

DIPPED PRODUCTS PLC

INTERIM REPORT FOR THE QUARTER ENDED 30TH JUNE 2022

CORPORATE INFORMATION

LEGAL FORM

A Public Limited Company
Incorporated in Sri Lanka in 1976

COMPANY NUMBER

PQ60

DIRECTORS

Mr. A.M. Pandithage - Chairman
Mr.H.S.R.Kariyawasan - Deputy Chairman
Mr.Ng Soon Huat - Managing Director
Mr.R.H.P.Janadheera -Deputy Managing Director
Mr. Dhammika Perera (Resigned w.e.f 10.06.2022)
Mr. S.C.Ganegoda
Mr. F. Mohideen
Mr. S. Rajapakse
Mr. N.A.R.R.S.Nanayakkara
Mr. S.P.Peiris
Mr.K.D.G.Gunaratne
Mr.K.M.D.I. Prasad
Mr. B.K.C.R.Ratnasiri (Appointed w.e.f. 01.04.2022)
Mr.G.Molinari (Appointed w.e.f. 01.04.2022)
Ms.Y.Bhaskaran - Alternate Director to Mr.Dhammika Perera (Ceased w.e.f 10.06.2022)

SUBSIDIARIES

Hand Protection

Palma Limited
Venigros (Private) Limited
Texnil (Private) Limited
Feltex (Private) Limited
Dipped Products (Thailand) Limited
ICOGUANTI S.p.A
Hanwella Rubber Products Limited
D P L Premier Gloves Limited
D P L Universal Gloves Limited
D P L International Limited

Plantations

D P L Plantations (Private) Limited
Kelani Valley Plantations PLC
Hayleys Plantation Services (Private) Limited
Talawakelle Tea Estates PLC

SECRETARIES

Hayleys Group Services (Private) Limited
400, Deans Road, Colombo 10, Sri Lanka
Telephone: 2627650-6 (7 Lines)
Fax: 2627655

STOCK EXCHANGE LISTING

The ordinary shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka

REGISTERED OFFICE

400, Deans Road, Colombo 10, Sri Lanka
Telephone: 2627000
Fax: 2699018 & 2699299
E-mail: postmast@dplgroup.com
Website: www.dplgroup.com

PRINCIPAL LINES OF BUSINESS

Manufacture and marketing of industrial, general purpose and medical rubber gloves,
Management of tea and rubber plantations.

DIPPED PRODUCTS PLC

STATEMENT OF PROFIT OR LOSS

Group	Company		Group			Company		
			03 months to 30/06/2022 Rs.'000	03 months to 30/06/2021 Rs.'000	Increase/ (Decrease) %	03 months to 30/06/2022 Rs.'000	03 months to 30/06/2021 Rs.'000	Increase/ (Decrease) %
Year to 31/03/2022 Rs.'000	Year to 31/03/2022 Rs.'000							
55,293,983	6,610,277	Revenue from contracts with customers	20,730,476	16,781,921	24	2,844,258	1,910,627	49
(44,561,333)	(5,289,337)	Cost of sales	(15,374,560)	(13,441,706)	14	(1,641,458)	(1,499,798)	9
10,732,650	1,320,940	Gross profit	5,355,916	3,340,215	60	1,202,800	410,829	>100
833,407	1,455,815	Other income and gains	68,492	159,440	(57)	603,852	677,722	(11)
(1,402,795)	(38,364)	Distribution costs	(726,944)	(367,867)	98	(93,139)	(2,085)	>100
(4,803,655)	(1,028,196)	Administrative expenses	(1,526,344)	(1,423,006)	7	(292,728)	(224,078)	31
-	-	Other expenses	-	-	-	-	-	-
-	-	Impairment reversal / (loss) on investment and other amounts due	-	-	-	-	-	-
(706,458)	(311,712)	Finance costs	(390,419)	(168,694)	>100	(187,784)	(55,672)	>100
2,943,626	1,644,069	Finance income	2,231,731	178,392	>100	1,115,487	35,813	>100
		Change in fair value of						
-	-	Investment properties	-	-	-	-	-	-
7,596,775	3,042,552	Profit / (loss) before tax	5,012,432	1,718,480	>100	2,348,488	842,529	>100
(1,185,975)	(242,132)	Tax expense	(759,796)	(327,087)	>100	(297,208)	(22,976)	>100
6,410,800	2,800,420	Profit / (loss) for the period	4,252,636	1,391,393	>100	2,051,280	819,553	>100
		Attributable to :						
5,382,651	2,800,420	Equity holders of the parent	3,702,319	1,245,541	>100	2,051,280	819,553	>100
1,028,149	-	Non-controlling interest	550,317	145,852	>100	-	-	
6,410,800	2,800,420	Profit / (loss) for the period	4,252,636	1,391,393	>100	2,051,280	819,553	>100
8.99	4.68	Basic earnings / (loss) per ordinary share for the period (Rs.) *	6.18	2.08		3.43	1.37	
8.99	4.68	Diluted earnings / (loss) per ordinary share for the period (Rs.) *	6.18	2.08		3.43	1.37	
2.50	2.50	Dividend per share (Rs)	0.15	0.60		0.15	0.60	

* Computed based on 598,615,120 ordinary shares on issue as at 30/06/2022

The notes to the financial statements on pages from 8 to 9 form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC
STATEMENTS OF COMPREHENSIVE INCOME

Group	Company		Group			Company		
			03 months to 30/06/2022 Rs.'000	03 months to 30/06/2021 Rs.'000	Increase/ (Decrease) %	03 months to 30/06/2022 Rs.'000	03 months to 30/06/2021 Rs.'000	Increase/ (Decrease) %
6,410,800	2,800,420	Profit / (loss) for the period	4,252,636	1,391,393	>100	2,051,280	819,553	>100
		Other comprehensive income						
		<u>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)</u>						
2,276,284	-	Currency translation of foreign operations	1,115,836	287,802	>100	-	-	
		<u>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)</u>						
40,589	(55,248)	Actuarial gain/(loss) on defined benefit plans	-	-		-	-	
3,055	7,735	Tax effect on actuarial gain/(loss)	-	-		-	-	
32	-	Net gain/(loss) on equity instruments designated at Fair Value through OCI	(33)	21	<(100)	-	-	
128,028 (16,041)	51,862 (7,261)	Revaluation of land Tax effect on land revaluation	-	-		-	-	
2,431,947	(2,912)	Other comprehensive income / (loss) for the period, net of tax	1,115,803	287,823	>100	-	-	
8,842,747	2,797,508	Total comprehensive income / (loss) for the period, net of tax	5,368,439	1,679,216	>100	2,051,280	819,553	>100
		Attributable to :						
7,756,719	2,797,508	Equity holders of the parent	4,812,613	1,535,321	>100	2,051,280	819,553	>100
1,086,028	-	Non-controlling interest	555,826	143,895	>100	-	-	
8,842,747	2,797,508	Total comprehensive income / (loss) for the period, net of tax	5,368,439	1,679,216	>100	2,051,280	819,553	>100

The notes to the financial statements on pages from 8 to 9 form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC

STATEMENTS OF FINANCIAL POSITION

Group		Company		Group		Company	
As at	As at	As at	As at	As at	As at	As at	As at
31/03/2022	31/03/2022	30/06/2022	30/06/2021	30/06/2022	30/06/2021	30/06/2022	30/06/2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
(Restated)	(Restated)		(Restated)		(Restated)		(Restated)
ASSETS							
Non-Current Assets							
16,344,832	1,166,197	16,969,418	14,328,514	1,181,184	892,495		
436,494	90,166	449,893	363,053	125,739	121,884		
-	-	-	392,622	-	188,280		
599,064	-	602,002	532,892	-	-		
1,345,567	24,657	1,315,074	1,405,641	19,437	40,316		
315,131	23,666	338,340	315,132	20,714	32,554		
-	5,892,658	-	-	5,892,658	4,142,658		
393,261	1,000	392,675	393,713	865	215		
169,425	-	194,952	127,520	-	67,217		
19,603,774	7,198,344	20,262,354	17,859,087	7,240,597	5,485,619		
Current Assets							
12,070,081	1,170,925	13,641,101	9,646,970	1,237,240	1,326,163		
12,129,696	1,644,784	16,024,410	13,205,993	2,143,285	1,235,897		
1,201,284	115,490	2,157,233	1,766,622	207,333	87,370		
-	1,686,497	-	-	2,613,105	1,486,733		
9,044,765	3,088,241	11,451,602	5,807,579	3,948,183	2,856,521		
34,445,826	7,705,937	43,274,346	30,427,164	10,149,146	6,992,684		
54,049,600	14,904,281	63,536,700	48,286,251	17,389,743	12,478,303		
EQUITY AND LIABILITIES							
Equity							
598,615	598,615	598,615	598,615	598,615	598,615		
580,773	283,785	580,773	520,422	283,785	239,184		
64,776	-	64,752	64,767	-	-		
20,370,254	5,566,570	25,093,099	15,346,558	7,528,058	4,770,585		
21,614,418	6,448,970	26,337,239	16,530,362	8,410,458	5,608,384		
4,423,161	-	4,837,880	3,561,860	-	-		
26,037,579	6,448,970	31,175,120	20,092,222	8,410,458	5,608,384		
Non-Current Liabilities							
1,402,351	-	2,735,732	728,568	-	-		
1,133,218	351	1,178,642	1,083,103	-	16,646		
809,083	-	800,454	810,462	-	-		
2,866,645	611,422	3,165,474	2,799,386	638,374	532,543		
131,118	-	159,665	98,561	-	-		
775,949	113,377	902,687	746,714	228,653	-		
-	-	-	77,167	-	-		
7,118,364	725,150	8,942,654	6,343,961	867,027	549,189		
Current liabilities							
8,207,549	1,084,366	9,460,219	7,890,951	1,196,192	764,899		
315,739	315,739	109,410	371,505	109,410	371,505		
10,094,227	5,203,242	10,348,547	12,107,030	5,652,524	4,376,098		
1,701,927	-	2,830,418	403,444	-	-		
77,480	29,684	75,195	75,502	24,239	29,684		
-	1,064,548	-	-	943,718	696,080		
496,735	32,582	595,137	1,001,636	186,175	82,464		
20,893,657	7,730,161	23,418,926	21,850,068	8,112,258	6,320,730		
28,012,021	8,455,311	32,361,580	28,194,029	8,979,285	6,869,919		
54,049,600	14,904,281	63,536,700	48,286,251	17,389,743	12,478,303		

The notes to the financial statements on pages from 8 to 9 form an integral part of the financial statements.

The Financial Position as at 30/06/2022, and Income Statements, Statement of Changes in Equity and Statements of Cash Flow for the three months then ended are drawn up from the unaudited financial statements of the Company and its subsidiaries and provide the information required by the Colombo Stock Exchange.

It is certified that the interim financial statements have been prepared in compliance with the requirements of the Companies Act No.7 of 2007.

sgd.

N.A.R.S. Nanayakkara

Director Finance

Signed on behalf of the Board

sgd.

A.M.Pandithage

Chairman

09/08/2022

sgd.

Ng Soon Huat

Managing Director

DIPPED PRODUCTS PLC
STATEMENTS OF CHANGES IN EQUITY

Group
For the period ended 30/06/2022

	-----Attributable to equity holders of the Company-----										Non-controlling Interest	Total Equity	
	Stated Capital	-----Capital Reserves-----			Other Component s of Equity Fair Value Reserve of Financial Assets at FVTOCI	-----Revenue Reserves-----							Total
		Reserve on scrip Issue	Revaluation Reserve	Other Capital Reserves		General Reserve	Timber Reserve	Bearer Biological Produce	Retained Earnings	Exchange Fluctuation Reserve			
Balance as at 01/04/2021 (Previously Reported)	598,615	167,409	269,724	83,289	64,752	1,190,950	201,516	17,997	11,465,289	1,586,711	15,646,252	3,495,286	19,141,538
Impact on Surcharge Tax	-	-	-	-	-	-	-	-	(292,382)	-	(292,382)	(29,282)	(321,664)
Balance as at 01/04/2021 (Restated)	598,615	167,409	269,724	83,289	64,752	1,190,950	201,516	17,997	11,172,907	1,586,711	15,353,870	3,466,004	18,819,874
Profit for the year	-	-	-	-	-	-	-	-	1,245,541	-	1,245,541	145,852	1,391,393
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Currency translation of foreign operations	-	-	-	-	-	-	-	-	-	289,765	289,765	(1,963)	287,802
Net gain/(loss) on equity instrument designated at fair value through OCI	-	-	-	-	15	-	-	-	-	-	15	6	21
Actuarial gain/(loss) on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of actuarial gain from equity accounted investee	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax effect on Actuarial gain/(loss) on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax effect on Land revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	15	-	-	-	-	289,765	289,780	(1,957)	287,823
Total comprehensive income for the year	-	-	-	-	15	-	-	-	1,245,541	289,765	1,535,321	143,895	1,679,216
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	(359,169)	-	(359,169)	(46,119)	(405,288)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(359,169)	-	(359,169)	(46,119)	(405,288)
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	340	-	340	(1,920)	(1,580)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	340	-	340	(1,920)	(1,580)
Balance as at 30/06/2021	598,615	167,409	269,724	83,289	64,767	1,190,950	201,516	17,997	12,059,619	1,876,476	16,530,362	3,561,860	20,092,222
Restated Balance as at 01/04/2022	598,615	167,409	330,075	83,289	64,776	1,190,950	227,109	20,985	15,076,031	3,855,179	21,614,418	4,423,160	26,037,579
Profit for the year	-	-	-	-	-	-	-	-	3,702,319	-	3,702,319	550,317	4,252,636
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Currency translation of foreign operations	-	-	-	-	-	-	-	-	-	1,110,318	1,110,318	5,518	1,115,836
Net gain/(loss) on equity instrument designated at fair value through OCI	-	-	-	-	(24)	-	-	-	-	-	(24)	(9)	(33)
Total other comprehensive income	-	-	-	-	(24)	-	-	-	-	1,110,318	1,110,294	5,509	1,115,803
Total comprehensive income for the year	-	-	-	-	(24)	-	-	-	3,702,319	1,110,318	4,812,613	555,826	5,368,439
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	(89,792)	-	(89,792)	(141,106)	(230,898)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(89,792)	-	(89,792)	(141,106)	(230,898)
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30/06/2022	598,615	167,409	330,075	83,289	64,752	1,190,950	227,109	20,985	18,688,558	4,965,497	26,337,239	4,837,880	31,175,120

The notes to the financial statements on pages from 8 to 9 form an integral part of the financial statements.

DIPPED PRODUCTS PLC
STATEMENTS OF CHANGES IN EQUITY

Company

For the period ended 30/06/2022

	Stated Capital	-----Capital Revaluation Reserve	Reserves----- Capital Redemption Reserve Fund	--Revenue Reserves-- Retained Earnings	Total
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
Balance as at 01/04/2021 (Previously Reported)	598,615	239,004	180	4,513,726	5,351,525
Impact on Surcharge Tax	-	-	-	(203,525)	(203,525)
Balance as at 01/04/2021 (Restated)	598,615	239,004	180	4,310,201	5,148,000
Profit for the year	-	-	-	819,553	819,553
Total comprehensive income for the year	-	-	-	819,553	819,553
Transfers / adjustments					
Transactions with owners, recorded directly in equity					
Dividends to equity holders	-	-	-	(359,169)	(359,169)
Total transactions with owners, recorded directly in equity	-	-	-	(359,169)	(359,169)
Balance as at 30/06/2021	598,615	239,004	180	4,770,585	5,608,384
Restated Balance as at 01/04/2022	598,615	283,605	180	5,566,570	6,448,970
Profit for the year	-	-	-	2,051,280	2,051,280
Total comprehensive income for the year	-	-	-	2,051,280	2,051,280
Transactions with owners, recorded directly in equity					
Dividends to equity holders	-	-	-	(89,792)	(89,792)
Total transactions with owners, recorded directly in equity	-	-	-	(89,792)	(89,792)
Balance as at 30/06/2022	598,615	283,605	180	7,528,058	8,410,458

The notes to the financial statements on pages from 8 to 9 form an integral part of the financial statements.
The figures in brackets indicate deductions.

DIPPED PRODUCTS PLC
STATEMENT OF CASH FLOWS

Group		Company		Group		Company	
Year to	Year to	03 months to	03 months to	03 months to	03 months to	03 months to	03 months to
31/03/2022	31/03/2022	30/06/2022	30/06/2021	30/06/2022	30/06/2021	30/06/2022	30/06/2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash flows from operating activities							
10,765,934	1,045,892	2,671,356	1,142,208	466,160	456,452		
(688,678)	(311,712)	(357,572)	(147,776)	(187,784)	(52,896)		
(1,976,236)	(187,970)	(762,534)	(385,958)	(28,339)	(100,001)		
(290,428)	(60,987)	(81,476)	(70,340)	(649)	(21,224)		
1,107	1,266	-	-	-	-		
(4,110)	-	-	-	-	-		
-	-	(160,832)	-	(101,762)	-		
7,807,589	486,489	1,308,942	538,134	147,626	282,331		
Cash flows from investing activities							
(3,964,844)	(399,256)	(796,819)	(1,528,586)	(45,464)	(92,690)		
(126,335)	(5,039)	(28,891)	(5,937)	(0)	(33,349)		
(19,483)	-	(26,485)	(8,517)	-	-		
38,874	-	770	13,262	-	-		
62,929	11,189	9,916	22,883	1,006	11,189		
400,000	195,000	-	-	-	-		
1,060	-	(2,938)	(2,349)	-	-		
238,629	196,677	144,566	23,064	102,479	14,602		
-	709,549	-	-	506,930	407,771		
-	509,017	-	-	-	509,017		
(3,369,170)	1,217,138	(699,882)	(1,486,180)	564,951	816,540		
Cash flows from financing activities							
2,205,964	-	2,467,962	30,000	-	-		
(1,075,356)	-	(475,758)	(84,121)	-	-		
-	8,270	-	-	-	4,094		
(64,203)	(21,383)	(11,523)	(11,864)	(5,796)	(5,088)		
(1,188,076)	(1,188,076)	(296,121)	(17)	(296,121)	(17)		
(126,924)	-	(141,106)	(46,119)	-	-		
2,512,606	1,510,000	(373,116)	3,515,719	(102,000)	1,615,000		
2,264,009	308,811	1,170,339	3,403,598	(403,917)	1,613,989		
6,702,427	2,012,437	1,779,400	2,455,552	308,660	2,712,861		
(1,155,461)	(402,438)	5,546,966	(1,155,461)	1,609,999	(402,438)		
5,546,966	1,609,999	7,326,366	1,300,091	1,918,659	2,310,423		
Cash generated from operations							
7,596,775	3,042,552	5,012,432	1,718,480	2,348,488	842,529		
Adjustments for:							
688,678	311,712	357,572	147,776	187,784	52,896		
(2,510)	-	-	-	-	-		
(67,692)	-	-	-	-	-		
1,148,362	108,282	356,207	265,296	30,476	23,555		
118,333	20,879	30,493	32,482	5,220	5,220		
49,866	2,297	44,304	10,538	2,227	(4,371)		
27,290	4,126	4,304	11,701	715	7,386		
18,736	11,839	5,459	4,239	2,952	2,952		
(26,507)	(11,189)	(1,029)	(16,030)	(1,006)	(11,189)		
(7,378)	(6,720)	-	-	-	-		
(35,950)	-	(9,399)	(8,960)	-	-		
50,075	(564)	4	(9,433)	947	726		
397,332	88,529	341,567	141,010	27,600	26,400		
18,654	-	8,534	10,559	-	-		
304,381	(15,543)	20,352	228,363	5,091	(9,691)		
(238,629)	(1,262,426)	(144,566)	(23,064)	(700,169)	(422,373)		
2,877,279	-	1,458,793	318,364	-	-		
-	(251,129)	-	-	-	(251,129)		
12,917,096	2,042,645	7,485,028	2,831,321	1,910,325	262,911		
(1,858,004)	(2,251,192)	(3,679,853)	(3,092,885)	(1,613,514)	111,127		
1,507,220	116,358	(955,949)	941,882	(91,843)	144,478		
(1,268,288)	205,101	(1,591,372)	1,228,331	(98,368)	44,011		
(532,090)	932,980	1,413,502	(766,441)	359,560	(106,075)		
(2,151,162)	(996,753)	(4,813,672)	(1,689,113)	(1,444,165)	193,541		
10,765,934	1,045,892	2,671,356	1,142,208	466,160	456,452		
Analysis of cash & cash equivalents at end of the period							
4,329,403	720,220	5,617,075	1,474,803	984,983	345,512		
4,715,362	2,368,021	5,834,527	4,332,776	2,963,200	2,511,009		
(3,497,799)	(1,478,242)	(4,125,236)	(4,507,488)	(2,029,524)	(546,098)		
5,546,966	1,609,999	7,326,366	1,300,091	1,918,659	2,310,423		

The notes to the financial statements on pages from 8 to 9 form an integral part of the financial statements.
The figures in brackets indicate deductions

DIPPED PRODUCTS PLC

Notes to the Financial Statements

1. These Interim Financial Statements which have not been audited, comply with the LKAS 34 - Interim Financial Reporting and also provide the information required by the Colombo Stock Exchange.
2. No other circumstances have arisen since the balance sheet date, which would require adjustments to or disclosure in the financial statements other than those disclosed.
3. There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31/03/2022.

4. Changes in Accounting policies and Disclosures

There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report for the year ended 31/03/2022.

5. Industry Segment Revenue from Contracts with Customers

<u>Group</u> Year to 31/03/2022		<u>Group</u> 3 months to 30/06/2022	<u>Group</u> 3 months to 30/06/2021
Rs'000		Rs'000	Rs'000
37,917,944	Hand Protection	13,356,777	12,291,077
17,665,702	Plantations	7,442,544	4,580,689
55,583,646		20,799,321	16,871,766
(289,663)	Inter - segment sales / services	(68,845)	(89,845)
<u>55,293,983</u>		<u>20,730,476</u>	<u>16,781,921</u>

6. Industry Segment Results

<u>Group</u> Year to 31/03/2022		<u>Group</u> 3 months to 30/06/2022	<u>Group</u> 3 months to 30/06/2021
		Rs. '000	Rs. '000
3,107,452	Hand Protection	2,044,526	1,263,740
2,463,356	Plantations	1,126,593	445,043
5,570,808		3,171,120	1,708,782
(211,200)	Inter - segment results	-	-
5,359,608	Segment results	3,171,120	1,708,782
(1,144,914)	Finance cost	(390,419)	(168,694)
3,382,082	Finance income	2,231,731	178,392
<u>7,596,775</u>	Profit before tax	<u>5,012,432</u>	<u>1,718,480</u>

DIPPED PRODUCTS PLC

Notes to the Financial Statements

7. Surcharge Tax

The Surcharge Tax Act No. 14 of 2022 was enacted on 8th April 2022, confirming the imposition of a one-time tax of 25% on entities in which the taxable income exceeded Rs. 2 bn for the financial year ended 31st March 2021. The surcharge tax is applicable to the Dipped Products Group as the cumulative taxable income of group entities calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, exceeded the set threshold.

The total Surcharge Tax liability of the group amounted to Rs. 321,663,665, and the first installment of Rs. 160,831,832.5 was paid by group entities on 20th April 2022 and the balance on 20th July 2022.

The impact to the profit for the year ended 31st March 2021 as a result of the surcharge tax under the Surcharge Tax Act is as below;

	Group (Rs.000')	Company (Rs.000')
Profit after tax for the year ended 31 March 2021 (Previously reported)	5,833,327	1,862,902
Surcharge Tax charge	<u>(321,664)</u>	<u>(203,525)</u>
Adjusted Profit for the year ended 31st March 2021	<u>5,511,663</u>	<u>1,659,377</u>

8. Impact of Recent Economic Conditions

The Directors are continuously monitoring the existing and the anticipated effects of the Sri Lanka economic crisis, the circumstances of the global external environment, the resultant consequences to the company and are taking appropriate measures to manage the impact.

i. Increase in interest rates

The sharp increase in interest rates adversely impacted net interest cost which increased by 100% and 153% for the group and the company respectively. The impact was exacerbated by the increase in working capital value due to LKR depreciation

Following measures were taken to reduce the impact of increase in interest rates;

- Fixed the interest of short – term working capital loans for a longer period based on money market conditions.
- Taken actions to improve the recoveries from debtors in an attempt to reduce the borrowings.
- Strategic focus on capex planning to prioritise essential capex while deferring the other capex requirements.

ii. Significant rupee depreciation and local inflation

The rupee depreciation positively affected the company's top line and bottom line. However, maintaining the exchange at a fixed level for an extended period posed challenges in maintaining competitiveness in the international market place. Strategic measures were taken to obtain working capital funding in local currency whilst closely monitoring the currency rate movement.

The local inflation has created steep cost increases in operational expenses and overheads. The management continues to focus on productivity improvements and lean initiatives to mitigate the impact.

DIPPED PRODUCTS PLC

INVESTOR INFORMATION

	30/06/2022 Rs.	30/06/2021 Rs.
Market Value of Shares		
The market value of an ordinary share of Dipped Products PLC was as follows.		
Last traded Price	25.10	50.80
Highest price recorded for the three months ending	35.50	61.90
Lowest price recorded for the three months ending	21.00	46.00
Market Capitalisation (Rs. M)	15,025	30,410
Ratios		
Net assets per share at the period end*	44.00	27.61
Price earnings ratio annualised (times)	1.01	6.10
Share Trading information from 01/04/2022 to 30/06/2022		
Number of transactions	9,658	68,403
Number of shares traded	14,435,389	137,680,381
Value of shares traded (Rs.)	424,279,394.90	7,561,595,536.40

Dividend Payments

Final dividend of Rs 0.15 per share for the year 2021/2022 paid on 11/07/2022

First twenty shareholders as at 30/06/2022

	Shareholder	No.of Shares as at 30/06/2022	%
1	Hayleys PLC	252,109,380	42.12
2	Volanka (Pvt) Limited	48,736,400	8.14
3	Haycarb PLC	40,687,460	6.80
4	Employees Provident Fund	27,551,107	4.60
5	Ravi Industries Limited	5,670,000	0.95
6	Employees Trust Fund Board	5,226,729	0.87
7	Seylan Bank PLC/ Janashakthi Capital Limited	4,877,053	0.81
8	Mr.H.S.R.Kariyawasan & Mrs. K.H.S.Kariyawasan	4,150,850	0.69
9	Dr.D.Jayanntha	4,150,000	0.69
10	Commercial Bank Of Ceylon PLC/ Capital Trust Holdings Limited	3,936,096	0.66
11	Mr.N.Samarasuriya	3,175,860	0.53
12	Mr. H.A.R.Pieris	3,030,000	0.51
13	Amana Bank PLC / Mr.M.N.Deen	2,961,994	0.49
14	Capital Trust Holdings Ltd	2,680,945	0.45
15	Mrs.S.H.Sardakhan	1,875,000	0.31
16	People's Leasing & Finance PLC/Mr.D.M.P.Disanayake	1,662,613	0.28
17	Renuka Properties Limited	1,660,000	0.28
18	Mrs.L.Sivagurunathan (Deceased)	1,630,440	0.27
19	Merchant Bank of Sri Lanka & Finance PLC / U.D.Premakumara	1,576,579	0.26
20	Mr.M.I.M.Shafie & Mrs. F.R.Shafie	1,572,743	0.26
	TOTAL	418,921,249	69.98

Public Holding as at 30/06/2022

Percentage of Public Holding 41.01%

Total number of shareholders representing the public holding 15,007

Float - Adjusted Market Capitalization (Rs.) 6,235,498,342.08

The Company complies with option 3 of the Listing Rules 7.13.1 (a) which requires 7.5% minimum Public Holding.

Directors' shareholding as at 30/06/2022

Name of Director	No.of Shares as at 30/06/2022
Mr.A.M.Pandithage	-
Mr.H.S.R.Kariyawasan & K.H.S.Kariyawasan	4,150,850
Mr.H.S.R.Kariyawasan & H.B.Kariyawasan	799,860
Mr.Ng Soon Huat	-
Mr.R.H.P.Janadheera	300,000
Mr.S.C.Ganegoda	260,000
Mr.F.Mohideen	-
Mr.S. Rajapakse	-
Mr.N.A.R.R.S.Nanayakkara	350,000
Mr.S.P.Peiris	61,000
Mr.K.D.G.Gunaratne	-
Mr.K.M.D.I. Prasad	-
Mr. B.K.C.R.Ratnasiri (Appointed w.e.f. 01.04.2022)	-
Mr.G.Molinari (Appointed w.e.f. 01.04.2022)	-
Total	5,921,710

There were no non-voting shares as at 30/06/2022.