

DIPPED PRODUCTS PLC

INTERIM REPORT FOR THE YEAR ENDED 31ST MARCH 2023

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. 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

Hanwella Rubber Products Limited
D P L Premier Gloves Limited
D P L Universal Gloves Limited
Dipped Products (Thailand) Limited
ICOGUANTI S.p.A
DPL France SAS
ROZENBAL POLSKA Sp. z o.o.
Venigros (Private) Limited
Feltex (Private) 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
Horana Plantations 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		
	Unaudited Year to 31/03/2023 Rs.'000	Audited Year to 31/03/2022 Rs.'000	Increase/ (Decrease) %	Unaudited 03 months to 31/03/2023 Rs.'000	Unaudited 03 months to 31/03/2022 Rs.'000	Increase/ (Decrease) %
Revenue from contracts with customers	80,099,311	55,293,983	45	18,518,298	12,550,438	48
Cost of sales	(60,490,240)	(44,561,333)	36	(13,171,748)	(10,174,187)	29
Gross profit	19,609,071	10,732,650	83	5,346,550	2,376,251	>100
Other income and gains	766,748	833,407	(8)	235,469	460,652	(49)
Distribution costs	(2,660,512)	(1,402,795)	90	(113,819)	(347,955)	(67)
Administrative expenses	(8,087,179)	(4,803,655)	68	(2,928,560)	(1,463,385)	>100
Finance costs	(1,054,716)	(706,458)	49	(172,881)	(543,920)	(68)
Finance income	2,645,279	2,943,626	(10)	16,105	2,906,452	(99)
Profit / (loss) before tax	11,218,691	7,596,775	48	2,382,864	3,388,095	(30)
Tax expense	(2,716,267)	(1,185,975)	>100	(882,427)	(376,993)	>100
Profit / (loss) for the period	8,502,424	6,410,800	33	1,500,437	3,011,102	(50)
Attributable to :						
Equity holders of the parent	6,507,083	5,382,651	21	803,753	2,364,500	(66)
Non-controlling interest	1,995,341	1,028,149	94	696,684	646,602	8
Profit / (loss) for the period	8,502,424	6,410,800	33	1,500,437	3,011,102	(50)
Basic earnings / (loss) per ordinary share for the period (Rs.) *	10.87	8.99		1.34	3.95	
Diluted earnings / (loss) per ordinary share for the period (Rs.) *	10.87	8.99		1.34	3.95	
Dividend per share (Rs)*	3.00	2.50		0.60	0.50	

* Computed based on 598,615,120 ordinary shares on issue as at 31/03/2023

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		
	Unaudited Year to 31/03/2023 Rs.'000	Audited Year to 31/03/2022 Rs.'000	Increase/ (Decrease) %	Unaudited 03 months to 31/03/2023 Rs.'000	Unaudited 03 months to 31/03/2022 Rs.'000	Increase/ (Decrease) %
Revenue from contracts with customers	10,589,861	6,610,277	60	2,577,206	1,490,960	73
Cost of sales	(6,982,555)	(5,289,337)	32	(1,689,436)	(1,185,952)	42
Gross profit	3,607,306	1,320,940	>100	887,770	305,008	>100
Other income and gains	2,747,078	1,455,815	89	24,770	322,504	(92)
Distribution costs	(315,972)	(38,364)	>100	(43,334)	(3,972)	>100
Administrative expenses	(1,384,231)	(1,028,196)	35	(403,867)	(360,747)	12
Finance costs	(435,809)	(311,712)	40	(20,950)	(94,887)	(78)
Finance income	1,423,259	1,644,069	(13)	24,522	1,430,059	(98)
Profit / (loss) before tax	5,641,631	3,042,552	85	468,911	1,597,965	(71)
Tax expense	(339,212)	(242,132)	40	(99,220)	(221,773)	(55)
Profit / (loss) for the period	5,302,419	2,800,420	89	369,691	1,376,192	(73)
Basic earnings / (loss) per ordinary share for the period (Rs.) *	8.86	4.68		0.62	2.30	
Diluted earnings / (loss) per ordinary share for the period (Rs.) *	8.86	4.68		0.62	2.30	
Dividend per share (Rs.) *	3.00	2.50		0.60	0.50	

* Computed based on 598,615,120 ordinary shares on issue as at 31/03/2023

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		
	Unaudited Year to 31/03/2023 Rs.'000	Audited Year to 31/03/2022 Rs.'000	Increase/ (Decrease) %	Unaudited 03 months to 31/03/2023 Rs.'000	Unaudited 03 months to 31/03/2022 Rs.'000	Increase/ (Decrease) %
Profit / (loss) for the period	8,502,424	6,410,800	33	1,500,437	3,011,102	(50)
Other comprehensive income						
<u>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)</u>						
Currency translation of foreign operations	689,335	2,276,284	(70)	(912,570)	2,552,463	>(100)
<u>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)</u>						
Actuarial gain/(loss) on defined benefit plans	(43,701)	40,589	>(100)	(43,701)	40,589	>(100)
Tax effect on actuarial gain/(loss)	31,133	3,055	>100	31,133	3,055	>100
Net gain/(loss) on equity instruments designated at Fair Value through OCI	6,024	32	>100	6,050	(83)	>100
Revaluation of land	-	128,028	(100)	-	128,028	(100)
Tax effect on land revaluation	(27,542)	(16,041)	72	-	(16,041)	(100)
Other comprehensive income / (loss) for the period, net of tax	655,249	2,431,947	(73)	(919,088)	2,708,011	>(100)
Total comprehensive income / (loss) for the period, net of tax	9,157,673	8,842,747	4	581,349	5,719,113	(90)
Attributable to :						
Equity holders of the parent	7,156,488	7,756,719	(8)	(117,675)	5,011,895	>(100)
Non-controlling interest	2,001,185	1,086,028	84	699,024	707,218	(1)
Total comprehensive income / (loss) for the period, net of tax	9,157,673	8,842,747	4	581,349	5,719,113	(90)

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			Company		
	Unaudited Year to 31/03/2023 Rs.'000	Audited Year to 31/03/2022 Rs.'000	Increase/ (Decrease) %	Unaudited 03 months to 31/03/2023 Rs.'000	Unaudited 03 months to 31/03/2022 Rs.'000	Increase/ (Decrease) %
Profit / (loss) for the period	5,302,419	2,800,420	89	369,691	1,376,192	(73)
Other comprehensive income						
<u>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)</u>						
Actuarial gain/(loss) on defined benefit plans	(9,519)	(55,248)	(83)	(9,519)	(55,248)	(83)
Tax effect on actuarial gain/(loss)	2,856	7,735	(63)	2,856	7,735	(63)
Revaluation of land	-	51,862	(100)	-	51,862	(100)
Tax effect on Land revaluation	(17,508)	(7,261)	>100	-	(7,261)	(100)
Other comprehensive income / (loss) for the period, net of tax	(24,171)	(2,912)	>100	(6,663)	(2,912)	>100
Total comprehensive income / (loss) for the period, net of tax	5,278,248	2,797,508	89	363,028	1,373,280	(74)

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	
	Unaudited As at 31/03/2023 Rs.'000	Audited As at 31/03/2022 Rs.'000	Unaudited As at 31/03/2023 Rs.'000	Audited As at 31/03/2022 Rs.'000
ASSETS				
Non-Current Assets				
Tangible assets				
Property, plant and equipment	21,811,416	16,344,832	1,385,791	1,166,197
Formers (moulds)	608,431	436,494	122,950	90,166
Biological assets	1,313,068	599,064	-	-
Right of use assets	1,469,092	1,345,567	9,974	24,657
Intangible assets	811,467	315,131	11,826	23,666
Investment in subsidiaries	-	-	7,352,658	5,892,658
Other non-current financial assets	397,711	393,261	678	1,000
Deferred tax assets	258,614	169,425	57,629	-
	26,669,799	19,603,774	8,941,506	7,198,344
Current Assets				
Inventories	12,648,602	12,070,081	1,253,196	1,170,925
Trade and other receivables	12,440,827	12,129,696	1,760,783	1,644,784
Advance and prepayments	1,571,793	1,201,284	278,614	115,490
Amounts due from subsidiaries	-	-	203,361	1,686,497
Cash and short term deposits	9,659,763	9,044,765	2,397,144	3,088,241
	36,320,985	34,445,826	5,893,098	7,705,937
Total assets	62,990,784	54,049,600	14,834,604	14,904,281
EQUITY AND LIABILITIES				
Equity				
Stated capital (Issued and fully paid 598,615,120 ordinary shares)	598,615	598,615	598,615	598,615
Capital reserves	610,315	580,773	266,277	283,785
Fair value reserve of financial assets at fair value through OCI	69,139	64,776	-	-
Revenue reserves	25,696,991	20,662,636	9,066,481	5,770,095
Equity attributable to equity holders of the parent	26,975,061	21,906,800	9,931,374	6,652,495
Non-controlling interest	6,540,249	4,452,443	-	-
Total equity	33,515,310	26,359,243	9,931,374	6,652,495
Non-Current Liabilities				
Interest-bearing loans and borrowings	2,234,117	1,402,351	-	-
Lease Liabilities	1,342,404	1,133,218	-	351
Deferred income	896,440	809,083	-	-
Defined benefit obligations	3,464,696	2,866,645	737,427	611,422
Agents' indemnity fund	135,866	131,118	-	-
Deferred tax liabilities	2,277,368	775,949	-	113,377
Other Non Current Liabilities	-	-	-	-
	10,350,891	7,118,364	737,427	725,150
Current liabilities				
Trade and other payables	9,991,123	7,885,885	1,347,836	880,841
Unclaimed dividends / dividends payable	61,005	315,739	61,005	315,739
Short-term loans and bank overdrafts	4,863,945	10,094,227	717,383	5,203,242
Interest-bearing loans and borrowings	2,921,554	1,701,927	-	-
Lease Liabilities	74,680	77,480	14,493	29,684
Amounts due to subsidiaries	-	-	1,508,812	1,064,548
Income tax payable	1,212,276	496,735	516,274	32,582
	19,124,583	20,571,993	4,165,803	7,526,636
Total liabilities	29,475,474	27,690,357	4,903,230	8,251,786
Total equity and liabilities	62,990,784	54,049,600	14,834,604	14,904,281

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

The Financial Position as at 31/03/2023, and Income Statements, Statement of Changes in Equity and Statements of Cash Flow for the year 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

18/05/2023

sgd.

R.H.P.Janadheera

Managing Director

DIPPED PRODUCTS PLC
STATEMENTS OF CHANGES IN EQUITY

Group
For the period ended 31/03/2023

	-----Attributable to equity holders of the Company-----										Non-controlling Interest	Total Equity	
	Stated Capital	-----Capital Reserves-----			Other Components 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	-	-	-	-	-	-	25,593	2,988	5,354,070	-	5,382,651	1,028,149	6,410,800
Other comprehensive income													
Currency translation of foreign operations	-	-	-	-	-	-	-	-	-	2,268,468	2,268,468	7,816	2,276,284
Net gain/(loss) on equity instrument designated at fair value through OCI	-	-	-	-	24	-	-	-	-	-	24	8	32
Actuarial gain/(loss) on defined benefit plans	-	-	-	-	-	-	-	-	3,946	-	3,946	36,643	40,589
Tax effect on Actuarial gain/(loss) on defined benefit plans	-	-	-	-	-	-	-	-	4,639	-	4,639	(1,584)	3,055
Revaluation of land	-	-	110,638	-	-	-	-	-	-	-	110,638	17,390	128,028
Tax effect on Land revaluation	-	-	(13,620)	-	-	-	-	-	-	-	(13,620)	(2,421)	(16,041)
Total other comprehensive income	-	-	97,018	-	24	-	-	-	8,585	2,268,468	2,374,095	57,852	2,431,947
Total comprehensive income for the year	-	-	97,018	-	24	-	25,593	2,988	5,362,655	2,268,468	7,756,746	1,086,001	8,842,747
Transactions with owners, recorded directly in equity													
Dividends to equity holders	-	-	-	-	-	-	-	-	(1,496,538)	-	(1,496,538)	(126,924)	(1,623,462)
Realisation of Investment Properties	-	-	(36,667)	-	-	-	-	-	36,667	-	-	-	-
Total contributions by and distributions to owners	-	-	(36,667)	-	-	-	-	-	(1,459,871)	-	(1,496,538)	(126,924)	(1,623,462)
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 31/03/2022	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
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	-	-	-	-	-	-	58,350	11,826	6,436,907	-	6,507,083	1,995,341	8,502,424
Other comprehensive income													
Currency translation of foreign operations	-	-	-	-	-	-	-	-	-	682,544	682,544	6,791	689,335
Net gain/(loss) on equity instrument designated at fair value through OCI	-	-	-	-	4,363	-	-	-	-	-	4,363	1,661	6,024
Actuarial gain/(loss) on defined benefit plans	-	-	-	-	-	-	-	-	(36,724)	-	(36,724)	(6,977)	(43,701)
Tax effect on Actuarial loss on defined benefit plans	-	-	-	-	-	-	-	-	23,998	-	23,998	7,135	31,133
Tax effect on Land revaluation	-	-	(24,776)	-	-	-	-	-	-	-	(24,776)	(2,766)	(27,542)
Total other comprehensive income	-	-	(24,776)	-	4,363	-	-	-	(12,726)	682,544	649,405	5,844	655,249
Total comprehensive income for the year	-	-	(24,776)	-	4,363	-	58,350	11,826	6,424,181	682,544	7,156,488	2,001,185	9,157,673
Transactions with owners, recorded directly in equity													
Dividends to equity holders	-	-	-	-	-	-	-	-	(1,795,845)	-	(1,795,845)	(638,735)	(2,434,580)
Unclaimed dividend written-back	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	54,318	-	-	-	-	(54,318)	-	-	-	-
Realisation of Investment Properties	-	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	54,318	-	-	-	-	(1,850,164)	-	(1,795,845)	(638,735)	(2,434,580)
Changes in ownership interests in subsidiaries													
Net investment by non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	74,508	74,508
Adjustment due to change in holding	-	-	-	-	-	-	-	-	-	-	-	680,130	680,130
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	754,638	754,638
Balance as at 31/03/2023	598,615	167,409	305,299	137,607	69,139	1,190,950	285,459	32,811	19,650,048	4,537,723	26,975,061	6,540,249	33,515,310

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 31/03/2023

	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	-	-	-	2,800,420	2,800,420
Other comprehensive income					
Actuarial gain/(loss) on defined benefit plans	-	-	-	(55,248)	(55,248)
Tax effect on Actuarial gain/(loss) on defined benefit plans	-	-	-	7,735	7,735
Revaluation of land	-	51,862	-	-	51,862
Tax effect on Land revaluation	-	(7,261)	-	-	(7,261)
Total other comprehensive income	-	44,601	-	(47,513)	(2,912)
Total comprehensive income for the year	-	44,601	-	2,752,907	2,797,508
Transfers / adjustments					
Transactions with owners, recorded directly in equity					
Dividends to equity holders	-	-	-	(1,496,538)	(1,496,538)
Total transactions with owners, recorded directly in equity	-	-	-	(1,496,538)	(1,496,538)
Balance as at 31/03/2022	598,615	283,605	180	5,770,095	6,652,495
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	-	-	-	5,302,419	5,302,419
Other comprehensive income					
Actuarial gain on defined benefit plans	-	-	-	(9,519)	(9,519)
Tax effect on Actuarial loss on defined benefit plans	-	-	-	2,856	2,856
Tax effect on Land revaluation	-	(17,508)	-	-	(17,508)
Total other comprehensive income	-	(17,508)	-	(6,663)	(24,171)
Total comprehensive income for the year	-	(17,508)	-	5,295,756	5,278,248
Transactions with owners, recorded directly in equity					
Dividends to equity holders	-	-	-	(1,795,845)	(1,795,845)
Total transactions with owners, recorded directly in equity	-	-	-	(1,795,845)	(1,795,845)
Balance as at 31/03/2023	598,615	266,097	180	9,066,481	9,931,374

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

	<u>Group</u>		<u>Company</u>	
	Unaudited Year to 31/03/2023 Rs.'000	Audited Year to 31/03/2022 Rs.'000	Unaudited Year to 31/03/2023 Rs.'000	Audited Year to 31/03/2022 Rs.'000
Cash flows from operating activities				
Cash generated from operations (Note A)	15,502,408	10,765,934	5,023,525	1,045,892
Interest paid	(939,228)	(688,678)	(329,936)	(311,712)
Taxes paid	(1,229,040)	(1,976,236)	(41,179)	(187,970)
Retiring gratuity paid	(535,775)	(290,428)	(17,722)	(60,987)
Release in defined benefit obligation due to employee transfers	-	1,107	757	1,266
Agents' indemnity paid	-	(4,110)	-	-
Surcharge Tax Paid	(321,664)	-	(203,525)	-
Net cash flow from operating activities	<u>12,476,701</u>	<u>7,807,589</u>	<u>4,431,921</u>	<u>486,489</u>
Cash flows from investing activities				
Purchase & construction of property, plant and equipment	(4,105,781)	(3,964,844)	(357,678)	(399,256)
Purchase of formers (moulds)	(275,472)	(126,335)	(37,672)	(5,039)
Acquisition of intangible assets	(90,883)	(19,483)	-	-
Grants received	18,408	38,874	-	-
Proceeds from disposal of property, plant and equipment	34,470	62,929	8,279	11,189
Proceeds from disposal of investment property	-	400,000	-	195,000
Development cost (net) incurred on biological assets net of harvest	16,170	1,060	-	-
Interest and dividend received	1,005,288	238,629	353,430	196,677
Dividend received from subsidiary companies	-	-	1,462,603	709,549
Net payments to non-controlling interest	82,113	-	-	-
Proceed from share buyback by subsidiaries	-	-	-	509,017
Net acquisition of subsidiary	(1,159,599)	-	-	-
Net cash flows from investing activities	<u>(4,475,286)</u>	<u>(3,369,170)</u>	<u>1,428,962</u>	<u>1,217,138</u>
Cash flows from financing activities				
Long term loans obtained	3,264,755	2,205,964	-	-
Repayment of long term loans	(2,665,187)	(1,075,356)	-	-
Loan repayment by subsidiary companies	-	-	-	8,270
Capital payment on lease liabilities	(66,390)	(64,203)	(15,542)	(21,383)
Dividend paid to equity holders of the parent	(2,050,579)	(1,188,076)	(2,050,579)	(1,188,076)
Dividend paid to shareholders with non-controlling interest	(638,735)	(126,924)	-	-
Net movement of short term loans	(3,550,010)	2,512,606	(3,231,500)	1,510,000
Net cash flows from financing activities	<u>(5,706,145)</u>	<u>2,264,009</u>	<u>(5,297,621)</u>	<u>308,811</u>
Net increase / (decrease) in cash & cash equivalents	2,295,269	6,702,427	563,262	2,012,437
Cash & cash equivalents at beginning of the period	<u>5,546,966</u>	<u>(1,155,461)</u>	<u>1,609,999</u>	<u>(402,438)</u>
Cash & cash equivalents at end of the period (Note B)	<u>7,842,235</u>	<u>5,546,966</u>	<u>2,173,261</u>	<u>1,609,999</u>
A Cash generated from operations				
Profit before tax	11,218,691	7,596,775	5,641,631	3,042,552
Adjustments for:				
Interest cost	939,228	688,678	329,936	311,712
Gain on fair value change in consumable biological assets	(27,020)	(2,510)	-	-
Gain on change in fair value of produce on bearer biological assets	(138,629)	(67,692)	-	-
Depreciation on property, plant and equipment	1,518,079	1,148,362	130,810	108,282
Depreciation on right of use assets	114,512	118,333	14,683	20,879
Impairment of formers	70,664	49,866	10,027	2,297
Write-off & breakages of formers	34,555	27,290	1,707	4,126
Amortisation of intangible assets	39,346	18,736	11,840	11,839
Gain on disposal of property, plant & equipment	(3,896)	(26,507)	(1,006)	(11,189)
Gain on disposal of investments property	-	(7,378)	-	(6,720)
Amortisation of grants	(37,527)	(35,950)	-	-
Impairment provision for / (reversal of) bad & doubtful debts	(12,346)	50,075	(1,196)	(564)
Provision for retiring gratuity	581,669	397,332	133,450	88,529
Provision for agents' indemnity fund	18,445	18,654	-	-
Provision for slow-moving / obsolete inventories	168,595	304,381	5,456	(15,543)
Interest and dividend income	(1,005,288)	(238,629)	(3,059,193)	(1,262,426)
Differences of exchange on translation of foreign entities	950,520	2,877,279	-	-
Gain on share buyback by subsidiaries	-	-	-	(251,129)
	<u>14,429,598</u>	<u>12,917,096</u>	<u>3,218,145</u>	<u>2,042,645</u>
(Increase) / decrease in trade and other receivables	(32,790)	(1,858,004)	(247,268)	(2,251,192)
(Increase) / decrease in advances and prepayments	(370,509)	1,507,220	(163,124)	116,358
(Increase) / decrease in inventories	(233,863)	(1,268,288)	(80,596)	205,101
Increase / (decrease) in trade and other payables	1,709,972	(532,090)	2,296,368	932,980
	<u>1,072,810</u>	<u>(2,151,162)</u>	<u>1,805,380</u>	<u>(996,753)</u>
	<u>15,502,408</u>	<u>10,765,934</u>	<u>5,023,525</u>	<u>1,045,892</u>
B Analysis of cash & cash equivalents at end of the period				
Cash at bank and in hand	2,798,228	4,329,403	672,144	720,220
Short term deposits	6,861,535	4,715,362	1,725,000	2,368,021
Bank overdraft	(1,817,528)	(3,497,799)	(223,883)	(1,478,242)
	<u>7,842,235</u>	<u>5,546,966</u>	<u>2,173,261</u>	<u>1,609,999</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. At the Board Meeting held on May 18, 2023, the Directors have recommended the Final Dividend of Rs. 0.50 per share subject to the approval by the shareholders at the Annual General Meeting to be held on June 27, 2023 to be paid to the shareholders on July 12, 2023. 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>	
	Unaudited Year to 31/03/2023	Audited Year to 31/03/2022
	Rs'000	Rs'000
Hand Protection	51,384,331	37,917,944
Plantations	28,903,579	17,665,702
	<u>80,287,910</u>	<u>55,583,646</u>
Inter - segment sales / services	(188,598)	(289,663)
	<u>80,099,311</u>	<u>55,293,983</u>

6. Industry Segment Results

	<u>Group</u>	
	Unaudited Year to 31/03/2023	Audited Year to 31/03/2022
	Rs. '000	Rs. '000
Hand Protection	4,494,611	3,107,451
Plantations	5,528,417	2,463,556
	<u>10,023,028</u>	<u>5,571,007</u>
Inter - segment results	(394,900)	(211,200)
Segment results	9,628,128	5,359,807
Finance cost	(1,054,716)	(706,458)
Finance income	2,645,279	2,943,426
Profit before tax	<u>11,218,691</u>	<u>7,596,775</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 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

LKR and USD interest rates in the domestic market moderated during the quarter ended March 31, 2023 with the policy measures adopted by CBSL. However, the elevated market interest rates, both LKR and USD, results in adverse implications on the interest cost of the Group and the company. The LKR interest rates are expected to decline further in the coming months with the deceleration of inflation in the domestic economy, coupled with resultant improvement of the economic condition of the country with the engagement of the IMF

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

- Minimised borrowings by reducing credit periods offered to the customers whilst encouraging advance payments, thereby improving the liquidity of the company.
- Continuous control and monitoring measures taken to streamline the recoveries from debtors in order to reduce the borrowings
- Strategic initiatives driven by the management to prioritise essential capital expenditure
- Initiatives driven towards converting the LKR borrowings of companies to dollar borrowings (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 LKR appreciated during the quarter ended March 31, 2023 from LKR/USD 365 levels to 325 levels due to the prudent policy measures adopted by CBSL, along with the resultant decline in importer demand and improvement of the Balance of Payment of the country. The sudden appreciation of Rupee during March 2023, adversely affected export companies to be competitive in the international market place, given the tax amendments, high cost of operations and inflation. However, we envisage the cost adjustments will ease the immediate challenges in the months to come. Further, Government initiatives to lighten import restrictions and floating of exchange rates might result in some volatilities in the months ahead.

The following measures were taken to reduce the impact of a significant depreciation of the Rupee;

- Implemented prudent strategies to revise price in a timely manner based on market outlook
- Adopting a proper mix of LKR and foreign currency working capital funding while closely monitoring the currency rate
- Invoiced in foreign currency wherever possible whilst being compliant to regulations

iii. Other Considerations

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

DIPPED PRODUCTS PLC

INVESTOR INFORMATION

	31/03/2023 Rs.	31/03/2022 Rs.
Market Value of Shares		
The market value of an ordinary share of Dipped Products PLC was as follows.		
Last Traded Price	27.40	33.90
Highest price recorded for the year ending	48.70	79.50
Lowest price recorded for the year ending	21.00	30.60
Highest price recorded for the three months ending	31.80	53.00
Lowest price recorded for the three months ending	26.50	30.60
Market Capitalisation (Rs. M)	16,402	20,293
Ratios		
Net assets per share at the period end*	45.06	36.60
Price earnings ratio annualised (times)	2.52	3.77
Share Trading information from 01/04/2022 to 31/03/2023		
Number of transactions	65,267	254,065
Number of shares traded	107,567,295	464,000,636
Value of shares traded (Rs.)	3,725,542,209.80	26,010,352,199.00
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	
Third interim dividend 2022/2023	Rs 0.60 per share	

*Computed based on 598,615,120 shares on issue as at 31/03/2023

First twenty shareholders as at 31/03/2023

	Shareholder	No.of Shares as at 31/03/2023	%
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	EMPLOYEES TRUST FUND BOARD	5,916,261	0.99
6	RAVI INDUSTRIES LIMITED	5,670,000	0.95
7	DR.D.JAYANNTHA	4,800,000	0.80
8	MR.H.S.R.KARIYAWASAN & MRS. K.H.S. KARIYAWASAN	4,150,850	0.69
9	MR.N.SAMARASURIYA	3,175,860	0.53
10	MR.H.A.R.PIERIS	3,150,000	0.53
11	AMANA BANK PLC / MR.M.N.DEEN	2,961,994	0.49
12	MR. S. RAMESHAN	2,377,480	0.40
13	MRS.S.H.SARDAKHAN	2,100,000	0.35
14	MR. M. I. M. SHAFIE & MRS. F.R. SHAFIE	2,000,362	0.33
15	RENUKA HOTELS PLC	1,997,990	0.33
16	RENUKA PROPERTIES LIMITED	1,660,000	0.28
17	MISS. L.A. PIERIS	1,563,980	0.26
18	MERCHAN BANK OF SRI LANKA & FINANCE PLC / U.D.PREMAKUMARA	1,556,229	0.26
19	PERERA AND SONS BAKERS PVT LIMITED	1,500,000	0.25
20	FIRST CAPITAL LIMITED	1,493,063	0.25
	TOTAL	415,158,416	69.35

Public Holding as at 31/03/2023

Percentage of Public Holding	41.00%
Total number of shareholders representing the public holding	15,224
Float - Adjusted Market Capitalization (Rs.)	6,798,471,917.84

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 31/03/2023

Name of Director	No.of Shares as at 31/03/2023
Mr.A.M.Pandithage	-
Mr.H.S.R.Kariyawasan & K.H.S.Kariyawasan - 4,150,850	4,950,710
Mr.H.S.R.Kariyawasan & H.B.Kariyawasan - 799,860	
Mr.R.H.P.Janadheera	350,000
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 31/03/2023.