

DIESEL & MOTOR ENGINEERING PLC

INTERIM FINANCIAL STATEMENTS - SIX MONTHS ENDED 30TH SEPTEMBER 2020



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Group	Group					
Audited Year ended 31-03-2020 Rs.'000	Unaudited 6 months to 30-09-2020 Rs.'000	Unaudited 6 months to 30-09-2019 Rs.'000	Variance %	Unaudited 3 months to 30-09-2020 Rs.'000	Unaudited 3 months to 30-09-2019 Rs.'000	Variance %
34,557,871	14,544,381	16,036,799	(9%)	9,168,064	8,524,171	8%
(172,968)	-	(130,510)	(100%)	-	(73,794)	(100%)
34,384,903	14,544,381	15,906,289	(9%)	9,168,064	8,450,377	8%
(27,053,148)	(10,786,956)	(12,826,259)	(16%)	(6,893,819)	(6,696,299)	3%
7,331,755	3,757,425	3,080,030	22%	2,274,245	1,754,078	30%
158,588	21,184	67,433	(69%)	10,232	51,826	(80%)
(686,736)	(280,356)	(252,720)	11%	(187,685)	(161,592)	16%
(323,472)	12,794	(61,792)	(121%)	9,133	(43,857)	(121%)
(5,031,901)	(2,281,855)	(2,375,213)	(4%)	(1,281,626)	(1,253,484)	2%
1,448,234	1,229,192	457,738	169%	824,299	346,971	138%
237,669	18,292	92,856	(80%)	6,007	53,076	(89%)
(1,390,042)	(514,755)	(718,801)	(28%)	(149,858)	(341,046)	(56%)
(1,152,373)	(496,463)	(625,945)	(21%)	(143,851)	(287,970)	(50%)
(16,334)	(12,326)	(9,349)	32%	(6,613)	(2,932)	126%
279,527	720,403	(177,556)	506%	673,835	56,069	1102%
(78,383)	(210,962)	47,604	(543%)	(187,923)	(16,647)	1029%
201,144	509,441	(129,952)	492%	485,912	39,422	1133%
Other comprehensive income						
Items that will not be reclassified to profit or loss						
60,870	-	-	-	-	-	-
(17,044)	-	-	-	-	-	-
(527)	(331)	(627)	(47%)	1,340	441	204%
43,299	(331)	(627)		1,340	441	
Items that are or may be reclassified subsequently to profit or loss						
26,501	(502)	3,920	(113%)	3,548	2,993	19%
26,501	(502)	3,920		3,548	2,993	
69,800	(833)	3,293	(125%)	4,888	3,434	42%
270,944	508,608	(126,659)	502%	490,800	42,856	1045%
Profit/(loss) attributable to:						
195,011	474,893	(122,563)		473,466	46,273	
6,133	34,548	(7,389)		12,446	(6,851)	
201,144	509,441	(129,952)		485,912	39,422	
Total comprehensive income attributable to:						
260,357	473,578	(119,778)		477,806	49,340	
10,587	35,030	(6,881)		12,994	(6,484)	
270,944	508,608	(126,659)		490,800	42,856	
21.97	53.50	(13.81)		53.34	5.21	

Figures in brackets indicate deductions

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Company	Company					
Audited Year ended 31-03-2020 Rs.'000	Unaudited 6 months to 30-09-2020 Rs.'000	Unaudited 6 months to 30-09-2019 Rs.'000	Variance %	Unaudited 3 months to 30-09-2020 Rs.'000	Unaudited 3 months to 30-09-2019 Rs.'000	Variance %
28,612,775	11,909,210	13,585,643	(12%)	7,565,603	7,043,051	7%
(124,184)	-	(91,135)	(100%)	-	(52,442)	(100%)
28,488,591	11,909,210	13,494,508	(12%)	7,565,603	6,990,609	8%
(22,472,010)	(8,892,595)	(10,848,052)	(18%)	(5,699,416)	(5,517,351)	3%
6,016,581	3,016,615	2,646,456	14%	1,866,187	1,473,258	27%
260,032	111,319	107,501	4%	63,383	62,157	2%
(591,326)	(192,854)	(214,341)	(10%)	(144,574)	(135,212)	7%
(245,022)	13,208	(42,609)	(131%)	10,503	(34,384)	(131%)
(4,075,781)	(1,789,671)	(1,928,491)	(7%)	(999,307)	(1,029,289)	(3%)
1,364,484	1,158,617	568,516	104%	796,192	336,530	137%
217,705	25,168	79,302	(68%)	10,873	48,701	(78%)
(1,245,260)	(441,211)	(664,173)	(34%)	(128,397)	(310,996)	(59%)
(1,027,555)	(416,043)	(584,871)	(29%)	(117,524)	(262,295)	(55%)
(16,334)	(12,326)	(9,349)	32%	(6,613)	(2,932)	126%
320,595	730,248	(25,704)	2941%	672,055	71,303	843%
(52,874)	(207,535)	17,052	(1317%)	(185,364)	(18,472)	903%
267,721	522,713	(8,652)	6142%	486,691	52,831	821%
Other comprehensive income						
Items that will not be reclassified to profit or loss						
69,817	-	-	-	-	-	-
(19,549)	-	-	-	-	-	-
(518)	(348)	(628)	(45%)	1,319	440	200%
49,750	(348)	(628)		1,319	440	
Items that are or may be reclassified subsequently to profit or loss						
5,213	(2,814)	1,148	(345%)	852	1,074	(21%)
5,213	(2,814)	1,148		852	1,074	
54,963	(3,162)	520	(708%)	2,171	1,514	43%
322,684	519,551	(8,132)	6489%	488,862	54,345	800%
30.16	58.89	(0.97)		54.83	5.95	

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 30-09-2020 Rs.'000	Unaudited as at 30-09-2019 Rs.'000	Unaudited as at 30-09-2020 Rs.'000	Unaudited as at 30-09-2019 Rs.'000
ASSETS							
11,506,819	11,080,460	Property, plant and equipment		11,561,069	11,495,451	11,118,865	11,062,417
478,010	462,001	Right-of-use assets		538,828	398,802	454,064	394,385
128,720	11,097	Intangible assets and goodwill		133,995	128,634	16,372	11,011
-	564,752	Investments in subsidiaries		-	-	564,752	541,129
26,620	26,620	Equity accounted investee		10,899	32,213	10,899	32,213
6,461	6,389	Equity Securities		6,130	6,361	6,041	6,279
97,341	-	Deferred tax assets		152,041	90,576	-	-
12,243,971	12,151,319	Total non-current assets		12,402,962	12,152,037	12,170,993	12,047,434
8,007,852	6,878,269	Inventories		5,050,798	7,158,160	3,624,368	6,058,449
8,519,705	5,684,764	Trade and other receivables		6,628,534	7,255,762	4,626,624	5,153,475
2,091,929	1,844,113	Other current assets		1,213,164	2,152,108	931,892	1,801,726
306,663	236,295	Current tax asset		102,369	430,023	32,001	366,919
17,801	149,831	Amounts due from related parties		17,329	17,243	110,590	166,023
837,650	570,503	Cash and cash equivalents		1,889,975	648,734	1,596,056	533,237
19,781,600	15,363,775	Total current assets		14,902,169	17,662,030	10,921,531	14,079,829
32,025,571	27,515,094	TOTAL ASSETS		27,305,131	29,814,067	23,092,524	26,127,263
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		4,076,184	4,058,764	4,054,213	4,053,200
7,476,214	6,186,760	Revenue reserves		7,951,107	7,114,814	6,709,473	5,860,119
11,979,010	10,669,432	Equity attributable to owners of the Company		12,452,588	11,598,875	11,188,983	10,338,616
369,921	-	Non-controlling interests		404,951	344,352	-	-
12,348,931	10,669,432	Total Equity		12,857,539	11,943,227	11,188,983	10,338,616
290,206	290,000	Long-term borrowings		605,081	350,000	593,400	350,000
418,857	395,875	Lease liabilities		487,219	432,171	391,972	402,192
774,909	705,369	Employee benefits		816,840	771,270	735,950	712,284
1,677,504	1,677,460	Deferred tax liabilities		1,679,663	1,792,285	1,679,663	1,792,285
97,155	54,478	Contract liabilities		328,861	75,453	98,183	34,492
3,258,631	3,123,182	Total non-current liabilities		3,917,664	3,421,179	3,499,168	3,291,253
2,601,473	2,213,340	Trade payables		3,032,333	1,820,498	2,376,096	1,560,185
1,842,838	1,131,416	Other current liabilities		1,893,983	1,463,177	1,561,708	899,481
202,272	200,892	Current portion of long term-borrowings		232,291	293,222	217,386	291,106
80,990	57,096	Current portion of lease liabilities		100,485	72,142	66,185	48,122
706,666	335,690	Current portion of contract liabilities		851,419	826,691	433,597	503,921
184,224	184,224	Current portion deferred income		45,042	160,296	45,042	160,296
5,341	-	Current tax liability		45,168	-	-	-
10,794,205	9,589,899	Short-term borrowings		4,329,207	9,813,635	3,699,095	9,034,283
-	9,923	Amounts due to related parties		-	-	5,264	-
16,418,009	13,722,480	Total current liabilities		10,529,928	14,449,661	8,404,373	12,497,394
32,025,571	27,515,094	TOTAL EQUITY AND LIABILITIES		27,305,131	29,814,067	23,092,524	26,127,263

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 November 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
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
For the three months ended 30th September 2019								
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	-	-	-	-	-	-	11,626	11,626
Loss for the period	-	-	-	-	-	(122,563)	(7,389)	(129,952)
Other comprehensive income, net of tax	-	-	(627)	3,412	-	-	508	3,293
Total comprehensive income	-	-	(627)	3,412	-	(122,563)	(6,881)	(126,659)
- Dividends to equity owners								
2018/19 Final dividend	-	-	-	-	-	(22,191)	-	(22,191)
Total contributions and distributions	-	-	-	-	-	(22,191)	-	(22,191)
As at 30th September 2019	425,297	4,042,268	4,903	11,593	5,392,290	1,722,524	344,352	11,943,227

For the three months ended 30th September 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	-	-	-	-	-	474,893	34,548	509,441
Other comprehensive income, net of tax	-	-	(331)	(984)	-	-	482	(833)
Total comprehensive income	-	-	(331)	(984)	-	474,893	35,030	508,608
Transactions with owners of the Company								
- contributions and distributions								
Transfer during the period	-	-	-	-	-	-	-	-
Total contributions and distributions	-	-	-	-	-	-	-	-
As at 30th September 2020	425,297	4,042,268	4,672	29,244	5,392,290	2,558,817	404,951	12,857,539

Company

	Other Components of Equity			Revenue Reserves		Total	
	Stated Capital	Revaluation Reserve	Fair value Reserve	Foreign currency translation reserve	General Reserve		Retained Earnings
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
For the three months ended 30th September 2019							
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	-	-	-	-	-	(8,652)	(8,652)
Other comprehensive income, net of tax	-	-	(628)	1,148	-	-	520
Total comprehensive income	-	-	(628)	1,148	-	(8,652)	(8,132)
Transactions with owners of the Company							
- Dividends to equity owners							
2018/19 Final dividend	-	-	-	-	-	(22,191)	(22,191)
Total contributions and distributions	-	-	-	-	-	(22,191)	(22,191)
As at 30th September 2019	425,297	4,042,268	4,829	6,103	4,929,464	930,655	10,338,616
For the three months ended 30th September 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	-	-	-	-	-	522,713	522,713
Other comprehensive income, net of tax	-	-	(348)	(2,814)	-	-	(3,162)
Total comprehensive income	-	-	(348)	(2,814)	-	522,713	519,551
Transactions with owners of the Company							
- contributions and distributions							
Transfer during the period	-	-	-	-	-	-	-
Total contributions and distributions	-	-	-	-	-	-	-
As at 30th September 2020	425,297	4,042,268	4,591	7,354	4,929,464	1,780,009	11,188,983

Figures in brackets indicate deductions.

Statement of Cash Flows

Group	Company		Group		Company	
Audited	Audited		Unaudited	Unaudited	Unaudited	Unaudited
Year Ended	Year Ended		6 months to	6 months to	3 months to	3 months to
31-03-2020	31-03-2020		30-09-2020	30-09-2019	30-09-2020	30-09-2019
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	720,403	(177,556)	730,248	(25,704)
		Adjustments for:				
417,575	354,240	Depreciation on property, plant and equipment	225,141	204,710	177,059	177,101
7,692	7,692	Amortisation of intangible assets and lease rentals paid in advance	4,226	4,980	4,226	4,980
117,985	95,222	Amortisation of right of use assets	55,390	49,864	44,476	38,278
(14,022)	(10,581)	Loss/(gain) on sale of property, plant and equipment	3,332	(4,402)	3,303	(1,151)
64,887	64,542	Derecognition of capital work-in-progress	1,295	719	928	693
1,390,042	1,245,260	Interest expenses	507,740	718,801	432,961	664,173
(37,588)	(39,542)	Interest income	(18,292)	(26,800)	(22,579)	(25,322)
(292)	(22,399)	Dividend income	(191)	(258)	(191)	(22,365)
16,334	16,334	Share of loss of equity-accounted investee, net of tax	12,326	9,349	12,326	9,349
323,472	245,022	(Reversal of)/provision for impairment of trade receivables	(12,794)	61,792	(13,208)	42,609
69,619	19,336	Provision for/(reversal of) slow moving inventories	56,929	36,594	(10,400)	26,138
141,479	128,512	Provision for employee benefits obligation excluding actuarial gain	61,268	58,133	48,194	48,591
2,776,710	2,424,233		1,616,773	935,926	1,407,343	937,370
		Changes in working capital				
282,979	377,906	Decrease in inventories	2,900,125	1,170,935	3,264,301	1,190,924
(1,868,958)	(1,096,874)	Decrease/(increase) in trade and other receivables	1,903,965	(343,335)	1,071,348	(363,172)
(490,712)	(487,605)	Decrease/(increase) in other current assets	871,748	(405,029)	905,204	(318,549)
403	(14,185)	Decrease/(increase) in amounts due from related parties	472	961	44,575	(32,665)
696,000	730,860	Increase/(decrease) in trade payables	430,860	(84,975)	162,756	77,705
126,328	(42,234)	Increase/(decrease) in other current liabilities	83,577	(333,657)	466,332	(328,654)
117,609	117,609	(Decrease)/increase in deferred Income	(139,182)	93,681	(139,182)	93,681
41,851	(58,001)	Increase/(decrease) in contract liabilities	376,459	140,174	141,612	90,244
-	(180,528)	Decrease in amounts due to related parties	-	-	(4,659)	(190,451)
1,682,210	1,771,181	Cash generated from operating activities	8,044,797	1,174,681	7,319,630	1,156,433
(1,417,767)	(1,272,985)	Interest paid	(543,306)	(727,106)	(468,527)	(673,860)
(42,145)	(40,216)	Employee benefits paid	(19,337)	(23,308)	(17,613)	(23,197)
(310,873)	(146,988)	Income tax paid	(15,276)	(175,151)	(1,082)	(73,312)
(88,575)	310,992	Net cash from/(used in) operating activities	7,466,878	249,116	6,832,408	386,064
		Cash Flows from Investing Activities				
22,788	12,877	Net proceeds from sale of property, plant and equipment	2,375	4,502	2,233	1,238
201	22,308	Dividends received	191	167	191	22,274
37,588	39,542	Interest received	18,292	26,800	17,245	25,322
-	(50,176)	Investment in subsidiary	-	-	-	(26,553)
(433,472)	(350,726)	Acquisition and construction of property, plant and equipment and capital work-in-progress	(271,215)	(155,939)	(221,950)	(89,524)
(5,100)	(5,100)	Acquisition of intangible assets	(9,500)	(1,200)	(9,500)	(1,200)
(377,995)	(331,275)	Net cash used in investing activities	(259,857)	(125,670)	(211,781)	(68,443)
		Cash Flows from Financing Activities				
19,727	-	Capital contribution from non-controlling interest of a newly incorporated subsidiary	-	11,626	-	-
-	-	Proceeds from long-term borrowings	525,000	-	500,000	-
(351,055)	(349,960)	Repayment of long-term borrowings	(180,580)	(200,545)	(180,580)	(199,980)
1,663,614	1,020,230	Net movement of short-term borrowings	(6,539,827)	538,539	(5,937,797)	390,524
(65,786)	(30,773)	Repayment of lease liabilities	(35,301)	(9,590)	(24,334)	-
(22,191)	(22,191)	Dividends paid	-	(22,191)	-	(22,191)
1,244,309	617,306	Net cash (used in)/from financing activities	(6,230,708)	317,839	(5,642,711)	168,353
777,739	597,023	Net increase in cash and cash equivalents	976,313	441,285	977,916	485,974
(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	1,183	(733)	644	-
699,526	465,390	Cash and cash equivalents at the end of the period (Note-A)	1,677,022	366,105	1,443,950	354,034
		Note - A				
		Analysis of Cash and Cash Equivalents at the end of the period				
837,650	570,503	Cash and bank balances	1,889,975	648,734	1,596,056	533,237
(138,124)	(105,113)	Bank overdrafts	(212,953)	(282,629)	(152,106)	(179,203)
699,526	465,390	Cash and cash equivalents	1,677,022	366,105	1,443,950	354,034

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 September 2020, on guarantees given by the Company in respect of bid bonds, performance bonds and advance payments amounted to Rs. 3,642 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 September 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. 813.3 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 second 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 was scheduled to be in-effect till 30th December 2020. This restriction has been extended by the government until further notice. This will lead to an adverse impact in vehicle sales revenue. However, the diversity of revenue sources of the Group will minimize this impact.

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. 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 September 2020 were measured based on the market prices as at 30th September 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.

	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
For the period ended 30th September														
Business Segment Turnover and Results														
Total segment revenue	4,448,557	7,211,788	2,540,384	2,572,403	2,063,376	2,286,406	741,957	886,435	3,005,808	1,562,835	2,365,945	2,163,147	15,166,027	16,683,014
Inter-segment revenue	(7,606)	(13,330)	(251,567)	(395,833)	(74,283)	(71,071)	(34,163)	(48,988)	(26,605)	(33,543)	(227,422)	(83,450)	(621,646)	(646,215)
Total external revenue	4,440,951	7,198,458	2,288,817	2,176,570	1,989,093	2,215,335	707,794	837,447	2,979,203	1,529,292	2,138,523	2,079,697	14,544,381	16,036,799
Segment results	489,088	239,291	489,811	427,772	162,012	263,457	118,313	172,133	231,638	9,341	141,703	35,865	1,632,565	1,147,859
Unallocated other income	-	-	-	-	-	-	-	-	-	-	-	-	21,184	67,433
Unallocated expenses	-	-	-	-	-	-	-	-	-	-	-	-	(436,883)	(766,903)
Finance income	-	-	-	-	-	-	-	-	-	-	-	-	18,292	92,856
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-	(514,755)	(718,801)
Income tax (expense)/reversal	-	-	-	-	-	-	-	-	-	-	-	-	(210,962)	47,604
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	509,441	(129,952)
Business Segment Assets and Liabilities														
Segment assets	1,447,211	3,360,743	2,016,795	1,916,631	2,238,177	2,855,651	1,000,474	1,122,970	3,990,763	4,263,705	5,852,175	4,254,728	16,545,595	17,774,428
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	10,759,536	12,039,639
Total assets	-	-	-	-	-	-	-	-	-	-	-	-	27,305,131	29,814,067
Segment liabilities	545,960	5,627,140	867,965	1,293,733	575,772	928,328	372,802	276,288	2,516,457	1,610,625	880,600	569,129	5,759,556	10,305,243
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	8,688,036	7,565,597
Equity	-	-	-	-	-	-	-	-	-	-	-	-	12,857,539	11,943,227
Total equity and liabilities	-	-	-	-	-	-	-	-	-	-	-	-	27,305,131	29,814,067
Other Information														
Capital expenditure	1,874	15,001	28,239	18,576	7,201	33,948	14,560	22,942	41,593	17,956	154,268	7,200	247,735	115,623
Unallocated capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	32,980	41,516
Depreciation and amortisation	19,492	20,135	43,204	50,882	9,058	7,671	5,937	8,315	8,277	18,278	19,591	6,490	105,559	111,771
Unallocated depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	-	123,808	97,919

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-20 Rs.		Quarter to 30-Sep-19 Rs.	
Highest Price per Share	379.90	September 25, 2020	349.90	August 15, 2019
Lowest Price per Share	266.10	July 17, 2020	291.00	July 22, 2019
Last Traded Price per Share	339.40	September 30, 2020	300.00	September 30, 2019

Market Capitalisation

	As at 30-Sep-20	As at 30-Sep-19
Market Capitalisation (Rs.'000)	3,012,663	2,662,931

Ratios

	<u>Group</u>		<u>Company</u>	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
E.P.S. Rs*	53.50	(13.81)	58.89	(0.97)
Net asset value per share*	1,402.88	1,306.70	1,260.53	1,164.73
Quick asset ratio	0.94	0.73	0.87	0.64
Interest cover (times)	2.40	0.75	2.66	0.96

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

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

Statement of share holding of Directors (Including Spouses)

NAME	30TH SEPTEMBER 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. J. M. De Silva, & Mr. A.N. Ranasinghe who are Directors of the Company did not hold any shares of the Company as at 30th September 2020.

PUBLIC HOLDING

As at 30th September 2020

Public Holding %	53.18%
Number of Public shareholders	2,060
Float adjusted market capitalisation	1,602,206,598

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 SEPTEMBER 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	0.52%
MRS. H S PANDITHAGE	45,048	0.51%
	7,406,857	83.44%

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)
J. M. De Silva - FBCS, FCITP (Appointed on 01/08/2020)
A. D. B. Talwatte - FCMA, FCA, MBA (Sri.J)
R. Seevaratnam- FCA, B.Sc (Lon), FCA (E&W) - (Retired w.e.f 31/07/2020)

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)
J. M. De Silva
Dr. H. Cabral
A. M. Pandithage

Remuneration Committee

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

Nomination Committee

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

Related Party Transactions Review Committee

J. M. De Silva (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
Standard Chartered Bank

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