

DIESEL & MOTOR ENGINEERING PLC

INTERIM FINANCIAL STATEMENTS - FOR THE 09 MONTHS PERIOD ENDED 31ST DECEMBER 2024



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| Group | | Group | | | | | |
|--------------|--|--|--|---------------|--|--|---------------|
| | | Unaudited 9 months ended 31-12-2024 Rs.'000 | Unaudited 9 months ended 31-12-2023 Rs.'000 | Variance % | Unaudited 3 months ended 31-12-2024 Rs.'000 | Unaudited 3 months ended 31-12-2023 Rs.'000 | Variance % |
| 43,644,295 | Revenue | 36,002,833 | 35,568,091 | 1 | 14,484,165 | 15,915,632 | (9) |
| (31,790,151) | Cost of sales | (27,421,452) | (26,172,686) | 5 | (11,227,426) | (12,133,156) | (7) |
| 11,854,144 | Gross profit | 8,581,381 | 9,395,405 | (9) | 3,256,739 | 3,782,476 | (14) |
| 575,243 | Other operating income | 352,863 | 537,730 | (34) | 67,307 | 100,116 | (33) |
| (884,002) | Selling and distribution expenses | (1,061,364) | (842,049) | 26 | (422,028) | (369,609) | 14 |
| (105,241) | Impairment (loss)/reversal on trade receivables | (28,821) | (140,026) | (79) | 8,313 | (46,796) | (118) |
| (8,354,442) | Administrative expenses | (6,591,242) | (6,231,071) | 6 | (2,333,577) | (1,955,219) | 19 |
| 3,085,702 | Operating profit | 1,252,817 | 2,719,989 | (54) | 576,754 | 1,510,968 | (62) |
| 58,173 | Finance income | 57,379 | 57,778 | (1) | 7,229 | 14,584 | (50) |
| (2,992,174) | Finance costs | (1,978,382) | (2,194,156) | (10) | (685,487) | (656,397) | 4 |
| (2,934,001) | Net finance costs | (1,921,003) | (2,136,378) | (10) | (678,258) | (641,813) | 6 |
| 31,410 | Share of results of equity-accounted investees, net of tax | 29,017 | (9,229) | (414) | (317) | (3,477) | (91) |
| 183,111 | Profit/(loss) before tax | (639,169) | 574,382 | (211) | (101,821) | 865,678 | (112) |
| (90,506) | Income tax reversal/(expense) | 187,325 | (226,546) | (183) | 20,782 | (263,627) | (108) |
| 92,605 | Profit/(loss) for the period | (451,844) | 347,836 | (230) | (81,039) | 602,051 | (113) |
| | Other comprehensive income | | | | | | |
| | Items that will not be reclassified to profit or loss in subsequent periods | | | | | | |
| (83,285) | Remeasurement loss on defined benefit obligation | - | - | - | - | - | - |
| 24,986 | Deferred tax reversal on actuarial gain | - | - | - | - | - | - |
| 2,208,774 | Revaluation of freehold land | - | - | - | - | - | - |
| (665,654) | Deferred tax charge on land revaluation | - | - | - | - | - | - |
| 2,687 | Net change in fair value of equity investments at FVOCI | 18 | 1,837 | (99) | 15 | - | (100) |
| 1,487,508 | | 18 | 1,837 | | 15 | - | |
| | Items that are or may be reclassified to profit or loss in subsequent periods | | | | | | |
| (53,543) | Foreign currency translation differences of foreign operations | 24,690 | 16,306 | (51) | 2,876 | 87,049 | (97) |
| (53,543) | | 24,690 | 16,306 | | 2,876 | 87,049 | |
| 1,433,965 | Total other comprehensive income for the period, net of tax | 24,708 | 18,143 | (36) | 2,891 | 87,049 | (97) |
| 1,526,570 | Total comprehensive income for the period | (427,136) | 365,979 | (217) | (78,148) | 689,100 | (111) |
| | Profit /(loss) attributable to: | | | | | | |
| 42,962 | Equity holders of the parent | (427,525) | 302,682 | | (72,432) | 556,446 | |
| 49,643 | Non-controlling interest | (24,319) | 45,154 | | (8,607) | 45,605 | |
| 92,605 | | (451,844) | 347,836 | | (81,039) | 602,051 | |
| | Total comprehensive income / (loss) attributable to: | | | | | | |
| 1,477,282 | Equity holders of the parent | (406,887) | 320,836 | | (69,658) | 643,515 | |
| 49,288 | Non-controlling interest | (20,249) | 45,143 | | (8,490) | 45,585 | |
| 1,526,570 | | (427,136) | 365,979 | | (78,148) | 689,100 | |
| 4.65 | Basic and diluted earnings per share (Rs.) | (46.31) | 32.79 | | (7.85) | 60.28 | |

Figures in brackets indicate deductions

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| Company | | Company | | | | | |
|--|--|--|--|---------------|--|--|---------------|
| Audited Year ended 31-03-2024 Rs.'000 | | Unaudited 9 months ended 31-12-2024 Rs.'000 | Unaudited 9 months ended 31-12-2023 Rs.'000 | Variance % | Unaudited 3 months ended 31-12-2024 Rs.'000 | Unaudited 3 months ended 31-12-2023 Rs.'000 | Variance % |
| 32,557,940 | Revenue | 28,235,358 | 27,800,021 | 2 | 11,412,071 | 13,061,791 | (13) |
| (23,364,689) | Cost of sales | (21,338,982) | (20,086,784) | 6 | (8,771,242) | (9,768,461) | (10) |
| 9,193,251 | Gross profit | 6,896,376 | 7,713,237 | (11) | 2,640,829 | 3,293,330 | (20) |
| 771,686 | Other operating income | 797,744 | 613,984 | 30 | 238,680 | 181,604 | 31 |
| (804,412) | Selling and distribution expenses | (927,321) | (799,895) | 16 | (374,569) | (370,074) | 1 |
| (50,790) | Impairment loss on trade receivables | (17,586) | (66,613) | (74) | (27,590) | (15,646) | 76 |
| (6,773,205) | Administrative expenses | (5,298,079) | (4,966,722) | 7 | (1,884,605) | (1,674,179) | 13 |
| 2,336,530 | Operating profit | 1,451,134 | 2,493,991 | (42) | 592,745 | 1,415,035 | (58) |
| 669,087 | Finance income | 187,251 | 409,497 | (54) | 50,468 | 129,960 | (61) |
| (2,519,671) | Finance costs | (1,500,755) | (1,785,175) | (16) | (508,769) | (534,720) | (5) |
| (1,850,584) | Net finance costs | (1,313,504) | (1,375,678) | (5) | (458,301) | (404,760) | 13 |
| 31,410 | Share of results of equity-accounted investees, net of tax | 29,017 | (9,229) | (414) | (317) | (3,477) | (91) |
| 517,356 | Profit/(loss) before tax | 166,647 | 1,109,084 | (85) | 134,127 | 1,006,798 | (87) |
| (159,332) | Income tax expense | (41,843) | (322,535) | (87) | (42,501) | (289,514) | (85) |
| 358,024 | Profit/(loss) for the period | 124,804 | 786,549 | (84) | 91,626 | 717,284 | (87) |
| Other comprehensive income | | | | | | | |
| Items that will not be reclassified to profit or loss in subsequent periods | | | | | | | |
| (63,026) | Remeasurement loss on defined benefit obligation | - | - | - | - | - | - |
| 18,908 | Deferred tax reversal on actuarial gain | - | - | - | - | - | - |
| 2,179,200 | Revaluation of freehold land | - | - | - | - | - | - |
| (653,760) | Deferred tax charge on land revaluation | - | - | - | - | - | - |
| 2,687 | Net change in fair value of equity investments at FVOCI | 18 | 1,837 | (99) | 15 | - | (100) |
| 1,484,009 | | 18 | 1,837 | | 15 | - | |
| Items that are or may be reclassified to profit or loss in subsequent periods | | | | | | | |
| (21,040) | Foreign currency translation differences of foreign operations | 26,456 | 22,771 | (16) | 3,116 | 18,780 | (83) |
| (21,040) | | 26,456 | 22,771 | | 3,116 | 18,780 | |
| 1,462,969 | Total other comprehensive income for the period, net of tax | 26,474 | 24,608 | (8) | 3,131 | 18,780 | (83) |
| 1,820,993 | Total comprehensive income for the period | 151,278 | 811,157 | (81) | 94,757 | 736,064 | (87) |
| 38.78 | Basic and diluted earnings per share (Rs.) | 13.52 | 85.20 | | 9.93 | 77.70 | |

Figures in brackets indicate deductions

STATEMENT OF FINANCIAL POSITION

| Group | Company | | Group | | Company | |
|---|---|--|---|---|---|---|
| Audited as at 31-03-2024 Rs.'000 | Audited as at 31-03-2024 Rs.'000 | | Unaudited as at 31-12-2024 Rs.'000 | Unaudited as at 31-12-2023 Rs.'000 | Unaudited as at 31-12-2024 Rs.'000 | Unaudited as at 31-12-2023 Rs.'000 |
| | | ASSETS | | | | |
| 17,492,521 | 16,270,067 | Property, plant and equipment | 18,365,003 | 15,227,764 | 16,360,249 | 14,052,995 |
| 558,976 | 381,666 | Right-of-use assets | 500,529 | 575,631 | 311,600 | 395,924 |
| 1,616,535 | 700,147 | Intangible assets and goodwill | 2,127,206 | 1,610,395 | 810,915 | 693,952 |
| - | 1,656,292 | Investments in subsidiaries | - | - | 1,956,292 | 1,669,225 |
| 148,877 | 148,877 | Investments in equity accounted investees | 177,281 | 119,265 | 177,281 | 119,265 |
| 136 | 136 | Equity securities | - | 129 | - | 129 |
| 12,225 | - | Other financial assets | 8,009 | 14,353 | - | - |
| 791,155 | - | Deferred tax assets | 1,147,536 | 766,118 | - | - |
| 20,620,425 | 19,157,185 | Total non-current assets | 22,325,564 | 18,313,655 | 19,616,337 | 16,931,490 |
| | | | | | | |
| 9,717,071 | 7,209,835 | Inventories | 10,438,508 | 9,676,093 | 7,162,250 | 6,460,595 |
| 11,630,934 | 6,963,984 | Trade and other receivables | 15,407,533 | 14,552,522 | 10,961,751 | 10,792,575 |
| 3,029,589 | 1,614,169 | Other current assets | 4,486,566 | 3,528,735 | 2,445,404 | 1,907,458 |
| 116,705 | 16,632 | Income tax receivable | 112,668 | 94,400 | 16,433 | - |
| 32,696 | 4,023,211 | Amounts due from related parties | 33,213 | 47,475 | 3,155,744 | 4,025,081 |
| 4,306 | - | Other financial assets | 3,835 | 4,647 | - | - |
| 3,841,272 | 2,152,229 | Cash and cash equivalents | 3,120,959 | 5,328,472 | 1,613,938 | 3,792,167 |
| 28,372,573 | 21,980,060 | Total current assets | 33,603,282 | 33,232,344 | 25,355,520 | 26,977,876 |
| 48,992,998 | 41,137,245 | TOTAL ASSETS | 55,928,846 | 51,545,999 | 44,971,857 | 43,909,366 |
| | | | | | | |
| | | EQUITY AND LIABILITIES | | | | |
| | | EQUITY | | | | |
| 620,578 | 620,578 | Stated capital | 620,578 | 620,578 | 620,578 | 620,578 |
| 7,102,059 | 7,107,697 | Other components of equity | 7,122,947 | 5,632,691 | 7,135,338 | 5,626,103 |
| 8,679,535 | 7,699,680 | Revenue reserves | 8,209,092 | 8,954,131 | 7,777,160 | 8,171,440 |
| 16,402,172 | 15,427,955 | Equity attributable to equity holders of the parent | 15,952,617 | 15,207,400 | 15,533,076 | 14,418,121 |
| 446,463 | - | Non-controlling interests | 522,724 | 412,338 | - | - |
| 16,848,635 | 15,427,955 | TOTAL EQUITY | 16,475,341 | 15,619,738 | 15,533,076 | 14,418,121 |
| | | | | | | |
| 2,114,973 | 1,899,630 | Interest bearing borrowings | 2,832,461 | 2,485,378 | 2,456,380 | 2,201,293 |
| 517,967 | 373,096 | Lease liabilities | 522,091 | 557,303 | 323,727 | 393,556 |
| 1,241,371 | 1,085,397 | Employee benefits | 1,309,115 | 1,104,393 | 1,137,221 | 975,191 |
| 2,860,303 | 2,860,303 | Deferred tax liabilities | 2,954,700 | 2,338,893 | 2,894,878 | 2,280,079 |
| 868,681 | 95,090 | Contract liabilities | 498,496 | 593,771 | 163,542 | 95,651 |
| 7,603,295 | 6,313,516 | Total non-current liabilities | 8,116,863 | 7,079,738 | 6,975,748 | 5,945,770 |
| | | | | | | |
| 1,155,556 | 589,211 | Trade payables | 1,773,083 | 1,296,649 | 1,662,755 | 980,694 |
| 1,840,166 | 1,322,926 | Other current liabilities | 2,321,621 | 2,682,856 | 1,705,015 | 1,775,515 |
| 750,758 | 642,253 | Current portion of long-term interest bearing borrowings | 751,640 | 614,707 | 609,060 | 493,165 |
| 158,872 | 93,047 | Lease liabilities | 107,617 | 150,298 | 79,652 | 97,212 |
| 854,855 | 691,577 | Contract liabilities | 1,556,787 | 1,239,508 | 1,010,079 | 788,135 |
| 67,636 | - | Income tax payable | 44,684 | 165,234 | 7,268 | 92,141 |
| 19,529,060 | 16,008,047 | Short-term interest-bearing borrowings | 24,695,785 | 22,545,905 | 17,373,490 | 19,266,275 |
| 184,165 | 48,713 | Amounts due to related parties | 85,425 | 151,367 | 15,714 | 52,338 |
| 24,541,068 | 19,395,774 | Total current liabilities | 31,336,642 | 28,846,523 | 22,463,033 | 23,545,475 |
| 32,144,363 | 25,709,290 | Total liabilities | 39,453,505 | 35,926,261 | 29,438,781 | 29,491,245 |
| 48,992,998 | 41,137,245 | TOTAL EQUITY AND LIABILITIES | 55,928,846 | 51,545,999 | 44,971,857 | 43,909,366 |

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 - Group Finance

The Board of Directors is responsible for these Financial Statements.

Signed for and on behalf of the Board.

(Sgd.) A. R. Pandithage

Chairman

14th February 2025

(Sgd.) A.G. Pandithage

Group Managing Director/Chief Executive Officer

(Sgd.) B.C.S.A.P. Gooneratne

Director/Chief Financial Officer

Statement of Changes in Equity

Group

For the nine months ended 31st December

| | 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 |
| 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 | | | | | | | | |
| Profit for the year | - | - | - | - | - | 302,681 | 45,154 | 347,835 |
| Other comprehensive income, net of tax | - | - | 1,837 | 16,306 | - | - | (11) | 18,132 |
| | - | - | 1,837 | 16,306 | - | 302,681 | 45,143 | 365,967 |
| Dividends to equity holders | | | | | | | | |
| - 2022/23 Final dividend | - | - | - | - | - | (92,315) | (10,132) | (102,447) |
| As at 31st December 2023 | 620,578 | 5,618,699 | (233) | 14,225 | 5,392,290 | 3,561,841 | 412,338 | 15,619,738 |
| 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 period | - | - | - | - | - | (427,525) | (24,319) | (451,844) |
| Derecognition of financial assets due to disposal -FVOCI | - | - | 250 | - | - | (250) | - | - |
| Other comprehensive income, net of tax | - | - | 18 | 20,620 | - | - | 4,070 | 24,708 |
| | - | - | 268 | 20,620 | - | (427,775) | (20,249) | (427,136) |
| Dividends to equity holders | | | | | | | | |
| - 2023/24 Final dividend | - | - | - | - | - | (46,157) | - | (46,157) |
| Transactions due to change in group holdings | | | | | | | | |
| Shares issued by subsidiaries to non-controlling interest | - | - | - | - | - | - | 100,000 | 100,000 |
| Changes in group holdings | - | - | - | - | - | 3,490 | (3,490) | - |
| Total contributions and distributions | - | - | - | - | - | (42,668) | 96,510 | 53,843 |
| As at 31st December 2024 | 620,578 | 7,157,700 | - | (34,753) | 5,392,290 | 2,816,802 | 522,724 | 16,475,341 |

Company

For the nine months ended 31st December

| | 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 |
| 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 period | - | - | - | - | - | 786,549 | 786,549 |
| Other comprehensive income, net of tax | - | - | 1,837 | 22,771 | - | - | 24,608 |
| | - | - | 1,837 | 22,771 | - | 786,549 | 811,157 |
| Dividends to equity holders | | | | | | | |
| - 2022/23 Final dividend | - | - | - | - | - | (92,315) | (92,315) |
| As at 31st December 2023 | 620,578 | 5,609,333 | (1,150) | 17,920 | 4,929,464 | 3,241,976 | 14,418,121 |
| As at 01st April 2024 | 620,578 | 7,134,773 | (1,185) | (25,891) | 4,929,464 | 2,770,216 | 15,427,955 |
| Total comprehensive income | | | | | | | |
| Profit for the period | - | - | - | - | - | 124,804 | 124,804 |
| Derecognition of financial assets due to disposal -FVOCI | - | - | 1,167 | - | - | (1,167) | - |
| Other comprehensive income, net of tax | - | - | 18 | 26,456 | - | - | 26,474 |
| | - | - | 1,185 | 26,456 | - | 123,637 | 151,278 |
| Dividends to equity holders | | | | | | | |
| - 2023/24 Final dividend | - | - | - | - | - | (46,157) | (46,157) |
| | - | - | - | - | - | (46,157) | (46,157) |
| As at 31st December 2024 | 620,578 | 7,134,773 | - | 565 | 4,929,464 | 2,847,696 | 15,533,076 |

Figures in brackets indicate deductions.

Statement of Cash Flows

| | Group | | Company | |
|--|--|--|--|--|
| | Unaudited 9 months ended 31-12-2024 Rs.'000 | Unaudited 9 months ended 31-12-2023 Rs.'000 | Unaudited 9 months ended 31-12-2024 Rs.'000 | Unaudited 9 months ended 31-12-2023 Rs.'000 |
| Cash Flows from Operating Activities | | | | |
| Profit/(loss) before tax | (639,169) | 574,382 | 166,647 | 1,109,084 |
| Adjustments for; | | | | |
| Depreciation on property, plant and equipment | 352,920 | 339,457 | 288,112 | 256,519 |
| Amortisation of intangible assets | 55,114 | 6,277 | 55,025 | 6,104 |
| Depreciation and derecognition of right-of-use assets | 107,483 | 131,199 | 68,549 | 93,098 |
| Exchange rates impact on term loan revaluation | (13,528) | 12,778 | 5,346 | 2,069 |
| (Gain) /Loss on sale of property, plant and equipment | (34,712) | 24,879 | (28,772) | (218) |
| Interest expenses | 1,912,789 | 2,584,495 | 1,462,793 | 1,958,361 |
| Finance income | (57,379) | (57,778) | (187,251) | (409,497) |
| Dividend income | - | (38,578) | - | (38,578) |
| Share of gain of equity-accounted investees, net of tax | (29,017) | (17,332) | (29,017) | (17,332) |
| Impairment reversal on trade receivables | 28,821 | 111,599 | 17,586 | 66,613 |
| Reversal on inventories | (88,555) | (208,501) | (215,481) | (235,048) |
| Provision for employee benefits obligation excluding actuarial gain | 174,960 | 190,545 | 152,348 | 166,054 |
| | 1,769,727 | 3,653,422 | 1,755,885 | 2,957,229 |
| Changes in working capital | | | | |
| (Increase)/decrease in inventories | (632,882) | 510,874 | 263,066 | (122,160) |
| Increase in trade and other receivables | (3,805,420) | (8,073,669) | (4,015,354) | (6,764,200) |
| Increase in other current assets | (1,488,150) | (1,156,476) | (831,014) | (705,288) |
| (Increase)/decrease in amounts due from related parties | (517) | 5,731 | 807,467 | (1,201,839) |
| Increase /(Decrease) in trade payables | 612,740 | (210,284) | 1,073,544 | 36,149 |
| Increase /(Decrease) in other current liabilities | 301,453 | (146,834) | 382,083 | (65,289) |
| Increase in contract liabilities | 372,575 | 214,862 | 375,538 | 399,759 |
| Decrease in amounts due to related parties | (98,740) | (294,493) | (212,999) | (34,771) |
| Cash used in operating activities | (2,969,214) | (5,496,867) | (401,784) | (5,500,410) |
| Interest paid | (1,862,917) | (2,125,719) | (1,395,606) | (1,909,377) |
| Employee benefits paid | (107,216) | (76,514) | (100,524) | (60,766) |
| Income tax paid | (113,753) | (140,789) | - | - |
| Net cash used in operating activities | (5,053,100) | (7,839,889) | (1,897,914) | (7,470,553) |
| Cash Flows from Investing Activities | | | | |
| Net proceeds from sale of property, plant and equipment | 101,576 | 23,875 | 94,079 | - |
| Dividends received | - | 38,578 | - | 38,578 |
| Interest received | 57,007 | 57,778 | 25,728 | 409,497 |
| Investments in other financial assets | - | 762,529 | - | 2,569 |
| Investment in subsidiaries and equity accounted investees | - | - | (60,000) | - |
| Acquisition and construction of property, plant and equipment and capital work-in-progress | (1,293,279) | (1,188,388) | (441,541) | (766,831) |
| Acquisition of intangible assets and capital work-in-progress | (225,785) | (148,750) | (165,793) | (148,750) |
| Net cash used in investing activities | (1,360,481) | (454,378) | (547,527) | (464,937) |
| Cash Flows from Financing Activities | | | | |
| Proceeds from long-term borrowings | 1,300,000 | 1,585,909 | 1,000,000 | 1,500,000 |
| Repayment of long-term borrowings | (579,351) | (426,309) | (481,789) | (412,027) |
| Net movement of short-term borrowings | 5,446,060 | 7,528,166 | 1,627,658 | 7,571,483 |
| Repayment of lease liabilities | (156,633) | (142,939) | (95,150) | (105,932) |
| Dividend paid to equity holders of the parent | (46,157) | (102,458) | (46,157) | (92,315) |
| Net cash from financing activities | 5,963,919 | 8,442,369 | 2,004,562 | 8,461,209 |
| Net (decrease)/increase in cash and cash equivalents | (449,662) | 148,102 | (440,879) | 525,719 |
| Cash and cash equivalents as at 01st April | 3,383,640 | 2,858,970 | 2,019,556 | 1,552,370 |
| Effect of exchange rate changes on cash and cash equivalents | 39,800 | 11,716 | 25,986 | 15,540 |
| Cash and cash equivalents as at 31st December (Note-A) | 2,973,778 | 3,018,788 | 1,604,663 | 2,093,629 |
| Note - A | | | | |
| Analysis of Cash and Cash Equivalents as at 31st December | | | | |
| Cash and bank balances | 3,120,959 | 5,328,472 | 1,613,938 | 3,792,167 |
| Bank overdrafts | (147,181) | (2,309,684) | (9,275) | (1,698,538) |
| Cash and cash equivalents | 2,973,778 | 3,018,788 | 1,604,663 | 2,093,629 |

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 group annual consolidated financial statements as at 31st March 2024.

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 December 2024, on guarantees given by the Company in respect of bid bonds, performance bonds and advance payments amounted to Rs.5,619.7 million (Rs.5,491.4 million as at 31st March 2024).

4.2 Capital expenditure commitments

Capital expenditure committed, for which no provision has been made in the interim condensed financial statements, amounted to approximately Rs.206.2 million (Rs.1,039.4 million as at 31st March 2024).

4.3 Comparative information

Where necessary, comparative figures have been reclassified to conform with the current period's presentation. These reclassifications were made to provide a more accurate reflection of the nature of each expense and asset category. The reclassifications have no impact on the reported profit/(loss) and net assets of the comparative period.

4.4 Net interest cost

The interest cost of the Group decreased due to the decrease in interest rates compared to the same period in last financial period (2024/25 - Rs.1,864.5 million, 2023/24 - Rs. 2,281.1 million).

4.5 Segment Performance

The performance of the period was negatively impacted due to erosion of margins as a result of intense competition in the market for Agricultural inputs. The investments made during the past few years, particularly in exports, performed below expectations. The Infrastructure Engineering segment too underperformed due to curtailment of government infrastructure projects during the recent past.

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 31st December 2024.

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

The Group has introduced an "Other" category in the segment report for the period ended 31st December 2024. This category includes segment performances that do not meet the quantitative thresholds for separate disclosure. This reclassification ensures a clearer representation of segment performance and aligns with the Group's internal reporting structure.

| | Vehicle Sales | | Automotive Engineering Solutions | | Retail | | Infrastructure Engineering | | Agriculture | | Power Engineering & Building Services | | Healthcare | | Other | | Total | |
|--|------------------|------------------|----------------------------------|------------------|------------------|------------------|----------------------------|------------------|-------------------|-------------------|---------------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
| For the period ended 31st December | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 |
| Business Segment Turnover and Results | | | | | | | | | | | | | | | | | | |
| Total segment revenue | 2,849,752 | 3,058,152 | 5,835,279 | 4,949,052 | 6,380,644 | 5,512,188 | 1,938,699 | 2,861,642 | 13,663,621 | 14,532,689 | 4,032,234 | 3,774,381 | 2,134,372 | 1,574,281 | 258,710 | 102,158 | 37,093,311 | 36,364,542 |
| Inter-segment revenue | (456,921) | (49,039) | (419,224) | (437,401) | (40,781) | (158,433) | (44,699) | (29,138) | (51,057) | (91,178) | (77,797) | (31,262) | - | - | - | - | (1,090,479) | (796,451) |
| Total external revenue | 2,392,832 | 3,009,113 | 5,416,056 | 4,511,651 | 6,339,863 | 5,353,755 | 1,894,001 | 2,832,504 | 13,612,564 | 14,441,511 | 3,954,436 | 3,743,119 | 2,134,372 | 1,574,281 | 258,710 | 102,158 | 36,002,833 | 35,568,091 |
| Segment results | 310,734 | 207,470 | 1,412,716 | 840,017 | 841,548 | 523,847 | 275,750 | 273,302 | 756,159 | 2,133,174 | 318,346 | 454,907 | 276,127 | 194,304 | (366,803) | (126,461) | 3,824,578 | 4,500,561 |
| Unallocated other income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 352,863 | 537,730 |
| Unallocated expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (2,924,624) | (2,318,302) |
| Unallocated Finance income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 57,379 | 57,778 |
| Unallocated Finance expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (1,978,382) | (2,194,156) |
| Share of results of equity-accounted investees | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 29,017 | (9,229) |
| Income tax expense | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 187,325 | (226,546) |
| Loss for the period | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (451,844) | 347,836 |
| Business Segment Assets and Liabilities | | | | | | | | | | | | | | | | | | |
| Segment assets | 704,630 | 525,047 | 3,756,088 | 3,841,324 | 5,482,536 | 4,979,735 | 3,353,907 | 2,459,666 | 12,953,728 | 13,993,884 | 4,484,014 | 3,736,135 | 2,809,555 | 1,675,655 | 628,018 | 379,709 | 34,172,478 | 31,591,154 |
| Unallocated assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 21,756,368 | 19,954,845 |
| Total assets | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 55,928,846 | 51,545,999 |
| Segment liabilities | 1,018,639 | 330,028 | 1,154,090 | 1,398,999 | 2,418,116 | 1,363,257 | 894,559 | 600,881 | 7,021,959 | 4,340,579 | 2,367,470 | 604,722 | 2,053,386 | 718,958 | 322,317 | 353,904 | 17,250,535 | 9,711,328 |
| Unallocated liabilities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 22,202,970 | 26,214,933 |
| Equity | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 16,475,341 | 15,619,738 |
| Total equity and liabilities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 55,928,846 | 51,545,999 |
| Other Information | | | | | | | | | | | | | | | | | | |
| Capital expenditure | 5,750 | 647 | 57,384 | 21,515 | 14,910 | 6,821 | 2,341 | 77,930 | 242,962 | 649,642 | 422,544 | 17,394 | 60,549 | 11,361 | 9,001 | 33,580 | 815,440 | 818,890 |
| Unallocated capital expenditure | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 477,839 | 369,498 |
| Depreciation and amortisation | 9,336 | 22,274 | 55,002 | 62,069 | 9,607 | 25,332 | 13,226 | 14,118 | 92,450 | 25,988 | 22,911 | 8,020 | 7,459 | 3,213 | 18,033 | - | 228,025 | 161,014 |
| Unallocated depreciation and amortisation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 180,009 | 184,720 |

INVESTOR INFORMATION

Market Value of Shares

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

| | Quarter to 31-Dec-24 Rs. | | Quarter to 31-Dec-23 Rs. | |
|-----------------------------|---|--------------------|---|--------------------|
| Highest price per share | 1,074.00 | 19th December 2024 | 600.00 | 16th October 2023 |
| Lowest price per share | 550.00 | 14th October 2024 | 502.00 | 6th December 2023 |
| Last Traded price per share | 926.75 | 31st December 2024 | 511.50 | 29th December 2023 |

Market Capitalisation

| | As at 31-Dec-24 | As at 31-Dec-23 |
|---------------------------------|----------------------------|----------------------------|
| Market Capitalisation (Rs.'000) | 8,555,287 | 4,721,909 |

Ratios

| | <u>Group</u> | | <u>Company</u> | |
|----------------------------|---------------------|------------------|-----------------------|------------------|
| | 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
| E.P.S. Rs* | (46.31) | 32.79 | 13.52 | 85.20 |
| Net asset value per share* | 1,728.06 | 1,647.34 | 1,682.62 | 1,561.84 |
| Quick asset ratio | 0.74 | 0.82 | 0.81 | 0.87 |
| Interest cover (times) | 0.67 | 1.25 | 1.11 | 1.58 |

* Earnings & net assets per share are based on 9,231,494 shares in issue as at 31st December 2024.

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

Statement of share holding of Directors (Including Spouses)**31st December 2024**

| Name | 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% |
| | 3,061,901 | 33.17% |

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, Ms. D. N. K Kurukulasuriya and Mr. J. M. De Silva (Retired w.e.f. 31/12/2024) who are Directors of the Company did not hold any shares of the Company as at 31st December 2024.

Public holding %**As at 31st December 2024**

| | |
|--|---------------|
| Public Holding % | 59.60% |
| Number of Public shareholders | 2,231 |
| Float Adjusted Market Capitalization (Rs.) | 5,099,123,058 |

The Company complies with Option 02 of Listing Rules 2.1.2 A (i)(c), which stipulates that for a Float Adjusted Market Capitalization not exceeding Rs. 7.5 billion and not equal to or less than Rs. 5.00 billion, a minimum of 5% public holding is required

Top twenty major shareholders**31st December 2024**

| 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 | 228,144 | 2.47% |
| 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.Jayanntha | 166,400 | 1.80% |
| Miss.T.R.N.C.Peries | 153,929 | 1.67% |
| Mr.N.U.Algama | 123,598 | 1.34% |
| Seylan Bank PLC / Phantom Investments (Pvt) Ltd | 81,450 | 0.88% |
| Seylan Bank PLC / Karagoda Loku Gamage Udayananda | 74,398 | 0.81% |
| Mr.M.L.Algama | 69,976 | 0.76% |
| Ms.L.S.Algama | 69,975 | 0.76% |
| Mrs.I.S.Salgado | 47,840 | 0.52% |
| Mrs.H.S. Pandithage | 46,849 | 0.51% |
| Ms.J.Tharshana | 45,373 | 0.49% |
| Sub Total | 7,555,670 | 81.85% |
| Others | 1,675,824 | 18.15% |
| 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 (UK) (Managing Director, Group Chief Executive Officer)
A. M. Pandithage - Fellow of CILT (UK)
B. C. S. A. P. Gooneratne - FCA (ICASL), FCMA ,MBA (USJ)
Dr. H. Cabral - PC, PhD (University of Canberra)
P. K. W. Mahendra - B.Eng (University of Greenwich-UK)
S. R. W. M. C. Ranawana - MBA (Warnborough University-UK)
A. D. B. Talwatte - FCA (ICASL) , FCMA (UK), MBA (USJ)
J. M. De Silva - FBSC, FCIIT, FCITP (Retired w.e.f. 31/12/2024)
D. N. K. Kurukulasuriya - Attorney at Law, EMBA (UWL)
C. R. Pandithage - BBCom (Monash University-Aus), MBA (RMIT University - Aus)
H. M. A. Jayasinghe - FCA (ICASL), FCMA, CPFA

Company Secretary

B. C. S. A. P. Gooneratne - FCA (ICASL), 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)
A. M. Pandithage
Dr. H. Cabral
J. M. De Silva (Retired w.e.f. 31/12/2024)
H. M. A. Jayasinghe

Remuneration Committee

Dr. H. Cabral (Chairman)
A. M. Pandithage
A. D. B. Talwatte
J. M. De Silva (Retired w.e.f. 31/12/2024)
H. M. A. Jayasinghe

Nomination & Governance Committee

Dr. H. Cabral (Chairman)
A. M. Pandithage
A. D. B. Talwatte
J. M. De Silva (Retired w.e.f. 31/12/2024)
H. M. A. Jayasinghe

Related Party Transactions Review Committee

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

The composition of the above committees was provided for the period from 1st October 2024 to 31st December 2024.

Group Management Committee

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

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
Union Bank of Colombo PLC

Auditors

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

Lawyers

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

Registered Office

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