

DIPPED PRODUCTS PLC

INTERIM REPORT FOR THE NINE MONTHS ENDED 31ST DECEMBER 2022

CORPORATE INFORMATION

LEGAL FORM

A Public Limited Company
Incorporated in Sri Lanka in 1976

COMPANY NUMBER

PQ60

DIRECTORS

Mr. Mohan Pandithage - Chairman
Mr. Rajitha Kariyawasan - Deputy Chairman
Mr. Pushpika Janadheera - Managing Director
Mr. Ng Soon Huat - (Resigned w.e.f 18.01.2023)
Mr. Sarath Ganegoda
Mr. Faiz Mohideen
Mr. Sujeewa Rajapakse
Mr. Ramesh Nanayakkara
Mr. Sujeewa Peiris
Mr. Gamini Gunaratne
Mr. Indika Prasad
Mr. Chandika Ratnasiri
Mr. Giorgio Molinari
Ms. Brindhiini Perera

SUBSIDIARIES

Hand Protection

Palma Limited - liquidated on 14.11.2022
Venigros (Private) Limited
Texnil (Private) Limited - in the process of liquidation
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
DPL France SAS
ROZENBAL POLSKA Sp. z o.o.

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	Group			Group		
Audited Year to 31/03/2022 Rs.'000	Unaudited 09 months to 31/12/2022 Rs.'000	Unaudited 09 months to 31/12/2021 Rs.'000	Increase/ (Decrease) %	Unaudited 03 months to 31/12/2022 Rs.'000	Unaudited 03 months to 31/12/2021 Rs.'000	Increase/ (Decrease) %
	Revenue from contracts with customers					
55,293,983	61,581,013	42,743,545	44	19,586,955	12,730,290	54
(44,561,333)	(47,318,492)	(34,387,146)	38	(15,328,969)	(10,421,358)	47
10,732,650	14,262,521	8,356,399	71	4,257,986	2,308,932	84
833,407	531,279	372,755	43	328,400	110,949	>100
(1,402,795)	(2,546,693)	(1,054,840)	>100	(985,878)	(390,433)	>100
(4,803,655)	(5,158,619)	(3,340,270)	54	(1,881,749)	(820,901)	>100
(706,458)	(881,835)	(600,994)	47	(133,805)	(189,384)	(29)
2,943,626	2,629,174	475,630	>100	3,531	97,830	(96)
7,596,775	8,835,827	4,208,680	>100	1,588,485	1,116,993	42
(1,185,975)	(1,833,840)	(808,982)	>100	(666,446)	(189,814)	>100
6,410,800	7,001,987	3,399,698	>100	922,039	927,179	(1)
	Attributable to :					
5,382,651	5,703,330	3,018,151	89	827,422	811,015	2
1,028,149	1,298,657	381,547	>100	94,617	116,164	(19)
6,410,800	7,001,987	3,399,698	>100	922,039	927,179	(1)
8.99	9.53	5.04		1.38	1.35	
8.99	9.53	5.04		1.38	1.35	
2.50	2.40	2.00		1.00	0.45	

* Computed based on 598,615,120 ordinary shares on issue as at 31/12/2022

The notes to the financial statements on page 10 and 11 form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC

STATEMENT OF PROFIT OR LOSS

Company	Company			Company		
	Unaudited 09 months to 31/12/2022 Rs.'000	Unaudited 09 months to 31/12/2021 Rs.'000	Increase/ (Decrease) %	Unaudited 03 months to 31/12/2022 Rs.'000	Unaudited 03 months to 31/12/2021 Rs.'000	Increase/ (Decrease) %
Audited Year to 31/03/2022 Rs.'000						
6,610,277	8,012,655	5,119,317	57	2,492,295	1,556,822	60
(5,289,337)	(5,293,119)	(4,103,385)	29	(1,735,639)	(1,221,293)	42
1,320,940	2,719,536	1,015,932	>100	756,656	335,529	>100
1,455,815	2,722,308	1,133,311	>100	133,133	6,003	>100
(38,364)	(272,638)	(34,392)	>100	(74,557)	(19,532)	>100
(1,028,196)	(980,364)	(667,449)	47	(353,864)	(222,463)	59
(311,712)	(414,859)	(216,825)	91	(32,685)	(89,712)	(64)
1,644,069	1,398,737	214,010	>100	53,534	73,670	(27)
3,042,552	5,172,720	1,444,587	>100	482,217	83,495	>100
(242,132)	(239,992)	(20,359)	>100	171,719	7,852	>100
2,800,420	4,932,728	1,424,228	>100	653,936	91,347	>100
4.68	8.24	2.38		1.09	0.15	
4.68	8.24	2.38		1.09	0.15	
2.50	2.40	2.00		1.00	0.45	

* Computed based on 598,615,120 ordinary shares on issue as at 31/12/2022

The notes to the financial statements on page 10 and 11 form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC
STATEMENTS OF COMPREHENSIVE INCOME

Group		Group			Group		
Audited		Unaudited	Unaudited		Unaudited	Unaudited	
Year to		09 months to	09 months to	Increase/	03 months to	03 months to	Increase/
31/03/2022		31/12/2022	31/12/2021	(Decrease)	31/12/2022	31/12/2021	(Decrease)
Rs.'000		Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
6,410,800	Profit / (loss) for the period	7,001,987	3,399,698	>100	922,039	927,179	(1)
	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	1,601,905	(276,180)	>100	985,964	(365,958)	>100
	<u>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)</u>						
40,589	Actuarial gain/(loss) on defined benefit plans	-	-		-	-	
3,055	Tax effect on actuarial gain/(loss)	-	-		-	-	
32	Net gain/(loss) on equity instruments designated at Fair Value through OCI	(26)	116	>(100)	(29)	72	>(100)
128,028 (16,041)	Revaluation of land Tax effect on land revaluation	(27,542)	-	>100	(27,542)	-	>100
2,431,947	Other comprehensive income / (loss) for the period, net of tax	1,574,337	(276,064)	>100	958,393	(365,886)	>100
8,842,747	Total comprehensive income / (loss) for the period, net of tax	8,576,324	3,123,634	>100	1,880,432	561,293	>100
	Attributable to :						
7,756,719	Equity holders of the parent	7,274,163	2,744,824	>100	1,785,683	444,727	>100
1,086,028	Non-controlling interest	1,302,161	378,810	>100	94,749	116,566	(19)
8,842,747	Total comprehensive income / (loss) for the period, net of tax	8,576,324	3,123,634	>100	1,880,432	561,293	>100

The notes to the financial statements on page 10 and 11 form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC
STATEMENTS OF COMPREHENSIVE INCOME

Company Audited Year to 31/03/2022 Rs.'000		Company			Company		
		Unaudited 09 months to 31/12/2022 Rs.'000	Unaudited 09 months to 31/12/2021 Rs.'000	Increase/ (Decrease) %	Unaudited 03 months to 31/12/2022 Rs.'000	Unaudited 03 months to 31/12/2021 Rs.'000	Increase/ (Decrease) %
2,800,420	Profit / (loss) for the period	4,932,728	1,424,228	>100	653,936	91,347	>100
	Other comprehensive income						
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)						
(55,248)	Actuarial gain/(loss) on defined benefit plans	-	-		-	-	
7,735	Tax effect on actuarial gain/(loss)	-	-		-	-	
51,862	Revaluation of land	-	-		-	-	
(7,261)	Tax effect on Land revaluation	-	-		-	-	-
(2,912)	Other comprehensive income / (loss) for the period, net of tax	-	-		-	-	
2,797,508	Total comprehensive income / (loss) for the period, net of tax	4,932,728	1,424,228	>100	653,936	91,347	>100

The notes to the financial statements on page 10 and 11 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	
Audited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
As at	As at	As at	As at	As at	As at	As at	As at
31/03/2022	31/03/2022	31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS							
Non-Current Assets							
Tangible assets							
16,344,832	1,166,197	Property, plant and equipment	18,342,426	15,148,929	1,341,967	1,093,140	
436,494	90,166	Formers (moulds)	562,801	395,523	126,787	131,533	
599,064	-	Biological assets	609,722	544,909	-	-	
1,345,567	24,657	Right of use assets	1,258,614	1,340,506	13,129	29,877	
315,131	23,666	Intangible assets	330,121	306,493	14,745	26,585	
-	5,892,658	Investment in subsidiaries	-	-	7,392,658	4,142,658	
393,261	1,000	Other non-current financial assets	391,829	392,968	846	-	
169,425	-	Deferred tax assets	247,263	127,757	46,542	73,502	
19,603,774	7,198,344		21,742,776	18,257,085	8,936,674	5,497,295	
Current Assets							
12,070,081	1,170,925	Inventories	13,018,260	8,626,201	1,493,205	758,200	
12,129,696	1,644,784	Trade and other receivables	15,650,518	8,707,655	1,968,761	1,230,522	
1,201,284	115,490	Advance and prepayments	2,270,745	1,153,261	373,328	144,328	
-	1,686,497	Amounts due from subsidiaries	-	-	316,044	2,778,530	
9,044,765	3,088,241	Cash and short term deposits	8,150,522	6,995,729	1,864,420	2,669,155	
34,445,826	7,705,937		39,090,045	25,482,846	6,015,758	7,580,735	
54,049,600	14,904,281	Total assets	60,832,821	43,739,931	14,952,432	13,078,030	
EQUITY AND LIABILITIES							
Equity							
598,615	598,615	Stated capital (Issued and fully paid 598,615,120 ordinary shares)	598,615	598,615	598,615	598,615	
580,773	283,785	Capital reserves	555,997	483,755	266,277	239,184	
64,776	-	Fair value reserve of financial assets at fair value through OCI	64,757	64,836	-	-	
20,662,636	5,770,095	Revenue reserves	26,232,536	16,046,979	9,062,622	4,740,724	
21,906,800	6,652,495	Equity attributable to equity holders of the parent	27,451,905	17,194,186	9,927,515	5,578,523	
4,452,443	-	Non-controlling interest	5,378,890	3,785,392	-	-	
26,359,243	6,652,495	Total equity	32,830,794	20,979,577	9,927,515	5,578,523	
Non-Current Liabilities							
1,402,351	-	Interest-bearing loans and borrowings	1,945,344	1,151,261	-	-	
1,133,218	351	Lease Liabilities	1,175,046	1,045,895	-	5,960	
809,083	-	Deferred income	798,446	814,484	-	-	
2,866,645	611,422	Defined benefit obligations	3,350,562	3,016,308	699,086	549,325	
131,118	-	Agents' indemnity fund	172,334	97,466	-	-	
775,949	113,377	Deferred tax liabilities	1,225,990	714,357	-	-	
-	-	Other Non Current Liabilities	-	88,593	-	-	
7,118,364	725,150		8,667,722	6,928,364	699,086	555,285	
Current liabilities							
7,885,885	880,841	Trade and other payables	8,844,590	5,237,166	1,152,265	801,879	
315,739	315,739	Unclaimed dividends / dividends payable	622,116	285,615	622,116	285,615	
10,094,227	5,203,242	Short-term loans and bank overdrafts	5,932,784	9,499,635	986,611	4,903,957	
1,701,927	-	Interest-bearing loans and borrowings	2,763,415	442,844	-	-	
77,480	29,684	Lease Liabilities	63,354	75,502	17,843	29,684	
-	1,064,548	Amounts due to subsidiaries	-	-	1,133,236	919,040	
496,735	32,582	Income tax payable	1,108,046	291,228	413,760	4,047	
20,571,993	7,526,636		19,334,305	15,831,990	4,325,831	6,944,222	
27,690,357	8,251,786	Total liabilities	28,002,027	22,760,354	5,024,917	7,499,507	
54,049,600	14,904,281	Total equity and liabilities	60,832,821	43,739,931	14,952,432	13,078,030	

The notes to the financial statements on page 10 and 11 form an integral part of the financial statements.

The Financial Position as at 31/12/2022, and Income Statements, Statement of Changes in Equity and Statements of Cash Flow for the nine 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.R.S. Nanayakkara
Director Finance
Signed on behalf of the Board

sgd.
A.M.Pandithage
Chairman
13/02/2023

sgd.
R.H.P.Janadheera
Managing Director

DIPPED PRODUCTS PLC
STATEMENTS OF CHANGES IN EQUITY

Group
For the period ended 31/12/2022

	-----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	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
Profit for the year	-	-	-	-	-	-	-	-	3,018,151	-	3,018,151	381,547	3,399,698
Other comprehensive income													
Currency translation of foreign operations	-	-	-	-	-	-	-	-	-	(273,411)	(273,411)	(2,769)	(276,180)
Net gain/(loss) on equity instrument designated at fair value through OCI	-	-	-	-	84	-	-	-	-	-	84	32	116
Total other comprehensive income	-	-	-	-	84	-	-	-	-	(273,411)	(273,327)	(2,737)	(276,064)
Total comprehensive income for the year	-	-	-	-	84	-	-	-	3,018,151	(273,411)	2,744,824	378,810	3,123,634
Transactions with owners, recorded directly in equity													
Dividends to equity holders	-	-	-	-	-	-	-	-	(1,197,230)	-	(1,197,230)	(86,784)	(1,284,014)
Realisation of Investment Properties	-	-	(36,667)	-	-	-	-	-	36,667	-	-	-	-
Total contributions by and distributions to owners	-	-	(36,667)	-	-	-	-	-	(1,160,564)	-	(1,197,230)	(86,784)	(1,284,014)
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 31/12/2021	598,615	167,409	233,057	83,289	64,836	1,190,950	201,516	17,997	13,323,216	1,313,300	17,194,186	3,785,392	20,979,577
Balance as at 01/04/2022	598,615	167,409	330,075	83,289	64,776	1,190,950	227,109	20,985	15,368,413	3,855,179	21,906,800	4,452,442	26,359,243
Impact on Surcharge Tax	-	-	-	-	-	-	-	-	(292,382)	-	(292,382)	(29,282)	(321,664)
Adjusted 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	4,423,161	26,037,579
Profit for the year	-	-	-	-	-	-	-	-	5,703,330	-	5,703,330	1,298,657	7,001,987
Other comprehensive income													
Currency translation of foreign operations	-	-	-	-	-	-	-	-	-	1,595,628	1,595,628	6,277	1,601,905
Net gain/(loss) on equity instrument designated at fair value through OCI	-	-	-	-	(19)	-	-	-	-	-	(19)	(7)	(26)
Tax effect on Land revaluation	-	-	(24,776)	-	-	-	-	-	-	-	(24,776)	(2,766)	(27,542)
Total other comprehensive income	-	-	(24,776)	-	(19)	-	-	-	-	1,595,628	1,570,833	3,504	1,574,337
Total comprehensive income for the year	-	-	(24,776)	-	(19)	-	-	-	5,703,330	1,595,628	7,274,163	1,302,161	8,576,324
Transactions with owners, recorded directly in equity													
Dividends to equity holders	-	-	-	-	-	-	-	-	(1,436,676)	-	(1,436,676)	(428,545)	(1,865,221)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(1,436,676)	-	(1,436,676)	(428,545)	(1,865,221)
Changes in ownership interests in subsidiaries													
Net investment by non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	82,113	82,113
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	82,113	82,113
Balance as at 31/12/2022	598,615	167,409	305,299	83,289	64,757	1,190,950	227,109	20,985	19,342,685	5,450,807	27,451,905	5,378,890	32,830,795

The notes to the financial statements on page 10 and 11 form an integral part of the financial statements.
The figures in brackets indicate deductions.

DIPPED PRODUCTS PLC
STATEMENTS OF CHANGES IN EQUITY

Company

For the period ended 31/12/2022

	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	598,615	239,004	180	4,513,726	5,351,525
Profit for the year	-	-	-	1,424,228	1,424,228
Total comprehensive income for the year	-	-	-	1,424,228	1,424,228
Transactions with owners, recorded directly in equity					
Dividends to equity holders	-	-	-	(1,197,230)	(1,197,230)
Total transactions with owners, recorded directly in equity	-	-	-	(1,197,230)	(1,197,230)
Balance as at 31/12/2021	598,615	239,004	180	4,740,724	5,578,523
Balance as at 01/04/2022	598,615	283,605	180	5,770,095	6,652,495
Impact on Surcharge Tax	-	-	-	(203,525)	(203,525)
Adjusted Balance as at 01/04/2022	598,615	283,605	180	5,566,571	6,448,971
Profit for the year	-	-	-	4,932,728	4,932,728
Other comprehensive income					
Tax effect on Land revaluation	-	(17,508)	-	-	(17,508)
Total other comprehensive income	-	(17,508)	-	-	(17,508)
Total comprehensive income for the year	-	(17,508)	-	4,932,728	4,915,220
Transactions with owners, recorded directly in equity					
Dividends to equity holders	-	-	-	(1,436,676)	(1,436,676)
Total transactions with owners, recorded directly in equity	-	-	-	(1,436,676)	(1,436,676)
Balance as at 31/12/2022	598,615	266,097	180	9,062,622	9,927,515

The notes to the financial statements on page 10 and 11 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	
			Unaudited 09 months to 31/12/2022 Rs.'000	Unaudited 09 months to 31/12/2021 Rs.'000	Unaudited 09 months to 31/12/2022 Rs.'000	Unaudited 09 months to 31/12/2021 Rs.'000
		Cash flows from operating activities				
10,765,934	1,045,892	Cash generated from operations (Note A)	8,763,821	8,276,987	3,255,083	580,867
(688,678)	(311,712)	Interest paid	(827,248)	(496,734)	(334,396)	(216,825)
(1,976,236)	(187,970)	Taxes paid	(1,093,690)	(1,784,901)	(36,240)	(182,086)
(290,428)	(60,987)	Retiring gratuity paid	(332,780)	(211,131)	(11,136)	(57,242)
1,107	1,266	Release in defined benefit obligation due to employee transfers	-	-	-	-
(4,110)	-	Agents' indemnity paid	-	-	-	-
-	-	Surcharge Tax Paid	(321,664)	-	(203,525)	-
<u>7,807,589</u>	<u>486,489</u>	Net cash flow from operating activities	<u>6,188,440</u>	<u>5,784,221</u>	<u>2,669,786</u>	<u>124,714</u>
		Cash flows from investing activities				
(3,964,844)	(399,256)	Purchase & construction of property, plant and equipment	(2,829,584)	(2,976,903)	(271,172)	(347,434)
(126,335)	(5,039)	Purchase of formers (moulds)	(193,237)	(73,029)	(6,761)	(49,791)
(19,483)	-	Acquisition of intangible assets	(28,896)	(10,234)	-	-
38,874	-	Grants received	17,514	35,256	-	-
62,929	11,189	Proceeds from disposal of property, plant and equipment	15,979	36,594	1,006	11,189
400,000	195,000	Proceeds from disposal of investment property	-	400,000	-	195,000
1,060	-	Development cost (net) incurred on biological assets net of harvest	(10,659)	(14,366)	-	-
238,629	196,677	Interest and dividend received	625,860	172,374	279,839	156,788
-	709,549	Dividend received from subsidiary companies	-	-	1,462,603	709,549
-	509,017	Proceed from share buyback by subsidiaries	-	-	-	509,017
<u>(3,369,170)</u>	<u>1,217,138</u>	Net cash flows from investing activities	<u>(2,320,910)</u>	<u>(2,430,308)</u>	<u>1,465,515</u>	<u>1,184,318</u>
		Cash flows from financing activities				
2,205,964	-	Long term loans obtained	2,803,664	774,317	-	-
(1,075,356)	-	Repayment of long term loans	(1,814,453)	(338,105)	-	-
-	8,270	Loan repayment by subsidiary companies	-	-	-	8,270
(64,203)	(21,383)	Capital payment on lease liabilities	(30,698)	(49,072)	(12,192)	(15,774)
(1,188,076)	(1,188,076)	Dividend paid to equity holders of the parent	(1,130,299)	(918,892)	(1,130,299)	(918,892)
(126,924)	-	Dividend paid to shareholders with non-controlling interest	(428,545)	(86,784)	-	-
2,512,606	1,510,000	Net movement of short term loans	(3,034,501)	2,525,717	(2,901,483)	1,695,000
<u>2,264,009</u>	<u>308,811</u>	Net cash flows from financing activities	<u>(3,634,832)</u>	<u>1,907,181</u>	<u>(4,043,974)</u>	<u>768,604</u>
6,702,427	2,012,437	Net increase / (decrease) in cash & cash equivalents	232,697	5,261,094	91,327	2,077,636
(1,155,461)	(402,438)	Cash & cash equivalents at beginning of the period	5,546,966	(1,155,461)	1,609,999	(402,438)
<u>5,546,966</u>	<u>1,609,999</u>	Cash & cash equivalents at end of the period (Note B)	<u>5,779,663</u>	<u>4,105,633</u>	<u>1,701,326</u>	<u>1,675,198</u>
		A Cash generated from operations				
7,596,775	3,042,552	Profit before tax	8,835,827	4,208,680	5,172,720	1,444,587
		Adjustments for:				
688,678	311,712	Interest cost	827,248	496,734	334,396	216,825
(2,510)	-	Gain on fair value change in consumable biological assets	-	-	-	-
(67,692)	-	Loss/(gain) on change in fair value of produce on bearer biological ass	-	-	-	-
1,148,362	108,282	Depreciation on property, plant and equipment	1,120,150	850,749	95,402	77,654
118,333	20,879	Depreciation on right of use assets	86,953	97,618	11,528	15,659
49,866	2,297	Impairment of formers	49,469	38,898	6,948	104
27,290	4,126	Write-off & breakages of formers	24,500	17,962	1,707	9,704
18,736	11,839	Amortisation of intangible assets	16,413	13,875	8,921	8,921
(26,507)	(11,189)	Gain on disposal of property, plant & equipment	(2,281)	(26,264)	(1,006)	(11,189)
(7,378)	(6,720)	Gain on disposal of investments property	-	(7,378)	-	(6,720)
(35,950)	-	Amortisation of grants	(28,151)	(26,932)	-	-
50,075	(564)	Impairment provision for / (reversal of) bad & doubtful debts	(45,439)	(13,393)	(922)	(81)
397,332	88,529	Provision for retiring gratuity	767,362	508,112	98,800	79,200
18,654	-	Provision for agents' indemnity fund	16,291	15,494	-	-
304,381	(15,543)	Provision for slow-moving / obsolete inventories	21,230	1,996	1,038	(16,677)
(238,629)	(1,262,426)	Interest and dividend income	(625,860)	(172,374)	(2,985,602)	(1,006,037)
2,877,279	-	Differences of exchange on translation of foreign entities	1,997,005	(257,405)	-	-
-	(251,129)	Gain on share buyback by subsidiaries	-	-	-	(251,129)
<u>12,917,096</u>	<u>2,042,645</u>		<u>13,060,717</u>	<u>5,746,372</u>	<u>2,743,930</u>	<u>560,821</u>
(1,858,004)	(2,251,192)	(Increase) / decrease in trade and other receivables	(3,216,731)	1,592,345	(640,041)	(1,178,450)
1,507,220	116,358	(Increase) / decrease in advances and prepayments	(1,069,461)	1,555,243	(257,838)	87,520
(1,268,288)	205,101	(Increase) / decrease in inventories	(969,409)	2,475,467	(350,280)	618,960
(532,090)	932,980	Increase / (decrease) in trade and other payables	958,705	(3,092,440)	1,759,312	492,016
<u>(2,151,162)</u>	<u>(996,753)</u>		<u>(4,296,896)</u>	<u>2,530,615</u>	<u>511,153</u>	<u>20,046</u>
<u>10,765,934</u>	<u>1,045,892</u>		<u>8,763,821</u>	<u>8,276,987</u>	<u>3,255,083</u>	<u>580,867</u>
		B Analysis of cash & cash equivalents at end of the period				
4,329,403	720,220	Cash at bank and in hand	3,506,675	3,348,877	864,420	1,045,547
4,715,362	2,368,021	Short term deposits	4,643,847	3,646,852	1,000,000	1,623,608
(3,497,799)	(1,478,242)	Bank overdraft	(2,370,858)	(2,890,096)	(163,094)	(993,957)
<u>5,546,966</u>	<u>1,609,999</u>		<u>5,779,664</u>	<u>4,105,633</u>	<u>1,701,326</u>	<u>1,675,198</u>

The notes to the financial statements on page 10 and 11 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> Audited Year to 31/03/2022		<u>Group</u> Unaudited 9 months to 31/12/2022	Unaudited 9 months to 31/12/2021
Rs'000		Rs'000	Rs'000
37,917,944	Hand Protection	39,993,884	30,247,847
17,665,702	Plantations	21,770,675	12,747,751
55,583,646		61,764,559	42,995,597
(289,663)	Inter - segment sales / services	(183,546)	(252,052)
<u>55,293,983</u>		<u>61,581,013</u>	<u>42,743,545</u>

6. Industry Segment Results

<u>Group</u> Audited Year to 31/03/2022		<u>Group</u> Unaudited 9 months to 31/12/2022	Unaudited 9 months to 31/12/2021
		Rs. '000	Rs. '000
3,107,451	Hand Protection	3,925,402	3,237,977
2,463,556	Plantations	3,557,986	1,235,766
5,571,007		7,483,388	4,473,744
(211,200)	Inter - segment results	(394,900)	(139,700)
5,359,807	Segment results	7,088,488	4,334,044
(706,458)	Finance cost	(881,835)	(600,994)
2,943,426	Finance income	2,629,174	475,630
<u>7,596,775</u>	Profit before tax	<u>8,835,827</u>	<u>4,208,680</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. It was paid by group entities on 20th April 2022 and on 20th July 2022.

8. Impact of Change in Income Tax Rates

Pursuant to the Inland Revenue (Amendment) Act, No. 45 of 2022 certified on 19th of December, 2022, corporate income tax arising from business income has been increased from 14% to 30% w.e.f. 1st October 2022. As a result of this amendment, 3rd quarter income tax has been calculated based on a tax rate of 30%.

As deferred tax is calculated based on the liability method as per LKAS 12 - Income Taxes, the new tax rate of 30% was applied to the cumulative temporary differences as at 1st October 2022. This change in income tax rates resulted in deferred tax expenses of Rs. 536,023,569 and Rs. (42,330,120) for the Group and the Company respectively as at 31st December 2022.

9. Impact of Recent Economic Conditions

The Directors are continuously monitoring the existing and the anticipated effects of the economic crisis, the circumstances of the external environment, as well as the resulting consequences to the company in order to take appropriate measures to manage the impact.

i. Increase in interest rates

The sharp increase in market interest rates, both LKR and USD, adversely impacted the interest cost of the group and the company. This increment in finance cost was mainly due to higher working capital requirements in the group as a result of the sharp depreciation of the Rupee along with curtailing of supplier credits by foreign suppliers due to the downgrade of the country's credit rating by international credit rating agencies subsequent to the weakening of the economic stability of Sri Lanka. The LKR interest rates are expected to decrease marginally in the coming months with the recent policy measures adopted by CBSL.

The 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.
- Minimised borrowings by reducing credit periods offered to the customers whilst encouraging advance payments, thereby improving the liquidity of the company
- Continues control and monitoring measures taken to improve the recoveries from debtors to reduce the borrowings
- Strategic initiatives driven by the management to prioritise essential capital expenditure
- Prudent management of working capital facilities with a proper mix between LKR and USD borrowings to manage cost of borrowing

ii. Fluctuation of foreign currency and significant rupee depreciation

The rupee depreciation positively affected the export company's within the group which resulted on increase in the topline and bottom line. However, maintaining the exchange rate at a fixed level for an extended period posed challenges in maintaining competitiveness in the international market place given the expected tax changes and high inflation rate.

iii. Other Considerations

Despite the current slowdown of the economy, the marketing and business development teams of the group continues to pursue new business opportunities to diversify the business risk whilst the operational teams focus on improving production efficiencies and reducing costs in order to increase the gross profit margin.

DIPPED PRODUCTS PLC

INVESTOR INFORMATION

	31/12/2022 Rs.	31/12/2021 Rs.
Market Value of Shares		
The market value of an ordinary share of Dipped Products PLC was as follows.		
Last Traded Price	29.00	50.70
Highest price recorded for the nine months ending	48.70	79.50
Lowest price recorded for the nine months ending	21.00	46.00
Highest price recorded for the three months ending	42.80	58.60
Lowest price recorded for the three months ending	25.00	46.30
Market Capitalisation (Rs. M)	17,360	30,350
Ratios		
Net assets per share at the period end*	45.86	28.72
Price earnings ratio annualised (times)	2.28	7.54
Share Trading information from 01/04/2022 to 31/12/2022		
Number of transactions	53,010	219,388
Number of shares traded	87,968,229	424,989,789
Value of shares traded (Rs.)	3,165,966,360.80	24,250,792,651.00
Dividend Payments		
Final dividend 2021/2022	Rs 0.15 per share	
First interim dividend 2022/23	Rs 1.25 per share	
Second interim dividend 2022/2023	Rs 1.00 per share	

First twenty shareholders as at 31/12/2022

	Shareholder	No. of Shares as at 31/12/2022	%
1	HAYLEYS PLC	252,109,380	42.12
2	VOLANKA (PRIVATE) 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	5,565,212	0.93
7	DR.D.JAYANNTHA	4,400,000	0.74
8	MR.H.S.R.KARIYAWASAN & MRS. K.H.S. KARIYAWASAN	4,150,850	0.69
9	SEYLAN BANK PLC / JANASHAKTHI CAPITAL LIMITED	3,597,990	0.60
10	MR.N.SAMARASURIYA	3,175,860	0.53
11	MR.H.A.R.PIERIS	3,150,000	0.53
12	AMANA BANK PLC / MR.M.N.DEEN	2,961,994	0.49
13	MR. S. RAMESHAN	2,377,480	0.40
14	MRS.S.H.SARDAKHAN	2,100,000	0.35
15	MR. M. I. M. SHAFIE & MRS. F.R. SHAFIE	1,699,362	0.28
16	RENUKA PROPERTIES LIMITED	1,660,000	0.28
17	MERCHAN BANK OF SRI LANKA & FINANCE PLC / U.D.PREMAKUMARA	1,576,579	0.26
18	MISS. L.A. PIERIS	1,563,980	0.26
19	EMFI CAPITAL LIMITED	1,500,000	0.25
20	FIRST CAPITAL LIMITED	1,493,063	0.25
	TOTAL	415,726,717	69.45

Public Holding as at 31/12/2022

Percentage of Public Holding	41.00%
Total number of shareholders representing the public holding	15,282
Float - Adjusted Market Capitalization (Rs.)	7,142,076,996.72

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 31/12/2022

Name of Director	No. of Shares as at 31/12/2022
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.R.H.P.Janadheera	350,000
Mr.Ng Soon Huat (Resigned w.e.f 18.01.2023)	-
Mr.S.C.Ganegoda	270,000
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	-
Mr.G.Molinari	-
Ms. K.A.D.B. Perera	-
Total	5,981,710

There were no non-voting shares as at 31/12/2022.