

DIESEL & MOTOR ENGINEERING PLC

INTERIM FINANCIAL STATEMENTS - YEAR ENDED 31ST MARCH 2019



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group					
	Unaudited Year ended 31-03-2019	Audited Year ended 31-03-2018 (Restated)	Variance %	Unaudited 3 months to 31-03-2019	Unaudited 3 months to 31-03-2018 (Restated)	Variance %
	Rs.'000	Rs.'000		Rs.'000	Rs.'000	
Revenue	38,300,350	43,686,158	(12%)	9,817,324	11,466,277	(14%)
Sales taxes	(283,615)	(250,797)	13%	(74,737)	(71,047)	5%
Net revenue	38,016,735	43,435,361	(12%)	9,742,587	11,395,230	(15%)
Cost of sales	(30,783,964)	(36,344,317)	(15%)	(7,794,623)	(9,344,349)	(17%)
Gross profit	7,232,771	7,091,044	2%	1,947,964	2,050,881	(5%)
Other operating income	170,093	156,848	8%	86,717	42,516	104%
Selling and distribution expenses	(736,643)	(946,636)	(22%)	(48,263)	(274,017)	(82%)
Impairment (loss)/reversal on trade receivables	(177,810)	81,013	(319%)	(105,661)	11,370	(1029%)
Administrative expenses	(5,004,031)	(4,775,941)	5%	(1,288,288)	(1,312,803)	(2%)
Operating profit	1,484,380	1,606,328	(8%)	592,469	517,947	14%
Finance income	176,266	171,368	3%	35,849	51,971	(31%)
Finance costs	(1,525,864)	(1,058,109)	44%	(398,187)	(261,356)	52%
Net finance Costs	(1,349,598)	(886,741)	52%	(362,338)	(209,385)	73%
Share of loss of equity accounted investee, net of tax	(30,663)	(2,980)	929%	(9,896)	(2,980)	232%
Profit before tax	104,119	716,607	(85%)	220,235	305,582	(28%)
Income tax expense	(27,436)	(193,391)	(86%)	(93,638)	(86,424)	8%
Profit for the period	76,683	523,216	(85%)	126,597	219,158	(42%)
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Remeasurement of defined benefit obligation	12,179	38,019	(68%)	12,179	38,019	(68%)
Deferred tax charge on actuarial loss/(gain)	(3,410)	(10,646)	(68%)	(3,410)	(10,646)	(68%)
Revaluation of freehold land	-	2,780,984	(100%)	-	2,780,984	(100%)
Deferred tax charge on Land revaluation	-	(1,571,993)	(100%)	-	(1,571,993)	(100%)
Equity investments at FVOCI – net change in fair value	(1,462)	-	100%	(756)	-	100%
	7,307	1,236,364		8,013	1,236,364	
Items that are or may be reclassified subsequently to profit or loss						
Foreign operations- foreign currency translation differences	7,013	1,892	271%	(5,440)	1,667	(426%)
Available-for-sale financial assets – net change in fair value	-	371	(100%)	-	11	(100%)
	7,013	2,263		(5,440)	1,678	
Total other comprehensive income for the period, net of tax	14,320	1,238,627	(99%)	2,573	1,238,042	(100%)
Total comprehensive income for the period	91,003	1,761,843	(95%)	129,170	1,457,200	(91%)
Profit attributable to:						
Owners of the Company	51,307	519,309		117,326	213,990	
Non-controlling interest	25,376	3,907		9,271	5,168	
	76,683	523,216		126,597	219,158	
Total comprehensive income attributable to:						
Owners of the Company	65,093	1,757,746		120,295	1,451,967	
Non-controlling interest	25,910	4,097		8,875	5,233	
	91,003	1,761,843		129,170	1,457,200	
Basic and diluted earnings per share (Rs.)	5.78	58.50		13.22	24.11	

Figures in brackets indicate deductions

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Company					
	Unaudited Year ended 31-03-2019	Audited Year ended 31-03-2018	Variance %	Unaudited 3 months to 31-03-2019	Unaudited 3 months to 31-03-2018	Variance %
	Rs.'000	Rs.'000		Rs.'000	Rs.'000	
Revenue	33,538,829	40,710,842	(18%)	8,229,046	10,387,435	(21%)
Sales taxes	(201,168)	(202,458)	(1%)	(50,397)	(56,882)	(11%)
Net revenue	33,337,661	40,508,384	(18%)	8,178,649	10,330,553	(21%)
Cost of sales	(27,471,345)	(34,277,501)	(20%)	(6,694,710)	(8,611,317)	(22%)
Gross profit	5,866,316	6,230,883	(6%)	1,483,939	1,719,236	(14%)
Other operating income	174,589	151,033	16%	87,542	32,362	171%
Selling and distribution expenses	(604,727)	(876,366)	(31%)	(46,655)	(248,616)	(81%)
Impairment (loss)/reversal on trade receivables	(185,283)	87,542	(312%)	(87,851)	9,435	(1031%)
Administrative expenses	(4,206,519)	(4,257,115)	(1%)	(1,059,464)	(1,152,353)	(8%)
Operating profit	1,044,376	1,335,977	(22%)	377,511	360,064	5%
Finance income	179,921	154,264	17%	49,942	40,228	24%
Finance costs	(1,455,855)	(1,038,623)	40%	(387,562)	(254,043)	53%
Net finance Costs	(1,275,934)	(884,359)	44%	(337,620)	(213,815)	58%
Share of loss of equity-accounted investee, net of tax	(30,663)	(2,980)	929%	(9,896)	(2,980)	232%
(Loss)/Profit before tax	(262,221)	448,638	(158%)	29,995	143,269	(79%)
Income tax (expense)/reversal	48,898	(123,733)	(140%)	(61,106)	(51,620)	18%
(Loss)/Profit for the period	(213,323)	324,905	(166%)	(31,111)	91,649	(134%)
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Remeasurement of defined benefit obligation	160	27,013	(99%)	160	27,013	(99%)
Deferred tax charge on actuarial gain	(45)	(7,564)	(99%)	(45)	(7,564)	(99%)
Revaluation of freehold land	-	2,780,984	(100%)	-	2,780,984	(100%)
Deferred tax charge on Land revaluation	-	(1,571,993)	(100%)	-	(1,571,993)	(100%)
Equity investments at FVOCI – net change in fair value	(1,514)	-	100%	(801)	-	100%
	(1,399)	1,228,440		(686)	1,228,440	
Items that are or may be reclassified subsequently to profit or loss						
Foreign operations- foreign currency translation differences	5,040	(85)	(6029%)	(3,131)	(85)	3584%
Available-for-sale financial assets – net change in fair value	-	363	(100%)	-	6	(100%)
	5,040	278		(3,131)	(79)	
Total other comprehensive income for the period, net of tax	3,641	1,228,718	(100%)	(3,817)	1,228,361	(100%)
Total other comprehensive income / (loss) for the period	(209,682)	1,553,623	(113%)	(34,928)	1,320,010	(103%)
Basic and diluted earnings per share (Rs.)	(24.03)	36.60		(3.50)	10.32	

Figures in brackets indicate deductions

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	Unaudited as at 31-03-2019	Audited as at 31-03-2018 (Restated)	Unaudited as at 31-03-2019	Audited as at 31-03-2018 (Restated)
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS				
Property, plant and equipment	11,524,518	11,452,530	11,151,036	11,128,864
Lease rentals paid in advance	17,911	20,116	17,911	20,116
Intangible assets and goodwill	135,215	134,849	17,592	17,226
Investments in subsidiaries	-	-	514,576	474,220
Equity accounted investee	40,414	55,098	40,414	55,098
Equity Securities	6,897	8,296	6,816	8,267
Deferred tax assets	51,336	24,906	-	-
Total non-current assets	11,776,291	11,695,795	11,748,345	11,703,791
Inventories	8,360,450	9,561,038	7,275,511	8,915,805
Trade and other receivables	6,974,219	5,997,911	4,832,912	4,466,471
Other current assets	1,643,360	934,878	1,410,437	613,467
Current tax asset	304,642	121,978	293,608	118,510
Amounts due from related parties	18,204	9,860	135,646	100,842
Cash and cash equivalents	223,026	265,532	119,102	191,538
Total current assets	17,523,901	16,891,197	14,067,216	14,406,633
TOTAL ASSETS	29,300,192	28,586,992	25,815,561	26,110,424
EQUITY AND LIABILITIES				
EQUITY				
Stated capital	425,297	425,297	425,297	425,297
Other components of equity	4,055,979	4,050,962	4,052,680	4,049,154
Revenue reserves	7,259,568	7,268,900	5,890,962	6,148,714
Equity attributable to owners of the Company	11,740,844	11,745,159	10,368,939	10,623,165
Non-controlling interests	339,607	304,203	-	-
Total Equity	12,080,451	12,049,362	10,368,939	10,623,165
Long-term borrowings	490,180	312,505	490,180	310,140
Finance lease liabilities	6,886	5,683	-	-
Employee benefits	736,445	661,415	686,890	609,222
Deferred tax liabilities	1,809,338	1,864,432	1,809,338	1,861,319
Contract liabilities	76,992	-	29,578	-
Deferred income	-	35,662	-	22,813
Total non-current liabilities	3,119,841	2,879,697	3,015,986	2,803,494
Trade payables	1,905,473	2,974,203	1,482,480	2,495,928
Other current liabilities	1,748,399	1,538,629	1,205,538	1,150,794
Current portion of long term-borrowings	354,044	282,350	351,363	281,236
Current portion of finance lease liabilities	7,040	11,333	-	-
Current portion of contract liabilities	684,978	-	418,591	-
Current portion deferred income	66,615	225,581	66,615	94,983
Current tax liability	43,411	31,769	-	-
Short-term borrowings	9,289,940	8,594,068	8,715,598	8,161,883
Amounts due to related parties	-	-	190,451	498,941
Total current liabilities	14,099,900	13,657,933	12,430,636	12,683,765
TOTAL EQUITY AND LIABILITIES	29,300,192	28,586,992	25,815,561	26,110,424

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
25th May 2019

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

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		
For the year ended 31st March 2018	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 01st April 2017	425,297	2,833,277	6,621	-	5,017,290	1,882,457	-	10,164,942
Changes in ownership interests								
Acquisition of subsidiary with non-controlling Interest	-	-	-	-	-	-	300,106	300,106
Total changes in ownership interests	-	-	-	-	-	-	300,106	300,106
Profit for the period (Restated)	-	-	-	-	-	519,309	3,907	523,216
Other comprehensive income, net of tax	-	1,208,991	371	1,702	-	27,373	190	1,238,627
Total comprehensive income (Restated)	-	1,208,991	371	1,702	-	546,682	4,097	1,761,843
Transactions with owners of the Company - contributions and distributions								
Dividends to equity owners								
2017/18 Interim dividend	-	-	-	-	-	(177,529)	-	(177,529)
Transfer during the period	-	-	-	-	150,000	(150,000)	-	-
Total contributions and distributions	-	-	-	-	150,000	(327,529)	-	(177,529)
As at 31st March 2018	425,297	4,042,268	6,992	1,702	5,167,290	2,101,610	304,203	12,049,362

For the year ended 31st March 2019

As at 01st April 2018	425,297	4,042,268	6,992	1,702	5,167,290	2,101,610	304,203	12,049,362
Impact of adoption of SLFRS 15	-	-	-	-	-	(80,347)	-	(80,347)
Adjusted balance as at 01st April 2018	425,297	4,042,268	6,992	1,702	5,167,290	2,021,263	304,203	11,969,015
Capital contribution from non-controlling interest	-	-	-	-	-	-	9,494	9,494
Profit/ (loss) for the period	-	-	-	-	-	51,307	25,376	76,683
Other comprehensive income/(loss), net of tax	-	-	(1,462)	6,479	-	8,769	534	14,320
Total comprehensive income/(loss)	-	-	(1,462)	6,479	-	60,076	25,910	91,003
Transactions with owners of the Company - contributions and distributions								
Increase in net assets of DIMO Coastline (Pvt) Ltd	-	-	-	-	-	10,939	-	10,939
Transfer during the period	-	-	-	-	225,000	(225,000)	-	-
Total contributions and distributions	-	-	-	-	225,000	(214,061)	-	10,939
As at 31st March 2019	425,297	4,042,268	5,530	8,181	5,392,290	1,867,278	339,607	12,080,451

Company

	Other Components of Equity				Revenue Reserves		Total
	Stated Capital	Revaluation Reserve	Available-for-Sale Reserve	Foreign currency translation reserve	General Reserve	Retained Earnings	
For the year ended 31st March 2018	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 01st April 2017	425,297	2,833,277	6,608	-	4,629,464	1,352,425	9,247,071
Profit for the period	-	-	-	-	-	324,905	324,905
Other comprehensive income, net of tax	-	1,208,991	363	(85)	-	19,449	1,228,718
Total comprehensive income	-	1,208,991	363	(85)	-	344,354	1,553,623
Transactions with owners of the Company - contributions and distributions							
Dividends to equity owners							
2017/18 Interim dividend	-	-	-	-	-	(177,529)	(177,529)
Transfer during the period	-	-	-	-	150,000	(150,000)	-
Total contributions and distributions	-	-	-	-	150,000	(327,529)	(177,529)
As at 31st March 2018	425,297	4,042,268	6,971	(85)	4,779,464	1,369,250	10,623,165
For the year ended 31st March 2019							
As at 01st April 2018	425,297	4,042,268	6,971	(85)	4,779,464	1,369,250	10,623,165
Impact of adoption of SLFRS 15	-	-	-	-	-	(55,483)	(55,483)
Adjusted balance as at 01st April 2018	425,297	4,042,268	6,971	(85)	4,779,464	1,313,767	10,567,682
Profit/ (loss) for the period	-	-	-	-	-	(213,323)	(213,323)
Other comprehensive income/(loss), net of tax	-	-	(1,514)	5,040	-	115	3,641
Total comprehensive income/(loss)	-	-	(1,514)	5,040	-	(213,208)	(209,682)
Transactions with owners of the Company - contributions and distributions							
Increase in net assets of DIMO Coastline (Pvt) Ltd	-	-	-	-	-	10,939	10,939
Transfer during the period	-	-	-	-	150,000	(150,000)	-
Total contributions and distributions	-	-	-	-	150,000	(139,061)	10,939
As at 31st March 2019	425,297	4,042,268	5,457	4,955	4,929,464	961,498	10,368,939

Figures in brackets indicate deductions.

Statement of Cash Flows

	Group		Company	
	Unaudited as at 31-03-2019	Audited as at 31-03-2018 Restated	Unaudited as at 31-03-2019	Audited as at 31-03-2018
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities				
Profit/(loss) before taxation	104,119	716,607	(262,221)	448,638
Adjustments for:				
Depreciation on property, plant and equipment	410,601	355,897	362,402	344,879
Amortisation of intangible assets and lease rentals paid in advance	9,577	14,475	9,577	14,468
Provision for /(reversal of) impairment of investments in subsidiaries	-	-	(137)	126
Gain on sale of property, plant and equipment	(18,079)	(18,480)	(12,650)	(16,791)
Gain on bargain purchase through business combinations	-	(7,624)	-	-
Derecognition of capital work-in-progress	178	645	178	645
Interest expenses	1,525,864	1,058,109	1,455,855	1,038,623
Interest income	(107,719)	(19,222)	(104,866)	(14,308)
Dividend income	(167)	(480)	(167)	(480)
Share of loss of equity-accounted investee, net of tax	30,663	2,980	30,663	2,980
Provision for /(reversal of) impairment of trade receivables	177,810	(81,013)	185,283	(87,542)
Provision for /(reversal of) for slow moving inventories	14,122	(56,078)	9,039	(66,985)
Provision for employee benefits obligation excluding actuarial gain	124,336	121,549	112,185	110,530
	2,271,305	2,087,365	1,785,141	1,774,783
Changes in working capital				
Decrease/(increase) in inventories	1,186,466	(336,582)	1,631,255	(274,455)
Increase in trade and other receivables	(1,154,118)	(1,359,533)	(551,724)	(1,135,036)
(Increase)/decrease in other current assets	(706,509)	188,862	(794,485)	210,979
Increase in amounts due from related parties	(8,344)	(9,860)	(22,221)	(21,523)
(Decrease)/Increase in trade payables	(1,068,730)	1,184,874	(1,013,448)	932,747
Increase/(decrease) in other current liabilities	187,157	151,690	32,131	(28,017)
(Decrease)/increase in deferred Income	(194,628)	(74,652)	(51,181)	9,177
Increase in contract liabilities	674,676	-	390,809	-
(Decrease)/increase in amounts due to related parties	-	-	(329,267)	303,792
Cash generated from operating activities	1,187,275	1,832,164	1,077,010	1,772,447
Interest paid	(1,494,678)	(1,038,766)	(1,410,461)	(1,019,446)
Employee benefits paid	(37,127)	(59,563)	(34,357)	(58,207)
Income tax paid	(281,934)	(270,777)	(178,226)	(223,077)
Net cash (used in)/from operating activities	(626,464)	463,058	(546,034)	471,717
Cash Flows from Investing Activities				
Net proceeds from sale of property, plant and equipment	45,388	30,634	18,920	25,611
Dividends received	104	379	104	379
Interest received	104,207	19,677	89,798	14,308
Investment in subsidiary	-	-	(40,218)	(38,199)
Acquisition of subsidiary and joint ventures, net of cash acquired	-	(714,932)	-	(403,666)
Acquisition and construction of property, plant and equipment and capital work-in-progress	(502,011)	(444,089)	(391,023)	(403,736)
Acquisition of intangible assets	(7,738)	(5,445)	(7,738)	(5,445)
Net cash used in investing activities	(360,050)	(1,113,776)	(330,157)	(810,748)
Cash Flows from Financing Activities				
Capital contribution from non-controlling interest of a newly incorporated subsidiary	9,494	9,122	-	-
Proceeds from long-term borrowings	600,000	-	600,000	-
Repayment of long-term borrowings	(350,758)	(317,061)	(349,960)	(316,990)
Net movement of short-term borrowings	999,926	642,872	826,260	331,357
Repayment of finance lease liabilities	(13,013)	(1,525)	-	-
Dividends paid	-	(177,529)	-	(177,529)
Net cash from/(used in) financing activities	1,245,649	155,879	1,076,300	(163,162)
Net decrease in cash and cash equivalents	259,135	(494,839)	200,109	(502,193)
Cash and cash equivalents as at 01st April	(335,995)	158,776	(332,049)	170,144
Effect of exchange rate changes on cash and cash equivalents	2,413	68	-	-
Cash and cash equivalents at the end of the period (Note-A)	(74,447)	(335,995)	(131,940)	(332,049)
Note - A				
Analysis of Cash and Cash Equivalents at the end of the period				
Cash and bank balances	223,026	265,532	119,102	191,538
Bank overdrafts	(297,473)	(601,527)	(251,042)	(523,587)
Cash and cash equivalents	(74,447)	(335,995)	(131,940)	(332,049)

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, Jetawana 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 2018 except for changes required due to adoption of following standard.

SLFRS 15, 'Revenue from Contracts with Customers', is based on the principle that revenue is recognised when control of a good or service is transferred to the customer – so the notion of control replaces the existing notion of risk and rewards. A new five-step process must be applied before revenue can be recognised.

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 2019, on guarantees given by the Company in respect of bid bonds, performance bonds and advance payments amounted to Rs. 2,211.6 million (Rs.1,278.9 million as at 31st March 2018).

4.2 Income tax assessments

During the year of 2013/14, the Commissioner General of Inland Revenue issued an assessment notice for the year of assessment 2010/11 on Diesel & Motor Engineering PLC pertaining to an additional tax liability on account of disallowing 2/3rd of NBT claimed on imports. An Appeal was lodged against the tax assessed by the Department of Inland Revenue. The matter currently pending with the Tax Appeals Commission.

With the advice of our tax consultants and based on the information available, the Company is of the view that there is no basis for company to be made liable for the amount assessed. Accordingly no provision has been made in the financial statements. The contingent liability relating to this as at 31st March 2019 is estimated to be Rs. 124.7 million (2017/18 – Rs. 124.7 million).

4.3 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. 1,209.8 million (2017/18 - Rs. 874.7 million).

4.4 Comparative Information

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

4.4.1 Restatement

Re-assessment of Contingent consideration of the Company at the acquisition date.

On 23rd February 2018, The Company acquired 51% shareholding of Plant Seed (Pvt) Ltd and PlantChem (Pvt) Ltd at a purchase consideration of Rs.367 Mn that includes a Contingent consideration of Rs.21.7 Mn. A Goodwill and a bargain purchase of Rs.102.99 Mn and Rs.38.6 Mn respectively was recorded at the time of acquisition. During the year 2018/19, the provisional amount of contingent consideration recognised at the acquisition date crystallised and adjustment were made to the financial statements accordingly as a measurement period adjustment as permitted by SLFRS - Business combination. Accordingly the company retrospectively adjusted the provisional amount of contingent consideration to reflect the fair value of the liability that existed as of the acquisition date.

4.5 Events Occurring after the reporting period

Subsequent to the reporting date, the Board of Directors of the Company approved a first and final dividend of Rs. 2.50 per share for the year ended 31st March 2019. There were no other material events that occurred after the reporting date that require adjustments to or disclosure in 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, special purpose vehicles and pre-owned passenger vehicles.
Vehicles – After Services	Repair and service of vehicles included in the vehicle-sales segment, sale of franchised vehicle spare parts, accessories and components.
Marketing and Distribution	Sale and service of power tools and accessories, lamps, 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.
Agriculture	Import, sale and after sales services of agri machinery, import, processing and distribution of agro chemicals, seeds and fertilizer, import producing, processing and sale of agricultural seeds.
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.

	Vehicles - Sales		Vehicles - After Services		Marketing and Distribution		Construction and Material Handling Equipment		Agriculture		Electro-Mechanical, Bio- Medical and Marine Engineering		Total	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
For the period ended 31st March														(Restated)
Business Segment Turnover and Results														
Total segment revenue	20,357,356	26,566,205	5,034,409	4,616,937	4,531,758	4,833,244	2,058,066	2,756,199	4,259,998	3,385,619	3,265,540	2,667,793	39,507,127	44,825,997
Inter-segment revenue	(39,607)	(68,897)	(789,863)	(734,351)	(125,667)	(116,816)	(74,381)	(85,071)	(107,340)	(69,464)	(69,919)	(65,240)	(1,206,777)	(1,139,839)
Total external revenue	20,317,749	26,497,308	4,244,546	3,882,586	4,406,091	4,716,428	1,983,685	2,671,128	4,152,658	3,316,155	3,195,621	2,602,553	38,300,350	43,686,158
Segment results	968,084	1,365,395	805,976	723,731	378,626	406,858	263,190	334,571	306,860	121,214	365,684	260,981	3,088,420	3,212,750
Unallocated other income	-	-	-	-	-	-	-	-	-	-	-	-	170,093	156,848
Unallocated expenses	-	-	-	-	-	-	-	-	-	-	-	-	(1,804,796)	(1,766,250)
Finance costs- net	-	-	-	-	-	-	-	-	-	-	-	-	(1,349,598)	(886,741)
Income tax (expense)/reversal	-	-	-	-	-	-	-	-	-	-	-	-	(27,436)	(193,391)
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	76,683	523,216
Business Segment Assets and Liabilities														
Segment assets	5,054,981	6,810,143	1,751,390	2,292,408	2,709,672	3,389,264	1,170,615	1,578,368	3,166,584	3,452,004	3,526,022	2,628,319	17,379,264	20,150,506
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	11,920,928	8,436,486
Total assets	-	-	-	-	-	-	-	-	-	-	-	-	29,300,192	28,586,992
Segment liabilities	4,609,465	5,377,659	1,052,004	1,093,901	577,086	1,098,142	252,427	556,033	1,971,985	1,259,795	617,437	517,512	9,080,404	9,903,042
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	8,139,337	6,634,588
Equity	-	-	-	-	-	-	-	-	-	-	-	-	12,080,451	12,049,362
Total equity and liabilities	-	-	-	-	-	-	-	-	-	-	-	-	29,300,192	28,586,992
Other Information														
Capital expenditure	12,997	40,733	45,210	91,867	75,872	13,158	32,749	8,712	104,788	58,825	64,534	23,434	336,150	236,729
Unallocated capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	173,599	212,805
Depreciation and amortisation	40,189	39,250	109,246	106,326	13,502	11,472	10,911	5,882	46,055	4,262	13,854	14,112	233,757	181,304
Unallocated depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	-	186,421	189,068

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-19 Rs.		Quarter to 31-Mar-18 Rs.	
Highest Price per Share	354.00	January 30, 2019	500.00	January 3, 2018
Lowest Price per Share	290.00	March 27, 2019	462.00	March 28, 2018
Last Traded Price per Share	304.70	March 29, 2019	464.90	March 29, 2018

Market Capitalisation

	As at 31-Mar-19	As at 31-Mar-18
Market Capitalisation (Rs.'000)	2,704,650	4,126,656

Ratios

	<u>Group</u>		<u>Company</u>	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
E.P.S. Rs*	5.78	58.50	(24.03)	36.60
Net asset value per share*	1322.70	1,323.18	1168.14	1,196.78
Quick asset ratio	0.65	0.54	0.55	0.43
Interest cover (times)	1.07	1.68	0.82	1.43

* Earnings & net assets per share are based on 8,876,437 shares in issue as at 31st March 2019.

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

Statement of share holding of Directors (Including Spouses)

NAME	31ST MARCH 2019	
	SHARES	%
Mr A R Pandithage	1,929,735	21.74%
Mr S C Algama	574,779	6.48%
Mr A G Pandithage	570,862	6.43%
Mr A M Pandithage	224,172	2.53%
Mr A N Algama	213,739	2.41%
Mr M V Bandara	1,882	0.02%
	3,515,169	39.61%

H.Cabral, B.C.S.A.P Gooneratne, P.K.W.Mahendra, S.R.W.M.C.Ranawana, A. N. Ranasinghe, R.Seevaratnam & A.D.B.Talwatte who are Directors of the Company did not hold any shares of the Company as at 31st March 2019.

PUBLIC HOLDING

As at 31st March 2019

Public Holding %	53.18
Number of Public shareholders	1,940
Float adjusted market capitalisation	1,438,333,058

The Company complies with option 5 of the Listing Rules 7.13.1 (a) – Less than Rs.2.5Billion Float Adjusted Market Capitalization which requires 20% minimum Public Holding.

Twenty Major Shareholders

NAME	31ST March 2019	
	SHARES	%
Employees Provident Fund	1,765,260	19.89%
Mr. A R Pandithage	991,233	11.17%
Mrs. J C Pandithage	938,502	10.57%
A & G Investments Pvt Limited	640,765	7.22%
Mr. S C Algama	567,786	6.40%
Mr. A G Pandithage	525,814	5.92%
Almar Trading Co (Pvt) Ltd	279,945	3.15%
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 Jayantha	160,000	1.80%
Miss. T R N C Peries	148,009	1.67%
Mr. L P Algama	134,569	1.52%
Estate Of The Late Mr. N U Algama	118,845	1.34%
Deutsche Bank Ag As Trustee For Jb Vantage Value Equity Fund	110,697	1.25%
United Motors Lanka Plc	109,883	1.24%
The Trustee, Bank Of Ceylon No. 1 Account	77,937	0.88%
Almar International (Pvt) Ltd	62,861	0.71%
Mr. C R Pandithage	51,340	0.58%
Mrs. I S Salgado	46,000	0.52%
	7,318,573	82.47%

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)
A. N. Ranasinghe - BSc (Hons) Colombo, FCIM, Chartered Marketer, MBA (PIM)
R. Seevaratnam- FCA, B.Sc (Lon), FCA (E&W)
A. D. B. Talwatte - FCMA, FCA, MBA (Sri.J)

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
C. R. Pandithage
S.R.W.M.C.Ranawana
A. N. Ranasinghe
V. Wickramaratne

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
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

P.O. Box 339, No. 65, Jetawana Road, Colombo 14,
Sri Lanka
Telephone:0094-11- 2449797, 0094-11- 2338883
Facsimile: 0094-11-2449080
<http://www.dimolanka.com>
e-mail: dimo@dimolanka.com