

DIESEL & MOTOR ENGINEERING PLC

INTERIM FINANCIAL STATEMENTS -SIX MONTHS ENDED 30TH SEPTEMBER 2016



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group		Group					
Audited Year ended 31-03-2016 Rs.'000		Unaudited 6 months to 30-09-2016 Rs.'000	Unaudited 6 months to 30-09-2015 Rs.'000	Variance %	Unaudited 3 months to 30-09-2016 Rs.'000	Unaudited 3 months to 30-09-2015 Rs.'000	Variance %
37,749,750	Revenue	21,033,750	17,791,900	18%	11,779,501	9,530,421	24%
(245,170)	Sales taxes	(101,852)	(118,363)	(14%)	(55,543)	(60,894)	(9%)
37,504,580	Net revenue	20,931,898	17,673,537	18%	11,723,958	9,469,527	24%
(30,967,983)	Cost of sales	(17,512,646)	(14,718,045)	19%	(9,815,812)	(7,842,640)	25%
6,536,597	Gross profit	3,419,252	2,955,492	16%	1,908,146	1,626,887	17%
86,141	Other operating income	35,669	43,027	(17%)	16,462	20,577	(20%)
(1,083,595)	Distribution expenses	(419,838)	(426,695)	(2%)	(240,044)	(282,910)	(15%)
(3,907,855)	Administrative expenses	(2,308,389)	(1,742,296)	32%	(1,192,922)	(878,239)	36%
1,631,288	Operating profit	726,694	829,528	(12%)	491,642	486,315	1%
219,079	Finance income	91,713	42,061	118%	59,131	5,487	978%
(470,308)	Finance costs	(353,077)	(207,092)	70%	(200,192)	(128,579)	56%
(251,229)	Net finance Costs	(261,364)	(165,031)	58%	(141,061)	(123,092)	15%
1,380,059	Profit before tax	465,330	664,497	(30%)	350,581	363,223	(3%)
(433,453)	Income tax expense	(120,477)	(334,323)	(64%)	(93,226)	(261,466)	64%
946,606	Profit for the period	344,853	330,174	4%	257,355	101,757	153%
	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
(24,719)	Remeasurement of defined benefit obligation	-	-	-	-	-	-
6,921	Deferred tax charge on actuarial loss	-	-	-	-	-	-
(17,798)		-	-		-	-	
	Items that are or may be reclassified subsequently to profit or loss						
462	Net fair value gains on remeasuring financial assets-available-for-sale	626	560	12%	576	218	164%
462		626	560		576	218	
(17,336)	Total other comprehensive income, net of tax	626	560	12%	576	218	164%
929,270	Total comprehensive income for the period	345,479	330,734	4%	257,931	101,975	153%
106.64	Basic and diluted earnings per share (Rs.)	38.85	37.20		28.99	11.46	

Figures in brackets indicate deductions

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Company		Company					
Audited Year ended 31-03-2016 Rs.'000		Unaudited 6 months to 30-09-2016 Rs.'000	Unaudited 6 months to 30-09-2015 Rs.'000	Variance %	Unaudited 3 months to 30-09-2016 Rs.'000	Unaudited 3 months to 30-09-2015 Rs.'000	Variance %
35,403,232	Revenue	19,827,761	16,967,161	17%	10,573,512	9,056,584	17%
(208,378)	Sales taxes	(83,863)	(107,180)	(22%)	(37,554)	(54,745)	(31%)
35,194,854	Net revenue	19,743,898	16,859,981	17%	10,535,958	9,001,839	17%
(29,408,729)	Cost of sales	(16,699,504)	(14,149,613)	18%	(9,002,670)	(7,505,755)	20%
5,786,125	Gross profit	3,044,394	2,710,368	12%	1,533,288	1,496,084	2%
103,147	Other operating income	58,727	54,907	7%	39,520	31,567	25%
(994,715)	Distribution expenses	(402,002)	(377,248)	7%	(222,208)	(246,314)	(10%)
(3,529,057)	Administrative expenses	(2,085,159)	(1,585,332)	32%	(969,692)	(800,522)	21%
1,365,500	Operating profit	615,960	802,695	(23%)	380,908	480,815	(21%)
194,578	Finance income	93,640	37,660	149%	61,058	5,106	1096%
(468,036)	Finance costs	(349,849)	(206,157)	70%	(196,964)	(127,903)	54%
(273,458)	Net finance Costs	(256,209)	(168,497)	52%	(135,906)	(122,797)	11%
1,092,042	Profit before tax	359,751	634,198	(43%)	245,002	358,018	(32%)
(352,319)	Income tax expense	(94,376)	(320,537)	(71%)	(67,125)	(257,936)	74%
739,723	Profit for the period	265,375	313,661	(15%)	177,877	100,082	78%
	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
(22,565)	Remeasurement of defined benefit obligation	-	-	-	-	-	-
6,318	Deferred tax charge on actuarial loss	-	-	-	-	-	-
(16,247)		-	-		-	-	
	Items that are or may be reclassified subsequently to profit or loss						
466	Net fair value gains on remeasuring financial assets-available-for-sale	621	555	12%	571	211	171%
466		621	555		571	211	
(15,781)	Total other comprehensive income, net of tax	621	555	12%	571	211	171%
723,942	Total comprehensive income for the period	265,996	314,216	(15%)	178,448	100,293	78%
83.34	Basic and diluted earnings per share (Rs.)	29.90	35.34		20.04	11.28	

Figures in brackets indicate deductions

STATEMENT OF FINANCIAL POSITION

Group		Company		Group		Company	
Audited as at 31-03-2016 Rs.'000	Audited as at 31-03-2016 Rs.'000	Unaudited as at 30-09-2016 Rs.'000	Unaudited as at 30-09-2015 Rs.'000	Unaudited as at 30-09-2016 Rs.'000	Unaudited as at 30-09-2015 Rs.'000	Unaudited as at 30-09-2016 Rs.'000	Unaudited as at 30-09-2015 Rs.'000
ASSETS							
7,935,112	7,951,099	8,043,672	7,912,506	8,055,435	7,935,093		
24,526	24,526	23,424	25,629	23,424	25,629		
14,293	14,293	31,521	26,207	31,521	26,207		
-	23,350	-	-	23,350	23,350		
7,179	7,156	7,908	7,272	7,881	7,245		
1,711	-	3,132	2,397	-	-		
7,982,821	8,020,424	8,109,657	7,974,011	8,141,611	8,017,524		
Total non-current assets							
7,607,292	7,326,211	8,788,139	6,333,576	8,374,905	6,128,129		
3,877,074	3,092,234	4,495,848	3,873,510	3,745,101	3,222,200		
689,317	596,502	813,379	901,270	722,558	794,819		
-	-	24,198	5,000	19,111	-		
-	53,714	-	-	74,446	49,264		
176,140	164,243	402,306	525,977	336,367	407,746		
12,349,823	11,232,904	14,523,870	11,639,333	13,272,488	10,602,158		
20,332,644	19,253,328	22,633,527	19,613,344	21,414,099	18,619,682		
TOTAL ASSETS							
EQUITY AND LIABILITIES							
EQUITY							
425,297	425,297	425,297	425,297	425,297	425,297		
2,839,356	2,839,341	2,839,982	2,833,277	2,839,962	2,833,277		
6,725,026	5,869,788	6,830,215	6,132,569	5,895,499	5,466,126		
9,989,679	9,134,426	10,095,494	9,391,143	9,160,758	8,724,700		
Total equity attributable to the equity holders of the Company							
907,030	907,030	747,130	452,010	747,130	452,010		
500,505	468,525	589,538	491,601	547,962	458,834		
182,161	182,161	193,965	140,816	193,965	140,816		
354,755	158,313	269,979	255,155	119,266	161,183		
1,944,451	1,716,029	1,800,612	1,339,582	1,608,323	1,212,843		
Total non-current liabilities							
1,645,819	1,565,629	2,210,614	2,176,417	2,083,786	2,052,046		
1,112,860	888,778	1,291,576	653,519	1,076,666	571,289		
394,960	394,960	344,910	269,774	344,910	269,774		
65,010	23,004	3,994	175,875	-	172,242		
5,179,865	5,147,647	6,886,327	5,607,034	6,834,284	5,553,278		
-	382,855	-	-	305,372	63,510		
8,398,514	8,402,873	10,737,421	8,882,619	10,645,018	8,682,139		
20,332,644	19,253,328	22,633,527	19,613,344	21,414,099	18,619,682		
TOTAL EQUITY AND LIABILITIES							

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

(Sgd.)E.D.C.Kodituwakku
General Manager - Finance & Controlling / Member - Group Management Committee

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

(Sgd.)A.R.Pandithage
Chairman, Managing Director
10th November 2016

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

STATEMENT OF CHANGES IN EQUITY

Group

	Stated Capital Rs.'000	Other Components of Equity		Revenue Reserves		Total Rs.'000
		Revaluation Reserve Rs.'000	Available-for- Sale Reserve Rs.'000	General Reserve Rs.'000	Retained Earnings Rs.'000	
For the six months ended 30th September 2015						
As at 1st April 2015	425,297	2,833,277	5,617	4,342,290	1,631,457	9,237,938
Profit for the period	-	-	-	-	330,174	330,174
Other comprehensive income, net of tax	-	-	560	-	-	560
Total comprehensive income	-	-	560	-	330,174	330,734
Transaction with owners of the Company - contributions and distributions	-	-	-	-	-	-
Dividends to equity owners	-	-	-	-	-	-
2014/15 First and final dividend	-	-	-	-	(177,529)	(177,529)
Transfer during the period	-	-	-	275,000	(275,000)	-
Total contributions and distributions	-	-	-	275,000	(452,529)	(177,529)
As at 30th September 2015	425,297	2,833,277	6,177	4,617,290	1,509,102	9,391,143

For the six months ended 30th September 2016

As at 1st April 2016	425,297	2,833,277	6,079	4,617,290	2,107,736	9,989,679
Profit for the period	-	-	-	-	344,853	344,853
Other comprehensive income, net of tax	-	-	626	-	-	626
Total comprehensive income	-	-	626	-	344,853	345,479
Transaction with owners of the Company - contributions and distributions						
Dividends to equity owners	-	-	-	-	-	-
2015/16 First and final dividend	-	-	-	-	(239,664)	(239,664)
Transfer during the period	-	-	-	400,000	(400,000)	-
Total contributions and distributions	-	-	-	400,000	(639,664)	(239,664)
As at 30th September 2016	425,297	2,833,277	6,705	5,017,290	1,812,925	10,095,494

Company	Stated Capital Rs.'000	Other Components of Equity		Revenue Reserves		Total Rs.'000
		Revaluation Reserve Rs.'000	Available-for- Sale Reserve Rs.'000	General Reserve Rs.'000	Retained Earnings Rs.'000	
For the six months ended 30th September 2015						
As at 1st April 2015	425,297	2,833,277	5,598	4,079,464	1,244,377	8,588,013
Profit for the period	-	-	-	-	313,661	313,661
Other comprehensive income, net of tax	-	-	555	-	-	555
Total comprehensive income	-	-	555	-	313,661	314,216
Transaction with owners of the Company - contributions and distributions	-	-	-	-	-	-
Dividends to equity owners	-	-	-	-	-	-
2014/15 First and final dividend	-	-	-	-	(177,529)	(177,529)
Transfer during the period	-	-	-	(250,000)	250,000	-
Total contributions and distributions	-	-	-	(250,000)	72,471	(177,529)
As at 30th September 2015	425,297	2,833,277	6,153	3,829,464	1,630,509	8,724,700
For the six months ended 30th September 2016						
As at 1st April 2016	425,297	2,833,277	6,064	4,329,464	1,540,324	9,134,426
Profit for the period	-	-	-	-	265,375	265,375
Other comprehensive income, net of tax	-	-	621	-	-	621
Total comprehensive income	-	-	621	-	265,375	265,996
Transaction with owners of the Company - contributions and distributions						
Dividends to equity owners	-	-	-	-	-	-
2015/16 First and final dividend	-	-	-	-	(239,664)	(239,664)
Transfer during the period	-	-	-	300,000	(300,000)	-
Total contributions and distributions	-	-	-	300,000	(539,664)	(239,664)
As at 30th September 2016	425,297	2,833,277	6,685	4,629,464	1,266,035	9,160,758

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

Group		Company		Group		Company	
Audited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Year Ended	Year Ended	6 months to	6 months to	6 months to	6 months to	6 months to	6 months to
31-03-2016	31-03-2016	30-09-2016	30-09-2015	30-09-2016	30-09-2015	30-09-2016	30-09-2015
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash flows from operating activities							
1,380,059	1,092,042	Profit before taxation		465,330	664,497	359,751	634,198
Adjustments for:							
306,042	300,678	Depreciation on property, plant and equipment		152,087	151,178	149,356	148,370
12,662	12,662	Amortisation of intangible assets and lease rentals		8,248	7,892	8,248	7,892
181,512	34,729	Amortisation of deferred income		(84,776)	81,912	(39,047)	37,599
(16,225)	(17,572)	Gain on sale of property, plant and equipment		(5,549)	(20,902)	(5,549)	(22,404)
3,076	3,132	Derecognition of capital work-in-progress		-	384	-	439
470,308	468,036	Interest expenses		353,077	207,092	349,849	206,157
(23,496)	(21,060)	Interest income		(3,219)	(7,814)	(3,093)	(7,313)
(298)	(11,368)	Dividend income		(250)	(247)	(20,320)	(11,317)
22,542	22,542	Foreign currency loan translation variance		-	22,583	-	22,583
217,012	195,552	Provision for impairment of trade receivables		13,634	70,476	16,495	50,303
6,215	16,423	Provision for/(reversal of) slow moving inventories		27,326	(18,071)	29,831	(6,073)
78,492	71,859	Provision for employee benefit obligation excluding actuarial loss		91,509	83,344	81,912	75,560
2,637,901	2,167,655			1,017,417	1,242,324	927,433	1,135,994
Changes in working capital							
(2,834,932)	(2,746,534)	Increase in inventories		(1,208,173)	(1,536,930)	(1,078,525)	(1,525,956)
24,640	164,018	(Increase)/decrease in trade and other receivables		(632,408)	174,740	(669,362)	179,301
114,831	143,212	(Increase)/decrease in other current assets		(124,062)	(97,122)	(126,056)	(55,105)
-	(34,763)	Increase in amounts due from subsidiaries		-	-	(20,732)	(30,313)
(335,363)	(316,759)	Increase/(decrease) in trade payables		564,795	187,372	518,157	161,795
333,253	211,845	Increase/(decrease) in other current liabilities		172,498	(109,374)	181,670	(88,930)
-	286,734	Increase/(decrease) in amounts due to subsidiaries		-	-	(77,483)	(32,611)
(59,670)	(124,592)	Cash generated from/(used in) operating activities		(209,933)	(138,990)	(344,898)	(255,825)
(453,594)	(451,322)	Interest paid		(346,859)	(199,229)	(343,631)	(198,294)
(18,353)	(16,563)	Employee benefits paid		(2,476)	(7,390)	(2,475)	(7,390)
(305,199)	(262,395)	Income tax paid		(195,306)	(149,155)	(124,686)	(129,039)
(836,816)	(854,872)	Net cash from /(used in) operating activities		(754,574)	(494,764)	(815,690)	(590,548)
Cash flows from investing activities							
37,156	37,001	Proceeds from sale of property, plant and equipment		9,305	25,155	9,305	25,155
298	11,368	Dividends received		147	247	20,217	11,317
23,496	21,060	Interest received		3,219	7,814	3,093	7,313
(284,079)	(268,639)	Acquisition and construction of property, plant and equipment and capital work-in-progress		(270,086)	(95,482)	(263,131)	(89,200)
-	-	Acquisition of intangible assets		(18,693)	-	(18,693)	-
(223,129)	(199,210)	Net cash used in investing activities		(276,108)	(62,266)	(249,209)	(45,415)
Cash flow from financing activities							
800,000	800,000	Proceeds from long-term borrowings		-	-	-	-
(1,117,662)	(1,117,662)	Repayment of long-term borrowings		(209,950)	(897,909)	(209,950)	(897,909)
(177,529)	(177,529)	Dividends paid		(239,664)	(177,529)	(239,664)	(177,529)
(495,191)	(495,191)	Net cash used in financing activities		(449,614)	(1,075,438)	(449,614)	(1,075,438)
(1,555,136)	(1,549,273)	Net decrease in cash and cash equivalents		(1,480,296)	(1,632,468)	(1,514,513)	(1,711,401)
(3,448,589)	(3,434,131)	Cash and cash equivalents as at 1st April		(5,003,725)	(3,448,589)	(4,983,404)	(3,434,131)
(5,003,725)	(4,983,404)	Cash and cash equivalents at the end of the period (Note-A)		(6,484,021)	(5,081,057)	(6,497,917)	(5,145,532)
Note-A							
Analysis of cash and cash equivalents at the end of the period							
176,140	164,243	Cash and bank balances		402,306	525,977	336,367	407,746
(5,179,865)	(5,147,647)	Short-term borrowings		(6,886,327)	(5,607,034)	(6,834,284)	(5,553,278)
(5,003,725)	(4,983,404)	Cash and cash equivalents		(6,484,021)	(5,081,057)	(6,497,917)	(5,145,532)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Corporate information

Diesel & Motor Engineering PLC (the Company) is a public limited liability Company listed on the Colombo Stock Exchange, incorporated and domiciled in Sri Lanka. The Company and its subsidiaries have the registered office at No. 65, Jetawana Road, Colombo 14. The ordinary shares of the Company are being traded in 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 2016. 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 2016, on guarantees given by the Company in respect of bid bonds, performance bonds and advance payments amounted to Rs.1,319.8 mn. (Rs.975.6 mn as at 31st March 2016).

4.2 Income tax assessments

Assessments were received in July 2012, December 2013 and July 2015 respectively based on normal tax rates. Appeals were lodged against the taxes assessed by the Department of Inland Revenue and the status of each of the appeals are as follows.

2009/2010 - The appeal was determined in favour of the Commissioner General of Inland Revenue by the Tax Appeals Commission, and a case stated has been filed with the Court of Appeal by an application made by the company.

2010/2011 - An appeal made by the Company is currently with the Tax Appeals Commission.

2012/2013 - An appeal has been lodged with the Department of Inland Revenue within the stipulated time period for the assessment raised.

Having discussed with the independent legal and tax expert and based on information available, the contingent liability as at 30th September 2016 is estimated to be Rs. 291.0 mn (2016 – Rs. 291.0 mn as at 31st March 2016).

4.3 Capital expenditure commitments

Capital expenditure contracted by the Company for which a provision has not been made in the Financial Statements amounted to approximately Rs 996.3 mn.(2015/16 Rs. 1,004.3 mn)

4.4 Comparative Information

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

4.5 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.

NOTES TO THE FINANCIAL STATEMENTS

OPERATING SEGMENT INFORMATION

The Group comprises of the following main business segments.

Segment	Product & Services
Vehicles – Sales	Sale of Brand new Passenger Vehicles, Commercial Vehicles, Agri Machinery, Special Purpose Vehicles and Pre-owned Passenger Vehicles.
Vehicles – After Services	Repair and service of Vehicle included in the Vehicles - Sale Segment, Sale of Franchised Vehicle Spare Parts, Accessories and Components.
Marketing and Distribution	Sale and services of Power Tools and Accessories, Lamps, Batteries, Lighting Controls, Switchgear, Fittings and Accessories, Tyres, Original Equipment Spare Parts and Auto Components.
Construction & Material Handling Equipment	Sales and Services of Earth Moving Machinery, Road Construction Machinery, Material Handling Machinery, Forklifts, Storage Systems, Dock Levellers, Car Parking Systems and Gondolas.
Electro-Mechanical , Bio-Medical and Marine Engineering	Sale, Installation, Commissioning and Maintenance of Medical Equipment, Generating Sets, Diesel Engines for Marine Propulsion and Rail Traction, Building Management Systems, Fluid Management Systems, Industrial Refrigeration Systems and Power Engineering Equipment and Systems.

For the period ended 30th September	Vehicles – Sales		Vehicles – After Services		Marketing and Distribution		Construction & Material Handling Equipment		Electro-Mechanical , Bio Medical and Marine Engineering		TOTAL	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	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 & Results												
Total segment revenue	15,061,974	13,345,310	2,158,930	1,684,363	2,097,933	1,803,942	1,256,306	640,185	1,106,853	730,852	21,681,996	18,204,652
Inter-segment revenue	(45,940)	-	(482,687)	(352,410)	(69,548)	(35,766)	(40,961)	(21,688)	(9,110)	(2,888)	(648,246)	(412,752)
Total external revenue	15,016,034	13,345,310	1,676,243	1,331,953	2,028,385	1,768,176	1,215,345	618,497	1,097,743	727,964	21,033,750	17,791,900
Segment results	697,671	980,651	338,660	243,678	124,171	166,417	162,817	25,246	119,154	29,176	1,442,473	1,445,168
Unallocated other income	-	-	-	-	-	-	-	-	-	-	35,669	43,027
Unallocated expenses	-	-	-	-	-	-	-	-	-	-	(751,448)	(658,667)
Finance costs - net	-	-	-	-	-	-	-	-	-	-	(261,364)	(165,031)
Income tax expense	-	-	-	-	-	-	-	-	-	-	(120,477)	(334,323)
Profit for the period	-	-	-	-	-	-	-	-	-	-	344,853	330,174
Business Segment Assets & Liabilities												
Segment assets	8,141,062	5,699,952	2,230,746	1,776,798	3,026,890	2,127,431	1,581,574	1,023,509	1,749,155	1,374,995	16,729,427	12,002,685
Unallocated assets											5,904,100	7,610,659
Total assets											22,633,527	19,613,344
Segment liabilities	5,535,405	1,322,460	532,261	11,771	706,753	34,703	639,996	28,089	277,909	170,663	7,692,324	1,567,686
Unallocated liabilities											4,845,709	8,654,515
Equity											10,095,494	9,391,143
Total equity and liabilities											22,633,527	19,613,344
Other Information												
Capital expenditure	10,590	1,133	36,483	9,690	1,510	4,191	2,422	1,714	6,704	4,206	57,709	20,934
Unallocated capital expenditure	-	-	-	-	-	-	-	-	-	-	231,070	74,548
Depreciation and amortisation	14,160	10,618	54,162	50,048	4,724	6,730	2,617	2,675	4,539	4,609	80,202	74,680
Unallocated depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	80,133	84,390

INVESTOR INFORMATION

Market Value of Shares

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

	Quarter to 30-Sep-16 Rs.		Quarter to 30-Sep-15 Rs.	
Highest Price per Share	679.10	Jul 04, 2016	799.00	Aug 12, 2015
Lowest Price per Share	576.00	Sep 19, 2016	660.00	Sep 18, 2015
Last Traded Price per Share	599.20	Sep 30, 2016	699.80	Sep 29, 2015

Market Capitalisation

	as at 30-Sep-16	as at 30-Sep-15
Market Capitalisation (Rs.'000)	5,318,761	6,211,731

Ratios

	<u>Group</u>		<u>Company</u>	
	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
E.P.S. Rs*	38.85	37.20	29.90	35.34
Net asset value per share*	1,137.34	1,057.99	1,032.03	982.91
Quick asset ratio	0.53	0.60	0.46	0.52
Interest cover (times)	2.32	4.21	2.03	4.08

* Earnings & net assets per share are based on 8,876,437 shares in issue as at 30th September 2016.

The stated capital consists of 8,876,437 Ordinary shares.

Statement of share holding of Directors (Including Spouses)

NAME	30TH SEPTEMBER' 2016	
	SHARES	%
MR A R PANDITHAGE	1,929,735	21.74%
MR A N ALGAMA	213,739	2.41%
MR S C ALGAMA	574,779	6.48%
MR A G PANDITHAGE	570,862	6.43%
MR A M PANDITHAGE	224,172	2.52%
MR M V BANDARA	1,882	0.02%
	3,515,169	39.60%

Dr.H.Cabral, Mr.B.C.S.A.P Gooneratne, Mr.P.K.W.Mahendra, Mr.S.R.W.M.C.Ranawana, Mr.R.Seevaratnam, Mr.A.D.B.Talwatte & Mr.R.C.Weerawardane who are Directors of the Company did not hold any shares of the Company as at 30th September 2016.

PUBLIC HOLDING %	30-Sep-16	30-Sep-15
	46.55%	53.42%
No of Public Shareholders	1,799	1,746

Twenty Major Shareholders

NAME	30TH SEPTEMBER' 2016	
	SHARES	%
EMPLOYEES PROVIDENT FUND	1,765,260	19.88%
MR. A R PANDITHAGE	991,233	11.17%
MRS. J C PANDITHAGE	938,502	10.57%
A & G INVESTMENTS PVT LIMITED	630,267	7.10%
MR. S C ALGAMA	567,786	6.40%
MR. A G PANDITHAGE	525,814	5.92%
ALMAR TRADING CO (PVT) LTD	310,875	3.50%
MR. A N ALGAMA	213,739	2.41%
MR. T G H PERIES	193,069	2.18%
MR. A M PANDITHAGE	182,319	2.05%
DR D.JAYANNTHA	160,000	1.80%
MISS T.R.N.C PERIES	148,009	1.67%
MR. L P ALGAMA	134,569	1.52%
DEUTSCHE BANK AG AS TRUTEE FOR JB VANTAGE VALUE FUND	123,733	1.39%
ESTATE OF THE LATE N.U. ALGAMA	118,845	1.34%
UNITED MOTORS LANKA PLC	109,883	1.24%
THE TRUSTEE, BANK OF CEYLON ACCOUNT NO 1	77,935	0.88%
PAN ASIA BANKING CORPORATION/ALMAR INTERNATIONAL (PVT) LTD	62,810	0.71%
MRS. I S SALGADO	46,000	0.52%
MRS. H S PANDITHAGE	45,048	0.51%
	7,345,696	82.76%

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 - Dipl. Ing (Chairman, Managing Director)
A. G. Pandithage - FCMA (Chief Executive Officer)
A. N. Algama
S. C. Algama - FIED (SL)
M .V. Bandara - Postgraduate Certificate (USQ-Aus)
Dr. H. Cabral- PC, PhD
B. C. S. A. P. Gooneratne - FCA, MBA (Sri.J)
P. K. W. Mahendra - B.Eng (University of Greenwich-UK)
A. M. Pandithage
S. R. W. M. C. Ranawana - MBA (Warnborough University-UK)
R. Seevaratnam- FCA, B.Sc (Lon), FCA (E&W)
A. D. B. Talwatte - FCMA, FCA, MBA (Sri.J)
R. C. Weerawardane

Company Secretary

B. C. S. A. P. Gooneratne - FCA, MBA(Sri.J)

Registrars

Jacey and Company
NO.9/5, Thambiah Avenue,
off Independence Avenue,
Colombo 07, Sri Lanka

Audit Committee

A. D. B. Talwatte (Chairman)
R. Seevaratnam
Dr. H. Cabral
A. M. Pandithage

Remuneration Committee

Dr. H. Cabral (Chairman)
A. M. Pandithage
R. Seevaratnam
A. D. B. Talwatte

Nomination Committee

Dr. H. Cabral (Chairman)
A. R. Pandithage
A. M. Pandithage
R. Seevaratnam
A. D. B. Talwatte

Related Party Transactions Review Committee

R. Seevaratnam (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
E. D. C. Kodituwakku
D.N.K.Kurukulasuriya
P. K. W. Mahendra
N.Mudannayake
C. R. Pandithage
S.R.W.M.C.Ranawana
R. C. Weerawardane

Bankers

Bank of Ceylon
Commercial Bank of Ceylon PLC
DFCC Vardhana Bank
Hatton National Bank PLC
Hong Kong & Shanghai Banking Corporation Ltd.
Nations Trust Bank PLC
NDB Bank PLC
People's Bank
Sampath Bank 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
P.O.Box 154,
No 41, Janadhipathi Mawatha
Colombo 01, Sri Lanka

Registered Office

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