



Financial Highlights

DIMO Annual Report 2025/2026



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 2026 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 271)
- Statement of Financial Position (Page 272)
- Statement of Changes in Equity (Page 273)
- Statement of Cash Flows (Pages 274 to 275)
- Notes to the Financial Statements comprising of Principal Business Activities (Section 2), Basis of Accounting (Section 3), Material Accounting Policies and Notes (Section 4) and other disclosures

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 257 to 261, 264 and 272 respectively, of this Annual Report.

AUTHORISATION OF FINANCIAL STATEMENTS BY THE BOARD OF DIRECTORS

The Financial Statements for the year ended 31st March 2026, were authorised for issue by the Board of Directors on 3rd June 2026.



Financial Statements in Sinhala

<https://www.dimolanka.com/2025-2026-dimo-annual-report/url.php?id=41>



Financial Statements in Tamil

<https://www.dimolanka.com/2025-2026-dimo-annual-report/url.php?id=42>

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Revenue	4.1	103,633,939	50,174,979	88,910,443	38,923,793
Cost of sales		(83,806,916)	(38,781,289)	(72,684,844)	(30,011,486)
Gross profit		19,827,023	11,393,690	16,225,599	8,912,307
Other operating income	4.3	243,311	455,382	919,766	1,051,470
Selling and distribution expenses		(4,320,815)	(2,980,012)	(3,987,129)	(2,760,973)
Impairment loss on trade receivables	4.16.1.1	(210,840)	(370,648)	(120,442)	(312,499)
Administrative expenses		(10,511,697)	(7,844,835)	(9,305,086)	(6,047,534)
Operating profit		5,026,982	653,577	3,732,708	842,771
Finance income		470,724	50,907	882,582	248,900
Finance costs		(3,446,484)	(2,650,714)	(3,064,631)	(1,934,291)
Net finance costs	4.4	(2,975,760)	(2,599,807)	(2,182,049)	(1,685,391)
Share of results of equity-accounted investees, net of tax	4.12.4	(4,597)	(1,825)	(4,597)	(1,825)
Profit/(Loss) before tax	4.5	2,046,625	(1,948,055)	1,546,062	(844,445)
Income tax expense/(reversal)	4.6.2	(502,672)	639,589	(510,893)	282,690
Profit/(Loss) for the year		1,543,953	(1,308,466)	1,035,169	(561,755)
Other Comprehensive Income					
Items that will not be reclassified to profit or loss in subsequent periods					
Remeasurement (loss)/gain on retirement benefit obligation	4.25.1	(26,131)	(261,370)	7,186	(223,829)
Deferred tax reversal/(charge) on remeasurement of retirement benefit obligation	4.26.1	7,839	78,411	(2,156)	67,149
		(18,292)	(182,959)	5,030	(156,680)
Items that are or may be reclassified to profit or loss in subsequent periods					
Foreign currency translation differences of foreign operations		157	27,290	8,489	27,984
		157	27,290	8,489	27,984
Total other comprehensive income/(expense), net of tax		(18,135)	(155,669)	13,519	(128,696)
Total comprehensive income/(expense) for the year		1,525,818	(1,464,135)	1,048,688	(690,451)
Profit/(Loss) attributable to:					
Equity holders of the parent		1,591,195	(1,264,745)	1,035,169	(561,755)
Non-controlling interest		(47,242)	(43,721)	-	-
		1,543,953	(1,308,466)	1,035,169	(561,755)
Total comprehensive income/(expense) attributable to:					
Equity holders of the parent		1,578,520	(1,425,382)	1,048,688	(690,451)
Non-controlling interest		(52,702)	(38,753)	-	-
		1,525,818	(1,464,135)	1,048,688	(690,451)
Basic and diluted earnings/(loss) per share (Rs.)	4.7	172.37	(137.00)	112.13	(60.85)
Dividend per share (Rs.)	4.8	-	-	10.00	5.00

Figures in brackets indicate deductions.

The Notes appearing on pages 276 to 348 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31st March	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Assets					
Property, plant and equipment	4.9	22,882,424	19,247,115	17,245,934	16,428,633
Right-of-use assets	4.10	990,469	736,705	678,624	604,661
Intangible assets and goodwill	4.11	1,905,096	2,129,162	950,707	843,415
Investments in subsidiaries	4.12.1.1	-	-	5,032,653	3,433,003
Investments in equity accounted investees	4.12.4	-	-	-	-
Other financial assets	4.18	7,011	8,898	-	-
Deferred tax assets	4.26.1	1,478,246	1,315,468	-	-
Total non-current assets		27,263,246	23,437,348	23,907,918	21,309,712
Inventories	4.15	26,922,520	10,610,519	24,510,915	7,348,234
Trade and other receivables	4.16	21,027,680	15,733,645	14,276,996	10,477,796
Other current assets	4.17	3,792,863	3,712,034	2,632,588	1,920,957
Income tax receivable	4.31	109,757	112,707	-	16,632
Amounts due from related parties	4.32.1.1	-	376	2,401,239	2,673,570
Other financial assets	4.18	2,474	2,315	-	-
Cash and cash equivalents	4.19	3,649,833	3,055,406	2,313,988	1,942,577
		55,505,127	33,227,002	46,135,726	24,379,766
Assets held for sale	4.20	-	38,545	-	38,545
Total current assets		55,505,127	33,265,547	46,135,726	24,418,311
Total assets		82,768,373	56,702,895	70,043,644	45,728,023
Equity and Liabilities					
Equity					
Stated capital	4.21	620,578	620,578	620,578	620,578
Other components of equity	4.23	7,126,650	7,125,675	7,145,355	7,136,866
Revenue reserves	4.22	8,686,145	7,191,029	7,891,674	6,933,904
Equity attributable to equity holders of the parent		16,433,373	14,937,282	15,657,607	14,691,348
Non-controlling interests		427,467	501,061	-	-
Total equity		16,860,840	15,438,343	15,657,607	14,691,348
Liabilities					
Interest bearing borrowings	4.24.1.1	7,299,461	2,638,267	4,113,960	2,282,170
Lease liabilities	4.24.3.1	960,355	755,605	670,133	616,886
Retirement benefit obligation	4.25.1	1,835,538	1,643,258	1,565,065	1,426,889
Deferred tax liabilities	4.26.1	2,244,283	2,569,978	2,088,616	2,509,093
Contract liabilities	4.27.1	169,923	646,156	98,343	272,246
Total non-current liabilities		12,509,560	8,253,264	8,536,117	7,107,284
Trade and other payables	4.29	6,858,397	3,145,497	5,615,691	2,107,811
Other current liabilities	4.30	3,015,254	2,130,510	2,459,209	1,356,161
Current portion of long-term interest bearing borrowings	4.24.1.1	1,194,352	735,483	962,880	609,060
Lease liabilities	4.24.3.1	188,826	96,540	123,173	73,673
Contract liabilities	4.27.1	2,371,515	2,332,543	1,729,203	1,810,083
Income tax payable	4.31	777,068	21,279	741,003	1,564
Short-term interest - bearing borrowings	4.24.2	38,992,561	24,549,436	33,415,604	16,530,765
Amounts due to related parties	4.32.1.2	-	-	803,157	1,440,274
Total current liabilities		53,397,973	33,011,288	45,849,920	23,929,391
Total liabilities		65,907,533	41,264,552	54,386,037	31,036,675
Total equity and liabilities		82,768,373	56,702,895	70,043,644	45,728,023
Net assets per share		1,780.14	1,618.08	1,696.11	1,591.44

Certification

These Financial Statements as set out on pages 270 to 348 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



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



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

3rd June 2026
Colombo

Figures in brackets indicate deductions. The Notes appearing on pages 276 to 348 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March	Note	Stated Capital Rs.'000	Other Components of Equity			Revenue Reserves		Non-Controlling Interests Rs.'000	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		
Group									
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/(expense), net of tax		-	-	268	23,348	-	(180,826)	1,809	(155,669)
		-	-	268	23,348	-	(1,445,839)	(41,912)	(1,464,135)
Dividends to equity holders									
2024/25 final dividend	4.8	-	-	-	-	-	(46,157)	-	(46,157)
Shared issued by subsidiaries to non -controlling interest		-	-	-	-	-	-	100,000	100,000
Change in Group Holding		-	-	-	-	-	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
As at 01st April 2025		620,578	7,157,700	-	(32,025)	5,392,290	1,798,739	501,061	15,438,343
Total comprehensive income									
Profit for the year		-	-	-	-	-	1,591,195	(47,242)	1,543,953
Other comprehensive income/(expense), net of tax		-	-	-	975	-	(13,650)	(5,460)	(18,135)
		-	-	-	975	-	1,577,545	(52,702)	1,525,818
Acquisition of non-controlling interests		-	-	-	-	-	-	-	-
Dividends to equity holders									
2025/26 Dividend declared	4.8	-	-	-	-	-	(92,315)	-	(92,315)
Write back of unclaimed dividend		-	-	-	-	-	9,886	-	9,886
Subsidiary dividend to Non Controlling Interest		-	-	-	-	-	-	(20,892)	(20,892)
		-	-	-	-	-	(82,429)	(20,892)	(103,321)
As at 31st March 2026		620,578	7,157,700	-	(31,050)	5,392,290	3,293,855	427,467	16,860,840
Company									
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)
Derecognition of financial assets due to disposal -FVOCI		-	-	1,185	-	-	(1,185)	-	-
Other comprehensive income/(expense), net of tax		-	-	-	27,984	-	(156,680)	-	(128,696)
		-	-	1,185	27,984	-	(719,620)	-	(690,451)
Dividends to equity holders									
2025/26 Dividend declared	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
As at 01st April 2025		620,578	7,134,773	-	2,093	4,929,464	2,004,440	-	14,691,348
Total comprehensive income									
Profit for the year		-	-	-	-	-	1,035,169	-	1,035,169
Other comprehensive income, net of tax		-	-	-	8,489	-	5,030	-	13,519
		-	-	-	8,489	-	1,040,199	-	1,048,688
Dividends to equity holders									
2025/26 Dividend declared	4.8	-	-	-	-	-	(92,315)	-	(92,315)
Write back of unclaimed dividend		-	-	-	-	-	9,886	-	9,886
		-	-	-	-	-	(82,429)	-	(82,429)
As at 31st March 2026		620,578	7,134,773	-	10,582	4,929,464	2,962,210	-	15,657,607

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 276 to 348 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

For the year ended 31st March	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Cash Flows from Operating Activities					
Profit /(Loss) before taxation		2,046,625	(1,948,055)	1,546,062	(844,445)
Adjustments for;					
Depreciation on property, plant and equipment	4.9	716,746	489,450	514,354	401,804
Depreciation and derecognition of right-of-use assets	4.10	196,351	150,248	126,410	104,323
Amortisation on intangible assets	4.11	84,858	73,063	75,859	72,966
Impairment on goodwill	4.11	388,641	31,911	-	-
Impairment (reversal)/provision on equity-accounted investees	4.12.4	(15,497)	89,273	(15,497)	89,273
Impairment of investments in subsidiaries	4.12.1.2	-	-	31,571	23,308
Provision for related party receivables	4.32	-	-	926,822	155,986
Provision for bank guarantee claim		-	17,470	-	17,470
Gain in disposal of equity-accounted investees	4.3	(26,455)	-	(26,455)	-
Gain on sale of property, plant and equipment	4.3	(2,745)	(32,773)	(1,494)	(28,758)
Interest expenses	4.4	3,446,484	2,650,714	3,064,631	1,934,291
Interest income	4.4	(470,724)	(50,907)	(882,582)	(248,900)
Dividend income	4.3	-	-	(48,748)	-
Share of gain of equity-accounted investees, net of tax	4.12.4	4,597	1,825	4,597	1,825
Impairment provision of trade receivables	4.16.1.1	210,840	370,648	120,442	312,499
Impairment provision of other current asset	4.17.1	408,136	17,471	287,655	17,471
Provision/(Reversal) on inventories	4.15.1	535,239	114,358	521,058	(120,739)
Provision for retirement benefits obligations excluding actuarial gain	4.25.1	294,040	266,423	242,706	225,328
		7,817,136	2,241,119	6,487,391	2,113,702
Changes in working capital					
Increase in inventories		(16,822,639)	(1,023,782)	(17,659,138)	(17,660)
Increase in trade and other receivables		(5,504,875)	(4,473,359)	(3,912,330)	(3,826,312)
Increase in other current assets		(488,965)	(760,297)	(999,286)	(385,531)
Decrease/(Increase) in amounts due from related parties		376	32,319	(654,491)	1,193,656
Increase in trade payables		3,712,900	1,884,648	3,507,880	1,518,600
Increase/(Decrease) in other current liabilities		795,001	7,468	1,011,943	(24,192)
(Decrease)/ Increase in contract liabilities		(437,261)	1,299,088	(254,783)	1,290,914
(Decrease)/Increase in amounts due to related parties		-	-	1,042,883	(288,458)
Cash (used in) / generated from operating activities		(10,928,327)	(792,796)	(11,429,931)	1,574,719
Interest paid		(3,446,484)	(2,724,949)	(3,064,631)	(1,897,917)
Retirement benefits paid	4.25	(127,891)	(134,193)	(97,344)	(107,665)
Income tax paid	4.31	(217,254)	(138,997)	(168,777)	-
Net cash used in operating activities		(14,719,956)	(3,790,935)	(14,760,683)	(430,863)

For the year ended 31st March	Note	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Cash Flows from Investing Activities					
		12,985	102,343	11,734	94,083
		-	139	-	139
	4.3	-	-	41,436	-
		470,724	57,426	882,582	246,365
	4.18	1,728	(5,318)	-	-
		-	-	(3,311,221)	(60,000)
		65,000	-	65,000	-
	4.9	(4,386,291)	(2,314,923)	(1,366,496)	(625,692)
	4.11	(249,434)	(217,601)	(183,151)	(216,234)
		(4,085,288)	(2,377,934)	(3,860,116)	(561,339)
Cash Flows from Financing Activities					
	4.24.1.1	5,989,000	1,300,000	2,900,000	1,000,000
	4.24.1.1	(868,937)	(791,981)	(714,390)	(650,653)
		14,081,694	5,337,414	16,590,614	655,391
		(151,850)	(149,103)	(95,961)	(95,086)
	4.22	-	(46,157)	-	(46,157)
		(20,892)	-	-	-
		19,029,015	5,650,173	18,680,263	863,495
		223,771	(518,696)	59,464	(128,707)
		2,914,811	3,383,640	1,942,577	2,019,556
		9,225	49,867	17,722	51,728
		3,147,807	2,914,811	2,019,763	1,942,577
Note - A					
Analysis of cash and cash equivalents as at 31st March					
	4.19	3,649,833	3,055,406	2,313,988	1,942,577
	4.24.2	(502,026)	(140,595)	(294,225)	-
		3,147,807	2,914,811	2,019,763	1,942,577

Figures in brackets indicate deductions.

The Notes appearing on pages 276 to 348 form an integral part of these Financial Statements.