dated 20th June 2024 on the content of the Company's Integrated Report.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion on the Integrated Report.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Company.

Limitations of our review

The Integrated Report includes prospective information. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the Integrated Report.

Purpose of our report

In accordance with the terms of our engagement, this assurance report has been prepared for the Company for the purpose of assisting the Directors in determining whether the Company's Integrated Report is prepared in accordance with the IIRC's International <IR> Framework and for no other purpose or in any other context.

Restriction of use of our report

This report has been prepared for the Company for the purpose of providing an assurance conclusion on the Integrated Report and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Company, or for any other purpose than that for which it was prepared.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company, for any purpose or in any other context. Any party other than the Company who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company for our work, for this independent assurance report, or for the conclusions we have reached.

Chartered Accountants
Colombo

20th June 2024

Ten Year Summary

Year Ended 31st March	2023/24 Rs.'000	2022/23 Rs.'000	2021/22 Rs.'000	2020/21 Rs.'000	2019/20 Rs.'000	2018/19 Rs.'000	2017/18 Rs.'000	2016/17 Rs.'000	2015/16 Rs.'000	2014/15 Rs.'000
Group										
Operating Results										
Revenue	43,644,295	35,299,201	37,507,480	30,819,014	34,557,871	38,300,350	43,686,158	44,492,990	37,749,750	28,037,376
Profit before taxation	183,111	737,256	1,165,345	720,111	279,527	104,119	716,607	1,043,392	1,380,059	847,033
Income tax	(90,506)	(39,112)	(310,975)	(183,845)	(78,383)	(27,436)	(193,391)	(386,601)	(433,453)	(250,950)
Profit for the year	92,605	698,144	854,370	536,266	201,144	76,683	523,216	656,791	946,606	596,083
Profit attributable to Owners of the Company	42,962	579,060	702,119	486,713	195,011	51,307	519,309	656,791	946,606	596,083
Capital Employed										
Stated capital	620,578	620,578	620,578	425,297	425,297	425,297	425,297	425,297	425,297	425,297
Other components of equity	7,102,059	5,611,961	6,202,697	6,140,005	4,077,499	4,055,979	4,050,962	2,839,898	2,839,356	2,838,894
Revenue reserves	8,679,535	8,743,765	8,237,608	7,976,680	7,476,214	7,259,568	7,268,900	6,899,747	6,725,026	5,973,747
Non-controlling interests	446,463	377,327	405,604	419,270	369,921	339,607	304,203	-	-	-
Total equity	16,848,635	15,353,631	15,466,487	14,961,252	12,348,931	12,080,451	12,049,362	10,164,942	9,989,679	9,237,938
Total borrowings	22,394,791	13,730,034	8,951,541	4,551,348	11,286,683	10,134,164	9,188,923	8,382,217	6,484,996	5,253,838
Total capital employed	39,243,426	29,083,665	24,418,028	19,512,600	23,635,614	22,214,615	21,238,285	18,547,159	16,474,675	14,491,776
Assets Employed										
Non-current assets	20,620,425	17,262,159	15,229,915	14,594,455	12,243,971	11,776,291	11,695,795	8,357,266	7,982,821	8,039,357
Current assets	28,372,573	22,300,228	25,075,075	17,521,696	19,469,319	17,523,901	16,891,197	14,402,152	12,349,823	9,910,853
Total liabilities (excluding borrowings)	9,749,572	10,478,722	15,279,430	(12,603,551)	(8,077,676)	(7,085,577)	(7,348,707)	(4,212,259)	(3,857,969)	(3,458,434)
Total assets employed	58,742,570	50,041,109	21,503,681	19,512,600	23,635,614	22,214,615	21,238,285	18,547,159	16,474,675	14,491,776
Cash Flow										
Net cash from/(used in) operating activities	(5,967,838)	(3,482,808)	(339,989)	7,557,627	(88,575)	(626,464)	463,058	(654,758)	(836,816)	648,049
Net cash from/(used in) investing activities	(1,428,261)	(1,254,876)	(1,237,046)	(342,893)	(377,995)	(360,050)	(1,113,776)	(684,812)	(223,129)	(677,408)
Net cash from/(used in) financing activities	8,194,330	3,717,801	4,113,887	(6,870,307)	1,244,309	1,245,649	155,879	(847,598)	(495,191)	(340,735)
Net increase/(decrease) in cash and cash equivalents	798,231	(1,019,883)	2,536,852	344,427	777,739	259,135	(494,839)	(2,187,168)	(1,555,136)	(370,094)
Key Indicators										
Earnings per share (Rs.)	4.65	62.73	76.06	52.72	2112	5.78	58.50	73.99	106.64	67.15
Net assets per share (Rs.)	1,776.76	1,622.31	1,631.47	1,638.27	1,349.53	1,322.70	1,323.18	1,145.16	1,125.42	1,040.73
Market value per share (Rs.)	513.25	466.00	488.00	530.25	250.00	304.70	464.90	559.90	549.70	630.00
Dividend per share (Rs.)	10.00	12.50	12.50	2.50	2.50	-	20.00	24.00	27.00	20.00
Dividends approved/ Paid (Rs.'000)	111,764	115,394	110,955	22,191	22,191	-	177,529	213,034	239,664	177,529
Annual sales growth (%)	23.64	(5.89)	21.70	(10.82)	(9.77)	(12.33)	(18.1)	17.86	34.64	34.25
Equity to total assets ratio (%)	33.48	37.85	37.37	45.28	37.77	40.07	41.09	44.66	49.13	51.46
Gearing ratio (%)	57	47	36.66	23.33	47.75	45.62	43.27	45.19	39.36	36.25
Dividend pay out (%)	120.69	16.53	16.44	4.74	11.83	-	33.93	32.44	25.32	29.78
Dividends cover (No. of times)	1.21	6.05	6.08	21.09	8.45	-	2.95	3.08	3.95	3.36
Price earnings ratio (No. of times)	110.29	7.43	6.42	10.06	11.84	52.71	7.95	7.57	5.15	9.38
Current ratio (No. of times)	1.16	1.16	1.23	1.39	1.21	1.24	1.24	1.30	1.47	1.45
Quick asset ratio	0.76	0.64	0.75	0.90	0.71	0.65	0.54	0.49	0.56	0.75
Turnover to capital employed (No. of times)	1.11	1.21	1.54	1.58	1.46	1.72	2.06	2.4	2.29	1.93
Interest Cover (No. of times)	1.07	1.22	2.37	1.98	1.20	1.07	1.68	2.22	3.93	3.00
Average no. of employees	1791	1781	1840	1860	1939	1906	1788	1,649	1,554	1,524

Corporate Information

Name of the Company

Diesel & Motor Engineering PLC

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Fax: +94-11-2449080

Legal Form

A limited Company incorporated in 1945 under the Laws of the Democratic Socialist Republic of Sri Lanka. The Company was re-registered as per the requirements of the Companies Act No. 07 of 2007 on 09th May 2008.

Company Registration Number

PQ 146

Founded

1939

Accounting Year End

31st March 2024

Tax Payer Identification Number (TIN)

104002498

Stock Exchange Listing

The ordinary shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka

Auditors

KPMG,
Chartered Accountants,
32A, Sir Mohamed Macan Markar Mawatha,
P.O. Box 186,
Colombo 03, Sri Lanka.

Lawyers

Julius & Creasy,
Attorneys-at-law & Notaries Public, Julius & Creasy Building,
No. 371, R.A. de Mel Mawatha, Colombo 03, Sri Lanka

Company Secretary

B.C.S.A.P. Gooneratne, F.C.A., MBA (USJ)

Company Registrars

Jacey and Company, No.9/5, Thambiah Avenue,
(Off Independence Avenue), Colombo 07, Sri Lanka

Bankers

Bank of Ceylon
Commercial Bank of Ceylon PLC
DFCC Bank PLC
Hatton National Bank PLC
Hong Kong & Shanghai Banking Corporation Ltd
Nations Trust Bank PLC
People's Bank
Sampath Bank PLC
Seylan Bank
Standard Chartered Bank Sri Lanka

Directors of Subsidiaries & Joint Ventures in Sri Lanka

DIMO (Private) Limited

Subsidiary incorporated in 1972
A.R. Pandithage (Chairman)
A.G. Pandithage
S.C. Algama (Managing Director)
B.C.S.A.P. Gooneratne
P.K.W. Mahendra
S.R.W.M.C. Ranawana

DIMO Travels (Private) Limited

Subsidiary incorporated in 1975
A.R. Pandithage (Chairman)
A.G. Pandithage
B.C.S.A.P. Gooneratne
R. K. J. Gunasekara
D. N. K. Kurukulasuriya

DIMO Industries (Private) Limited

Subsidiary incorporated in 1979
A.R. Pandithage (Chairman)
A.G. Pandithage
B.C.S.A.P. Gooneratne
H.M.P. D.B. Dematawa
D. N. K. Kurukulasuriya
C. R. Pandithage

PlantChem (Private) Limited

Subsidiary acquired in 2018
A.R. Pandithage (Chairman)
A.G. Pandithage
H.M.P.D.B. Dematawa (Managing Director)
B.C.S.A.P. Gooneratne
A.G.J. Gunathilaka
U. Wanigasinghe
W.P.S.A. Weerawardhana

Plant Seeds (Private) Limited

Subsidiary acquired in 2018
A.R. Pandithage (Chairman)
A.G. Pandithage
H.M.P.D.B. Dematawa (Managing Director)
B.C.S.A.P. Gooneratne
A.G.J. Gunathilaka
U. Wanigasinghe
W.P.S.A. Weerawardhana

DIMO Lifeline (Private) Limited

Subsidiary incorporated in 2020
A.R. Pandithage
A.G. Pandithage
P.K.W. Mahendra
D.M.A.P. Dissanayake
C.F. De. Silva

Moveflex (Private) Limited

Subsidiary incorporated in 2021
A.R. Pandithage
A.G. Pandithage
B.C.S.A.P. Gooneratne
R.D.M.P. Wickramasinghe

Azend Technologies (Private) Limited

Joint Venture incorporated in 2021
A. R. Pandithage
A. G. Pandithage
K.M.C.J.R.Silva
M.K.D.K. Senaratne
R.D.M.P. Wickramasinghe
O.V.W. Samaranyake
C.R. Pandithage
R.M. Serasinghe

Tropical Health Food (Private) Limited

Subsidiary acquired in 2022
A.R. Pandithage (Chairman)
A.G. Pandithage
B.C.S.A.P. Gooneratne
H. M. P. D. B. Dematawa
C. R. Pandithage

Virgin Oil International (Private) Limited

Subsidiary acquired in 2022
A.R. Pandithage (Chairman)
A.G. Pandithage
H.M.P.D.B. Dematawa
C.R. Pandithage
S.C. Samarasinghe
M.S. Gonawela
G.D.R.Candappa

Mansel (Ceylon) (Private) Limited

Subsidiary acquired in 2022
A.R. Pandithage
A.G. Pandithage
B.C.S.A.P. Gooneratne
P.K.W. Mahendra
D. M. A. P. Dissanayake
L.W.B.De Silva
Y.V.R.Balasuriya

Associated Laboratories (Private) Limited

Subsidiary acquired in 2022
A.R. Pandithage
A.G. Pandithage
B.C.S.A.P. Gooneratne
P.K.W. Mahendra
D. M. A. P. Dissanayake
L.W.B.De Silva
Y.V.R.Balasuriya

DI Solar Beliatta (Private) Limited

Subsidiary incorporated in 2023
A. R. Pandithage
A. G. Pandithage
B. C. S. A. P. Gooneratne
P. K. W. Mahendra
J. S Nanayakkara (Resigned w.e.f. 1st May 2024)

DIMO Solar Anuradhapura (Private) Limited

Subsidiary incorporated in 2023
A. R. Pandithage
A. G. Pandithage
B. C. S. A. P. Gooneratne
P. K. W. Mahendra
J. S Nanayakkara (Resigned w.e.f. 1st May 2024)

DIMO Solar Galle (Private) Limited

Subsidiary incorporated in 2023

A. R. Pandithage
A. G. Pandithage
B. C. S. A. P. Gooneratne
P. K. W. Mahendra
J. S. Nanayakkara (Resigned w.e.f. 1st May 2024)

DIMO Solar Galle Two (Private) Limited

Subsidiary incorporated in 2024

A. R. Pandithage
A. G. Pandithage
B. C. S. A. P. Gooneratne
P. K. W. Mahendra

DIMO Solar Galle Three (Private) Limited

Subsidiary incorporated in 2024

A. R. Pandithage
A. G. Pandithage
B. C. S. A. P. Gooneratne
P. K. W. Mahendra

DIMO Solar Galle Four (Private) Limited

Subsidiary incorporated in 2024

A. R. Pandithage
A. G. Pandithage
B. C. S. A. P. Gooneratne
P. K. W. Mahendra

DIMO Academy of Higher Education (Private) Limited

Subsidiary incorporated in 2024

A. R. Pandithage
A. G. Pandithage
B. C. S. A. P. Gooneratne
DN.K.Kurukulasuriya

Directors of Foreign Subsidiaries & Joint Ventures

DIMO Lanka Company Limited

Subsidiary incorporated in 2017

A.R. Pandithage (Chairman)
A.G. Pandithage
B.C.S.A.P. Gooneratne

United DIMO Company Limited

Subsidiary of DIMO Lanka Company Limited (Private) incorporated in 2017

A.R. Pandithage (Chairman)
A.G. Pandithage
B.C.S.A.P. Gooneratne
U.T. Zin (Managing Director)
U.M.Z. Aug
H.S. Amaratunga

DIMO Coastline (Private) Ltd

Joint venture invested in 2017

A.R. Pandithage
A.G. Pandithage
A.U. Maniku (Managing Director)
M. V. Bandara (Resigned w.e.f. 2nd April 2024)
B.C.S.A.P. Gooneratne
H.M. Fulhu (Resigned w.e.f. 2nd April 2024)
I.G.M. Haleem
S.A. Maniku

DIMO Bangladesh (Pvt) Ltd

Subsidiary incorporated in 2022

A.R. Pandithage (Chairman)
A.G. Pandithage
B.C.S.A.P. Gooneratne
S.R.W.M.C. Ranawana

DIMO Australia Pty Ltd

Subsidiary incorporated in 2022

C. R. Pandithage
A.G.Pandithage

DIMO Global Pte Ltd

Subsidiary of DIMO (Private) Limited incorporated in 2022

A.R. Pandithage (Chairman)
A.G. Pandithage
B.C.S.A.P. Gooneratne
P.K.W. Mahendra
Lee Siew Mei (Li Xiumin)

Azendtech LLC-FZ

Subsidiary of Azend Technologies (Private) Limited (JV of DIMO PLC)

Incorporated in 2023
A.G. Pandithage
C.R. Pandithage
K.M.C.J.Rajive Silva
O.V.W.Samaranayake

Notes

Notice of the Annual General Meeting

NOTICE is hereby given that the 79th Annual General Meeting of **DIESEL & MOTOR ENGINEERING PLC** will be held at DIMO 800, No.800, Sirimavo Bandaranaike Mawatha, Colombo 14 on 16th July 2024 at 3.00 p.m. for the following purposes:

Agenda

1. To receive and consider the Annual Report of the Board of Directors and Audited Financial Statements for the Year Ended 31st March 2024 with the Report of the Auditors thereon.

2. Directors

- I. To elect Mr. Hector Manil Anthony Jayasinghe, who retires in terms of Article 26(2) of the Articles of Association and being eligible has offered himself for election.
- II. To re-appoint as a Director Mr. Asoka Ranjith Pandithage, who is over the age of 70 years and who vacates his office in terms of Section 210 of the Companies Act No.07 of 2007 (the Act).

Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Act, in relation to his re-appointment.

"RESOLVED THAT Mr. Asoka Ranjith Pandithage, who is over the age of 70 years be and is hereby re-appointed a Director of the Company and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to the said Mr. Asoka Ranjith Pandithage".

- III. To re-appoint as a Director Mr. Abeykumar Mohan Pandithage, who is over the age of 70 years and who vacates his office in terms of Section 210 of the Companies Act No. 07 of 2007 (the Act).

Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Act, in relation to his re-appointment.

"RESOLVED THAT Mr. Abeykumar Mohan Pandithage, who is over the age of 70 years be and is hereby re-appointed a Director of the Company and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Mr. Abeykumar Mohan Pandithage."

- IV. To re-appoint as a Director Mr. Jayantha Michael De Silva, who is over the age of 70 years and who vacates his office in terms of Section 210 of the Companies Act No. 07 of 2007 (the Act).

Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Act, in relation to his re-appointment.

"RESOLVED THAT Mr. Jayantha Michael De Silva, who is over the age of 70 years be and is hereby re-appointed a Director of the Company and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Mr. Jayantha Michael De Silva".

3. To re-appoint the retiring Auditors Messrs KPMG, Chartered Accountants, to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration.
4. To authorise the Directors to determine contributions to charities.

By Order of the Board,

Diesel & Motor Engineering PLC
Company Registration No. PQ-146



B.C.S.A.P. Gooneratne
Company Secretary

Colombo
20th June 2024

Notes:

1. The Annual Report of the Company for 2023/24 is available on the corporate website <https://www.dimolanka.com/2023-2024-dimo-annual-report/> and on the Colombo Stock Exchange website - <https://www.cse.lk>
2. A shareholder is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a shareholder of the Company.
3. A Form of Proxy is enclosed. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No.65, Jetawana Road, Colombo 14 or forwarded by email to agm@dimolanka.com not less than forty-eight (48) hours before the time appointed for the holding of AGM.

Form of Proxy

I/We*(Full name of shareholder)

NIC No./Reg. No. of Shareholder*.....of.....

being Shareholder/Shareholders* of Diesel & Motor Engineering PLC, hereby appoint.....

.....(Full name of proxyholder)

NIC No. Proxyholder.....of.....whom failing:

Mr. Asoka Ranjith Pandithage	whom failing
Mr. Aruna Gahanath Pandithage	whom failing
Mr. Abeykumar Mohan Pandithage	whom failing
Mr. Asite Drupath Bandara Talwatte	whom failing
Mr. Bodiabaduge Charindra Suresh Alexius Perera Gooneratne	whom failing
Mr. Charithe Rajeev Pandithage	whom failing
Ms. Dilrukshi Neelika Kumari Kurukulasuriya	whom failing
Dr. Harsha Cabral	whom failing
Mr. Hector Manil Anthony Jayasinghe	whom failing
Mr. Jayantha Michael De Silva	whom failing
Mr. Pushpawela Kankanamge Wijith Mahendra	whom failing
Mr. Sri Rama Waidayasekera Mudiyansele Chaminda Ranawana	

as my/our* proxy to represent me/us*and to vote and **..... as indicated hereunder for me/us and on my/our behalf at the **79th Annual General Meeting** of the Company to be held on Tuesday, 16th July 2024 and at any adjournment thereof, and at every poll which may be taken in consequence thereof. I/We* the undersigned hereby authorise my/our* proxy to vote on my/our* behalf in accordance with the preference indicated below:-

	For	Against
1. To receive and consider the Annual Report of the Board of Directors and Audited Financial Statements for the Year Ended 31st March 2024 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2.(i). To elect Mr. Hector Manil Anthony Jayasinghe, who retires in terms of Article 26(2) of the Articles of Association and being eligible has offered himself for election.	<input type="checkbox"/>	<input type="checkbox"/>
2.(ii). To re-appoint as a Director Mr. Asoka Ranjith Pandithage, who is over the age of 70 years and who vacates his office in terms of Section 210 of the Companies Act No.07 of 2007.	<input type="checkbox"/>	<input type="checkbox"/>
2.(iii). To re-appoint as a Director Mr. Abeykumar Mohan Pandithage, who is over the age of 70 years and who vacates his office in terms of Section 210 of the Companies Act No. 07 of 2007.	<input type="checkbox"/>	<input type="checkbox"/>
2.(iv). To re-appoint as a Director Mr. Jayantha Michael De Silva, who is over the age of 70 years and who vacates his office in terms of Section 210 of the Companies Act No. 07 of 2007.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-appoint the retiring Auditors Messrs KPMG, Chartered Accountants, to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
4. To authorise the Directors to determine contributions to charities.	<input type="checkbox"/>	<input type="checkbox"/>

As witness my/our hand this day of 2024.

.....
Signature of Shareholder

*Please delete as appropriate.

Form of Proxy

Notes:

- a) *Please delete the inappropriate words.
- b) **If you wish your Proxy to speak at the Meeting you should insert the words "to speak and" in the place indicated with two asterisks (**) and initial such insertion.**
- c) Please indicate with an "x" in the space provided how your Proxy is to vote. If there is in the view of the Proxy holder a doubt (by reason of the way in which the instructions contained in the Proxy have been completed) as to the way in which the Proxy holder should vote, the Proxy holder shall vote as he thinks fit.
- d) A Proxy holder need not be a member of the Company.
- e) Shareholders who are unable to participate at the meeting are encouraged to duly complete the Form of Proxy clearly setting out their preference of vote under each matter set out therein and to appoint a director of the Company to act on their behalf.

Instructions as to completion appear below.

Instruction as to Completion

- 1. To be valid this Form of Proxy must be deposited at the Registered Office of the Company at No.65, Jethawana Road, Colombo 14 or forwarded by email to agm@dimolanka.com not less than forty-eight (48) hours before the time appointed for the holding of AGM.
- 2. The full name and address of the Proxy holder and of the Shareholder appointing the Proxy holder should be entered legibly in the Form of Proxy.
- 3. If you wish to appoint a person other than the Chairman or a Director as your Proxy, please insert the relevant details and initial against this entry.
- 4. In the case of a Company/Corporation, the proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.
- 5. If the Proxy Form is signed by an Attorney, the relevant Power of Attorney or a notarially certified copy thereof, should also accompany the completed Form of Proxy, if it had not been already registered with the Company.

Designed & produced by

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