

MOMENTUM IN — MOTION

ANNUAL REPORT 2024/25



Financial Statements

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 2025 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 215)
- Statement of Financial Position (Page 216)
- Statement of Changes in Equity (Page 217)
- Statement of Cash Flows (Pages from 218-219)
- Notes to the Financial Statements comprising of Corporate Information (Section 2), Basis of Accounting (Section 3), Specific Accounting Policies and Notes (Section 4).

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 pages 201 to 205, 208 and 216 respectively, of this Annual Report.

Authorisation of Financial Statements by the Board of Directors

The Financial Statements for the year ended 31st March 2025, were authorised for issue by the Board of Directors on 05th June 2025



Financial Statements in
Sinhala

<https://www.dimolanka.com/2024-2025-dimo-annual-report/url.php?id=36>



Financial Statements
in Tamil

<https://www.dimolanka.com/2024-2025-dimo-annual-report/url.php?id=37>

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March	Note	Group			Company		
		2025 Rs.'000	2024 Rs.'000	Change %	2025 Rs.'000	2024 Rs.'000	Change %
Revenue	4.1	50,174,979	43,644,295	15	38,923,793	32,557,940	20
Cost of sales		(38,781,289)	(31,730,079)	22	(30,011,486)	(23,309,125)	29
Gross profit		11,393,690	11,914,216	(4)	8,912,307	9,248,815	(4)
Other operating income	4.3	455,382	575,243	(21)	1,051,470	771,686	36
Selling and distribution expenses		(1,561,974)	(1,104,749)	41	(1,429,887)	(1,014,811)	41
Impairment loss on trade receivables	4.16.1.1	(370,648)	(105,241)	252	(312,499)	(50,790)	515
Administrative expenses		(9,262,873)	(8,193,767)	13	(7,378,620)	(6,618,371)	11
Operating profit		653,577	3,085,702	(79)	842,771	2,336,529	(64)
Finance income		50,907	59,509	(14)	248,900	669,087	(63)
Finance costs		(2,650,714)	(2,993,510)	(11)	(1,934,291)	(2,519,671)	(23)
Net finance costs	4.4	(2,599,807)	(2,934,001)	(11)	(1,685,391)	(1,850,584)	(9)
Share of results of equity-accounted investees, net of tax	4.12.4	(1,825)	31,410	(106)	(1,825)	31,410	(106)
(Loss)/Profit before tax	4.5	(1,948,055)	183,111	(1,164)	(844,445)	517,355	(263)
Income tax reversal/ (expense)	4.6.2	639,589	(90,506)	(807)	282,690	(159,332)	(277)
(Loss)/ Profit for the year		(1,308,466)	92,605	(1,513)	(561,755)	358,023	(257)
Other Comprehensive Income							
Items that will not be reclassified to profit or loss in subsequent periods							
Remeasurement loss on defined benefit obligation	4.25.1	(261,370)	(83,285)	214	(223,829)	(63,026)	255
Deferred tax reversal on actuarial loss	4.26.1	78,411	24,986	(214)	67,149	18,908	(255)
Revaluation of property, plant and equipment		-	2,208,774	(100)	-	2,179,200	(100)
Deferred tax charge on revaluation of property, plant and equipment		-	(665,654)	100	-	(653,760)	100
Net change in fair value of equity investments at FVOCI		-	2,687	(100)	-	2,687	(100)
		(182,959)	1,487,508	(112)	(156,680)	1,484,010	(111)
Items that are or may be reclassified to profit or loss in subsequent periods							
Foreign currency translation differences of foreign operations		27,290	(53,543)	(151)	27,984	(21,040)	(233)
		27,290	(53,543)	(151)	27,984	(21,040)	(233)
Total other comprehensive (loss)/ income, net of tax		(155,669)	1,433,965	(111)	(128,696)	1,462,970	(109)
Total comprehensive (loss)/ income for the year		(1,464,135)	1,526,570	(196)	(690,451)	1,820,993	(138)
(Loss)/ Profit attributable to:							
Equity holders of the parent		(1,264,745)	42,962	(3,044)	(561,755)	358,023	(257)
Non-controlling interest		(43,721)	49,643	(188)	-	-	-
		(1,308,466)	92,605	(1,513)	(561,755)	358,023	(257)
Total comprehensive (loss)/ income attributable to:							
Equity holders of the parent		(1,425,382)	1,477,282	(196)	(690,451)	1,820,993	(138)
Non-controlling interest		(38,753)	49,288	(179)	-	-	-
		(1,464,135)	1,526,570	(196)	(690,451)	1,820,993	(138)
Basic and diluted (loss)/ earnings per share (Rs.)	4.7	(137.00)	4.65		(60.85)	38.78	
Dividend per share (Rs.)	4.8	-	-		5.00	10.00	

Figures in brackets indicate deductions.

The Notes appearing on pages 220 to 290 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

For the year ended 31st March		Group		Company	
		2025	2024	2025	2024
	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets					
Property, plant and equipment	4.9	19,247,115	17,492,522	16,428,633	16,270,068
Right-of-use assets	4.10	736,705	558,976	604,661	381,666
Intangible assets and goodwill	4.11	2,129,162	1,616,535	843,415	700,147
Investments in subsidiaries	4.12.1	-	-	3,433,003	1,656,311
Investments in equity accounted investees	4.12.4	-	148,878	-	148,878
Equity securities	4.14	-	136	-	136
Other financial assets	4.18	8,898	12,225	-	-
Deferred tax assets	4.26.1	1,315,468	791,155	-	-
Total non-current assets		23,437,348	20,620,427	21,309,712	19,157,206
Inventories	4.15	10,610,519	9,717,071	7,348,234	7,209,835
Trade and other receivables	4.16	15,733,645	11,630,933	10,477,796	6,963,984
Other current assets	4.17	3,712,034	3,029,589	1,920,957	1,614,169
Income tax receivable	4.31	112,707	116,705	16,632	16,632
Amounts due from related parties	4.32.1	376	32,696	2,673,570	4,023,211
Other financial assets	4.18	2,315	4,306	-	-
Cash and cash equivalents	4.19	3,055,406	3,841,272	1,942,577	2,152,229
		33,227,002	28,372,572	24,379,766	21,980,060
Assets held for sale	4.20	38,545	-	38,545	-
Total current assets		33,265,547	28,372,572	24,418,311	21,980,060
Total assets		56,702,895	48,992,999	45,728,023	41,137,266
Equity and Liabilities					
Equity					
Stated capital	4.21	620,578	620,578	620,578	620,578
Other components of equity	4.23	7,125,675	7,102,059	7,136,866	7,107,697
Revenue reserves	4.22	7,191,029	8,679,535	6,933,904	7,699,681
Equity attributable to equity holders of the parent		14,937,282	16,402,172	14,691,348	15,427,956
Non-controlling interests		501,061	446,463	-	-
Total equity		15,438,343	16,848,635	14,691,348	15,427,956
Interest bearing borrowings	4.24.1.1	2,638,267	2,114,973	2,282,170	1,899,630
Lease liabilities	4.24.3.1	755,605	517,968	616,886	373,096
Employee benefits	4.25.1	1,643,258	1,241,371	1,426,889	1,085,397
Deferred tax liabilities	4.26.1	2,569,978	2,860,303	2,509,093	2,860,303
Contract liabilities	4.27.1	646,156	868,681	272,246	95,090
Total non-current liabilities		8,253,264	7,603,296	7,107,284	6,313,516
Trade and other payables	4.29	3,145,497	1,155,556	2,107,811	589,211
Other current liabilities	4.30	2,045,104	1,840,166	1,356,161	1,322,926
Current portion of long-term interest bearing borrowings	4.24.1.1	735,483	750,758	609,060	642,253
Lease liabilities	4.24.3.1	96,540	158,872	73,673	93,047
Contract liabilities	4.27.1	2,332,543	854,855	1,810,083	691,577
Income tax payable	4.31	21,279	67,636	1,564	-
Short-term interest - bearing borrowings	4.24.2	24,549,436	19,529,060	16,530,765	16,008,047
Amounts due to related parties	4.32.1	85,406	184,165	1,440,274	48,733
Total current liabilities		33,011,288	24,541,068	23,929,391	19,395,794
Total liabilities		41,264,552	32,144,364	31,036,675	25,709,310
Total equity and liabilities		56,702,895	48,992,999	45,728,023	41,137,266
Net assets per share		1,618.08	1,776.76	1,591.44	1,671.23

Certification

These Financial Statements as set out on pages 220 to 290 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.R. Pandithage
Chairman



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

5th June 2025
Colombo

The Notes appearing on pages 220 to 290 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March		Stated Capital	Other Components of Equity			Revenue Reserves		Non-Controlling Interests	Total
			Revaluation Reserve	Fair value Reserve	Foreign Currency Translation Reserve	General Reserve	Retained Earnings		
		Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Group									
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		-	-	-	-	-	40,901	39,297	80,198
Total comprehensive income									
Profit for the year		-	-	-	-	-	42,962	49,643	92,605
Adjustments of fair value on disposal of -FVOCI assets		-	-	(885)	-	-	885	-	-
Other comprehensive income/ (loss), net of tax		-	1,539,001	2,687	(50,705)	-	(56,663)	(355)	1,433,965
		-	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
As at 01st April 2024		620,578	7,157,700	(268)	(55,373)	5,392,290	3,287,245	446,463	16,848,635
Total comprehensive income									
Loss for the year		-	-	-	-	-	(1,264,745)	(43,721)	(1,308,466)
Adjustments of fair value on disposal of -FVOCI assets		-	-	268	-	-	(268)	-	-
Other comprehensive income/ (loss), net of tax		-	-	-	23,348	-	(180,826)	1,809	(155,669)
		-	-	268	23,348	-	(1,445,839)	(41,912)	(1,464,135)
Acquisition of non-controlling interests		-	-	-	-	-	-	-	-
Dividends to equity holders									
2023/24 final dividend	4.8	-	-	-	-	-	(46,157)	-	(46,157)
Transactions due to change in group holdings									
Shares issued by subsidiaries to non-controlling interest		-	-	-	-	-	-	100,000	100,000
Change in Group Holdings		-	-	-	-	-	3,490	(3,490)	-
		-	-	-	-	-	(42,667)	96,510	53,843
As at 31st March 2025		620,578	7,157,700	-	(32,025)	5,392,290	1,798,739	501,061	15,438,343
Company									
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		-	-	-	-	-	358,023	-	358,023
Adjustments of fair value on disposal of -FVOCI assets		-	-	(885)	-	-	885	-	-
Other comprehensive income/ (loss), net of tax		-	1,525,440	2,687	(21,040)	-	(44,118)	-	1,462,969
		-	1,525,440	1,802	(21,040)	-	314,790	-	1,820,992
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	2,770,217	-	15,427,956
As at 01st April 2024		620,578	7,134,773	(1,185)	(25,891)	4,929,464	2,770,217	-	15,427,956
Total comprehensive income									
Loss for the year		-	-	-	-	-	(561,755)	-	(561,755)
Adjustments of fair value on disposal of -FVOCI assets		-	-	1,185	-	-	(1,185)	-	-
Other comprehensive income/ (loss), net of tax		-	-	-	27,984	-	(156,680)	-	(128,696)
		-	-	1,185	27,984	-	(719,620)	-	(690,451)
Dividends to equity holders									
2023/24 final dividend	4.8	-	-	-	-	-	(46,157)	-	(46,157)
		-	-	-	-	-	(46,157)	-	(46,157)
As at 31st March 2025		620,578	7,134,773	-	2,093	4,929,464	2,004,440	-	14,691,348

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 pages 220 to 290 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

For the year ended 31st March		Group		Company	
		2025	2024	2025	2024
	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities					
(Loss)/Profit before taxation		(1,948,055)	183,111	(844,445)	517,355
Adjustments for;					
Depreciation on property, plant and equipment	4.9a	489,450	454,321	401,804	346,304
Amortisation of intangible assets	4.11	73,063	25,128	72,966	24,900
Amortisation and derecognition of right-of-use assets	4.10	150,248	155,680	104,323	107,498
Provision for impairment of investments in subsidiaries	4.12.1.2	-	-	23,308	12,932
Exchange rates impact on term loan revaluation	4.24.1.1	-	(9,376)	-	(9,376)
Provision for related party receivables	4.32	155,986	-	155,986	-
Provision for bank guarantee claim	4.30	17,470	-	17,470	-
Impairment of goodwill	4.11	31,911	-	-	-
Gain on sale of property, plant and equipment	4.3	(35,460)	(6,201)	(28,758)	(198)
De-recognition of capital work-in-progress	4.9	2,687	1,937	-	1,939
Interest expenses	4.4	2,650,714	2,993,510	1,934,291	2,519,671
Interest income	4.4	(50,907)	(59,509)	(248,900)	(669,087)
Dividend income	4.3	-	-	-	(38,578)
Share of loss/(gain) of equity-accounted investees, net of tax	4.12.4	1,825	(31,410)	1,825	(31,410)
Impairment loss on equity-accounted investees	4.12.4	89,273	-	89,273	-
Impairment loss on trade receivables	4.16.1.1	370,648	105,241	312,499	50,790
Provision /(reversal) on inventories	4.15.1	114,358	(249,640)	(120,739)	(265,978)
Provision for employee benefits obligation excluding actuarial gain	4.25.1	266,423	255,270	225,328	222,277
		2,379,634	3,818,062	2,096,231	2,789,039
Changes in working capital					
(Increase)/decrease in inventories		(1,023,782)	511,036	(17,660)	(840,469)
Increase in trade and other receivables		(4,473,359)	(4,376,105)	(3,826,312)	(2,919,553)
Increase in other current assets		(742,826)	(1,096,342)	(368,060)	(471,977)
(Increase)/decrease in amounts due from related parties		(123,667)	20,510	1,193,656	(1,199,969)
Increase/(decrease) in trade and other payables		1,983,407	(351,377)	1,518,600	(355,334)
Increase/(decrease) in other current liabilities		7,468	(1,112,334)	(24,192)	(458,102)
increase in contract liabilities		1,299,088	133,189	1,290,914	307,961
Decrease in amounts due to related parties		(98,759)	(261,695)	(288,458)	(38,396)
Cash generated from/(used in) operating activities		(792,796)	(2,715,056)	1,574,719	(3,186,800)
Interest paid		(2,724,949)	(3,069,323)	(1,897,917)	(2,519,671)
Employee benefits paid	4.25.1	(134,193)	(87,546)	(107,665)	(69,808)
Income tax paid	4.31	(138,601)	(173,060)	-	-
Net cash used in operating activities		(3,790,539)	(6,044,985)	(430,863)	(5,776,279)
Cash Flows from Investing Activities					
Net proceeds from sale of property, plant and equipment		102,343	97,041	94,083	53,628
Dividends received	4.3	-	-	-	38,578
Interest received		57,426	59,509	246,365	669,087
Investments in other financial assets	4.18	(5,318)	(6,746)	-	-
Net proceed from sale of equity securities	4.14	139	885	139	885
Investment in Equity instruments	4.14	-	(38)	-	(38)
Investment in subsidiaries and equity accounted investees		-	-	(60,000)	-
Acquisition and construction of property, plant and equipment and capital work-in-progress	4.9	(2,314,923)	(1,405,678)	(625,692)	(956,190)
Acquisition of intangible assets and capital work-in-progress	4.11	(212,413)	(173,741)	(216,234)	(173,741)
Net cash used in investing activities		(2,372,746)	(1,428,768)	(561,339)	(367,791)

For the year ended 31st March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Cash Flows from Financing Activities					
Proceeds from long-term borrowings	4.24.1.1	1,300,000	1,583,819	1,000,000	1,500,000
Repayment of long-term borrowings	4.24.1.1	(791,981)	(670,584)	(650,653)	(558,624)
Net movement of short-term borrowings		5,337,414	7,605,021	655,391	6,085,420
Repayment of lease liabilities	4.24.3.1	(149,103)	(135,017)	(95,086)	(92,352)
Dividend paid to equity holders of the parent	4.22	(46,157)	(92,315)	(46,157)	(92,315)
Dividend paid to non-controlling interests		-	(19,449)	-	-
Net cash generated from financing activities		5,650,173	8,271,475	863,495	6,842,129
Net (decrease)/ increase in cash and cash equivalents		(513,112)	797,722	(128,707)	698,059
Cash and cash equivalents as at 01st April					
		3,383,640	2,568,154	2,019,556	1,364,785
Effect of exchange rate changes on cash and cash equivalents		44,283	17,764	51,728	(43,288)
Cash and cash equivalents as at 31st March (Note-A)		2,914,811	3,383,640	1,942,577	2,019,556
Note - A					
Analysis of cash and cash equivalents as at 31st March					
Cash and bank balances	4.19	3,055,406	3,841,272	1,942,577	2,152,229
Bank overdrafts	4.24.2	(140,595)	(457,632)	-	(132,673)
Cash and cash equivalents		2,914,811	3,383,640	1,942,577	2,019,556

Figures in brackets indicate deductions.

The Notes appearing on pages 220 to 290 form an integral part of these Financial Statements.