DIESEL & MOTOR ENGINEERING PLC

`

INTERIM FINANCIAL STATEMENTS - FOR THE 06 MONTHS PERIOD ENDED 30TH SEPTEMBER 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group		Group			
Audited Year ended 31-03-2026 Rs.'000		**Unaudited 6 months ended 30-09-2026 Rs.'000**	Unaudited 6 months ended 30-09-2025 Rs.'000	**Unaudited 3 months ended 30-09-2026 Rs.'000**	Unaudited 3 months ended 30-09-2025 Rs.'000
103,633,939	**Revenue**	**46,224,933**	43,994,002	**19,590,092**	27,183,457
(83,806,916)	Cost of sales	**(37,119,357)**	(34,962,032)	**(15,933,751)**	(21,764,295)
19,827,023	**Gross profit**	**9,105,576**	9,031,970	**3,656,341**	5,419,162
243,311	Other operating income	**108,565**	140,694	**61,778**	85,726
(4,320,815)	Selling and distribution expenses	**(2,213,458)**	(2,061,329)	**(1,240,296)**	(1,220,841)
(210,840)	Impairment (loss)/reversal on trade receivables	**(171,556)**	(68,364)	**(114,664)**	(82,072)
(10,511,697)	Administrative expenses	**(4,735,967)**	(4,715,717)	**(2,096,085)**	(2,789,243)
5,026,982	**Operating profit**	**2,093,160**	2,327,254	**267,074**	1,412,732
470,724	Finance income	**707,576**	205,555	**330,140**	68,289
(3,446,484)	Finance costs	**(2,715,063)**	(1,492,379)	**(1,463,180)**	(825,674)
(2,975,760)	**Net finance costs**	**(2,007,487)**	(1,286,824)	**(1,133,040)**	(757,385)
(4,597)	Share of results of equity-accounted investees, net of tax	**-**	1,548	**-**	(6,066)
2,046,625	**Profit/(loss) before tax**	**85,673**	1,041,978	**(865,966)**	649,281
(502,672)	Income tax reversal/(expense)	**(103,722)**	(312,619)	**256,036**	(169,756)
1,543,953	**Profit/(loss) for the period**	**(18,049)**	729,359	**(609,930)**	479,525
	Other comprehensive income				
	Items that will not be reclassified to profit or loss in subsequent periods				
(26,131)	Remeasurement loss on defined benefit obligation	**-**	-	**-**	-
7,839	Deferred tax reversal on actuarial gain	**-**	-	**-**	-
(18,292)		**-**	-	**-**	-
	Items that are or may be reclassified to profit or loss in subsequent periods				
157	Foreign currency translation differences of foreign operations	**(34,741)**	906	**(18,851)**	1,076
157		**(34,741)**	906	**(18,851)**	1,076
(18,135)	**Total other comprehensive income for the period, net of tax**	**(34,741)**	906	**(18,851)**	1,076
1,525,818	**Total comprehensive income for the period**	**(52,790)**	730,265	**(628,781)**	480,601
	Profit /(loss) attributable to:				
1,591,195	Equity holders of the parent	**26,590**	748,894	**(573,205)**	464,620
(47,242)	Non-controlling interest	**(44,639)**	(19,535)	**(36,725)**	14,905
1,543,953		**(18,049)**	729,359	**(609,930)**	479,525
	Total comprehensive income / (loss) attributable to:				
1,578,520	Equity holders of the parent	**(7,197)**	750,001	**(592,041)**	465,854
(52,702)	Non-controlling interest	**(45,593)**	(19,736)	**(36,740)**	14,747
1,525,818		**(52,790)**	730,265	**(628,781)**	480,601
172.37	Basic and diluted earnings per share (Rs.)	**2.88**	81.12	**(62.09)**	50.33

Figures in brackets indicate deductions

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Company		Company			
Audited Year ended 31-03-2026 Rs.'000		**Unaudited 6 months ended 30-09-2026 Rs.'000**	Unaudited 6 months ended 30-09-2025 Rs.'000	**Unaudited 3 months ended 30-09-2026 Rs.'000**	Unaudited 3 months ended 30-09-2025 Rs.'000
88,910,443	**Revenue**	**40,471,850**	37,440,143	**17,080,697**	23,688,262
(72,684,844)	Cost of sales	**(33,060,659)**	(29,707,712)	**(14,175,339)**	(18,987,787)
16,225,599	**Gross profit**	**7,411,191**	7,732,431	**2,905,358**	4,700,475
919,766	Other operating income	**433,241**	471,226	**226,509**	245,935
(3,987,129)	Selling and distribution expenses	**(1,933,718)**	(1,859,432)	**(1,089,872)**	(1,109,659)
(120,442)	Impairment (loss)/reversal on trade receivables	**(52,073)**	(14,572)	**(32,479)**	(39,503)
(9,305,086)	Administrative expenses	**(4,118,191)**	(3,869,961)	**(1,730,601)**	(2,441,679)
3,732,708	**Operating profit**	**1,740,450**	2,459,692	**278,915**	1,355,569
882,582	Finance income	**599,202**	363,871	**321,216**	190,013
(3,064,631)	Finance costs	**(2,220,765)**	(1,180,765)	**(1,192,495)**	(692,783)
(2,182,049)	**Net finance costs**	**(1,621,563)**	(816,894)	**(871,279)**	(502,770)
(4,597)	Share of results of equity-accounted investees, net of tax	**-**	1,548	**-**	(6,066)
1,546,062	**Profit/(loss) before tax**	**118,887**	1,644,346	**(592,364)**	846,733
(510,893)	Income tax reversal/(expense)	**(96,367)**	(467,706)	**156,062**	(250,076)
1,035,169	**Profit/(loss) for the period**	**22,520**	1,176,640	**(436,302)**	596,657
	Other comprehensive income				
	Items that will not be reclassified to profit or loss in subsequent periods				
7,186	Remeasurement loss on defined benefit obligation	**-**	-	**-**	-
(2,156)	Deferred tax reversal on actuarial gain	**-**	-	**-**	-
5,030		**-**	-	**-**	-
	Items that are or may be reclassified to profit or loss in subsequent periods				
8,489	Foreign currency translation differences of foreign operations	**(22,023)**	1,297	**(16,472)**	(4,940)
8,489		**(22,023)**	1,297	**(16,472)**	(4,940)
13,519	**Total other comprehensive income for the period, net of tax**	**(22,023)**	1,297	**(16,472)**	(4,940)
1,048,688	**Total comprehensive income for the period**	**497**	1,177,937	**(452,774)**	591,717
112.13	Basic and diluted earnings per share (Rs.)	**2.44**	127.46	**(47.26)**	64.63

Figures in brackets indicate deductions

STATEMENT OF FINANCIAL POSITION

Group	Company		Group		Company	
Audited as at 31-03-2026 Rs.'000	Audited as at 31-03-2026 Rs.'000		**Unaudited as at 30-09-2026 Rs.'000**	Unaudited as at 30-09-2025 Rs.'000	**Unaudited as at 30-09-2026 Rs.'000**	Unaudited as at 30-09-2025 Rs.'000
		ASSETS				
22,882,424	17,245,934	Property, plant and equipment	**23,185,971**	21,854,015	**17,560,259**	16,709,576
990,469	678,624	Right-of-use assets	**1,096,745**	906,940	**724,419**	624,255
1,905,096	950,707	Intangible assets and goodwill	**1,902,588**	1,836,873	**955,428**	902,657
-	5,032,653	Investments in subsidiaries	**-**	-	**5,131,495**	5,031,171
7,011	-	Other financial assets	**6,069**	7,986	**-**	-
1,478,246	-	Deferred tax assets	**1,691,450**	1,527,028	**-**	-
27,263,246	23,907,918	**Total non-current assets**	**27,882,823**	26,132,842	**24,371,601**	23,267,659
26,922,520	24,510,915	Inventories	**32,976,724**	16,814,370	**29,486,260**	13,759,913
21,027,680	14,276,996	Trade and other receivables	**16,637,859**	18,834,502	**11,440,941**	13,117,617
3,792,863	2,632,588	Other current assets	**4,668,952**	5,984,488	**2,910,320**	4,277,853
109,757	-	Income tax receivable	**34,938**	105,812	**1,250**	-
-	2,401,239	Amounts due from related parties	**-**	-	**1,606,588**	6,745,403
2,474	-	Other financial assets	**2,601**	2,389	**-**	-
3,649,833	2,313,988	Cash and cash equivalents	**3,063,350**	3,562,952	**2,006,316**	2,582,297
55,505,127	46,135,726	**Total current assets**	**57,384,424**	45,304,513	**47,451,675**	40,483,083
82,768,373	70,043,644	**TOTAL ASSETS**	**85,267,247**	71,437,355	**71,823,276**	63,750,742
		EQUITY AND LIABILITIES				
		EQUITY				
620,578	620,578	Stated capital	**620,578**	620,578	**620,578**	620,578
7,126,650	7,145,355	Other components of equity	**7,092,863**	7,126,782	**7,123,332**	7,138,163
8,686,145	7,891,674	Revenue reserves	**8,221,311**	7,939,923	**7,544,934**	8,110,544
16,433,373	15,657,607	**Equity attributable to equity holders of the parent**	**15,934,752**	15,687,283	**15,288,844**	15,869,285
427,467	-	**Non-controlling interests**	**396,490**	481,325	**-**	-
16,860,840	15,657,607	**TOTAL EQUITY**	**16,331,242**	16,168,608	**15,288,844**	15,869,285
7,299,461	4,113,960	Interest bearing borrowings	**6,855,613**	5,043,352	**3,702,570**	3,605,530
960,355	670,133	Lease liabilities	**971,765**	900,115	**704,426**	624,895
1,835,538	1,565,065	Employee benefits	**1,954,242**	1,713,405	**1,666,227**	1,493,543
2,244,283	2,088,616	Deferred tax liabilities	**2,095,047**	2,888,171	**1,832,015**	2,801,331
169,923	98,343	Contract liabilities	**404,114**	156,461	**178,106**	47,769
12,509,560	8,536,117	**Total non-current liabilities**	**12,280,781**	10,701,504	**8,083,344**	8,573,068
6,858,397	5,615,691	Trade payables	**3,650,581**	3,531,084	**2,398,441**	2,468,197
3,015,254	2,459,209	Other current liabilities	**2,150,214**	2,219,191	**1,933,503**	1,552,009
1,194,352	962,880	Current portion of long-term interest bearing borrowings	**1,249,358**	602,161	**941,510**	476,780
188,826	123,173	Lease liabilities	**269,568**	135,960	**113,133**	100,530
2,371,515	1,729,203	Contract liabilities	**1,864,985**	3,832,091	**1,116,719**	2,853,237
777,068	741,003	Income tax payable	**198,344**	200,596	**172,480**	159,426
38,992,561	33,415,604	Short-term interest-bearing borrowings	**47,272,174**	34,046,160	**41,061,338**	30,841,466
-	803,157	Amounts due to related parties	**-**	-	**713,964**	856,744
53,397,973	45,849,920	**Total current liabilities**	**56,655,224**	44,567,243	**48,451,088**	39,308,389
65,907,533	54,386,037	**Total liabilities**	**68,936,005**	55,268,747	**56,534,432**	47,881,457
82,768,373	70,043,644	**TOTAL EQUITY AND LIABILITIES**	**85,267,247**	71,437,355	**71,823,276**	63,750,742

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.G. Pandithage

Group Managing Director/Chief Executive Officer

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

Director/Chief Financial Officer

13th November 2026

Statement of Changes in Equity

Group

For the six months ended 30th September	Stated Capital	Other Components of Equity			Revenue Reserves		Non-Controlling Interests	Total
		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 2025	620,578	7,157,700	-	(32,025)	5,392,290	1,798,739	501,061	15,438,343
Total comprehensive income								-
Profit for the period	-	-	-	-	-	748,894	(19,535)	729,359
Other comprehensive income, net of tax	-	-	-	1,107	-	-	(201)	906
	-	-	-	1,107	-	748,894	(19,736)	730,265
Total contributions and distributions	-	-	-	-	-	-	-	-
As at 30th September 2025	620,578	7,157,700	-	(30,918)	5,392,290	2,547,633	481,325	16,168,608
As at 01st April 2026	**620,578**	**7,157,700**	**-**	**(31,050)**	**5,392,290**	**3,293,855**	**427,467**	**16,860,840**
Total comprehensive income								**-**
Profit for the period	**-**	**-**		**-**	**-**	**26,590**	**(44,639)**	**(18,049)**
Other comprehensive income, net of tax	**-**	**-**	**-**	**(33,787)**	**-**	**-**	**(954)**	**(34,741)**
	-	**-**	**-**	**(33,787)**	**-**	**26,590**	**(45,593)**	**(52,790)**
2025/2026 Final dividend	**-**	**-**	**-**	**-**	**-**	**(369,260)**	**-**	**(369,260)**
Total changes in ownership interests due to the acquisition of non-controlling interest	**-**	**-**	**-**	**-**	**-**	**(122,164)**	**23,321**	**(98,843)**
Subsidiary dividend to Non Controlling Interest	**-**	**-**	**-**	**-**	**-**	**-**	**(8,705)**	**(8,705)**
Total contributions and distributions	**-**	**-**	**-**	**-**	**-**	**(491,424)**	**14,616**	**(476,808)**
As at 30th September 2026	**620,578**	**7,157,700**	**-**	**(64,837)**	**5,392,290**	**2,829,021**	**396,490**	**16,331,242**

Company

For the six months ended 30th September	Stated Capital	Other Components of Equity			Revenue Reserves		Total
		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 2025	620,578	7,134,773	-	2,093	4,929,464	2,004,440	14,691,348
Total comprehensive income							
Profit for the period	-	-	-	-	-	1,176,640	1,176,640
Other comprehensive income, net of tax	-	-	-	1,297	-	-	1,297
	-	-	-	1,297	-	1,176,640	1,177,937
As at 30th September 2025	620,578	7,134,773	-	3,390	4,929,464	3,181,080	15,869,285
As at 01st April 2026	**620,578**	**7,134,773**	**-**	**10,582**	**4,929,464**	**2,962,210**	**15,657,607**
Total comprehensive income							
Profit for the period	**-**	**-**	**-**	**-**	**-**	**22,520**	**22,520**
Other comprehensive income, net of tax	**-**	**-**	**-**	**(22,023)**	**-**	**-**	**(22,023)**
	-	**-**	**-**	**(22,023)**	**-**	**22,520**	**497**
Dividends to equity owners							
2025/2026 Final dividend	**-**	**-**	**-**	**-**	**-**	**(369,260)**	**(369,260)**
Total contributions and distributions	**-**	**-**	**-**	**-**	**-**	**(369,260)**	**(369,260)**
As at 30th September 2026	**620,578**	**7,134,773**	**-**	**(11,441)**	**4,929,464**	**2,615,470**	**15,288,844**

Figures in brackets indicate deductions.

Statement of Cash Flows

	Group		Company	
	Unaudited 6 months ended 30/09/2026 Rs.'000	Unaudited 6 months ended 30/09/2025 Rs.'000	**Unaudited 6 months ended 30/09/2026 Rs.'000**	Unaudited 6 months ended 30/09/2025 Rs.'000
Cash Flows from Operating Activities				
Profit/(loss) before tax	**85,673**	1,041,978	**118,887**	1,644,346
Adjustments for;				
Depreciation on property, plant and equipment	**496,447**	299,982	**335,796**	235,157
Amortisation of intangible assets	**46,082**	36,811	**38,852**	34,946
Provision for impairment of investments in subsidiaries	**-**	-	**-**	31,556
Provision for related party receivables	**-**	-	**262,645**	324,371
Impairment of goodwill	**-**	388,641	**-**	-
Adjustment due to provision reversal	**-**	(142,000)	**-**	-
Depreciation and derecognition of right-of-use assets	**121,325**	70,958	**71,288**	55,147
Exchange rates impact on term loan revaluation	**-**	4,785	**-**	3,788
Gains on sale of property, plant and equipment	**(31,017)**	3,047	**(22,892)**	(1,821)
Interest expenses	**2,715,063**	1,492,379	**2,220,765**	1,180,765
Finance income	**(707,576)**	(205,555)	**(599,202)**	(363,871)
Share of (gain)/loss of equity-accounted investees, net of tax	**-**	(1,548)	**-**	(1,548)
Dividend income	**-**	-	**(20,312)**	-
Exchange difference on revaluation of cash balances	**68,854**	-	**49,781**	-
Gain on disposal of equity-accounted investee	**-**	(26,598)	**-**	(26,598)
Impairment reversal /loss on trade receivables	**171,556**	68,364	**52,073**	14,572
Impairment loss on equity-accounted investees	**-**	3,322	**-**	3,322
(Reversal) /Provision on inventories	**32,035**	69,513	**21,309**	120,831
Provision for employee benefits obligation excluding actuarial gain	**163,029**	117,279	**134,868**	100,000
	3,161,471	3,221,358	**2,663,859**	3,354,963
Changes in working capital				
Increase in inventories	**(6,086,241)**	(6,249,156)	**(4,996,652)**	(6,508,301)
(Increase)/decrease in trade and other receivables	**4,218,265**	(3,169,221)	**2,957,608**	(2,654,393)
Increase in other current assets	**(875,146)**	(2,338,901)	**(277,732)**	(2,434,572)
(Increase)/decrease in amounts due from related parties	**-**	376	**532,006**	(4,396,204)
Increase /(decrease) in trade payables	**(2,896,083)**	527,587	**(3,217,250)**	360,386
Increase /(decrease) in other current liabilities	**(865,040)**	80,282	**(525,706)**	210,633
Increase /(decrease) in contract liabilities	**(272,339)**	1,019,139	**(532,721)**	840,374
Decrease in amounts due to related parties	**-**	(401)	**(89,193)**	(583,533)
Cash from / (used in) operating activities	**(3,615,112)**	(6,908,937)	**(3,485,782)**	(11,810,647)
Interest paid	**(2,707,510)**	(1,484,371)	**(2,207,317)**	(1,174,709)
Employee benefits paid	**(44,325)**	(47,132)	**(33,706)**	(33,346)
Income tax paid	**(954,009)**	(26,033)	**(922,741)**	(10)
Net cash used in operating activities	**(7,320,956)**	(8,466,473)	**(6,649,546)**	(13,018,711)
Cash Flows from Investing Activities				
Net proceeds from sale of property, plant and equipment	**82,411**	3,874	**53,894**	2,648
Dividend Received	**-**	-	**20,312**	
Interest received	**395,843**	205,555	**425,576**	218,933
Investment in subsidiaries and equity accounted investees		-	**(98,843)**	(1,629,723)
Additions cost of right of use asset	**(29,521)**	-	**(29,266)**	
Acquisition and construction of property, plant and equipment and capital work-in-progress	**(850,925)**	(2,937,671)	**(681,120)**	(539,994)
Proceeds from disposal of equity-accounted investee	**-**	55,000	**-**	55,000
Acquisition of intangible assets and capital work-in-progress	**(43,573)**	(133,162)	**(43,573)**	(94,188)
Net cash used in investing activities	**(445,766)**	(2,806,404)	**(353,019)**	(1,987,324)
Cash Flows from Financing Activities				
Proceeds from long-term borrowings	**150,000**	2,654,000	**-**	1,500,000
Repayment of long-term borrowings	**(538,842)**	(389,913)	**(432,760)**	(308,920)
Net movement of short-term borrowings	**8,249,029**	9,366,529	**7,582,792**	14,318,058
Repayment of lease liabilities	**(164,872)**	(105,188)	**(99,070)**	(39,874)
Acquisition of non-controlling interests	**(98,843)**	-	**-**	-
Dividend paid to non-controlling interests	**(8,705)**	-	**-**	-
Dividend paid to equity holders of the parent	**(369,260)**	-	**(369,260)**	-
Net cash from financing activities	**7,218,508**	11,525,428	**6,681,702**	15,469,264
Net (decrease)/increase in cash and cash equivalents	**(548,214)**	252,552	**(320,863)**	463,229
Cash and cash equivalents as at 01st April	**3,147,807**	2,914,811	**2,019,763**	1,942,577
Effect of exchange rate changes on cash and cash equivalents	**(68,854)**	90,975	**(49,781)**	43,253
Cash and cash equivalents as at 30th September (Note-A)	**2,530,740**	3,258,338	**1,649,119**	2,449,059
Note - A				
Analysis of Cash and Cash Equivalents as at 30th September				
Cash and bank balances	**3,063,350**	3,562,952	**2,006,316**	2,582,297
Bank overdrafts	**(532,610)**	(304,614)	**(357,197)**	(133,238)
Cash and cash equivalents	**2,530,740**	3,258,338	**1,649,119**	2,449,059

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 for the year ended 31st March 2026.

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 2026, on guarantees given by the Company in respect of bid bonds, performance bonds and advance payments amounted to Rs.7318.5 million (Rs.7,508.55 million as at 31st March 2026).

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. 176.3 million (Rs. 120.8 million as at 31st March 2026).

4.3 Change in Ownership Interest in Subsidiaries

On 15th September 2026, Diesel & Motor Engineering PLC acquired additional equity interests in Mansel (Ceylon) (Private) Limited and Associated Laboratories (Private) Limited from a non-controlling shareholder, as set out below. Both companies were acquired on 28th September 2022 and have been consolidated as subsidiaries of the Group since that date.

Acquiree	Date of new shares acquisition	No. of new shares acquired	Shareholding before	Shareholding after	Consideration paid (million)	Carrying amount of NCI derecognised (million)	Total recognised in retained earnings (million)
Mansel (Ceylon) (Private) Limited	15th September 2026	793,605	75.00%	99.99%	80.1	11.7	68.4
Associated Laboratories (Private) Limited	15th September 2026	651,521	75.00%	98.55%*	18.7	(35.0)	53.8
Total					98.8	(23.3)	122.2

** Represents the Company's direct holding. Including the 0.37% held through Mansel (Ceylon) (Private) Limited, the Group's effective holding in Associated Laboratories (Private) Limited is 98.92%.*

The Group already controlled both companies, so the acquisitions have been accounted for as equity transactions with owners, in accordance with SLFRS 10 Consolidated Financial Statements. Accordingly, no additional goodwill has been recognised, and no gain or loss has been recognised in profit or loss. The difference between the consideration paid and the carrying amount of the non-controlling interest derecognised, amounting to Rs. 122.2 million, has been recognised directly in retained earnings attributable to equity holders of the parent. Goodwill recognised on the original acquisition of these companies remains unchanged.

Other than as disclosed above, there has been no change in the composition of the Group from that disclosed in the audited financial statements for the year ended 31st March 2026.

4.4 Related Party Provision

During the period, the Company recognised an impairment provision of Rs. 262.6 Mn against receivables due from related parties, Tropical Health Foods (Pvt) Ltd and Virgin Oil International (Pvt) Ltd.The provision was recognised based on management's assessment of the recoverability of the respective receivable balances as at the reporting date.

4.5 Comparative information

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

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 2026 .

NOTES TO THE FINANCIAL STATEMENTS

OPERATING SEGMENT INFORMATION

The Group comprises of the following main business segments.

Segment	Product & Services
Mobility	Sale of brand new vehicles, special purpose vehicles , pre-owned vehicles and transportation service
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 Technological Solutions	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

	Mobility		Automotive Engineering Solutions		Retail		Infrastructure Engineering		Agriculture		Power Engineering & Building Technological Solutions		Healthcare		Total	
For the period ended 30th September	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	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	**21,741,747**	16,144,375	**5,431,181**	4,752,432	**4,406,697**	4,376,694	**1,668,722**	2,490,501	**9,792,387**	13,486,769	**2,557,279**	2,197,299	**1,761,131**	1,721,852	**47,359,146**	45,169,924
Inter-segment revenue	**(15,700)**	(266,871)	**(893,737)**	(489,512)	**(54,139)**	(35,513)	**(4,499)**	(215,437)	**(110,625)**	(122,411)	**(55,513)**	(46,178)	**-**	-	**(1,134,213)**	(1,175,922)
Total external revenue	**21,726,046**	15,877,505	**4,537,445**	4,262,920	**4,352,558**	4,341,181	**1,664,223**	2,275,064	**9,681,762**	13,364,358	**2,501,766**	2,151,121	**1,761,131**	1,721,852	**46,224,933**	43,994,002
Segment results	**1,597,582**	1,789,617	**1,061,325**	1,010,702	**554,371**	403,480	**62,696**	270,336	**435,872**	850,009	**565,627**	158,344	**38,161**	(15,834)	**4,315,635**	4,466,653
Unallocated other income	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**51,970**	40,067
Unallocated expenses	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(2,274,444)**	(2,179,467)
Unallocated Finance income	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**707,576**	205,555
Unallocated Finance expenses	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(2,715,063)**	(1,492,379)
Share of results of equity-accounted investees	**-**	-	**-**	1,691	**-**	-	**-**	-	**-**	-	**-**	(143)	**-**	-	**-**	1,548
Income tax expense	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(103,722)**	(312,619)
Profit / (Loss) for the period	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(18,049)**	729,359
Business Segment Assets and Liabilities																
Segment assets	**16,850,896**	8,022,395	**4,900,971**	3,861,731	**4,776,770**	4,678,951	**2,946,556**	3,128,196	**20,025,440**	15,727,665	**8,713,571**	8,757,769	**3,334,763**	3,755,754	**61,548,967**	47,932,460
Unallocated assets	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**23,718,280**	23,504,894
Total assets	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**85,267,247**	71,437,355
Segment liabilities	**21,052,154**	8,154,363	**1,268,954**	776,997	**1,742,070**	2,197,617	**486,339**	1,066,964	**12,179,064**	7,672,179	**5,007,568**	4,480,235	**1,852,596**	1,592,348	**43,588,745**	25,940,704
Unallocated liabilities	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**25,347,260**	29,328,044
Equity	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**16,331,242**	16,168,608
Total equity and liabilities	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**85,267,247**	71,437,355
Other Information																
Capital expenditure	**73,056**	91,367	**131,082**	107,122	**4,312**	2,339	**64,276**	467	**37,896**	42,158	**60,734**	1,598,794	**2,815**	24,896	**374,171**	1,867,143
Unallocated capital expenditure	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**476,754**	1,070,528
Depreciation and amortisation	**40,091**	9,397	**75,441**	48,231	**7,284**	7,640	**13,997**	13,339	**74,847**	73,722	**135,231**	37,392	**12,634**	11,165	**359,526**	200,885
Unallocated depreciation and amortisation	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**183,003**	135,907

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-26 Rs.		Quarter to 30-Sep-25 Rs.	
Highest price per share	1,599.00	July 1, 2026	2,150.00	September 30, 2025
Lowest price per share	1,385.00	August 24, 2026	1,120.00	July 2, 2025
Last Traded price per share	1,404.25	September 30, 2026	2,070.75	September 30, 2025

Market Capitalisation

	As at 30-Sep-26	As at 30-Sep-25
Market Capitalisation (Rs.'000)	12,963,325	19,116,116

Ratios	Group		Company	
	30-Sep-26	30-Sep-25	30-Sep-26	30-Sep-25
E.P.S. Rs*	2.88	81.12	2.44	127.46
Net asset value per share*	1,726.13	1,699.32	1,656.16	1,719.04
Quick asset ratio	0.43	0.64	0.37	0.68
Interest cover (times)	1.03	1.7	1.05	2.39

* Earnings & net assets per share are based on 9,231,494 shares in issue as at 30th September 2026.

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

Statement of share holding of Directors and their Spouses

	30th September 2026	
Name	**Shares**	**%**
Mr A R Pandithage	1,040,882	11.28%
Spouse of Mr A R Pandithage	984,500	10.66%
Mr A G Pandithage	546,846	5.92%
Spouse of Mr A G Pandithage	46,849	0.51%
Mr A M Pandithage	189,611	2.05%
Spouse of Mr A M Pandithage	43,527	0.47%
Mr. C.R. Pandithage	317,975	3.44%
	3,170,190	**34.34%**

Mr. I.A Wicramasinghe , Dr.H.Cabral, Mr.B.C.S.A.P Gooneratne, Mr. H.M.A. Jayesinghe, Mr. P. K. W. Mahendra, Mr. S. R. W. M. C. Ranawana, Ms.N.M.Boralessa, Mr.R.A.Jayawardane, Mr.H.A.C. Perera, Ms.D.N.K.Kurukulasuriya, Ms.S.R.Fernando who are Directors of the Company did not hold any shares of the Company as at 30th September 2026.

Public holding %

As at 30th September 2026	
Public Holding %	45%
Number of Public shareholders	3,195
Float Adjusted Market Capitalization (Rs.)	5,820,033,486

The Company complies with Option 3 of Listing Rule 7.13.1(I)(a), which stipulates that where the minimum Float Adjusted Market Capitalization is Rs.5. billion, a minimum public holding of 7.5% is required.

Top twenty major shareholders

	30th September 2026	
Name	**Shares**	**%**
Mr. A.R. Pandithage	1,040,882	11.28%
Mrs. J.C. Pandithage	984,500	10.66%
Employee'S Provident Fund	923,149	10.00%
Hayleys Plc	875,291	9.48%
A & G Investments Pvt Limited	667,395	7.23%
Mr. S.C. Algama	590,497	6.40%
Mr. A.G. Pandithage	546,846	5.92%
Mr. C.R. Pandithage	317,975	3.44%
Miss. M.R. Pandithage	280,462	3.04%
Hayleys Plc/Account No.07 Hayleys And Associated Companies	247,620	2.68%
Mr. A.M. Pandithage	189,611	2.05%
Dr. D. Jayanntha	166,400	1.80%
Hayleys Group Services (Private) Limited Number 02	165,000	1.79%
Miss. T.R.N.C. Peries	152,820	1.66%
Assetline Finance Plc/Suhada Gas Distributors	140,362	1.52%
Mr A.N. Algama	112,288	1.22%
Mrs. N.M. De Silva	76,073	0.82%
Hnb Investment Bank (Pvt) Ltd/J.Tharshana	65,000	0.70%
Mr. J.M.A.C.N.C. Wickremasinghe	63,697	0.69%
Mrs A.A.D.N.S.A. Ratnayeke	61,799	0.67%
Sub Total	**7,667,667**	**83%**
Others	1,563,827	16.94%
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)
Dr. H. Cabral - PC, PhD (University of Canberra)
B. C. S. A. P. Gooneratne - FCA (ICASL), FCMA ,MBA (USJ)
H.M.A.Jayesinghe FCA (ICASL), FCMA, CPFA
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)
D. N. K. Kurukulasuriya - Attorney at Law, EMBA (UWL).
C. R. Pandithage - BBCom (Monash University-Aus), MBA (RMIT University - Aus).
R.A.Jayawardane- MBA (USJ), Dip in Mkt (CIM-UK)
H.A.C.Perera - MBA (ECU-Australia), B.Sc. Computer Science & Engineering (University of Moratuwa)
I.A.Wickramasinghe -MBA (USJ),Dip in Mkt (CIM-UK),FCIM (CIM-UK)
N.M.Boralessa - FCMA (UK), CGMA (UK)
S.R.Fernando BSc (Hons) (New Delhi), MBA (USJ), MCIPS (UK), CMILT (UK)

Company Secretary
D.Gurusinghe -(LLM(Colombo), Attorney at Law, NP)

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

Audit Committee
N.M.Boralessa (Chair Person)
H.M.A.Jayesinghe
Dr. H. Cabral
A. M. Pandithage
R.A.Jayawardane
H.A.C.Perera
I.A.Wickramasinghe
S.R.Fernando

Remuneration Committee
I.A.Wickramasinghe (Chairman)
H.M.A.Jayesinghe
Dr. H. Cabral
A. M. Pandithage
N.M.Boralessa

Nomination & Governance Committee
I.A.Wickramasinghe (Chairman)
H.M.A.Jayesinghe
Dr. H. Cabral
A. M. Pandithage
R.A.Jayawardane
H.A.C.Perera
N.M.Boralessa
S.R.Fernando

Related Party Transactions Review Committee
I.A.Wickramasinghe (Chairman)
H.M.A.Jayesinghe
Dr. H. Cabral
A. M. Pandithage
R.A.Jayawardane
H.A.C.Perera
N.M.Boralessa
S.R.Fernando

Group Management Committee
A. R. Pandithage (Chairman)
A. G. Pandithage
S. C. Algama
B. C. S. A. P. Gooneratne
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
M.D.H.Pieris
M H B U S B Mahagedara

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
Peoples Bank
Sampath Bank PLC
Seylan Bank PLC
Standard Chartered Bank
Union Bank Of Colombo PLC
Pan Asia Banking Corporation PLC

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

Lawyers
Julius & Creasy
Attorneys-at-law & Notaries Public,
Julius & Creasy Building
No.371, R.A.De Mel Mawatha,
Colombo 03, Sri Lanka

Registered Office
P.O. Box 339, No. 65, Jetawana Road, Colombo 14,
Sri Lanka
Telephone : +94-11- 2449797, +94-11- 2338883
Facsimile : +94-11-2449080
Website : www.dimolanka.com
E-mail : dimo@dimolanka.com