

# **DIPPED PRODUCTS PLC**

INTERIM REPORT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 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. Ng Soon Huat - Managing Director  
Mr. Pushpika Janadheera - Deputy Managing Director  
Mr. Dhammika Perera (Resigned w.e.f 10.06.2022)  
Mr. Sarath Ganegoda  
Mr. Faiz Mohideen  
Mr. Sujeewa Rajapakse  
Mr. Ramesh Nanayakkara  
Mr. Sujeewa Peiris  
Mr. Gamini Gunaratne  
Mr. Indika Prasad  
Mr. Chandika Ratnasiri (Appointed w.e.f. 01.04.2022)  
Mr. Giorgio Molinari (Appointed w.e.f. 01.04.2022)  
Ms. Brindhini Perera (Appointed w.e.f 19.10.2022)  
Ms. Yogadinusha 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  
ICOQUANTI 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

### 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		
		Unaudited	Unaudited	Increase/ (Decrease)	Unaudited	Unaudited	Increase/ (Decrease)
Audited		06 months to	06 months to		03 months to	03 months to	
Year to		30/09/2022	30/09/2021	(Decrease)	30/09/2022	30/09/2021	(Decrease)
31/03/2022		Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Rs.'000							
	<b>Revenue from contracts with customers</b>	<b>41,994,058</b>	30,013,255	40	<b>21,263,582</b>	13,231,334	61
55,293,983							
(44,561,333)	Cost of sales	<b>(31,989,523)</b>	(23,965,788)	33	<b>(16,614,963)</b>	(10,524,082)	58
10,732,650	Gross profit	<b>10,004,535</b>	6,047,467	65	<b>4,648,619</b>	2,707,252	72
833,407	Other income and gains	<b>202,879</b>	261,806	(23)	<b>134,387</b>	102,366	31
(1,402,795)	Distribution costs	<b>(1,560,815)</b>	(664,407)	>100	<b>(833,871)</b>	(296,540)	>100
(4,803,655)	Administrative expenses	<b>(3,276,870)</b>	(2,519,369)	30	<b>(1,750,526)</b>	(1,096,363)	60
(706,458)	Finance costs	<b>(748,030)</b>	(411,610)	82	<b>(357,611)</b>	(242,916)	47
2,943,626	Finance income	<b>2,625,643</b>	377,800	>100	<b>393,912</b>	199,408	98
7,596,775	<b>Profit / (loss) before tax</b>	<b>7,247,342</b>	3,091,687	>100	<b>2,234,910</b>	1,373,207	63
(1,185,975)	Tax expense	<b>(1,167,394)</b>	(619,168)	89	<b>(407,598)</b>	(292,081)	40
6,410,800	<b>Profit / (loss) for the period</b>	<b>6,079,948</b>	2,472,519	>100	<b>1,827,312</b>	1,081,126	69
	<b>Attributable to :</b>						
5,382,651	Equity holders of the parent	<b>4,875,908</b>	2,207,136	>100	<b>1,173,589</b>	961,595	22
1,028,149	Non-controlling interest	<b>1,204,040</b>	265,383	>100	<b>653,723</b>	119,531	>100
6,410,800	<b>Profit / (loss) for the period</b>	<b>6,079,948</b>	2,472,519	>100	<b>1,827,312</b>	1,081,126	69
8.99	Basic earnings / (loss) per ordinary share for the period (Rs.) *	<b>8.15</b>	3.69		<b>1.96</b>	1.61	
8.99	Diluted earnings / (loss) per ordinary share for the period (Rs.) *	<b>8.15</b>	3.69		<b>1.96</b>	1.61	
2.50	Dividend per share (Rs)*	<b>1.40</b>	1.55		<b>1.25</b>	0.95	

\* Computed based on 598,615,120 ordinary shares on issue as at 30/09/2022

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 06 months to 30/09/2022 Rs.'000	Unaudited 06 months to 30/09/2021 Rs.'000	Increase/ (Decrease) %	Unaudited 03 months to 30/09/2022 Rs.'000	Unaudited 03 months to 30/09/2021 Rs.'000	Increase/ (Decrease) %
Audited Year to 31/03/2022 Rs.'000						
	<b>Revenue from contracts with customers</b>	<b>5,520,360</b>	3,562,495	<b>2,676,102</b>	1,651,868	62
	Cost of sales	<b>(3,557,480)</b>	(2,882,092)	<b>(1,916,022)</b>	(1,382,294)	39
	Gross profit	<b>1,962,880</b>	680,403	<b>760,080</b>	269,574	>100
	Other income and gains	<b>2,589,175</b>	1,127,308	<b>1,985,323</b>	449,586	>100
	Distribution costs	<b>(198,081)</b>	(14,860)	<b>(104,942)</b>	(12,775)	>100
	Administrative expenses	<b>(626,500)</b>	(444,986)	<b>(333,772)</b>	(220,908)	51
	Finance costs	<b>(382,174)</b>	(127,113)	<b>(194,390)</b>	(71,441)	>100
	Finance income	<b>1,345,203</b>	140,340	<b>229,716</b>	104,527	>100
	<b>Profit / (loss) before tax</b>	<b>4,690,503</b>	1,361,092	<b>2,342,015</b>	518,563	>100
	Tax expense	<b>(411,711)</b>	(28,211)	<b>(114,503)</b>	(5,235)	>100
	<b>Profit / (loss) for the period</b>	<b>4,278,792</b>	1,332,881	<b>2,227,512</b>	513,328	>100
	Basic earnings / (loss) per ordinary share for the period (Rs.) *	<b>7.15</b>	2.23	<b>3.72</b>	0.86	
	Diluted earnings / (loss) per ordinary share for the period (Rs.) *	<b>7.15</b>	2.23	<b>3.72</b>	0.86	
	Dividend per share (Rs) *	<b>1.40</b>	1.55	<b>1.25</b>	0.95	

\* Computed based on 598,615,120 ordinary shares on issue as at 30/09/2022

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		
		Unaudited 06 months to 30/09/2022 Rs.'000	Unaudited 06 months to 30/09/2021 Rs.'000	Increase/ (Decrease) %	Unaudited 03 months to 30/09/2022 Rs.'000	Unaudited 03 months to 30/09/2021 Rs.'000	Increase/ (Decrease) %
6,410,800	<b>Profit / (loss) for the period</b>	<b>6,079,948</b>	2,472,519	>100	<b>1,827,312</b>	1,081,126	69
	<b>Other comprehensive income</b>						
	<b><u>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax)</u></b>						
2,276,284	Currency translation of foreign operations	<b>615,941</b>	89,778	>100	<b>(499,895)</b>	(198,024)	>100
	<b><u>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)</u></b>						
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	<b>3</b>	44	(93)	<b>36</b>	23	57
128,028 (16,041)	Revaluation of land Tax effect on land revaluation	-	-		-	-	
2,431,947	<b>Other comprehensive income / (loss) for the period, net of tax</b>	<b>615,944</b>	89,822	>100	<b>(499,859)</b>	(198,001)	>100
8,842,747	<b>Total comprehensive income / (loss) for the period, net of tax</b>	<b>6,695,892</b>	2,562,341	>100	<b>1,327,453</b>	883,125	50
7,756,719	<b>Attributable to :</b> Equity holders of the parent	<b>5,488,480</b>	2,300,097	>100	<b>675,867</b>	764,776	(12)
1,086,028	Non-controlling interest	<b>1,207,412</b>	262,244	>100	<b>651,586</b>	118,349	>100
8,842,747	<b>Total comprehensive income / (loss) for the period, net of tax</b>	<b>6,695,892</b>	2,562,341	>100	<b>1,327,453</b>	883,125	50

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**

<b>Company</b>		<b>Company</b>			<b>Company</b>		
Audited		Unaudited	Unaudited		Unaudited	Unaudited	
Year to		06 months to	06 months to	Increase/	03 months to	03 months to	Increase/
31/03/2022		30/09/2022	30/09/2021	(Decrease)	30/09/2022	30/09/2021	(Decrease)
Rs.'000		Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
2,800,420	<b>Profit / (loss) for the period</b>	<b>4,278,792</b>	1,332,881	>100	<b>2,227,512</b>	513,328	>100
	<b>Other comprehensive income</b>						
	<b><u>Other comprehensive income</u></b>						
	<b><u>not to be reclassified to profit or</u></b>						
	<b><u>loss in subsequent periods (net</u></b>						
	<b><u>of tax)</u></b>						
(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)	<b>Other comprehensive income / (loss) for the period, net of tax</b>	-	-		-	-	
2,797,508	<b>Total comprehensive income / (loss) for the period, net of tax</b>	<b>4,278,792</b>	1,332,881	>100	<b>2,227,512</b>	513,328	>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	30/09/2022	30/09/2021	30/09/2022	30/09/2021	30/09/2022	30/09/2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
		<b>ASSETS</b>					
		<b>Non-Current Assets</b>					
		Tangible assets					
16,344,832	1,166,197	Property, plant and equipment	17,455,399	14,842,943	1,275,836	1,030,046	
436,494	90,166	Formers (moulds)	525,416	369,971	122,665	125,576	
599,064	-	Biological assets	606,741	541,829	-	-	
1,345,567	24,657	Right of use assets	1,286,620	1,373,073	16,283	35,097	
315,131	23,666	Intangible assets	331,244	312,812	17,729	29,569	
-	5,892,658	Investment in subsidiaries	-	-	5,892,658	4,142,658	
393,261	1,000	Other non-current financial assets	391,737	393,521	726	-	
169,425	-	Deferred tax assets	184,579	136,168	-	72,082	
19,603,774	7,198,344		20,781,736	17,970,317	7,325,897	5,435,028	
		<b>Current Assets</b>					
12,070,081	1,170,925	Inventories	15,017,792	9,832,713	1,800,304	934,196	
12,129,696	1,644,784	Trade and other receivables	15,788,781	10,966,659	1,817,044	1,360,784	
1,201,284	115,490	Advance and prepayments	1,919,537	1,168,310	259,316	101,045	
-	1,686,497	Amounts due from subsidiaries	-	-	2,496,616	2,204,667	
9,044,765	3,088,241	Cash and short term deposits	6,575,452	7,483,648	803,464	3,680,477	
34,445,826	7,705,937		39,301,562	29,451,330	7,176,744	8,281,169	
54,049,600	14,904,281	<b>Total assets</b>	60,083,298	47,421,647	14,502,641	13,716,197	
		<b>EQUITY AND LIABILITIES</b>					
		<b>Equity</b>					
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	580,773	483,755	283,785	239,184	
64,776	-	Fair value reserve of financial assets at fair value through OCI	64,778	64,784	-	-	
20,662,636	5,770,095	Revenue reserves	25,020,671	15,871,681	9,007,302	4,918,754	
21,906,800	6,652,495	<b>Equity attributable to equity holders of the parent</b>	26,264,837	17,018,836	9,889,702	5,756,553	
4,452,443	-	Non-controlling interest	5,348,416	3,686,318	-	-	
26,359,243	6,652,495	<b>Total equity</b>	31,613,253	20,705,154	9,889,702	5,756,553	
		<b>Non-Current Liabilities</b>					
1,402,351	-	Interest-bearing loans and borrowings	2,319,716	1,260,609	-	-	
1,133,218	351	Lease Liabilities	1,179,949	1,071,402	-	11,390	
809,083	-	Deferred income	802,332	811,066	-	-	
2,866,645	611,422	Defined benefit obligations	3,244,375	2,937,887	669,269	553,843	
131,118	-	Agents' indemnity fund	154,981	106,649	-	-	
775,949	113,377	Deferred tax liabilities	865,244	725,041	206,089	-	
-	-	Other Non Current Liabilities	-	82,880	-	-	
7,118,364	725,150		8,566,597	6,995,534	875,358	565,233	
		<b>Current liabilities</b>					
7,885,885	880,841	Trade and other payables	9,623,769	6,845,048	1,119,369	913,465	
315,739	315,739	Unclaimed dividends / dividends payable	768,817	374,790	768,817	374,790	
10,094,227	5,203,242	Short-term loans and bank overdrafts	6,611,291	11,345,383	1,334,477	5,190,006	
1,701,927	-	Interest-bearing loans and borrowings	2,034,201	448,005	-	-	
77,480	29,684	Lease Liabilities	66,602	75,502	21,091	29,684	
-	1,064,548	Amounts due to subsidiaries	-	-	174,536	872,556	
496,735	32,582	Income tax payable	798,768	632,231	319,291	13,910	
20,571,993	7,526,636		19,903,448	19,720,959	3,737,581	7,394,411	
27,690,357	8,251,786	<b>Total liabilities</b>	28,470,045	26,716,493	4,612,939	7,959,644	
54,049,600	14,904,281	<b>Total equity and liabilities</b>	60,083,298	47,421,647	14,502,641	13,716,197	

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

The Financial Position as at 30/09/2022, and Income Statements, Statement of Changes in Equity and Statements of Cash Flow for the six 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

09/11/2022

sgd.

Ng Soon Huat

Managing Director

**DIPPED PRODUCTS PLC**  
**STATEMENTS OF CHANGES IN EQUITY**

Group  
For the period ended 30/09/2022

	Attributable to equity holders of the Company										Non-controlling	Total	
	Stated Capital	Capital Reserves			Other Component s of Equity Fair Value Reserve of Financial Assets at FVTOCI	Revenue Reserves				Total	Interest	Equity	
	Rs'000	Reserve on scrip Issue	Revaluation Reserve	Other Capital Reserves	Rs'000	General Reserve	Timber Reserve	Bearer Biological Produce	Retained Earnings	Exchange Fluctuation Reserve	Rs'000	Rs'000	Rs'000
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	-	-	-	-	-	-	-	-	2,207,136	-	2,207,136	265,383	2,472,519
Other comprehensive income													
Currency translation of foreign operations	-	-	-	-	-	-	-	-	-	92,929	92,929	(3,151)	89,778
Net gain/(loss) on equity instrument designated at fair value through OCI	-	-	-	-	32	-	-	-	-	-	32	12	44
Total other comprehensive income	-	-	-	-	32	-	-	-	-	92,929	92,961	(3,139)	89,822
Total comprehensive income for the year	-	-	-	-	32	-	-	-	2,207,136	92,929	2,300,097	262,244	2,562,341
Transactions with owners, recorded directly in equity													
Dividends to equity holders	-	-	-	-	-	-	-	-	(927,853)	-	(927,853)	(69,292)	(997,145)
Realisation of Investment Properties	-	-	(36,667)	-	-	-	-	-	36,667	-	-	-	-
Total contributions by and distributions to owners	-	-	(36,667)	-	-	-	-	-	(891,187)	-	(927,853)	(69,292)	(997,145)
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 30/09/2021	-	-	(36,667)	-	32	-	-	-	1,316,289	92,929	1,372,244	191,032	1,565,196
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	-	-	-	-	-	-	-	-	4,875,908	-	4,875,908	1,204,040	6,079,948
Other comprehensive income													
Currency translation of foreign operations	-	-	-	-	-	-	-	-	-	612,570	612,570	3,371	615,941
Net gain/(loss) on equity instrument designated at fair value through OCI	-	-	-	-	2	-	-	-	-	-	2	1	3
Total other comprehensive income	-	-	-	-	2	-	-	-	-	612,570	612,572	3,372	615,944
Total comprehensive income for the year	-	-	-	-	2	-	-	-	4,875,908	612,570	5,488,480	1,207,412	6,695,892
Transactions with owners, recorded directly in equity													
Dividends to equity holders	-	-	-	-	-	-	-	-	(838,061)	-	(838,061)	(282,157)	(1,120,218)
Realisation of Investment Properties	-	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(838,061)	-	(838,061)	(282,157)	(1,120,218)
Balance as at 30/09/2022	598,615	167,409	330,075	83,289	64,778	1,190,950	227,109	20,985	19,113,878	4,467,749	26,264,837	5,348,416	31,613,253

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 30/09/2022

	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>
<b>Balance as at 01/04/2021</b>	<b>598,615</b>	<b>239,004</b>	<b>180</b>	<b>4,513,726</b>	<b>5,351,525</b>
Profit for the year	-	-	-	1,332,881	1,332,881
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,332,881</b>	<b>1,332,881</b>
<b>Transactions with owners, recorded directly in equity</b>					
Dividends to equity holders	-	-	-	(927,853)	(927,853)
<b>Total transactions with owners, recorded directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(927,853)</b>	<b>(927,853)</b>
<b>Balance as at 30/09/2021</b>	<b>598,615</b>	<b>239,004</b>	<b>180</b>	<b>4,918,754</b>	<b>5,756,553</b>
<b>Balance as at 01/04/2022</b>	<b>598,615</b>	<b>283,605</b>	<b>180</b>	<b>5,770,095</b>	<b>6,652,495</b>
Impact on Surcharge Tax	-	-	-	(203,525)	(203,525)
<b>Adjusted Balance as at 01/04/2022</b>	<b>598,615</b>	<b>283,605</b>	<b>180</b>	<b>5,566,571</b>	<b>6,448,971</b>
Profit for the year	-	-	-	4,278,792	4,278,792
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,278,792</b>	<b>4,278,792</b>
<b>Transactions with owners, recorded directly in equity</b>					
Dividends to equity holders	-	-	-	(838,061)	(838,061)
<b>Total transactions with owners, recorded directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(838,061)</b>	<b>(838,061)</b>
<b>Balance as at 30/09/2022</b>	<b>598,615</b>	<b>283,605</b>	<b>180</b>	<b>9,007,302</b>	<b>9,889,702</b>

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**

<b>Group</b>		<b>Company</b>		<b>Group</b>		<b>Company</b>	
Audited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Year to	Year to	06 months to	06 months to	06 months to	06 months to	06 months to	06 months to
31/03/2022	31/03/2022	30/09/2022	30/09/2021	30/09/2022	30/09/2021	30/09/2022	30/09/2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
		<b>Cash flows from operating activities</b>					
10,765,934	1,045,892	Cash generated from operations (Note A)	4,596,216	4,917,032	1,083,780	777,128	
(688,678)	(311,712)	Interest paid	(723,805)	(311,816)	(382,174)	(127,114)	
(1,976,236)	(187,970)	Taxes paid	(1,019,140)	(1,093,234)	(32,289)	(178,655)	
(290,428)	(60,987)	Retiring gratuity paid	(237,280)	(123,845)	(1,354)	(26,323)	
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)	-	
7,807,589	486,489	Net cash flow from operating activities	2,294,328	3,388,137	464,439	445,035	
		<b>Cash flows from investing activities</b>					
(3,964,844)	(399,256)	Purchase & construction of property, plant and equipment	(1,787,588)	(2,334,977)	(171,896)	(255,038)	
(126,335)	(5,039)	Purchase of formers (moulds)	(132,780)	(23,407)	(97)	(40,357)	
(19,483)	-	Acquisition of intangible assets	(25,640)	(10,041)	-	-	
38,874	-	Grants received	11,997	22,825	-	-	
62,929	11,189	Proceeds from disposal of property, plant and equipment	15,841	32,244	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	(7,678)	(11,286)	-	-	
238,629	196,677	Interest and dividend received	374,294	115,231	221,860	95,927	
-	709,549	Dividend received from subsidiary companies	-	-	1,462,603	709,549	
-	509,017	Proceed from share buyback by subsidiaries	-	-	-	509,017	
(3,369,170)	1,217,138	Net cash flows from investing activities	(1,551,554)	(1,809,411)	1,513,476	1,225,288	
		<b>Cash flows from financing activities</b>					
2,205,964	-	Long term loans obtained	1,860,490	718,741	-	-	
(1,075,356)	-	Repayment of long term loans	(901,455)	(266,723)	-	-	
-	8,270	Loan repayment by subsidiary companies	-	-	-	8,270	
(64,203)	(21,383)	Capital payment on lease liabilities	(21,048)	(23,565)	(8,944)	(10,344)	
(1,188,076)	(1,188,076)	Dividend paid to equity holders of the parent	(384,983)	(560,340)	(384,983)	(560,340)	
(126,924)	-	Dividend paid to shareholders with non-controlling interest	(282,157)	(69,292)	-	-	
2,512,606	1,510,000	Net movement of short term loans	(3,142,571)	2,126,374	(2,995,928)	1,935,000	
2,264,009	308,811	Net cash flows from financing activities	(2,871,723)	1,925,196	(3,389,855)	1,372,586	
6,702,427	2,012,437	Net increase / (decrease) in cash & cash equivalents	(2,128,950)	3,503,923	(1,411,940)	3,042,909	
(1,155,461)	(402,438)	<b>Cash &amp; cash equivalents at beginning of the period</b>	5,546,966	(1,155,461)	1,609,999	(402,438)	
5,546,966	1,609,999	<b>Cash &amp; cash equivalents at end of the period (Note B)</b>	3,418,016	2,348,462	198,059	2,640,471	
		<b>A Cash generated from operations</b>					
7,596,775	3,042,552	<b>Profit before tax</b>	7,247,342	3,091,687	4,690,503	1,361,092	
		<b>Adjustments for:</b>					
688,678	311,712	Interest cost	723,805	311,816	382,174	127,114	
(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 assets	-	-	-	-	
1,148,362	108,282	Depreciation on property, plant and equipment	733,270	546,016	62,257	48,352	
118,333	20,879	Depreciation on right of use assets	58,948	65,050	8,374	10,439	
49,866	2,297	Impairment of formers	29,245	19,655	4,406	(2,191)	
27,290	4,126	Write-off & breakages of formers	17,243	13,136	1,707	8,522	
18,736	11,839	Amortisation of intangible assets	10,914	9,076	5,937	5,937	
(26,507)	(11,189)	Gain on disposal of property, plant & equipment	(2,149)	(23,903)	(1,006)	(11,189)	
(7,378)	(6,720)	Gain on disposal of investments property	-	(7,378)	-	(6,720)	
(35,950)	-	Amortisation of grants	(18,748)	(17,919)	-	-	
50,075	(564)	Impairment provision for / (reversal of) bad & doubtful debts	(9,363)	(4,983)	1,273	1,625	
397,332	88,529	Provision for retiring gratuity	592,826	325,091	59,200	52,800	
18,654	-	Provision for agents' indemnity fund	12,464	9,973	-	-	
304,381	(15,543)	Provision for slow-moving / obsolete inventories	(58,051)	246,320	5,166	(13,003)	
(238,629)	(1,262,426)	Interest and dividend income	(374,294)	(115,231)	(2,799,473)	(945,176)	
2,877,279	-	Differences of exchange on translation of foreign entities	934,996	236,969	-	-	
-	(251,129)	Gain on share buyback by subsidiaries	-	-	-	(251,129)	
12,917,096	2,042,645		9,898,448	4,705,374	2,420,518	386,473	
(1,858,004)	(2,251,192)	(Increase) / decrease in trade and other receivables	(3,432,205)	(863,124)	(1,170,972)	(736,554)	
1,507,220	116,358	(Increase) / decrease in advances and prepayments	(718,253)	1,540,194	(143,826)	130,803	
(1,268,288)	205,101	(Increase) / decrease in inventories	(2,889,660)	1,024,631	(661,507)	439,290	
(532,090)	932,980	Increase / (decrease) in trade and other payables	1,737,886	(1,490,043)	639,567	557,116	
(2,151,162)	(996,753)		(5,302,232)	211,658	(1,336,738)	390,655	
10,765,934	1,045,892		4,596,216	4,917,032	1,083,780	777,128	
		<b>B Analysis of cash &amp; cash equivalents at end of the period</b>					
4,329,403	720,220	Cash at bank and in hand	3,591,945	2,110,955	803,464	369,732	
4,715,362	2,368,021	Short term deposits	2,983,507	5,372,693	-	3,310,745	
(3,497,799)	(1,478,242)	Bank overdraft	(3,157,435)	(5,135,186)	(605,405)	(1,040,006)	
5,546,966	1,609,999		3,418,017	2,348,462	198,059	2,640,471	

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 6 months to 30/09/2022	Unaudited 6 months to 30/09/2021
Rs'000		Rs'000	Rs'000
37,917,944	Hand Protection	27,335,788	21,501,482
17,665,702	Plantations	14,827,321	8,897,762
55,583,646		42,163,108	30,399,245
(289,663)	Inter - segment sales / services	(169,050)	(385,990)
<u>55,293,983</u>		<u>41,994,058</u>	<u>30,013,255</u>

#### 6. Industry Segment Results

<u>Group</u> Audited Year to 31/03/2022		<u>Group</u> Unaudited 6 months to 30/09/2022	Unaudited 6 months to 30/09/2021
Rs. '000		Rs. '000	Rs. '000
3,107,451	Hand Protection	2,990,439	2,375,220
2,463,556	Plantations	2,646,040	889,977
5,571,007		5,636,479	3,265,197
(211,200)	Inter - segment results	(266,750)	(139,700)
5,359,807	Segment results	5,369,729	3,125,497
(706,458)	Finance cost	(748,030)	(411,610)
2,943,426	Finance income	2,625,643	377,800
<u>7,596,775</u>	Profit before tax	<u>7,247,342</u>	<u>3,091,687</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

The sharp increase in interest rates adversely impacted the interest cost of the group and the company and it is expected to increase marginally in the coming months as well. 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 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

##### 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

	30/09/2022 Rs.	30/09/2021 Rs.
<b>Market Value of Shares</b>		
The market value of an ordinary share of Dipped Products PLC was as follows.		
Last Traded Price	42.80	58.60
Highest price recorded for the six months ending	48.70	79.50
Lowest price recorded for the six months ending	21.00	46.00
Highest price recorded for the three months ending	48.70	79.50
Lowest price recorded for the three months ending	23.00	50.40
Market Capitalisation (Rs. M)	25,621	35,079
<b>Ratios</b>		
Net assets per share at the period end*	43.88	28.43
Price earnings ratio annualised (times)	2.63	7.95
<b>Share Trading information from 01/04/2022 to 30/09/2022</b>		
Number of transactions	37,111	160,321
Number of shares traded	65,836,724	343,560,905
Value of shares traded (Rs.)	2,480,854,088.90	20,002,906,367.80
<b>Dividend Payments</b>		
Final dividend of Rs 0.15 per share for the year 2021/2022 paid on 11/07/2022		
First interim dividend of Rs 1.25 per share for the year 2022/2023 paid on 21/10/2022		

## First twenty shareholders as at 30/09/2022

	Shareholder	No. of Shares as at 30/09/2022	%
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	5,236,729	0.87
7	SEYLAN BANK PLC / JANASHAKTHI CAPITAL LIMITED	4,877,053	0.81
8	DR.D.JAYANNTHA	4,157,500	0.69
9	MR.H.S.R.KARIYAWASAN & MRS. K.H.S. KARIYAWASAN	4,150,850	0.69
10	MR.N.SAMARASURIYA	3,175,860	0.53
11	MR.H.A.R.PIERIS	3,030,000	0.51
12	AMANA BANK PLC / MR.M.N.DEEN	2,961,994	0.49
13	CAPITAL TRUST HOLDINGS LTD	2,226,654	0.37
14	MRS.S.H.SARDAKHAN	2,100,000	0.35
15	RENUKA PROPERTIES LIMITED	1,660,000	0.28
16	MRS.L.SIVAGURUNATHAN (DECEASED)	1,630,440	0.27
17	MERCHAN BANK OF SRI LANKA & FINANCE PLC / U.D.PREMAKUMARA	1,576,579	0.26
18	MR. M. I. M. SHAFIE & MRS. F.R. SHAFIE	1,572,743	0.26
19	MISS. L.A. PIERIS	1,493,063	0.25
20	FIRST CAPITAL LIMITED	1,393,313	0.23
	<b>TOTAL</b>	<b>415,997,125</b>	<b>69.49</b>

## Public Holding as at 30/09/2022

Percentage of Public Holding	41.00%
Total number of shareholders representing the public holding	15,202
Float - Adjusted Market Capitalization (Rs.)	10,556,158,610.62
The Company complies with option 1 of the Listing Rules 7.13.1 (a) which is not requires minimum Public Holding.	

## Directors' shareholding as at 30/09/2022

Name of Director	No. of Shares as at 30/09/2022
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.Ng Soon Huat	-
Mr.R.H.P.Janadheera	350,000
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	-
Mr.G.Molinari	-
Ms. K.A.D.B. Perera (Appointed with effect from 19th October 2022)	-
<b>Total</b>	<b>5,971,710</b>

There were no non-voting shares as at 30/09/2022.