

DIESEL & MOTOR ENGINEERING PLC

INTERIM FINANCIAL STATEMENTS - FOR THE 06 MONTHS PERIOD ENDED 30TH SEPTEMBER 2023



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group		Group					
Audited Year ended 31-03-2023 Rs.'000		Unaudited 6 months ended 30-09-2023 Rs.'000	Unaudited 6 months ended 30-09-2022 Rs.'000	Variance %	Unaudited 3 months ended 30-09-2023 Rs.'000	Unaudited 3 months ended 30-09-2022 Rs.'000	Variance %
35,299,201	Revenue	19,652,459	16,356,961	20	10,294,794	8,755,752	18
(21,750,718)	Cost of sales	(14,139,919)	(9,399,105)	50	(7,627,374)	(5,207,855)	46
13,548,483	Gross profit	5,512,540	6,957,856	(21)	2,667,420	3,547,897	(25)
295,694	Other operating income	437,614	161,457	171	314,452	100,298	214
(536,020)	Selling and distribution expenses	(369,230)	(190,033)	94	(200,105)	(121,307)	65
(79,680)	Impairment (loss) / reversal on trade receivables	(93,230)	96,349	(197)	(23,407)	71,667	(133)
(7,929,324)	Administrative expenses	(4,278,674)	(3,794,065)	13	(2,315,946)	(1,994,369)	16
5,299,153	Operating profit	1,209,020	3,231,564	(63)	442,414	1,604,186	(72)
141,859	Finance income	43,194	45,219	(4)	21,373	19,579	9
(4,708,351)	Finance costs	(1,537,759)	(2,394,763)	(36)	(671,005)	(896,313)	(25)
(4,566,492)	Net finance costs	(1,494,565)	(2,349,544)	(36)	(649,632)	(876,734)	(26)
4,595	Share of results of equity-accounted investees, net of tax	(5,752)	16,376	(135)	12,800	13,678	(6)
737,256	Profit/(loss) before tax	(291,297)	898,396	(122)	(194,418)	741,130	(126)
(39,112)	Income tax (expense)/reversal	37,081	(231,913)	(116)	22,663	(207,547)	(111)
698,144	Profit/(loss) for the period	(254,216)	666,483	(138)	(171,755)	533,583	(132)
	Other comprehensive income						
	Items that will not be reclassified to profit or loss in subsequent periods						
49,315	Remeasurement gain on defined benefit obligation	-	-	-	-	-	-
(13,660)	Deferred tax (charge) on actuarial gain	-	-	-	-	-	-
(493,462)	Income tax rate change impact on revaluation of land	-	-	-	-	-	-
(1,604)	Net change in fair value of equity investments at FVOCI	1,837	1,543	19	-	3,879	(100)
(459,411)		1,837	1,543		-	3,879	
	Items that are or may be reclassified to profit or loss in subsequent periods						
(87,509)	Foreign currency translation differences of foreign operations	(70,743)	47,682	248	(41,204)	(25,320)	63
(87,509)		(70,743)	47,682		(41,204)	(25,320)	
(546,920)	Total other comprehensive income for the period, net of tax	(68,906)	49,225	240	(41,204)	(21,441)	92
151,224	Total comprehensive income for the period	(323,122)	715,708	(145)	(212,959)	512,142	(142)
	Profit / (loss) attributable to:						
579,060	Equity holders of the parent	(253,764)	606,923		(181,553)	508,002	
119,084	Non-controlling interest	(452)	59,560		9,798	25,581	
698,144		(254,216)	666,483		(171,755)	533,583	
	Total comprehensive income attributable to:						
33,403	Equity holders of the parent	(322,679)	656,442		(222,263)	486,356	
117,821	Non-controlling interest	(443)	59,266		9,304	25,786	
151,224		(323,122)	715,708		(212,959)	512,142	
62.73	Basic and diluted earnings / (loss) per share (Rs.)	(27.49)	65.74		(19.67)	55.03	

Figures in brackets indicate deductions

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Company		Company					
Audited Year ended 31-03-2023 Rs.'000		Unaudited 6 months ended 30-09-2023 Rs.'000	Unaudited 6 months ended 30-09-2022 Rs.'000	Variance %	Unaudited 3 months ended 30-09-2023 Rs.'000	Unaudited 3 months ended 30-09-2022 Rs.'000	Variance %
26,668,117	Revenue	14,738,230	12,694,986	16	7,942,320	6,698,927	19
(15,591,191)	Cost of sales	(10,345,912)	(6,865,357)	51	(5,802,918)	(3,833,262)	51
11,076,926	Gross profit	4,392,318	5,829,629	(25)	2,139,402	2,865,665	(25)
511,783	Other operating income	432,380	298,647	45	224,593	173,693	29
(496,629)	Selling and distribution expenses	(329,086)	(157,354)	109	(203,006)	(77,763)	161
(124,838)	Impairment (loss) / reversal on trade receivables	(50,967)	16,034	(418)	(8,688)	55,217	(116)
(6,433,095)	Administrative expenses	(3,365,689)	(3,148,233)	7	(1,826,180)	(1,668,163)	9
4,534,147	Operating profit	1,078,956	2,838,723	(62)	326,121	1,348,649	(76)
491,979	Finance income	279,537	166,563	68	125,921	105,312	20
(4,232,256)	Finance costs	(1,250,455)	(2,343,986)	(47)	(548,249)	(815,611)	(33)
(3,740,277)	Net finance costs	(970,918)	(2,177,423)	(55)	(422,328)	(710,299)	(41)
4,595	Share of results of equity-accounted investees, net of tax	(5,752)	16,376	(135)	12,800	13,678	(6)
798,465	Profit/(loss) before tax	102,286	677,676	(112)	(83,407)	652,028	(113)
(154,649)	Income tax (expense)/reversal	(33,021)	(151,284)	(78)	23,707	(145,749)	(116)
643,816	Profit/(loss) for the period	69,265	526,392	(87)	(59,700)	506,279	(112)
	Other comprehensive income						
	Items that will not be reclassified to profit or loss in subsequent periods						
42,712	Remeasurement gain on defined benefit obligation	-	-	-	-	-	-
(12,814)	Deferred tax (charge) on actuarial gain	-	-	-	-	-	-
(480,800)	Income tax rate change impact on revaluation of land	-	-	-	-	-	-
(2,529)	Net change in fair value of equity investments at FVOCI	1,837	(56)	(3,380)	-	1,881	(100)
(453,431)		1,837	(56)		-	1,881	
	Items that are or may be reclassified to profit or loss in subsequent periods						
(58,313)	Foreign currency translation differences of foreign operations	3,991	35,902	89	23,236	(152)	(15,387)
(58,313)		3,991	35,902		23,236	(152)	
(511,744)	Total other comprehensive income for the period, net of tax	5,828	35,846	84	23,236	1,729	1,244
132,072	Total comprehensive income for the period	75,093	562,238	(87)	(36,464)	508,008	(107)
69.74	Basic and diluted earnings per share (Rs.)	7.50	57.02		(6.47)	54.84	

Figures in brackets indicate deductions

STATEMENT OF FINANCIAL POSITION

Group		Company		Group		Company	
Audited as at 31-03-2023 Rs.'000	Audited as at 31-03-2023 Rs.'000			Unaudited as at 30-09-2023 Rs.'000	Unaudited as at 30-09-2022 Rs.'000	Unaudited as at 30-09-2023 Rs.'000	Unaudited as at 30-09-2022 Rs.'000
ASSETS							
14,429,034	13,536,452	Property, plant and equipment		15,074,271	14,409,071	13,877,089	13,625,460
678,523	464,367	Right-of-use assets		601,665	569,848	414,283	504,727
1,467,922	551,306	Intangible assets and goodwill		1,559,955	1,121,723	643,432	240,882
-	1,669,224	Investments in subsidiaries		-	-	1,669,224	1,669,224
101,933	101,933	Investments in equity accounted investees		103,186	116,877	103,186	116,877
864	864	Equity securities		134	9,372	134	6,896
18,461	-	Other financial assets		15,452	-	-	-
565,422	-	Deferred tax assets		697,592	273,301	-	-
17,262,159	16,324,146	Total non-current assets		18,052,255	16,500,192	16,707,348	16,164,066
9,978,466	6,103,387	Inventories		10,988,781	10,266,637	7,497,294	7,214,692
6,604,589	4,095,221	Trade and other receivables		8,017,635	8,940,454	5,174,302	5,528,626
1,938,063	1,142,192	Other current assets		3,127,502	2,989,756	1,992,681	1,280,154
111,453	16,632	Income tax receivable		114,827	95,772	18,905	-
53,206	2,823,242	Amounts due from related parties		47,413	26,384	3,265,645	1,748,029
755,481	-	Other financial assets		126,006	-	27,209	-
2,858,970	1,552,370	Cash and cash equivalents		3,679,021	2,541,278	2,159,477	1,533,568
22,300,228	15,733,044	Total current assets		26,101,185	24,860,281	20,135,513	17,305,069
39,562,387	32,057,190	TOTAL ASSETS		44,153,440	41,360,473	36,842,861	33,469,135
EQUITY AND LIABILITIES							
EQUITY							
620,578	620,578	Stated capital		620,578	620,578	620,578	620,578
5,611,961	5,601,495	Other components of equity		5,545,642	6,252,216	5,607,323	6,184,943
8,743,765	7,477,206	Revenue reserves		8,397,686	8,729,137	7,454,156	7,323,924
14,976,304	13,699,279	Equity attributable to equity holders of the parent		14,563,906	15,601,931	13,682,057	14,129,445
377,327	-	Non-controlling interests		366,752	335,068	-	-
15,353,631	13,699,279	TOTAL EQUITY		14,930,658	15,936,999	13,682,057	14,129,445
1,258,065	1,094,703	Interest bearing borrowings		1,125,650	1,194,026	863,625	919,305
348,696	135,685	Lease liabilities		307,153	478,791	140,508	427,161
990,362	869,903	Employee benefits		1,063,479	984,449	932,627	848,917
2,131,667	2,066,118	Deferred tax liabilities		2,168,825	1,127,154	2,099,139	1,127,154
287,355	7,736	Contract liabilities		187,166	361,569	3,358	-
5,016,145	4,174,145	Total non-current liabilities		4,852,273	4,145,989	4,039,257	3,322,537
1,506,933	944,545	Trade and other payables		1,145,614	2,828,428	887,020	1,901,054
2,952,500	1,781,028	Other current liabilities		3,260,364	2,630,966	1,842,203	1,946,339
714,746	524,846	Current portion of interest bearing borrowings		589,326	820,493	466,699	573,926
424,984	397,727	Lease liabilities		402,344	164,503	350,291	130,982
1,302,993	470,970	Contract liabilities		1,052,718	1,470,409	428,600	438,648
87,372	-	Income tax payable		35,767	503,144	-	450,492
11,757,223	9,977,541	Short-term interest bearing borrowings		17,733,009	12,329,387	15,086,026	10,272,837
445,860	87,109	Amounts due to related parties		151,367	530,155	60,707	302,875
19,192,611	14,183,766	Total current liabilities		24,370,509	21,277,485	19,121,547	16,017,153
24,208,756	18,357,911	Total liabilities		29,222,782	25,423,474	23,160,804	19,339,690
39,562,387	32,057,190	TOTAL EQUITY AND LIABILITIES		44,153,440	41,360,473	36,842,861	33,469,135

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
13th November 2023

(Sgd.) A.G. Pandithage
Managing Director/Group Chief Executive Officer

(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		
For the six months ended 30th September								
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	-	-	-	-	-	606,923	59,560	666,483
Profit for the period	-	-	1,543	47,976	-	-	(294)	49,225
Other comprehensive income, net of tax	-	-	1,543	47,976	-	606,923	59,266	715,708
Acquisition of non-controlling interest	-	-	-	-	-	-	(129,802)	(129,802)
Dividends to equity holders	-	-	-	-	-	(115,394)	-	(115,394)
- 2021/22 Final dividend	-	-	-	-	-	(115,394)	(129,802)	(245,196)
As at 30th September 2022	620,578	6,112,161	7,914	132,141	5,392,290	3,336,847	335,068	15,936,999
As at 01st April 2023	620,578	5,618,699	(2,070)	(2,081)	5,392,290	3,351,475	377,327	15,353,631
Total comprehensive income	-	-	-	-	-	(253,764)	(452)	(254,216)
Profit/(Loss) for the period	-	-	-	-	-	-	-	-
Derecognition of financial assets due to disposal -FVOCI	-	-	-	-	-	-	-	-
Other comprehensive income, net of tax	-	-	1,837	(70,743)	-	-	9	(68,897)
	-	-	1,837	(70,743)	-	(253,764)	(443)	(323,113)
Dividends to equity holders	-	-	-	-	-	(92,315)	(10,132)	(102,447)
- 2022/23 Final dividend	-	-	-	-	-	(92,315)	(10,132)	(102,447)
As at 30th September 2023	620,578	5,618,699	(233)	(72,824)	5,392,290	3,005,396	366,752	14,930,658

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	
For the six months ended 30th September							
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	-	-	-	-	-	526,392	526,392
Profit for the period	-	-	-	-	-	526,392	526,392
Other comprehensive income, net of tax	-	-	(56)	35,902	-	-	35,846
	-	-	(56)	35,902	-	526,392	562,238
Dividends to equity holders	-	-	-	-	-	(115,394)	(115,394)
- 2021/22 Final dividend	-	-	-	-	-	(115,394)	(115,394)
As at 30th September 2022	620,578	6,090,133	5,446	89,364	4,929,464	2,394,460	14,129,445
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	-	-	-	-	-	69,265	69,265
Profit for the period	-	-	-	-	-	69,265	69,265
Other comprehensive income, net of tax	-	-	1,837	3,991	-	-	5,828
	-	-	1,837	3,991	-	69,265	75,093
Dividends to equity holders	-	-	-	-	-	(92,315)	(92,315)
- 2022/23 Final dividend	-	-	-	-	-	(92,315)	(92,315)
As at 30th September 2023	620,578	5,609,333	(1,150)	(860)	4,929,464	2,524,692	13,682,057

Figures in brackets indicate deductions.

Statement of Cash Flows

	Group		Company	
	Unaudited	Unaudited	Unaudited	Unaudited
	2023 Rs.'000	2022 Rs.'000	2023 Rs.'000	2022 Rs.'000
For the period ended 30th September				
Cash Flows from Operating Activities				
Profit/(Loss) before taxation	(291,297)	898,396	102,286	677,676
Adjustments for;				
Depreciation on property, plant and equipment	227,851	268,171	165,967	162,240
Amortisation of intangible assets	3,674	5,652	2,396	3,914
Depreciation and derecognition of right-of-use assets	75,648	68,343	52,570	57,332
Unrealised loss on foreign exchange	-	(25,343)	-	48,539
Exchange rates impact on term loan revaluation	1,763	-	3,555	-
Gains on sale of property, plant and equipment	-	(6,355)	(218)	(6,538)
Interest expenses	1,640,063	1,244,852	1,350,632	1,066,097
Interest income	(43,194)	(45,219)	(279,537)	(166,563)
Dividend income	-	(320)	(38,578)	(320)
Share of gain of equity-accounted investees, net of tax	5,752	(16,376)	5,752	(16,376)
Impairment loss on trade receivables	93,230	(96,349)	50,967	(16,034)
Provision on inventories	70,434	304,889	(110,054)	293,281
Provision for employee benefits obligation excluding actuarial gain	129,675	92,266	113,155	79,827
	1,913,599	2,692,607	1,418,893	2,183,075
Changes in working capital				
(Increase)/decrease in inventories	(1,080,749)	(730,939)	(1,283,853)	21,227
(Increase)/decrease in trade and other receivables	(1,294,576)	1,017,535	(918,348)	1,432,393
(Increase)/ decrease in other current assets	(1,401,139)	(966,411)	(1,064,462)	(140,567)
(Increase)/ decrease in amounts due from related parties	5,793	145,790	(442,405)	(575,429)
(Decrease)/increase in trade and other payables	(361,319)	(5,142,201)	(57,525)	(5,391,141)
(Decrease)/increase in other current liabilities	307,865	(483,064)	59,224	(297,639)
Increase/(decrease) in contract liabilities	(372,628)	248,882	(50,803)	50,627
(Decrease)/increase in amounts due to related parties	(294,493)	(120,818)	(26,402)	(1,474)
Cash (used in)/from operating activities	(2,577,647)	(3,338,619)	(2,365,681)	(2,718,927)
Interest paid	(1,348,984)	(1,173,461)	(1,336,182)	(954,125)
Employee benefits paid	(56,557)	(15,371)	(50,431)	(12,802)
Income tax paid	(112,910)	(519,034)	-	(432,944)
Net cash used in operating activities	(4,096,098)	(5,046,485)	(3,752,294)	(4,118,798)
Cash Flows from Investing Activities				
Net proceeds from sale of property, plant and equipment	6,600	12,036	-	12,036
Dividends received	-	320	38,578	320
Interest received	43,194	32,599	279,537	64,948
Investments in other financial assets	632,485	-	(27,209)	-
Investment in subsidiaries and equity accounted investees	-	(34,162)	-	(260,026)
Acquisition of subsidiaries, net of cash acquired	-	(512,285)	-	(640,080)
Acquisition and construction of property, plant and equipment and capital work-in-progress	(835,818)	(272,748)	(464,259)	(144,533)
Acquisition of intangible assets and capital work-in-progress	(136,694)	(50,070)	(136,523)	(50,070)
Net cash used in investing activities	(290,233)	(824,309)	(309,876)	(1,017,405)
Cash Flows from Financing Activities				
Proceeds from long-term borrowings	87,523	-	-	-
Net Movement of Short-term borrowings from related parties	-	-	-	500,000
Repayment of long-term borrowings	(341,829)	(289,425)	(282,147)	(285,618)
Repayment of related party borrowings	-	-	-	(320,000)
Net movement of short-term borrowings	5,644,105	4,507,609	5,106,957	4,138,617
Repayment of lease liabilities	(88,060)	(50,394)	(72,677)	(39,852)
Dividends paid	(102,447)	(115,394)	(90,364)	(115,395)
Net cash from financing activities	5,199,292	4,052,396	4,661,769	3,877,752
Net (decrease)/increase in cash and cash equivalents	812,960	(1,818,398)	599,601	(1,258,451)
Cash and cash equivalents as at 01st April	2,568,153	3,653,478	1,364,783	2,299,207
Effect of exchange rate changes on cash and cash equivalents	(77,994)	25,572	(2,460)	32,383
Cash and cash equivalents as at 30th September (Note-A)	3,303,119	1,860,652	1,961,924	1,073,139
Note - A				
Analysis of Cash and Cash Equivalents as at 30th September				
Cash and bank balances	3,679,021	2,541,278	2,159,477	1,533,568
Bank overdrafts	(375,902)	(680,626)	(197,553)	(460,429)
Cash and cash equivalents	3,303,119	1,860,652	1,961,924	1,073,139

Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

OPERATING SEGMENT INFORMATION

The Group comprises of the following main business segments.

Segment	Product and 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 30th September														
Business Segment Turnover and Results														
Total segment revenue	1,773,669	1,434,622	3,556,190	2,993,796	3,528,690	2,990,309	891,709	1,055,896	6,484,538	4,716,533	3,984,166	3,981,995	20,218,962	17,173,151
Inter-segment revenue	(34,290)	(307)	(315,422)	(252,916)	(111,906)	(111,571)	(16,165)	(33,425)	(58,502)	(33,758)	(30,218)	(384,213)	(566,503)	(816,190)
Total external revenue	1,739,379	1,434,315	3,240,768	2,740,880	3,416,784	2,878,738	875,544	1,022,471	6,426,036	4,682,775	3,953,948	3,597,782	19,652,459	16,356,961
Segment results	(24,796)	(14,418)	709,929	820,250	545,089	803,811	224,379	228,863	778,215	2,207,450	634,429	447,118	2,867,245	4,493,074
Unallocated other income	-	-	-	-	-	-	-	-	-	-	-	-	437,614	161,457
Unallocated expenses	-	-	-	-	-	-	-	-	-	-	-	-	(2,095,839)	(1,422,967)
Finance income	-	-	-	-	-	-	-	-	-	-	-	-	43,194	45,219
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-	(1,537,759)	(2,394,763)
Share of results of equity-accounted investees	-	-	-	-	-	-	-	-	-	-	(5,752)	16,376	(5,752)	16,376
Income tax (expense)/reversal	-	-	-	-	-	-	-	-	-	-	-	-	37,081	(231,913)
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	(254,216)	666,483
Business Segment Assets and Liabilities														
Segment assets	730,983	996,729	1,212,053	2,086,986	2,121,798	4,802,309	1,003,453	1,484,177	8,107,476	7,696,575	4,743,038	10,048,735	17,918,801	27,115,511
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	26,234,639	14,244,962
Total assets	-	-	-	-	-	-	-	-	-	-	-	-	44,153,440	41,360,473
Segment liabilities	366,211	539,918	236,065	1,139,914	452,798	2,069,417	284,684	575,142	3,673,063	4,784,542	1,954,022	2,218,947	6,966,843	11,327,880
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	22,255,939	14,095,594
Equity	-	-	-	-	-	-	-	-	-	-	-	-	14,930,658	15,936,999
Total equity and liabilities	-	-	-	-	-	-	-	-	-	-	-	-	44,153,440	41,360,473
Other Information														
Capital expenditure	3,924	2,950	7,739	18,291	2,975	9,283	1,200	8,413	47,394	64,432	3,981	23,285	67,213	126,654
Capital expenditure through Business Combination	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	14,535	196,164
Depreciation and amortisation	7,941	16,298	39,284	40,362	17,027	15,958	17,506	10,074	36,652	38,508	20,396	17,477	138,806	138,677
Unallocated depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	-	78,381	135,146

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 group annual consolidated financial statements as at 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 30th September 2023, on guarantees given by the Company in respect of bid bonds, performance bonds and advance payments amounted to Rs.2,542.4 million (Rs.5,094.9 million as at 31st March 2023).

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.1,863.4 million (Rs. 1,193.7 million as at 31st March 2023).

4.3 Comparative information

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

4.4 Investment and acquisition of subsidiaries

DI Solar Beliatta (Private) Limited was incorporated on 22nd August 2023 in Sri Lanka.

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 gain amounting to Rs. 108.3 million (2022/23 exchange loss - Rs. 1,149.9 million) and Rs. 100.7 million (2022/23 exchange loss - Rs. 1,277.9 million) respectively. The decrease in net foreign exchange loss was due to lower fluctuation of the exchange rates, compared to the same quarter in previous year.

4.5.2 Net interest cost

The interest cost of the group increased due to the increase in import loans compared to the same period in last financial period (2023/24 - Rs. 1,564.8 million, 2022/23 - Rs. 1,255.1 million).

4.6 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 for the period ended 30th September 2023.

INVESTOR INFORMATION

Market Value of Shares

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

	Quarter ended 30-Sep-23 Rs.		Quarter ended 30-Sep-22 Rs.	
Highest price per share	625.00	August 14, 2023	740.00	September 30, 2022
Lowest price per share	475.00	July 4, 2023	315.50	July 11, 2022
Last Traded price per share	582.25	September 27, 2023	701.50	September 30, 2022

Market Capitalisation

	As at 30-Sep-23	As at 30-Sep-22
Market Capitalisation (Rs.'000)	5,375,037	6,475,893

Ratios

	Group		Company	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
E.P.S. Rs*	(27.49)	65.74	(19.67)	57.02
Net asset value per share*	1,577.63	1,690.08	1,482.11	1,530.57
Quick asset ratio	0.62	0.69	0.66	0.63
Interest cover (times)	0.81	1.72	1.08	1.64

* Earnings and net assets per share are based on 9,231,494 shares in issue as at 30th September 2023.

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

Statement of share holding of Directors (Including Spouses)

Name	30th September 2023	
	Shares	%
Mr A R Pandithage	2,006,924	21.74%
Mr A G Pandithage	593,695	6.43%
Mr A M Pandithage	233,138	2.53%
Mr. C.R. Pandithage	228,144	2.47%
Mr M V Bandara	1,749	0.02%
	3,063,650	33.19%

Mr. A. D. B. Talwatte, Dr.H.Cabral, Mr.B.C.S.A.P Gooneratne, Mr. H.M.A. Jayasinghe, Mr. P. K. W. Mahendra, Mr. S. R. W. M. C. Ranawana, 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 30th September 2023.

Public holding %**As at 30th September 2023**

Public Holding %	59.58%
Number of Public shareholders	2,194
Float Adjusted Market Capitalization (Rs.)	3,202,611,966

The Company complies with option 04 of the Listing Rules 7.13.1 (i), (a) – Float Adjusted Market Capitalization of Rs.2.5 Billion requires 10% minimum Public Holding.

Top twenty major shareholders

Name	30th September 2023	
	Shares	%
Employee's Provident Fund	1,835,870	19.89%
A.R.Pandithage	1,030,882	11.17%
J.C.Pandithage	976,042	10.57%
A & G Investments (Pvt) Ltd	667,395	7.23%
S.C.Algama	590,497	6.40%
A.G.Pandithage	546,846	5.92%
C.R. Pandithage	228,144	2.47%
A.N. Algama	222,288	2.41%
Almar Trading Co (Pvt) Ltd	198,900	2.15%
A.M. Pandithage	189,611	2.05%
T.G.H. Peries	189,407	2.05%
D. Jayantha	166,400	1.80%
T.R.N.C. Peries	153,929	1.67%
N.U. Algama	123,598	1.34%
Ideal Automobile (Pvt) Ltd	87,938	0.95%
M.L. Algama	69,976	0.76%
L.S. Algama	69,975	0.76%
Bank Of Ceylon No. 1 Account	61,054	0.66%
Rubber Investment Trust Ltd A/C No 01	52,761	0.57%
I.S. Salgado	47,840	0.52%
Sub Total	7,509,353	81.34%
Others	1,722,141	18.66%
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)
A. G. Pandithage - FCMA (Managing Director, Group Chief Executive Officer)
M. V. Bandara - Alumni of Harvard Business School (AMP)
Dr. H. Cabral - PC, PhD (university of Canberra)
B. C. S. A. P. Gooneratne - FCA (ICASL), FCMA ,MBA (USJ)
H.M.A.Jayasinghe FCA (ICASL), FCMA, CPFA (Appointed w.e.f 01.09.2023)
P. K. W. Mahendra - B.Eng (University of Greenwich-UK)
A. M. Pandithage - Fellow of CILT (UK)
S. R. W. M. C. Ranawana - MBA (Wanborough University-UK)
J. M. De Silva - FBCS, FCIIT, FCITP.
A. D. B. Talwatte - FCMA (UK), FCA (ICASL), MBA (USJ)
D. N. K. Kurukulasuriya - Attorney at Law, EMBA (UWL).
C. R. Pandithage - BBSCom (Monash University-Aus), MBA (RMIT University - Aus).

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,
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Colombo 03, Sri Lanka

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Julius & Creasy Building,
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Colombo 3 , Sri Lanka

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