

DIESEL & MOTOR ENGINEERING PLC

INTERIM FINANCIAL STATEMENTS - FOR THE 12 MONTHS PERIOD ENDED 31ST MARCH 2023



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group					
	Unaudited Year ended 31-03-2023 Rs.'000	Audited Year ended 31-03-2022 Rs.'000	Variance %	Unaudited 3 months to 31-03-2023 Rs.'000	Unaudited 3 months to 31-03-2022 Rs.'000	Variance %
	Revenue	35,299,201	37,507,480	(6)	8,545,594	10,133,362
Cost of sales	(21,750,718)	(27,643,775)	(21)	(5,785,646)	(7,249,599)	(20)
Gross profit	13,548,483	9,863,705	37	2,759,948	2,883,763	(4)
Other operating income	295,694	220,499	34	107,015	56,192	90
Selling and distribution expenses	(536,020)	(497,640)	8	(145,246)	(30,864)	371
Impairment loss on trade receivables	(79,680)	(117,195)	(32)	(142,140)	(142,439)	(0.2)
Administrative expenses	(7,929,324)	(6,055,956)	31	(1,949,590)	(1,763,409)	11
Operating profit	5,299,153	3,413,413	55	629,987	1,003,243	(37)
Finance income	141,859	56,313	152	63,518	25,513	149
Finance costs	(4,708,351)	(2,320,011)	103	(1,240,878)	(1,606,237)	(23)
Net finance costs	(4,566,492)	(2,263,698)	102	(1,177,360)	(1,580,724)	(26)
Share of results of equity-accounted investees, net of tax	4,595	15,630	(71)	7,346	16,499	(55)
Profit/(loss) before tax	737,256	1,165,345	(37)	(540,027)	(560,982)	(4)
Income tax (expense)/reversal	(39,112)	(310,975)	(87)	768,557	121,036	535
Profit/(loss) for the period	698,144	854,370	(18)	228,530	(439,946)	(152)
Other comprehensive income						
Items that will not be reclassified to profit or loss in subsequent periods						
Remeasurement (loss) /gain on defined benefit obligation	49,315	(15,399)	(420)	49,315	(15,399)	(420)
Deferred tax reversal/(charge) on actuarial (loss) /gain	(13,660)	3,696	(470)	(13,660)	3,696	(470)
Income tax rate change impact on revaluation of land	(493,462)	-	100	(493,462)	-	100
Net change in fair value of equity investments at FVOCI	(1,604)	2,224	(172)	(2,275)	277	(921)
	(459,411)	(9,479)		(460,082)	(11,426)	
Items that are or may be reclassified to profit or loss in subsequent periods						
Foreign currency translation differences of foreign operations	(87,509)	62,471	240	(136,126)	87,471	(256)
	(87,509)	62,471		(136,126)	87,471	
Total other comprehensive income for the period, net of tax	(546,920)	52,992	1,132	(596,208)	76,045	(884)
Total comprehensive income for the period	151,224	907,362	(83)	(367,678)	(363,901)	1
Profit /(loss) attributable to:						
Equity holders of the parent	579,060	702,119		195,034	(408,591)	
Non-controlling interest	119,084	152,251		33,496	(31,355)	
	698,144	854,370		228,530	(439,946)	
Total comprehensive income attributable to:						
Equity holders of the parent	33,403	753,108		(400,259)	(336,299)	
Non-controlling interest	117,821	154,254		32,581	(27,602)	
	151,224	907,362		(367,678)	(363,901)	
Basic and diluted earnings per share (Rs.)	62.73	76.06		21.13	(44.26)	

Figures in brackets indicate deductions

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Company					
	Unaudited Year ended 31-03-2023 Rs.'000	Audited Year ended 31-03-2022 Rs.'000	Variance %	Unaudited 3 months to 31-03-2023 Rs.'000	Unaudited 3 months to 31-03-2022 Rs.'000	Variance %
Revenue	26,668,117	30,086,993	(11)	6,369,844	8,417,002	(24)
Cost of sales	(15,591,191)	(21,741,818)	(28)	(4,171,376)	(5,687,219)	(27)
Gross profit	11,076,926	8,345,175	33	2,198,468	2,729,783	(19)
Other operating income	511,783	506,333	1	96,524	143,767	(33)
Selling and distribution expenses	(496,629)	(518,780)	(4)	(180,448)	(127,829)	41
Impairment loss on trade receivables	(124,838)	(40,370)	209	(110,548)	(70,858)	56
Administrative expenses	(6,433,095)	(5,289,252)	22	(1,485,136)	(1,443,187)	3
Operating profit	4,534,147	3,003,106	51	518,860	1,231,676	(58)
Finance income	491,979	27,565	1,685	181,292	12,787	1,318
Finance costs	(4,232,256)	(2,303,824)	84	(935,220)	(1,732,565)	(46)
Net finance costs	(3,740,277)	(2,276,259)	64	(753,928)	(1,719,778)	(56)
Share of results of equity-accounted investees, net of tax	4,595	15,630	(71)	7,346	16,499	(55)
Profit/(loss) before tax	798,465	742,477	8	(227,722)	(471,603)	(52)
Income tax (expense)/reversal	(154,649)	(159,500)	(3)	479,971	136,262	252
Profit/(loss) before tax	643,816	582,977	10	252,249	(335,341)	(175)
Other comprehensive income						
Items that will not be reclassified to profit or loss in subsequent periods						
Remeasurement (loss) /gain on defined benefit obligation	42,712	(14,723)	(390)	42,712	(14,723)	(390)
Deferred tax reversal/(charge) on actuarial (loss) /gain	(12,814)	3,534	(463)	(12,814)	3,534	(463)
Income tax rate change impact on revaluation of land	(480,800)	-	100	(480,800)	-	100
Net change in fair value of equity investments at FVOCI	(2,529)	1,415	(279)	(2,066)	(105)	1,868
	(453,431)	(9,774)		(452,968)	(11,294)	
Items that are or may be reclassified to profit or loss in subsequent periods						
Foreign currency translation differences of foreign operations	(58,313)	48,941	219	(96,884)	62,401	255
	(58,313)	48,941		(96,884)	62,401	
Total other comprehensive income for the period, net of tax	(511,744)	39,167	1,407	(549,852)	51,107	1,176
Total comprehensive income for the period	132,072	622,144	(79)	(297,603)	(284,234)	5
Basic and diluted earnings per share (Rs.)	69.74	63.15		27.32	(36.33)	

Figures in brackets indicate deductions

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	Unaudited as at 31-03-2023 Rs.'000	Audited as at 31-03-2022 Rs.'000	Unaudited as at 31-03-2023 Rs.'000	Audited as at 31-03-2022 Rs.'000
ASSETS				
Property, plant and equipment	14,429,034	14,071,712	13,536,452	13,648,665
Right-of-use assets	678,523	624,385	464,367	548,254
Intangible assets and goodwill	1,467,922	316,123	551,306	194,726
Investments in subsidiaries	-	-	1,669,224	728,278
Investments in equity accounted investees	101,933	45,430	101,933	45,430
Equity securities	864	7,829	864	6,952
Financial assets	18,461	-	-	-
Deferred tax assets	565,422	164,436	-	-
Total non-current assets	17,262,159	15,229,915	16,324,146	15,172,305
Inventories	9,978,466	9,799,949	6,103,387	7,529,200
Trade and other receivables	7,360,070	9,299,796	4,095,221	6,944,985
Other current assets	1,938,063	2,032,933	1,142,192	1,149,175
Current tax asset	111,453	83,377	16,632	-
Amounts due from related parties	53,206	40,923	2,823,242	1,070,985
Cash and cash equivalents	2,858,970	3,818,097	1,552,370	2,337,628
Total current assets	22,300,228	25,075,075	15,733,044	19,031,973
TOTAL ASSETS	39,562,387	40,304,990	32,057,190	34,204,278
EQUITY AND LIABILITIES				
EQUITY				
Stated capital	620,578	620,578	620,578	620,578
Other components of equity	5,611,961	6,202,697	5,601,495	6,149,097
Revenue reserves	8,743,765	8,237,608	7,477,206	6,912,926
Equity attributable to equity holders of the parent	14,976,304	15,060,883	13,699,279	13,682,601
Non-controlling interests	377,327	405,604	-	-
TOTAL EQUITY	15,353,631	15,466,487	13,699,279	13,682,601
Long-term borrowings	1,258,065	1,164,133	1,094,703	1,164,133
Lease liabilities	348,696	574,443	135,685	505,849
Employee benefits	990,362	864,286	869,903	781,892
Deferred tax liabilities	2,131,667	1,417,856	2,066,118	1,417,856
Contract liabilities	287,355	361,524	7,736	22,663
Total non-current liabilities	5,016,145	4,382,242	4,174,145	3,892,393
Trade and other payables	1,506,933	7,793,051	944,545	7,292,195
Other current liabilities	2,952,500	3,045,424	1,781,028	2,179,222
Current portion of long-term borrowings	714,746	564,441	524,846	559,541
Lease liabilities	424,984	105,140	397,727	78,039
Contract liabilities	1,302,993	1,221,572	470,970	365,358
Current tax liability	87,372	503,666	-	441,451
Short-term borrowings	11,757,223	7,222,967	9,977,541	5,712,212
Amounts due to related parties	445,860	-	87,109	1,266
Total current liabilities	19,192,611	20,456,261	14,183,766	16,629,284
Total liabilities	24,208,756	24,838,503	18,357,911	20,521,677
TOTAL EQUITY AND LIABILITIES	39,562,387	40,304,990	32,057,190	34,204,278

It is certified that the Financial Statements have been prepared in accordance with the requirements of the Companies Act No.7 of 2007.

(Sgd.) M.H.B.U.S.B. Mahagedara
General Manager - Finance

The Board of Directors is responsible for these Financial Statements.
Signed for and on behalf of the Board.

(Sgd.) A.R.Pandithage
Chairman/Managing Director
31st May 2023

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

Statement of Changes in Equity

Group

	Other Components of Equity				Revenue Reserves		Non-Controlling Interests	Total
	Stated Capital	Revaluation Reserve	Fair value Reserve	Foreign Currency Translation Reserve	General Reserve	Retained Earnings		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
For the year ended 31st March								
As at 01st April 2021	425,297	6,112,161	4,147	23,697	5,392,290	2,584,390	419,270	14,961,252
Total comprehensive income								
Profit for the period	-	-	-	-	-	702,119	152,251	854,370
Other comprehensive income, net of tax	-	-	2,224	60,468	-	(11,703)	2,003	52,992
	-	-	2,224	60,468	-	690,416	154,254	907,362
Acquisition of non-controlling interest	-	-	-	-	-	(123,252)	(167,920)	(291,172)
Capitalisation of reserves	195,281	-	-	-	-	(195,281)	-	-
Dividends to equity holders								
- 2020/21 Final dividend	-	-	-	-	-	(110,955)	-	(110,955)
	195,281	-	-	-	-	(429,488)	(167,920)	(402,127)
As at 31st March 2022	620,578	6,112,161	6,371	84,165	5,392,290	2,845,318	405,604	15,466,487
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 period	-	-	-	-	-	579,060	119,084	698,144
Derecognition of financial assets due to disposal -FVOCI	-	-	(6,837)	-	-	6,837	-	-
Other comprehensive income, net of tax	-	(493,562)	(1,604)	(88,733)	-	35,654	(1,263)	(549,508)
	-	(493,562)	(8,441)	(88,733)	-	621,551	117,821	148,636
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	(146,098)	(146,098)
Dividends to equity holders								
- 2021/22 Final dividend	-	-	-	-	-	(115,394)	-	(115,394)
	-	-	-	-	-	(115,394)	(146,098)	(261,492)
As at 31st March 2023	620,578	5,618,599	(2,070)	(4,568)	5,392,290	3,351,475	377,327	15,353,631

Company

	Other Components of Equity				Revenue Reserves		Total
	Stated Capital	Revaluation Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	General Reserve	Retained Earnings	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
For the year ended 31st March							
As at 01st April 2021	425,297	6,090,133	4,087	4,521	4,929,464	1,717,910	13,171,412
Total comprehensive income							
Profit for the period	-	-	-	-	-	582,977	582,977
Other comprehensive income, net of tax	-	-	1,415	48,941	-	(11,189)	39,167
	-	-	1,415	48,941	-	571,788	622,144
Capitalisation of reserves	195,281	-	-	-	-	(195,281)	-
Dividends to equity holders							
- 2020/21 Final dividend	-	-	-	-	-	(110,955)	(110,955)
	195,281	-	-	-	-	(306,236)	(110,955)
As at 31st March 2022	620,578	6,090,133	5,502	53,462	4,929,464	1,983,462	13,682,601
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 period	-	-	-	-	-	643,816	643,816
Derecognition of financial assets due to disposal -FVOCI	-	-	(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	-	-	-	-	-	(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

Figures in brackets indicate deductions.

Statement of Cash Flows

For the Year Ended 31st March	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
Cash Flows from Operating Activities				
Profit before taxation	737,256	1,165,345	798,465	742,477
Adjustments for;				
Depreciation on property, plant and equipment	402,872	383,785	337,891	325,957
Amortisation of intangible assets	11,145	11,615	7,454	8,309
Depreciation and derecognition of right-of-use assets	146,015	100,751	112,669	78,948
Unrealised loss on foreign exchange	12,553	68,030	32,642	68,030
Impairment of investments in subsidiaries	-	-	-	96,649
Gains on sale of property, plant and equipment	(281)	(21,092)	(3,116)	(22,093)
Derecognition of capital work-in-progress	5,696	115,358	5,696	115,358
Interest expenses	3,386,283	850,492	2,862,997	652,993
Interest income	(141,859)	(56,313)	(491,979)	(27,565)
Dividend income	(320)	(235)	(320)	(235)
Share of gain of equity-accounted investees, net of tax	(4,595)	(15,630)	(4,595)	(15,630)
Impairment loss on trade receivables	79,680	117,195	124,838	40,370
Provision on inventories	783,327	97,915	669,140	112,091
Provision for employee benefits obligation excluding actuarial gain	193,560	125,721	164,583	110,050
	5,611,332	2,942,937	4,616,365	2,285,709
Changes in working capital				
(Increase)/decrease in inventories	(921,206)	(3,699,046)	756,673	(3,254,795)
(Increase)/decrease in trade and other receivables	1,935,955	(835,439)	2,724,925	(714,172)
(Increase)/ decrease in other current assets	470,193	(408,975)	6,783	(32,775)
(Increase)/ decrease in amounts due from related parties	36,468	(22,281)	(1,752,257)	(1,043,714)
(Decrease)/increase in trade and other payables	(6,460,742)	2,661,826	(6,347,650)	2,967,798
(Decrease)/increase in other current liabilities	(240,466)	502,136	(398,194)	446,349
(Decrease) in deferred income	-	(546,521)	-	(546,521)
Increase/(decrease) in contract liabilities	(93,690)	399,886	65,779	(120,468)
(Decrease)/increase in amounts due to related parties	-	-	10,841	(42,130)
Cash (used in)/from operating activities	337,844	994,523	(316,735)	(54,718)
Interest paid	(3,123,540)	(842,042)	(2,709,148)	(644,543)
Employee benefits paid	(55,084)	(74,842)	(33,859)	(58,720)
Income tax paid	(608,287)	(417,628)	(457,883)	(269,912)
Net cash used in operating activities	(3,449,067)	(339,989)	(3,517,625)	(1,027,893)
Cash Flows from Investing Activities				
Net proceeds from sale of property, plant and equipment	45,888	43,523	45,018	43,406
Dividends received	320	235	320	235
Interest received	141,859	48,555	491,979	27,565
Investment in deposits	-	(192,850)	-	-
Investments in other financial assets	(23,277)	-	-	-
Net proceed from sale of equity securities	5,385	-	3,559	-
Investment in subsidiaries and equity accounted investees	(51,250)	(202,184)	(917,194)	(202,184)
Acquisition of subsidiaries, net of cash acquired	(512,465)	-	-	-
Acquisition and construction of property, plant and equipment and capital work-in-progress	(502,673)	(753,695)	(271,251)	(676,491)
Acquisition of intangible assets and capital work-in-progress	(365,546)	(180,630)	(365,303)	(180,449)
Net cash used in investing activities	(1,261,759)	(1,237,045)	(1,012,872)	(987,918)
Cash Flows from Financing Activities				
Proceeds from long-term borrowings	440,000	652,130	440,000	652,130
Repayment of long-term borrowings	(654,151)	(481,796)	(580,921)	(460,678)
Net movement of short-term borrowings	4,174,205	4,154,506	4,048,671	3,502,786
Repayment of lease liabilities	(153,718)	(99,999)	(136,322)	(58,956)
Dividends paid	(115,394)	(110,955)	(115,394)	(110,955)
Net cash from financing activities	3,690,942	4,113,886	3,656,034	3,524,327
Net (decrease)/increase in cash and cash equivalents	(1,019,884)	2,536,852	(874,463)	1,508,516
Cash and cash equivalents as at 01st April	3,653,478	1,040,328	2,299,207	745,684
Effect of exchange rate changes on cash and cash equivalents	(65,441)	76,298	(59,961)	45,007
Cash and cash equivalents as at 31st March (Note-A)	2,568,153	3,653,478	1,364,783	2,299,207
Note - A				
Analysis of Cash and Cash Equivalents as at 31st March				
Cash and bank balances	2,858,970	3,818,097	1,552,370	2,337,628
Bank overdrafts	(290,817)	(164,619)	(187,587)	(38,421)
Cash and cash equivalents	2,568,153	3,653,478	1,364,783	2,299,207

Figures in brackets indicate deductions.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Corporate information

Diesel & Motor Engineering PLC (the Company) 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, Jethawana Road, Colombo 14. The ordinary shares of the Company are listed at the Colombo Stock Exchange.

2. Basis of preparation

The interim condensed financial statements have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31st March 2023.

These financial statements provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.

3. Operating segment information

The operating business segments are organised and managed separately according to the nature of the products and services provided. The primary segment reporting format is determined based on products and services offered as the Group's risk and returns are affected predominantly by differences in the products and services offered.

4. Other information

4.1 Contingent liabilities

The Contingent liabilities as at 31st March 2023, on guarantees given by the Company in respect of bid bonds, performance bonds and advance payments amounted to Rs.5,094.9 million (Rs.4,106.7 million as at 31st March 2022).

4.2 Capital expenditure commitments

Capital expenditure committed by the Board of Directors for which a provision has not been made in the interim condensed financial statements amounted to approximately Rs.1,193.7 million (Rs. 778.3 million as at 31st March 2022).

4.3 Comparative information

Where necessary comparative figures have been reclassified to conform with the current year's presentation.

4.4 Investment and Acquisition of Subsidiaries

a) DIMO Bangladesh (Private) Limited was incorporated on 10th May 2022 in Bangladesh with an investment of Rs. 213 million (99.99% holding) by Diesel and Motor Engineering PLC. The Group invested in the company as a part of an expansion into construction machinery and after-sales services in overseas.

b) DIMO Global Pte. Ltd was incorporated on 31st August 2022 in Singapore. The Group incorporated this company as a part of an expansion into engineering design and consultancy services in overseas.

c) The Group acquired equity interest in the following companies during the 12 month period ended 31st March 2023 as stated herein below as part of its agriculture and healthcare business expansion plan.

Acquiree	Date of acquisition	Nature of the business operation	Investment amount (million)	% of shareholding	Total net Assets/ (liabilities) acquired (million)	Non-controlling interests (million)	Provisional Goodwill recognised in the Interim Financial statements (million)
Tropical Health Food (Private) Limited	25th May 2022	Processing and preparing fruits and vegetables for export market.	450.0	94.45%	178.2	10.6	270.5
Virgin Oil International (Private) Limited	02nd August 2022	Producing, processing and exporting pure virgin coconut oil and coconut based products.	40.0	51%	(117.6)	(105.7)	150.0
Mansel (Ceylon) (Private) Limited	28th September 2022	Importation, sale and distribution of pharmaceutical products.	179.9	75%	(25.1)	(8.3)	205.0
Associated Laboratories (Private) Limited	28th September 2022	Importation, sale and distribution of pharmaceutical products.	45.0	75%	(128.0)	(42.7)	173.0

The non-controlling interest in the acquiree was measured at the proportionate share of its interest in the acquiree's identifiable net assets/(liabilities).

The goodwill has arisen due to the present value of the projected future cashflows shown a excess over the net assets/(liabilities) acquired reflecting the value of expected synergies arising from the acquisition.

d) Diesel and Motor Engineering PLC made an additional investment of Rs. 12.0 million in Moveflex (Private) Limited (fully owned subsidiary) on 31st August 2022 and Rs. 51.2 million in Azend Technologies (Private) Limited (joint venture) on 08th July 2022.

Other than disclosed above, there has not been a change in the composition of the Group to what was disclosed in the audited financial statements for the year ended 31st March 2022.

4.5 Finance cost

4.5.1 Net foreign exchange loss

The finance cost of the Group and the Company comprises a net foreign exchange loss amounting to Rs.1,322.1 million (2021/22 - Rs. 1,469.5 million) and Rs. 1,370 million (2021/22 - Rs. 1,650.8 million) respectively. The increase in loss of exchange was due to rapid increase in exchange rate and the higher forex exposure due to forex constrains in settling bills on due dates eased up during the quarter ended 30th September 2022 and 31st December 2022.

4.5.2 Net interest cost

The interest cost of the group increased due to the increase in interest rates compared to the same period in last year. (2022/23 - Rs. 3,386 million, 2021/22 - Rs. 850.4 million)

4.6 Administrative expenses

The administrative expenses of the Group and the Company are Rs. 7,929 million (2021/22 - Rs. 6,056 million) and Rs. 6,433 million (2021/22 - Rs. 5,289.3 million) respectively. This was driven by rising prices due to inflation.

4.7 Impact of Change in Income tax rates on current tax

Current tax has been computed in accordance with the provisions of Inland Revenue Act No 24 of 2017 and pursuant to the Inland Revenue (Amendment) Act, No. 45 of 2022 certified on 19th of December, 2022, corporate income tax applied for local companies arising from business income has been increased to 30% from 14%, 18% and 24% w.e.f. 1st October 2022. As a result of this amendment, second 6 months of the year income tax has been calculated based on a tax rate of 30%.

As deferred tax is calculated based on the liability method as per LKAS 12 - Income Taxes, the new tax rate of 30% for all companies applied to the cumulative temporary differences as at 1st March 2023. This change in income tax rates resulted in a deferred tax charge of Rs. 480.8 million and Rs. 493.4 million for the Company and the Group respectively as at 31st March 2023.

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

4.8 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.

Subsequent to the reporting date, the Board of directors of the Company approved a first and final dividend of Rs. 10.00 per share for the year ended 31st March 2023, which will be paid on or before 30th June 2023.

In accordance with LKAS 10, Events after the Reporting Period, above have not been recognised as a Liability in the Financial Statements as at 31st March 2023.

NOTES TO THE FINANCIAL STATEMENTS

OPERATING SEGMENT INFORMATION

The Group comprises of the following main business segments.

Segment	Product & Services
Vehicle sales	Sale of brand-new motor vehicles, special purpose vehicles and pre-owned vehicles
Aftersales services & auto-engineering	Premium vehicles aftersales, mainstream vehicles aftersales, general engineering, assembly and camper trailer, education in engineering
Retail	Sale and service of automotive parts, lighting products, home and garden products
Construction and logistical solutions	Sales and services of Construction machinery, Storage & material handling solutions, Car parking solutions
Agriculture	Fertilizer, Seeds and agrochemicals, agri machinery, organic food Products for export and local market, R&D techno-parks, agri advisory services
Engineering solutions	Engineering and related solutions in power & energy, building technologies, water and fluid management, and healthcare

	Vehicle sales		Aftersales services & auto-engineering		Retail		Construction and logistical solutions		Agriculture		Engineering solutions		Total	
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
For the period ended 31st March														
Business Segment Turnover and Results														
Total segment revenue	2,727,597	5,484,912	6,552,447	6,677,088	6,719,115	6,812,431	1,484,867	3,773,375	11,419,323	9,912,661	7,323,745	6,430,758	36,227,094	39,091,225
Inter-segment revenue	(18,011)	(1,320)	(566,374)	(457,555)	(155,132)	(700,018)	(53,477)	(64,891)	(88,531)	(108,208)	(46,368)	(251,753)	(927,893)	(1,583,745)
Total external revenue	2,709,586	5,483,592	5,986,073	6,219,533	6,563,983	6,112,413	1,431,390	3,708,484	11,330,792	9,804,453	7,277,377	6,179,005	35,299,201	37,507,480
Segment results	(154,225)	188,963	1,445,330	1,582,500	1,144,036	1,014,703	398,799	618,317	3,753,114	1,992,334	813,773	73,784	7,400,827	5,470,601
Unallocated other income	-	-	-	-	-	-	-	-	-	-	-	-	295,694	220,499
Unallocated expenses	-	-	-	-	-	-	-	-	-	-	-	-	(2,397,368)	(2,277,687)
Finance income	-	-	-	-	-	-	-	-	-	-	-	-	141,859	56,313
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-	(4,708,351)	(2,320,011)
Share of results of equity-accounted investees	-	-	-	-	-	-	-	-	-	-	4,595	15,630	4,595	15,630
Income tax expense	-	-	-	-	-	-	-	-	-	-	-	-	(39,112)	(310,975)
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	698,144	854,370
Business Segment Assets and Liabilities														
Segment assets	1,059,137	1,090,951	1,849,827	2,367,436	5,118,261	4,362,570	1,642,367	1,454,905	7,096,948	7,592,681	9,822,739	8,179,509	26,589,279	25,048,052
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	12,973,108	15,256,938
Total assets	-	-	-	-	-	-	-	-	-	-	-	-	39,562,387	40,304,990
Segment liabilities	608,065	809,174	748,957	1,556,368	2,455,969	1,814,580	1,086,306	988,603	6,312,374	4,639,466	5,186,879	2,738,344	16,398,550	12,546,535
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	7,810,206	12,291,968
Equity	-	-	-	-	-	-	-	-	-	-	-	-	15,353,631	15,466,487
Total equity and liabilities	-	-	-	-	-	-	-	-	-	-	-	-	39,562,387	40,304,990
Other Information														
Capital expenditure	4,790	1,535	59,312	66,631	30,674	11,821	11,091	109,883	131,617	53,254	28,690	34,192	266,174	277,316
Capital expenditure through Business Combination	-	-	-	-	79,066	-	-	-	365,823	-	-	-	444,889	-
Unallocated capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	476,508	657,009
Depreciation and amortisation	16,988	34,313	79,952	82,534	31,220	26,163	19,445	12,110	68,690	73,038	37,787	43,614	254,082	271,772
Unallocated depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	-	159,936	123,628

INVESTOR INFORMATION

Market Value of Shares

The market value of an ordinary share of Diesel & Motor Engineering PLC is as follows:

	Quarter to 31-Mar-23 Rs.		Quarter to 31-Mar-22 Rs.	
Highest price per share	619	January 4, 2023	1,450	January 27, 2022
Lowest price per share	400	March 7, 2023	451	March 30, 2022
Last Traded price per share	466	March 31, 2023	488	March 31, 2022

Market Capitalisation

	As at 31-Mar-23	As at 31-Mar-22
Market Capitalisation (Rs.'000)	4,301,876	4,504,969

Ratios

	<u>Group</u>		<u>Company</u>	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
E.P.S. Rs*	62.73	76.06	69.74	63.15
Net asset value per share*	1,622.31	1,631.47	1,483.97	1,482.17
Quick asset ratio	0.64	0.75	0.68	0.69
Interest cover (times)	1.22	2.37	1.28	2.14

* Earnings & net assets per share are based on 9,231,494 shares in issue as at 31st March 2023.

The stated capital consists of 9,231,494 Ordinary shares.

Statement of share holding of Directors (Including Spouses)

	31st March 2023	
Name	Shares	%
Mr.A.R.Pandithage	2,006,924	21.74%
Mr.S.C.Algama	597,769	6.48%
Mr.A.G.Pandithage	593,695	6.43%
Mr.A.M.Pandithage	233,138	2.53%
Mr.C.R.Pandithage	222,644	2.41%
Mr.M.V.Bandara	1,749	0.02%
	3,655,919	39.60%

Mr. A. D. B. Talwatte, Dr.H.Cabral, Mr.B.C.S.A.P Gooneratne, Mr. P. K. W. Mahendra, Mr. S. R. W. M. C. Ranawana, Ms. D.N.K Kurukulasuriya and Mr. J. M. De Silva who are Directors of the Company did not hold any shares of the Company as at 31st March 2023.

Public holding %

As at 31st March 2023

Public Holding %	53.17%
Number of Public shareholders	2,195
Float adjusted market capitalisation	2,287,211,880

The Company complies with option 04 of the Listing Rules 7.14.1 (a) – Float Adjusted Market Capitalization of Rs.2.5 Billion requires 20% minimum Public Holding.

Top twenty major shareholders

	31st March 2023	
Name	Shares	%
Employee's Provident Fund	1,835,870	19.89%
Mr.A.R.Pandithage	1,030,882	11.17%
Mrs.J.C.Pandithage	976,042	10.57%
A & G Investments (Pvt) Ltd	667,395	7.23%
Mr.S.C.Algama	590,497	6.40%
Mr.A.G.Pandithage	546,846	5.92%
Mr.C.R.Pandithage	222,644	2.41%
Mr.A.N.Algama	222,288	2.41%
Almar Trading Co (Pvt) Ltd	198,900	2.15%
Mr.A.M.Pandithage	189,611	2.05%
Mr.T.G.H.Peries	189,407	2.05%
Mr.D.Jayanththa	166,400	1.80%
Miss.T.R.N.C.Peries	153,929	1.67%
Mr.N.U.Algama	123,598	1.34%
Ideal Automobile (Pvt) Ltd	87,938	0.95%
Mr.M.L.Algama	69,976	0.76%
Ms.L.S.Algama	69,975	0.76%
Bank Of Ceylon	61,054	0.66%
Mrs.I.S.Salgado	47,840	0.52%
Mrs.H.S Pandithage	46,849	0.51%
Sub Total	7,497,941	81.22%
Others	1,733,553	18.78%
Total Issued Shares	9,231,494	100.00%

CORPORATE INFORMATION

Name of the Company

Diesel & Motor Engineering PLC

Legal Form

A Quoted Public Company with Limited Liability, incorporated in Sri Lanka in 1945.

Company Registration Number

PQ 146

Board of Directors

A. R. Pandithage - Dip. in Eng (Chairman, Managing Director)
A. G. Pandithage - FCMA (Group Chief Executive Officer)
S. C. Algama - Fellow of IIESL
M. V. Bandara - Postgraduate Certificate (USQ-Aus)
Dr. H. Cabral - PC, PhD
B. C. S. A. P. Gooneratne - FCA (ICASL), FCMA, MBA (USJ)
P. K. W. Mahendra - B.Eng (University of Greenwich-UK)
A. M. Pandithage - Fellow of CILT (UK)

S. R. W. M. C. Ranawana - MBA (Warnborough University-UK), Dip. in Business Management (SLBDC)

J. M. De Silva - FBSC, FCITP, P. Dip in ISPC
A. D. B. Talwatte - FCMA, FCA (ICASL), MBA (USJ)
D. N. K. Kurukulasuriya - Attorney at Law, EMBA (UWL), Dip. In HRD (IMT - India) (appointed w.e.f 30/05/2022)
C. R. Pandithage - BCom (Monash University-Aus), MBA (RMIT University - Aus) Certified Qualified Manager- Mercedes-Benz Global Training Institute. (appointed w.e.f 30/05/2022)

Company Secretary

B. C. S. A. P. Gooneratne - FCA, FCMA, MBA (USJ)

Registrars

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

Audit Committee

A. D. B. Talwatte (Chairman)
J. M. De Silva
Dr. H. Cabral
A. M. Pandithage

Remuneration Committee

Dr. H. Cabral (Chairman)
A. M. Pandithage
J. M. De Silva
A. D. B. Talwatte

Nomination Committee

Dr. H. Cabral (Chairman)
A. R. Pandithage
A. M. Pandithage
J. M. De Silva
A. D. B. Talwatte

Related Party Transactions Review Committee

J. M. De Silva (Chairman)
Dr. H. Cabral
A. M. Pandithage
A. D. B. Talwatte

Group Management Committee

A. R. Pandithage (Chairman)
A. G. Pandithage
S. C. Algama
M. V. Bandara
B. C. S. A. P. Gooneratne
R. K. J. Gunasekera
D.N.K.Kurukulasuriya
P. K. W. Mahendra
C. R. Pandithage
S.R.W.M.C.Ranawana
R.D.M.P. Wickramasinghe
H.M.P.D.B. Dematawa
G.P.M.S. Karunaratne

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 PLC
Standard Chartered Bank

Auditors

KPMG
Chartered Accountants,
P.O. Box 186,
No.32A, Sir Mohamed Macan Markar Mawatha,
Colombo 03, Sri Lanka

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Julius & Creasy
Attorneys-at-law & Notaries Public,
Julius & Creasy Building,
No. 371, R.A. de Mel Mawatha,
Colombo 3, Sri Lanka

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