

DIESEL & MOTOR ENGINEERING PLC

INTERIM FINANCIAL STATEMENTS - THREE MONTHS ENDED 30TH JUNE 2020



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group		Company					Group		Company		
Audited	Audited				Unaudited	Unaudited	Variance	Unaudited	Unaudited	Variance	
Year ended	Year ended				3 months to	3 months to	%	3 months to	3 months to	%	
31-03-2020	31-03-2020				30-06-2020	30-06-2019		30-06-2020	30-06-2019		
Rs.'000	Rs.'000				Rs.'000	Rs.'000		Rs.'000	Rs.'000		
34,557,871	28,612,775	Revenue			5,376,317	7,512,628	(28%)	4,343,607	6,542,592	(34%)	
(172,968)	(124,184)	Sales taxes			-	(56,716)	(100%)	-	(38,693)	(100%)	
34,384,903	28,488,591	Net revenue			5,376,317	7,455,912	(28%)	4,343,607	6,503,899	(33%)	
(27,053,148)	(22,472,010)	Cost of sales			(3,893,137)	(6,129,960)	(36%)	(3,193,179)	(5,330,701)	(40%)	
7,331,755	6,016,581	Gross profit			1,483,180	1,325,952	12%	1,150,428	1,173,198	(2%)	
158,588	260,032	Other operating income			10,952	15,607	(30%)	47,936	45,344	6%	
(686,736)	(591,326)	Selling and distribution expenses			(92,671)	(91,128)	2%	(48,280)	(79,129)	(39%)	
(323,472)	(245,022)	Impairment reversal/(loss) on trade receivables			3,661	(17,935)	(120%)	2,705	(8,225)	(133%)	
(5,031,901)	(4,075,781)	Administrative expenses			(1,000,229)	(1,121,729)	(11%)	(790,364)	(899,202)	(12%)	
1,448,234	1,364,484	Operating profit			404,893	110,767	266%	362,425	231,986	56%	
237,669	217,705	Finance income			12,285	39,780	(69%)	14,295	30,601	(53%)	
(1,390,042)	(1,245,260)	Finance costs			(364,897)	(377,755)	(3%)	(312,814)	(353,177)	(11%)	
(1,152,373)	(1,027,555)	Net finance Costs			(352,612)	(337,975)	4%	(298,519)	(322,576)	(7%)	
(16,334)	(16,334)	Share of loss of equity accounted investee, net of tax			(5,713)	(6,417)	(11%)	(5,713)	(6,417)	(11%)	
279,527	320,595	Profit/(loss) before tax			46,568	(233,625)	120%	58,193	(97,007)	160%	
(78,383)	(52,874)	Income tax (expense)/reversal			(23,039)	64,251	(136%)	(22,171)	35,524	(162%)	
201,144	267,721	Profit/(loss) for the period			23,529	(169,374)	114%	36,022	(61,483)	159%	
Other comprehensive income											
Items that will not be reclassified to profit or loss											
60,870	69,817	Remeasurement of defined benefit obligation			-	-	-	-	-	-	
(17,044)	(19,549)	Deferred tax charge on actuarial gain			-	-	-	-	-	-	
(527)	(518)	Equity investments at FVOCI – net change in fair value			(1,671)	(1,068)	56%	(1,667)	(1,068)	56%	
43,299	49,750				(1,671)	(1,068)		(1,667)	(1,068)		
Items that are or may be reclassified subsequently to profit or loss											
26,501	5,213	Foreign operations- foreign currency translation differences			(4,050)	927	(537%)	(3,666)	74	(5054%)	
26,501	5,213				(4,050)	927		(3,666)	74		
69,800	54,963	Total other comprehensive income for the period, net of tax			(5,721)	(141)	(3957%)	(5,333)	(994)	(437%)	
270,944	322,684	Total comprehensive income for the period			17,808	(169,515)	111%	30,689	(62,477)	149%	
Profit/(loss) attributable to:											
195,011	267,721	Owners of the Company			1,427	(168,836)		36,022	(61,483)		
6,133	-	Non-controlling interest			22,102	(538)		-	-		
201,144	267,721				23,529	(169,374)		36,022	(61,483)		
Total comprehensive income attributable to:											
260,357	322,684	Owners of the Company			(4,228)	(169,118)		30,689	(62,477)		
10,587	-	Non-controlling interest			22,036	(397)		-	-		
270,944	322,684				17,808	(169,515)		30,689	(62,477)		
21.97	30.16	Basic and diluted earnings/(loss) per share (Rs.)			0.16	(19.02)		4.06	(6.93)		

Figures in brackets indicate deductions

STATEMENT OF FINANCIAL POSITION

Group		Company		Group		Company	
Audited as at 31-03-2020 Rs.'000	Audited as at 31-03-2020 Rs.'000			Unaudited as at 30-06-2020 Rs.'000	Unaudited as at 30-06-2019 Rs.'000	Unaudited as at 30-06-2020 Rs.'000	Unaudited as at 30-06-2019 Rs.'000
ASSETS							
11,506,819	11,080,460	Property, plant and equipment		11,422,386	11,504,476	11,009,048	11,083,399
478,010	462,001	Right-of-use assets		508,249	414,849	418,144	410,664
128,720	11,097	Intangible assets and goodwill		126,662	133,158	9,039	15,535
-	564,752	Investments in subsidiaries		-	-	564,752	541,129
26,620	26,620	Equity accounted investee		17,515	34,071	17,515	34,071
6,461	6,389	Equity Securities		4,790	5,829	4,722	5,748
97,341	-	Deferred tax assets		127,539	92,212	-	-
12,243,971	12,151,319	Total non-current assets		12,207,141	12,184,595	12,023,220	12,090,546
8,007,852	6,878,269	Inventories		6,557,281	7,415,709	5,469,020	6,176,157
8,519,705	5,684,764	Trade and other receivables		8,547,529	6,775,506	6,044,156	4,872,139
2,091,929	1,844,113	Other current assets		1,495,135	2,205,326	1,272,989	1,962,096
306,663	236,295	Current tax asset		279,673	344,433	209,345	332,039
17,801	149,831	Amounts due from related parties		17,724	19,994	151,343	143,448
837,650	570,503	Cash and cash equivalents		1,568,478	491,917	1,292,638	307,816
19,781,600	15,363,775	Total current assets		18,465,820	17,252,885	14,439,491	13,793,695
32,025,571	27,515,094	TOTAL ASSETS		30,672,961	29,437,480	26,462,711	25,884,241
EQUITY AND LIABILITIES							
EQUITY							
425,297	425,297	Stated capital		425,297	425,297	425,297	425,297
4,077,499	4,057,375	Other components of equity		4,071,844	4,055,697	4,052,042	4,051,686
7,476,214	6,186,760	Revenue reserves		7,477,641	7,068,541	6,222,782	5,807,288
11,979,010	10,669,432	Equity attributable to owners of the Company		11,974,782	11,549,535	10,700,121	10,284,271
369,921	-	Non-controlling interests		391,957	347,176	-	-
12,348,931	10,669,432	Total Equity		12,366,739	11,896,711	10,700,121	10,284,271
290,206	290,000	Long-term borrowings		750,634	420,250	744,000	420,250
418,857	395,875	Lease liabilities		432,516	377,435	347,312	350,603
774,909	705,369	Employee benefits		786,154	752,584	713,044	698,861
1,677,504	1,677,460	Deferred tax liabilities		1,672,725	1,773,813	1,672,725	1,773,813
97,155	54,478	Contract liabilities		285,805	147,014	64,999	107,928
3,258,631	3,123,182	Total non-current liabilities		3,927,834	3,471,096	3,542,080	3,351,455
2,601,473	2,213,340	Trade payables		1,901,427	2,012,768	1,597,522	1,645,942
1,842,838	1,131,416	Other current liabilities		2,691,241	1,476,577	2,140,663	1,001,191
202,272	200,892	Current portion of long term-borrowings		166,471	323,366	161,519	321,003
80,990	57,096	Current portion of lease liabilities		106,786	126,264	69,549	92,526
706,666	335,690	Current portion of contract liabilities		666,484	757,379	220,776	432,735
184,224	184,224	Current portion deferred income		247,459	160,241	247,459	160,241
5,341	-	Current tax liability		38,008	40,242	-	-
10,794,205	9,589,899	Short-term borrowings		8,560,512	9,172,836	7,783,022	8,432,526
-	9,923	Amounts due to related parties		-	-	-	162,351
16,418,009	13,722,480	Total current liabilities		14,378,388	14,069,673	12,220,510	12,248,515
32,025,571	27,515,094	TOTAL EQUITY AND LIABILITIES		30,672,961	29,437,480	26,462,711	25,884,241

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
12th August 2020

(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 three months ended 30th June 2019	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 01st April 2019	425,297	4,042,268	5,530	8,181	5,392,290	1,867,278	339,607	12,080,451
Capital contribution from non-controlling interest	-	-	-	-	-	-	7,966	7,966
Loss for the period	-	-	-	-	-	(168,836)	(538)	(169,374)
Other comprehensive income, net of tax	-	-	(1,068)	786	-	-	141	(141)
Total comprehensive income	-	-	(1,068)	786	-	(168,836)	(397)	(169,515)
- Dividends to equity owners	-	-	-	-	-	(22,191)	-	(22,191)
2018/19 Final dividend	-	-	-	-	-	(22,191)	-	(22,191)
Total contributions and distributions	-	-	-	-	-	(22,191)	-	(22,191)
As at 30th June 2019	425,297	4,042,268	4,462	8,967	5,392,290	1,676,251	347,176	11,896,711

For the three months ended 30th June 2020

As at 01st April 2020	425,297	4,042,268	5,003	30,228	5,392,290	2,083,924	369,921	12,348,931
Profit for the period	-	-	-	-	-	1,427	22,102	23,529
Other comprehensive income, net of tax	-	-	(1,671)	(3,984)	-	-	(66)	(5,721)
Total comprehensive income	-	-	(1,671)	(3,984)	-	1,427	22,036	17,808
Transactions with owners of the Company								
- contributions and distributions	-	-	-	-	-	-	-	-
Transfer during the period	-	-	-	-	-	-	-	-
Total contributions and distributions	-	-	-	-	-	-	-	-
As at 30th June 2020	425,297	4,042,268	3,332	26,244	5,392,290	2,085,351	391,957	12,366,739

Company

	Other Components of Equity				Revenue Reserves		Total
	Stated Capital	Revaluation Reserve	Fair value Reserve	Foreign currency translation reserve	General Reserve	Retained Earnings	
For the three months ended 30th June 2019	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 01st April 2019	425,297	4,042,268	5,457	4,955	4,929,464	961,498	10,368,939
Loss for the period	-	-	-	-	-	(61,483)	(61,483)
Other comprehensive income, net of tax	-	-	(1,068)	74	-	-	(994)
Total comprehensive income	-	-	(1,068)	74	-	(61,483)	(62,477)
Transactions with owners of the Company							
- Dividends to equity owners	-	-	-	-	-	(22,191)	(22,191)
2018/19 Final dividend	-	-	-	-	-	(22,191)	(22,191)
Total contributions and distributions	-	-	-	-	-	(22,191)	(22,191)
As at 30th June 2019	425,297	4,042,268	4,389	5,029	4,929,464	877,824	10,284,271
For the three months ended 30th June 2020							
As at 01st April 2020	425,297	4,042,268	4,939	10,168	4,929,464	1,257,296	10,669,432
Profit for the period	-	-	-	-	-	36,022	36,022
Other comprehensive income, net of tax	-	-	(1,667)	(3,666)	-	-	(5,333)
Total comprehensive income	-	-	(1,667)	(3,666)	-	36,022	30,689
Transactions with owners of the Company							
- contributions and distributions	-	-	-	-	-	-	-
Transfer during the period	-	-	-	-	-	-	-
Total contributions and distributions	-	-	-	-	-	-	-
As at 30th June 2020	425,297	4,042,268	3,272	6,502	4,929,464	1,293,318	10,700,121

Figures in brackets indicate deductions.

Statement of Cash Flows

Group	Company		Group		Company	
Audited	Audited		Unaudited	Unaudited	Unaudited	Unaudited
Year Ended	Year Ended		3 months to	3 months to	3 months to	3 months to
31-03-2020	31-03-2020		30-06-2020	30-06-2019	30-06-2020	30-06-2019
Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000
		Cash Flows from Operating Activities				
279,527	320,595	Profit/(loss) before taxation	46,568	(233,625)	58,193	(97,007)
		Adjustments for:				
417,575	354,240	Depreciation on property, plant and equipment	106,429	103,675	88,868	88,615
7,692	7,692	Amortisation of intangible assets and lease rentals paid in advance	2,058	2,608	2,058	2,608
117,985	95,222	Amortisation of right of use assets	28,031	-	22,457	-
(14,022)	(10,581)	Loss/(gain) on sale of property, plant and equipment	12	120	3	106
64,887	64,542	Derecognition of capital work-in-progress	928	1,382	928	51
1,390,042	1,245,260	Interest expenses	334,558	377,890	289,000	353,177
(37,588)	(39,542)	Interest income	(12,286)	(10,159)	(14,451)	(9,551)
(292)	(22,399)	Dividend income	(126)	(166)	(126)	(22,273)
16,334	16,334	Share of loss of equity-accounted investee, net of tax	5,713	6,417	5,713	6,417
323,472	245,022	(Reversal of)/provision for impairment of trade receivables	(3,661)	17,935	(2,705)	8,225
69,619	19,336	Provision for slow moving inventories	50,665	25,143	22,139	7,615
141,479	128,512	Provision for employee benefits obligation excluding actuarial gain	22,881	28,651	18,986	23,722
2,776,710	2,424,233		581,770	319,871	491,063	361,705
		Changes in working capital				
282,979	377,906	Decrease in inventories	1,399,906	919,598	1,387,110	1,091,739
(1,868,958)	(1,096,874)	(Increase)/decrease in trade and other receivables	(24,163)	180,778	(356,687)	(47,452)
(490,712)	(487,605)	Decrease/(Increase) in other current assets	598,088	(495,390)	569,218	(504,334)
403	(14,185)	Decrease/(increase) in amounts due from related parties	77	(1,790)	1,210	(7,802)
696,000	730,860	(Decrease)/Increase in trade payables	(700,046)	107,295	(615,818)	163,462
126,328	(42,234)	Increase/(decrease) in other current liabilities	864,176	(321,854)	1,025,019	(255,090)
117,609	117,609	Increase in deferred Income	63,235	93,626	63,235	93,626
41,851	(58,001)	Increase/(decrease) in contract liabilities	148,468	142,423	(104,393)	92,494
-	(180,528)	Decrease in amounts due to related parties	-	-	(9,923)	(28,100)
1,682,210	1,771,181	Cash generated from operating activities	2,931,511	944,557	2,450,034	960,248
(1,417,767)	(1,272,985)	Interest paid	(349,743)	(320,001)	(304,185)	(294,907)
(42,145)	(40,216)	Employee benefits paid	(11,636)	(12,512)	(11,311)	(11,751)
(310,873)	(146,988)	Income tax paid	-	(54,265)	-	(38,432)
(88,575)	310,992	Net cash from/(used in) operating activities	2,570,132	557,779	2,134,538	615,158
		Cash Flows from Investing Activities				
22,788	12,877	Net proceeds from sale of property, plant and equipment	134	88	74	88
201	22,308	Dividends received	126	166	126	22,273
37,588	39,542	Interest received	12,286	4,685	11,729	4,166
-	(50,176)	Investment in subsidiary	-	-	-	(26,553)
(433,472)	(350,726)	Acquisition and construction of property, plant and equipment and capital work-in-progress	(23,219)	(57,401)	(18,468)	(21,225)
(5,100)	(5,100)	Acquisition of intangible assets	-	-	-	-
(377,995)	(331,275)	Net cash used in investing activities	(10,673)	(52,462)	(6,539)	(21,251)
		Cash Flows from Financing Activities				
19,727	-	Capital contribution from non-controlling interest of a newly incorporated subsidiary	-	7,966	-	-
-	-	Proceeds from long-term borrowings	510,000	-	500,000	-
(351,055)	(349,960)	Repayment of long-term borrowings	(85,960)	(100,248)	(85,960)	(99,930)
1,663,614	1,020,230	Net movement of short-term borrowings	(2,154,495)	58,951	(1,740,794)	(149,106)
(65,786)	(30,773)	Repayment of lease liabilities	(20,109)	(4,773)	(12,804)	-
(22,191)	(22,191)	Dividends paid	-	(22,191)	-	(22,191)
1,244,309	617,306	Net cash (used in)/from financing activities	(1,750,564)	(60,295)	(1,339,558)	(271,227)
777,739	597,023	Net increase in cash and cash equivalents	808,895	445,022	788,441	322,680
(74,447)	(131,940)	Cash and cash equivalents as at 01st April	699,526	(74,447)	465,390	(131,940)
(3,766)	307	Effect of exchange rate changes on cash and cash equivalents	1,131	(76)	(223)	-
699,526	465,390	Cash and cash equivalents at the end of the period (Note-A)	1,509,552	370,499	1,253,608	190,740
		Note - A				
		Analysis of Cash and Cash Equivalents at the end of the period				
837,650	570,503	Cash and bank balances	1,568,478	491,917	1,292,638	307,816
(138,124)	(105,113)	Bank overdrafts	(58,926)	(121,418)	(39,030)	(117,076)
699,526	465,390	Cash and cash equivalents	1,509,552	370,499	1,253,608	190,740

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 2020.

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 June 2020, on guarantees given by the Company in respect of bid bonds, performance bonds and advance payments amounted to Rs. 3,320 million (Rs.3,148.2 million as at 31st March 2020).

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 30th June 2020 is estimated to be Rs. 124.7 million (2019/20 – 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. 68.9 million (2019/20 - Rs. 66.9 million).

4.4 Comparative Information

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

4.5 Impact due to the COVID-19

4.5.1 Post-lockdown Business Operation

The actual revenue for the first quarter was better than the revised revenue forecasts made considering the adverse impacts of lockdown. The Group was able to finance the adverse impact to the cash flow due to COVID-19 lockdown by securing appropriate credit lines from banks.

The temporary suspension of imports of vehicles is scheduled to be in-effect till 30th December 2020. This will lead to an adverse impact on Group's/Company's revenue.

4.5.2 Fair Value Measurement of Equity Securities

Due to COVID-19 outbreak, the CSE experienced significant volatility. Thus, the operation of CSE was suspended from 20th March 2020 to 11th May 2020, to prevent substantial volatility in share prices. Therefore, quoted market prices were not available as at 31st March 2020 to value Group's/Company's equity securities. According to the direction issued by the Institute of Chartered Accountants of Sri Lanka, the Group/Company valued its equity securities as at 31st March 2020 using the market value as at 31st December 2019. However, with the relaxation of strict lockdown measures, Colombo stock market restored to normalcy by 30th June 2020. Therefore, all the listed equity instruments available as at 30th June 2020 were measured based on the market prices as at 30th June 2020.

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.

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, after sales and solutions in the business domains of bio-medical engineering, generating sets, elevators and escalators, 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 June	Vehicles - Sales		Vehicles - After Services		Marketing and Distribution		Construction and Material Handling Equipment		Agriculture		Electro-Mechanical, Bio- Medical and Marine Engineering		Total	
	2020 Rs.'000	2019 Rs.'000	2020 Rs.'000	2019 Rs.'000	2020 Rs.'000	2019 Rs.'000	2020 Rs.'000	2019 Rs.'000	2020 Rs.'000	2019 Rs.'000	2020 Rs.'000	2019 Rs.'000	2020 Rs.'000	2019 Rs.'000
Business Segment Turnover and Results														
Total segment revenue	1,857,008	3,536,480	887,800	1,202,760	799,750	1,034,314	230,169	496,713	1,132,351	793,972	631,649	755,851	5,538,727	7,820,090
Inter-segment revenue	(3,534)	(4,673)	(88,569)	(186,508)	(35,006)	(37,382)	(11,482)	(29,218)	(8,236)	(16,412)	(15,583)	(33,269)	(162,410)	(307,462)
Total external revenue	1,853,474	3,531,807	799,231	1,016,252	764,744	996,932	218,687	467,495	1,124,115	777,560	616,066	722,582	5,376,317	7,512,628
Segment results	210,169	53,063	131,869	174,280	117,461	119,918	31,353	98,405	168,424	(13,168)	53,182	(60,184)	712,458	372,314
Unallocated other income	-	-	-	-	-	-	-	-	-	-	-	-	10,952	15,607
Unallocated expenses	-	-	-	-	-	-	-	-	-	-	-	-	(324,230)	(283,571)
Finance income	-	-	-	-	-	-	-	-	-	-	-	-	12,285	39,780
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-	(364,897)	(377,755)
Income tax (expense)/reversal	-	-	-	-	-	-	-	-	-	-	-	-	(23,039)	64,251
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	23,529	(169,374)
Business Segment Assets and Liabilities														
Segment assets	3,069,918	4,095,172	1,850,808	1,716,584	2,821,982	2,712,559	855,243	1,301,044	4,112,431	1,811,326	5,499,553	3,993,971	18,209,935	15,630,656
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	12,463,026	13,806,824
Total assets	-	-	-	-	-	-	-	-	-	-	-	-	30,672,961	29,437,480
Segment liabilities	4,707,225	5,191,278	1,214,729	842,687	1,535,869	638,595	346,478	424,090	1,803,213	1,330,686	1,139,325	682,944	10,746,839	9,110,280
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	7,559,383	8,430,489
Equity	-	-	-	-	-	-	-	-	-	-	-	-	12,366,739	11,896,711
Total equity and liabilities	-	-	-	-	-	-	-	-	-	-	-	-	30,672,961	29,437,480
Other Information														
Capital expenditure	86	390	9,624	8,343	1,152	4,092	249	4,754	6,277	67	1,289	1,604	18,677	19,250
Unallocated capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	4,542	38,151
Depreciation and amortisation	9,869	9,933	21,854	26,085	4,516	3,534	3,120	3,984	13,843	13,725	5,648	4,952	58,850	62,213
Unallocated depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	-	49,637	44,070

INVESTOR INFORMATION

Market Value of Shares

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

	Quarter to 30-Jun-20 Rs.		Quarter to 30-Jun-19 Rs.	
Highest Price per Share	299.80	May 20, 2020	304.00	April 03, 2019
Lowest Price per Share	188.00	May 12, 2020	265.00	May 15, 2019
Last Traded Price per Share	278.40	June 30, 2020	299.60	June 28, 2019

Market Capitalisation

	As at 30-Jun-20	As at 30-Jun-19
Market Capitalisation (Rs.'000)	2,471,200	2,659,381

Ratios

	Group		Company	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
E.P.S. Rs*	0.16	(19.02)	4.06	(6.93)
Net asset value per share*	1,349.05	1,301.15	1,205.45	1,158.60
Quick asset ratio	0.83	0.70	0.73	0.73
Interest cover (times)	1.13	0.38	1.19	0.73

* Earnings & net assets per share are based on 8,876,437 shares in issue as at 30th June 2020.

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

Statement of share holding of Directors (Including Spouses)

NAME	30TH JUNE 2020	
	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	1,682	0.02%
	3,514,969	39.61%

Mr. A. D. B. Talwatte, 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.N. Ranasinghe who are Directors of the Company did not hold any shares of the Company as at 30th June 2020.

PUBLIC HOLDING

As at 30th June 2020

Public Holding %	53.18%
Number of Public shareholders	2,128
Float adjusted market capitalisation	1,314,243,715

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	30TH JUNE 2020	
	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%
MR. A N ALGAMA	213,739	2.41%
MR. C R PANDITHAGE	212,081	2.39%
MR. T G H PERIES	193,069	2.18%
ALMAR TRADING CO (PVT) LTD	191,250	2.15%
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%
SEYLAN BANK PLC./JANASHAKTHI PLC	144,748	1.63%
MR. L P ALGAMA	134,569	1.52%
ESTATE OF THE LATE MR. N U ALGAMA	118,845	1.34%
UNITED MOTORS LANKA PLC	109,883	1.24%
THE TRUSTEE, BANK OF CEYLON NO. 1 ACCOUNT	77,937	0.88%
MRS. I S SALGADO	46,000	0.73%
MRS. H S PANDITHAGE	45,048	0.52%
	7,406,857	83.66%

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 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

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