

DIPPED PRODUCTS PLC

INTERIM REPORT FOR THE YEAR ENDED 31ST MARCH 2017

CORPORATE INFORMATION

LEGAL FORM

A Public Limited Company
Incorporated in Sri Lanka in 1976

COMPANY NUMBER

PQ60

DIRECTORS

Mr. A.M. Pandithage - Chairman
Dr. K .I. M. Ranasoma - Managing Director
Mr.D.K.Welmillage - Deputy Managing Director - Resigned
w.e.f.31/07/2016
Mr. F. Mohideen
Mr. K.A.L.S. Fernando - Resigned w.e.f. 16/05/2016
Mr. S.C.Ganegoda
Mr. Dhammika Perera
Mr. M. Bottino
Mr. S. Rajapakse
Mr. N.A.R.R.S.Nanayakkara
Mr. S.P.Peiris
Ms.Y.Bhaskaran - Alternate Director to Mr.Dhammika Perera
Mr.K.D.G.Gunaratne
Mr. S.M.Shaikh - Alternate Director to Mr. S C Ganegoda from
20/10/2015 and Director from 16/05/2016
Mr.H.S.R.Kariyawasan - Appointed w.e.f 16/05/2016

SUBSIDIARIES

Hand Protection

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

Plantations

D P L Plantations (Private) Limited
Kelani Valley Plantations PLC
Kalupahana Power Company (Private) Limited
Kelani Valley Instant Tea (Private) Limited
Hayleys Global Beverages (Private) Limited
Hayleys Plantation Services (Private) Limited
Talawakelle Tea Estates PLC
TTEL Hydro Power Company (Private) Limited
TTEL Somerset Hydro Power (Private) Limited

SECRETARIES

Hayleys Group Services (Private) Limited
400, Deans Road, Colombo 10, Sri Lanka
Telephone: 2627650-6 (7 Lines)
Fax: 2627655
E-mail: info.sec@hayleys.com

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

INCOME STATEMENTS

	Group			Group		
	Year to 31/03/2017 Rs.'000	Year to 31/03/2016 Rs.'000	Increase/ (Decrease) %	03 months to 31/03/2017 Rs.'000	03 months to 31/03/2016 Rs.'000	Increase/ (Decrease) %
Turnover	24,334,423	21,931,303	11	6,596,165	5,945,882	11
Cost of sales	(20,345,895)	(18,452,976)	10	(5,160,366)	(4,850,540)	6
Gross profit	3,988,528	3,478,327	15	1,435,799	1,095,342	31
Other income and gains	246,860	238,256	4	174,988	145,463	20
Distribution costs	(517,532)	(577,651)	(10)	(140,362)	(210,263)	(33)
Administrative expenses	(2,279,432)	(2,262,203)	1	(596,642)	(627,699)	(5)
Other expenses	-	(2,975)	(100)	-	(2,975)	(100)
Finance costs	(410,965)	(346,711)	19	(110,534)	(102,532)	8
Finance income	58,989	126,935	(54)	17,507	53,822	(67)
Change in fair value of investment properties	51,300	36,630	40	51,300	36,630	40
Share of loss of equity accounted investee (net of tax)	(80,488)	-		(15,549)	-	
Profit before tax	1,057,260	690,608	53	816,507	387,788	111
Tax expense	(139,526)	(214,653)	(35)	50,649	(28,154)	280
Profit for the year	917,734	475,955	93	867,156	359,634	141
Attributable to :						
Equity holders of the parent	753,201	348,129	116	667,950	272,861	145
Non-controlling interest	164,533	127,826	29	199,206	86,773	130
Profit for the year	917,734	475,955	93	867,156	359,634	141
Basic earnings per ordinary share for the year (Rs.) *	12.58	5.82		11.16	4.56	
Diluted earnings per ordinary share for the year (Rs.) *	12.58	5.82		11.16	4.56	
Dividend per share (Rs)	2.50	2.00		2.50	2.00	

*Computed based on 59,861,512 ordinary shares on issue as at 31/03/2017

The notes to the financial statements on pages from 10 to 11 form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC
INCOME STATEMENTS

	Company			Company		
	Year to 31/03/2017 Rs.'000	Year to 31/03/2016 Rs.'000	Increase/ (Decrease) %	03 months to 31/03/2017 Rs.'000	03 months to 31/03/2016 Rs.'000	Increase/ (Decrease) %
Turnover	1,792,509	1,685,401	6	428,391	400,558	7
Cost of sales	(1,381,449)	(1,242,316)	11	(343,296)	(290,088)	18
Gross profit	411,060	443,085	(7)	85,095	110,470	(23)
Other income and gains	420,163	191,942	119	281,896	9,437	2,887
Distribution costs	(19,505)	(25,598)	(24)	(2,691)	17,737	(115)
Administrative expenses	(404,625)	(424,171)	(5)	(84,138)	(100,722)	(16)
Impairment reversal / (loss) on investment and other amounts due	(196)	15,290	(101)	(4)	15,290	(100)
Finance costs	(104,961)	(66,880)	57	(32,303)	(698)	4,528
Finance income	8,313	5,001	66	2,030	1,622	25
Change in fair value of investment properties	25,500	32,630	(22)	25,500	32,630	(22)
Profit before tax	335,749	171,299	96	275,385	85,766	221
Tax expense	21,182	5,760	268	18,514	2,916	535
Profit for the year	356,931	177,059	102	293,899	88,682	231
Basic earnings per ordinary share for the year (Rs.) *	5.96	2.96		4.91	1.48	
Diluted earnings per ordinary share for the year (Rs.) *	5.96	2.96		4.91	1.48	
Dividend per share (Rs)	2.50	2.00		2.50	2.00	

*Computed based on 59,861,512 ordinary shares on issue as at 31/03/2017

The notes to the financial statements on pages from 10 to 11 form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC
OTHER COMPREHENSIVE INCOME

	Group			Group		
	Year to	Year to	Increase/	03 months to	03 months to	Increase/
	31/03/2017	31/03/2016	(Decrease)	31/03/2017	31/03/2016	(Decrease)
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the year	917,734	475,955	93	867,156	359,634	141
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	117,574	11,940	885	87,404	34,922	150
Net gain/(loss) on available for sale financial assets	4	(2)	300	1	(3)	133
<u>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)</u>						
Revaluation of land	25,355	-	-	25,355	-	-
Actuarial gain/(loss) on defined benefit plans	588,315	(60,800)	(1,068)	588,315	(60,800)	1,068
Actuarial gain/(loss) of equity accounted on defined benefit plans investee (net of tax)	511	-	-	511	-	-
Tax effect on Actuarial gain/(loss) on defined benefit plans	(92,022)	7,505	(1,326)	(92,022)	7,505	(1,326)
Other comprehensive income for the year, net of tax	639,737	(41,357)	1,647	609,564	(18,376)	3,417
Attributable to :						
Equity holders of the parent	1,199,452	313,048	283	1,100,781	260,918	322
Non-controlling interest	358,019	121,550	195	375,939	80,340	368
Total comprehensive income for the year, net of tax	1,557,471	434,598	258	1,476,720	341,258	333

The notes to the financial statements on pages from 10 to 11 form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC
OTHER COMPREHENSIVE INCOME

	Company			Company		
	Year to	Year to	Increase/	03 months to	03 months to	Increase/
	31/03/2017	31/03/2016	(Decrease)	31/03/2017	31/03/2016	(Decrease)
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Profit for the year	356,931	177,059	102	293,899	88,682	231
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	-	-	-	-	-	-
Net gain/(loss) on available for sale financial assets	-	-	-	-	-	-
<u>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)</u>						
Revaluation of land	25,355	-	-	-	-	-
Actuarial gain/(loss) on defined benefit plans	8,051	(45,999)	118	8,051	(45,999)	118
Tax effect on Actuarial gain/(loss) on defined benefit plans	(966)	5,520	(118)	(966)	5,520	(118)
Other comprehensive income for the year, net of tax	32,440	(40,479)	180	7,085	(40,479)	118
Total comprehensive income for the year, net of tax	389,371	136,580	185	300,984	48,203	524

The notes to the financial statements on pages from 10 to 11 form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC
Statements of Financial Position

	Group			Company		
	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015	As at 31/03/2017	As at 31/03/2016	As at 01/04/2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS						
Non-Current Assets						
Tangible assets						
Property, plant and equipment	12,414,457	12,188,554	12,058,013	570,746	475,894	463,161
Lease rental paid in advance	58,239	59,501	60,762	-	-	-
Formers (moulds)	277,768	249,059	214,111	34,438	38,328	37,164
Investment Properties	311,300	571,701	547,993	125,500	411,700	391,993
Biological assets	374,353	342,798	307,477	-	-	-
Intangible assets	260,425	261,513	262,970	-	-	-
Investment in subsidiaries	-	-	-	3,682,546	3,147,684	3,147,684
Investment in equity accounted investee	214,023	260,000	-	-	-	-
Amounts due from related parties	-	-	-	36,286	19,789	-
Other non-current financial assets	26	22	24	-	-	-
Deferred tax assets	196,362	43,430	29,592	40,960	20,744	14,457
	14,106,953	13,976,578	13,480,942	4,490,476	4,114,139	4,054,459
Current Assets						
Inventories	3,841,349	3,176,173	3,645,729	486,544	361,065	370,192
Trade and other receivables	4,454,468	3,566,017	4,198,740	1,000,112	767,916	720,604
Advance and prepayments	295,444	301,423	307,893	39,639	89,433	43,605
Amounts due from related parties	-	-	-	294,186	501,123	932,561
Cash and short term deposits	471,983	337,958	393,646	28,820	46,458	124,163
	9,063,244	7,381,571	8,546,008	1,849,301	1,765,995	2,191,125
Total assets	23,170,197	21,358,149	22,026,950	6,339,777	5,880,134	6,245,584
EQUITY AND LIABILITIES						
Equity						
Stated capital (Issued and fully paid 59,861,512 ordinary shares)	598,615	598,615	598,615	598,615	598,615	598,615
Capital reserves	478,771	450,164	444,331	220,483	195,128	195,128
Available-for-sale reserve	17	14	16	-	-	-
Revenue reserves	8,044,601	7,115,483	7,221,209	2,843,122	2,598,221	2,698,964
Equity attributable to equity holders of the parent	9,122,004	8,164,276	8,264,171	3,662,220	3,391,964	3,492,707
Non-controlling interest	2,312,205	2,406,025	2,517,645	-	-	-
Total equity	11,434,209	10,570,301	10,781,816	3,662,220	3,391,964	3,492,707
Non-Current Liabilities						
Interest-bearing loans and borrowings	2,114,650	2,136,958	1,372,989	-	-	-
Deferred income	691,115	673,864	644,975	-	-	-
Defined benefit obligations	2,125,763	2,632,694	2,461,136	347,237	380,492	320,790
Agents' indemnity fund	42,809	52,563	51,350	-	-	-
Deferred tax liabilities	686,093	565,781	494,555	-	-	-
	5,660,430	6,061,860	5,025,005	347,237	380,492	320,790
Current liabilities						
Trade and other payables	2,911,721	2,486,355	2,879,149	361,939	305,472	314,488
Unclaimed dividends / dividends payable	6,604	7,594	182,522	6,604	7,594	182,522
Short-term loans and bank overdrafts	2,201,582	1,891,334	2,813,367	608,466	295,234	540,509
Interest-bearing loans and borrowings	801,486	321,494	306,521	-	-	-
Amounts due to related parties	-	-	-	1,353,311	1,499,378	1,394,568
Income tax payable	154,165	19,211	38,570	-	-	-
	6,075,558	4,725,988	6,220,129	2,330,320	2,107,678	2,432,087
Total liabilities						
Total equity and liabilities	23,170,197	21,358,149	22,026,950	6,339,777	5,880,134	6,245,584

The notes to the financial statements on pages from 10 to 11 form an integral part of the financial statements.

The Financial Position as at March 31, 2017, 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

17/05/2017

sgd.

Dr. K.I.M. Ranasoma

Managing Director

DIPPED PRODUCTS PLC
STATEMENTS OF CHANGES IN EQUITY

Group
For the year ended 31/03/2017

	-----Attributable to equity holders of the Company-----										Non-controlling Interest	Total Equity	
	Stated Capital	Capital Reserves			Other Component		Revenue Reserves			Total			
		Reserve on scrip Issue	Revaluation Reserve	Other capital reserves	Available-for-sale Reserve	General Reserve	Timber Reserve	Bearer Biological Produce	Retained Earnings				Exchange Fluctuation Reserve
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000				Rs'000
Balance as at 31/03/2015	598,615	167,409	239,927	36,995	16	1,190,950	113,919	-	5,499,943	195,732	8,043,506	2,485,501	10,529,007
Impact of changes in accounting policy and other adjustments	-	-	-	-	-	-	-	-	215,799	-	215,799	28,771	244,570
Impact of the amendments of LKAS 16 and LKAS 41	-	-	-	-	-	-	-	4,866	-	-	4,866	3,373	8,239
Restated balance as 31 /03/2015	598,615	167,409	239,927	36,995	16	1,190,950	113,919	4,866	5,715,742	195,732	8,264,171	2,517,645	10,781,816
Change relating to Super Gain Tax	-	-	-	-	-	-	-	-	(175,620)	-	(175,620)	(29,144)	(204,764)
Adjusted balance as at 01/04/2015	598,615	167,409	239,927	36,995	16	1,190,950	113,919	4,866	5,540,122	195,732	8,088,551	2,488,501	10,577,052
Profit for the year	-	-	-	-	-	-	17,036	(650)	331,743	-	348,129	127,826	475,955
Other comprehensive income													
Currency translation of foreign operations	-	-	-	-	-	-	-	-	-	9,722	9,722	2,218	11,940
Net gain/(loss) on available for sale financial assets	-	-	-	-	(2)	-	-	-	-	-	(2)	-	(2)
Actuarial gain/(loss) on defined benefit plans	-	-	-	-	-	-	-	-	(50,824)	-	(50,824)	(9,976)	(60,800)
Tax effect on Actuarial gain/(loss) on defined benefit plans	-	-	-	-	-	-	-	-	6,023	-	6,023	1,482	7,505
Total other comprehensive income	-	-	-	-	(2)	-	-	-	(44,801)	9,722	(35,081)	(6,276)	(41,357)
Total comprehensive income for the year	-	-	-	-	(2)	-	17,036	(650)	286,942	9,722	313,048	121,550	434,598
Transactions with owners, recorded directly in equity													
Dividends to equity holders	-	-	-	-	-	-	-	-	(239,446)	-	(239,446)	(103,782)	(343,228)
Unclaimed dividend-write back	-	-	-	-	-	-	-	-	2,123	-	2,123	-	2,123
Transfers	-	-	-	5,833	-	-	-	-	(5,833)	-	-	-	-
Total contributions by and distributions to owners	-	-	-	5,833	-	-	-	-	(243,156)	-	(237,323)	(103,782)	(341,105)
Changes in ownership interests in subsidiaries													
Adjustment due to change of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(100,244)	(100,244)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(100,244)	(100,244)
Adjusted Balance as at 01/04/2016	598,615	167,409	239,927	42,828	14	1,190,950	130,955	4,216	5,583,908	205,454	8,164,276	2,406,025	10,570,301
Profit for the year	-	-	-	-	-	-	15,376	11,857	725,968	-	753,201	164,533	917,734
Other comprehensive income													
Revaluation of land	-	-	25,355	-	-	-	-	-	-	-	25,355	-	25,355
Currency translation of foreign operations	-	-	-	-	-	-	-	-	-	100,243	100,243	17,331	117,574
Net gain on available for sale financial assets	-	-	-	-	3	-	-	-	-	-	3	1	4
Actuarial gain/(loss) on defined benefit plans	-	-	-	-	-	-	-	-	379,438	-	379,438	208,877	588,315
Share of actuarial gain from equity accounted investee	-	-	-	-	-	-	-	-	370	-	370	141	511
Tax effect on Actuarial loss on defined benefit plans	-	-	-	-	-	-	-	-	(59,158)	-	(59,158)	(32,864)	(92,022)
Total other comprehensive income	-	-	25,355	-	3	-	-	-	320,650	100,243	446,251	193,486	639,737
Total comprehensive income for the year	-	-	25,355	-	3	-	15,376	11,857	1,046,618	100,243	1,199,452	358,019	1,557,471
Transactions with owners, recorded directly in equity													
Dividends to equity holders	-	-	-	-	-	-	-	-	(119,723)	-	(119,723)	(39,586)	(159,309)
Unclaimed dividend written-back	-	-	-	-	-	-	-	-	608	-	608	-	608
Transfers	-	-	-	3,252	-	-	-	-	(3,252)	-	-	-	-
Total contributions by and distributions to owners	-	-	-	3,252	-	-	-	-	(122,367)	-	(119,115)	(39,586)	(158,701)
Changes in ownership interests in subsidiaries													
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	(122,609)	-	(122,609)	(412,253)	(534,862)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(122,609)	-	(122,609)	(412,253)	(534,862)
Balance as at 31/03/2017	598,615	167,409	265,282	46,080	17	1,190,950	146,331	16,073	6,385,550	305,697	9,122,004	2,312,205	11,434,209

The notes to the financial statements on pages from 10 to 11 form an integral part of the financial statements.

DIPPED PRODUCTS PLC
STATEMENTS OF CHANGES IN EQUITY

Company

For the year ended 31/03/2017

	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 31/03/2015	598,615	194,948	180	2,606,900	3,400,643
Impact of changes in accounting policy	-	-	-	92,064	92,064
Restated balance as 31 /03/2015	598,615	194,948	180	2,698,964	3,492,707
Profit for the year	-	-	-	177,059	177,059
Other comprehensive income					
Actuarial gain/(loss) on defined benefit plans	-	-	-	(45,999)	(45,999)
Tax effect on Actuarial gain/(loss) on defined benefit plans	-	-	-	5,520	5,520
Total other comprehensive income	-	-	-	(40,479)	(40,479)
Total comprehensive income for the year	-	-	-	136,580	136,580
Transactions with owners, recorded directly in equity					
Dividends	-	-	-	(239,446)	(239,446)
Unclaimed dividend write-back	-	-	-	2,123	2,123
Total transactions with owners, recorded directly in equity	-	-	-	(237,323)	(237,323)
Adjusted Balance as at 01/04/2016	598,615	194,948	180	2,598,221	3,391,964
Profit for the year	-	-	-	356,931	356,931
Other comprehensive income					
Revaluation of land	-	25,355	-	-	25,355
Actuarial gain on defined benefit plans	-	-	-	8,051	8,051
Tax effect on Actuarial loss on defined benefit plans	-	-	-	(966)	(966)
Total other comprehensive income	-	25,355	-	7,085	32,440
Total comprehensive income for the year	-	25,355	-	364,016	389,371
Transactions with owners, recorded directly in equity					
Dividends to equity holders	-	-	-	(119,723)	(119,723)
Unclaimed dividend written-back	-	-	-	608	608
Total transactions with owners, recorded directly in equity	-	-	-	(119,115)	(119,115)
Balance as at 31/03/2017	598,615	220,303	180	2,843,122	3,662,220

The notes to the financial statements on pages from 10 to 11 form an integral part of the financial statements.

The figures in brackets indicate deductions.

DIPPED PRODUCTS PLC
CASH FLOW STATEMENTS

	<u>Group</u>		<u>Company</u>	
	Year to 31/03/2017 Rs.'000	Year to 31/03/2016 Rs.'000	Year to 31/03/2017 Rs.'000	Year to 31/03/2016 Rs.'000
Cash flows from operating activities				
Cash generated from operations (Note A)	1,829,144	3,098,620	306,537	664,960
Interest paid	(354,545)	(234,314)	(104,961)	(29,068)
Taxes paid	(210,756)	(188,961)	(8,731)	(500)
Super gain tax paid	-	(179,983)	-	-
Retiring gratuity paid	(314,262)	(220,900)	(72,664)	(25,240)
Agents' indemnity paid	(6,592)	(3,042)	-	-
Net cash flow from operating activities	<u>942,989</u>	<u>2,271,420</u>	<u>120,181</u>	<u>610,152</u>
Cash flows from investing activities				
Purchase & construction of property, plant and equipment	(718,348)	(2,402,753)	(147,187)	(64,325)
Field development expenditure	(318,308)	(348,833)	-	-
Purchase of formers (moulds)	(93,480)	(83,588)	-	-
Grants received	42,291	64,287	-	-
Proceeds from disposal of property, plant and equipment	50,521	28,928	29,197	7,347
Proceeds from disposal of investment property	250,000	12,923	250,000	12,923
Development cost incurred / decrease due to harvest on biological assets	(7,099)	(7,511)	-	-
Investment in group companies	-	-	(534,862)	-
Investment in equity accounted investee	(34,000)	(110,000)	-	-
Interest received	14,252	7,174	2,551	814
Dividend received from subsidiary companies	-	-	89,897	41,910
Net payments to non-controlling interest	(574,448)	(128,563)	-	-
Net cash flows from investing activities	<u>(1,388,619)</u>	<u>(2,967,936)</u>	<u>(310,404)</u>	<u>(1,331)</u>
Cash flows from financing activities				
Long term loans obtained	801,027	2,571,093	-	-
Repayment of long term loans	(409,538)	(578,913)	-	-
Loan given to subsidiary company	-	-	(25,000)	(25,000)
Loan repayment by subsidiary company	-	-	4,458	-
Capital payment on finance lease	(1,977)	(1,953)	-	-
Dividend paid	(120,105)	(416,251)	(120,105)	(416,251)
Net cash flows from financing activities	<u>269,407</u>	<u>1,573,976</u>	<u>(140,647)</u>	<u>(441,251)</u>
Net increase / (decrease) in cash & cash equivalents	(176,223)	877,460	(330,870)	167,570
Change in cash reserve due to deemed disposal	-	(11,115)	-	-
Cash & cash equivalents at beginning of the period	<u>(1,553,376)</u>	<u>(2,419,721)</u>	<u>(248,776)</u>	<u>(416,346)</u>
Cash & cash equivalents at end of the period (Note B)	<u>(1,729,599)</u>	<u>(1,553,376)</u>	<u>(579,646)</u>	<u>(248,776)</u>
A Cash generated from operations				
Profit before tax	1,057,260	690,608	335,749	171,299
Adjustments for:				
Interest cost	354,545	234,314	104,961	29,068
Share of loss of equity accounted investees	80,488	-	-	-
Gain on fair value change in consumer biological assets	(24,456)	(27,810)	-	-
(Gain) / loss on change in fair value of produce on bearer biological assets	(18,804)	1,748	-	-
Gain on fair value change in investment properties	(51,300)	(36,630)	(25,500)	(32,630)
Deemed disposal gain due to change in controlling interest	-	(45,664)	-	-
Depreciation on property, plant and equipment	898,757	819,947	53,857	51,592
Amortization of lease rentals paid in advance	1,262	1,261	-	-
Impairment of formers	14,429	33,258	3,827	4,258
Write-off & breakages of formers	50,342	15,382	1,478	-
Amortisation of intangible assets	1,088	1,299	-	-
Write-off of intangible assets	-	158	-	-
Gain on disposal of property, plant & equipment	(17,799)	(24,779)	(5,364)	(7,347)
Gain on disposal of investment property	(38,300)	-	(38,300)	-
Amortisation of grants	(25,040)	(35,398)	-	-
Impairment provision for / (reversal of) bad & doubtful debts	7,585	(23,363)	3,555	1,227
Provision for retiring gratuity	389,494	344,001	47,369	38,943
Provision for agents' indemnity fund	(4,101)	5,008	-	-
Impairment loss / (reversal) on investment and other amounts due	-	-	195	(15,290)
Provision for/(reversal of) slow-moving / obsolete inventories	38,061	52,569	991	16,490
Interest and dividend income	(14,252)	(7,174)	(369,856)	(177,511)
Differences of exchange on translation of foreign entities	86,364	30,231	-	-
	<u>2,785,623</u>	<u>2,028,966</u>	<u>112,962</u>	<u>80,099</u>
(Increase) / decrease in trade and other receivables	(703,385)	659,317	90,520	417,267
(Increase) / decrease in advances and prepayments	5,979	6,470	49,794	(45,828)
(Increase) / decrease in inventories	(684,433)	395,685	(126,470)	(7,363)
Increase / (decrease) in trade and other payables	425,360	8,182	179,731	220,785
	<u>(956,479)</u>	<u>1,069,654</u>	<u>193,575</u>	<u>584,861</u>
	<u>1,829,144</u>	<u>3,098,620</u>	<u>306,537</u>	<u>664,960</u>
B Analysis of cash & cash equivalents at end of the period				
Cash at bank and in hand	226,947	284,590	28,820	46,458
Short term deposits	245,036	53,368	-	-
Short term loans and overdraft	(2,201,582)	(1,891,334)	(608,466)	(295,234)
	<u>(1,729,599)</u>	<u>(1,553,376)</u>	<u>(579,646)</u>	<u>(248,776)</u>

The notes to the financial statements on pages from 10 to 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. These Interim Financial Statements have been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31/03/2016.
3. ICOGUANTI S.p.A which was a 60% owned subsidiary of Dipped Products PLC became a wholly owned subsidiary, with Euro 3.245Mn (Rs.535Mn) investment in May 2016.
4. In accordance with the Collective Agreement between the Employers' Federation of Ceylon and Plantation sector Trade Unions, the daily wage has been increased from Rs.620/- to Rs.730/- with effect from 15/10/2016.
5. 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.
6. 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 31/03/2016.

7. Adjustments to comparative figures

Changes in Accounting Policies

The group elected to adopt fair value method of valuing investment properties from cost model resulted in retrospective adjustment to the Statements of Financial Position of previous two years. The resulting cumulative positive impact to Total assets and Total equity as at 31/03/2016 and 01/04/2015 is Rs.202Mn and Rs.158Mn respectively.

Correction of Error

Hayleys Plantation Services (Pvt) Ltd had reported its goodwill Rs.86Mn lesser than what it should have been. The correction required retrospective adjustments to the Statements of Financial Position of previous two years. As at 31/03/2016 and 01/04/2015, the resulting cumulative positive impact to Goodwill Rs.86Mn, Equity Rs.57Mn and Non-controlling interest Rs.29Mn.

Impact of the amendments of LKAS 16 and LKAS 41

Amendments to the above standards required plantation companies to value its produce on bearer biological assets resulted in retrospective adjustments to the Statements of Financial Position of previous two years. As at 31/03/2016, the resulting cumulative positive impact to inventories (Produce on bearer biological assets) Rs.6Mn, Bearer Biological Produce Reserve Rs.4Mn and Non-controlling interest Rs.2Mn. As at 01/04/2015, the resulting positive impact to inventories (Produce on bearer biological assets) Rs.8Mn, Bearer Biological Produce Reserve Rs.5Mn and Non-controlling interest Rs.3Mn.

8. Where necessary, comparative figures have been re-stated to conform with SLFRS/LKAS.

9. Industry Segment Turnover

	<u>Group</u>	
	Year to 31/03/2017	Year to 31/03/2016
	Rs'000	Rs'000
Hand Protection Plantations	14,285,240	12,728,466
	<u>10,186,756</u>	<u>9,503,326</u>
Inter - segment sales / services	24,471,996	22,231,792
	<u>(137,573)</u>	<u>(300,489)</u>
	<u>24,334,423</u>	<u>21,931,303</u>

* Previous year ICOGUANTI SpA figures are for 14 months

10. Industry Segment Results

	<u>Group</u>	
	Unaudited Year to 31/03/2017	Unaudited Year to 31/03/2016
	Rs. '000	Rs. '000
Hand Protection Plantations	925,600	641,207
	<u>564,124</u>	<u>324,177</u>
Inter - segment results	1,489,724	965,384
	-	(55,000)
Segment results	1,489,724	910,384
Finance cost	(410,965)	(346,711)
Finance income	58,989	126,935
Share of loss of equity accounted investee (net of tax)	<u>(80,488)</u>	<u>-</u>
Profit before tax	<u>1,057,260</u>	<u>690,608</u>

* Previous year ICOGUANTI SpA figures are for 14 months

DIPPED PRODUCTS PLC

INVESTOR INFORMATION

	31/03/2017 Rs.	31/03/2016 Rs.
Market Value of Shares		
The market value of an ordinary share of Dipped Products PLC was as follows.		
Closing price on	76.00	73.00
Highest price recorded for the year ending	103.00	165.00
Lowest price recorded for the year ending	73.50	63.50
Highest price recorded for the three months ending	87.00	114.90
Lowest price recorded for the three months ending	74.00	63.50
Market Capitalisation (Rs. M)	4,549	4,370
Ratios		
Net assets per share at the year end*	152.39	136.39
Price earnings ratio annualised (times)	6.0	12.6

Share Trading information from 01/04/2016 to 31/03/2017

Number of transactions	2,121	3,989
Number of shares traded	2,032,231	6,464,260
Value of shares traded (Rs.)	181,347,934.20	847,240,929.90

Dividend Payments

First & final dividend 2015/16 - Rs.2.00 per share paid on 08/07/2016

*Computed based on 59,861,512 shares on issue as at 31/03/2017

First twenty shareholders as at 31/03/2017

	Shareholder	No.of Shares as at 31/03/2017	%
1	Hayleys PLC	25,210,938	42.12
2	Employees Provident Fund	7,637,280	12.76
3	Volanka (Pvt) Limited	4,873,640	8.14
4	Promar Overseas SA	4,285,585	7.16
5	Haycarb PLC	4,068,746	6.80
6	Employees Trust Fund Board	1,331,355	2.22
7	Ravi Industries Limited	567,000	0.95
8	E. W. Balasuriya & Co. (Pvt) Ltd	500,673	0.84
9	Dr.D.Jayantha	415,000	0.69
10	Renuka Properties Limited	324,934	0.54
11	Mr.H.A.Pieris	312,797	0.52
12	HSBC International Nominees Ltd-SSBT Deutsche Bank AG Singapore A/C No.01	265,044	0.44
13	Mr.A.M.Weerasinghe	250,000	0.42
14	Mr. N. G. Wickremeratne	246,224	0.41
15	Akbar Brothers (Pvt) Ltd A/C No.1	233,771	0.39
16	Hallsville Trading Group Inc.	204,024	0.34
17	Commercial Bank of Ceylon PLC A/C No. 04	200,000	0.33
18	Seylan Bank PLC/L.C.R.Pathirana	166,377	0.28
19	Mr.S.Krishnananthan	163,044	0.27
20	Mr.A.N.Esufally	160,000	0.27
	TOTAL	51,416,432	85.89

The percentage of shares held by public as per Colombo Stock Exchange Rules as at 31/03/2017 was 41.82%.

Total number of shareholders representing the public holding as at 31/03/2017 was 2,380.

Directors' shareholding as at 31/03/2017

Name of Director	No.of Shares as at 31/03/2017
Mr.A.M.Pandithage	-
Dr.K.I.M.Ranasoma - Managing Director	300
Mr.F.Mohideen	-
Mr.S.C.Ganegoda	-
Mr.Dhammika Perera*	1,000
Mr.M.Bottino	-
Mr.S. Rajapakse	-
Mr.N.A.R.R.S.Nanayakkara	14,526
Mr.S.P.Peiris	6,100
Ms.Yogadinusha Bhaskaran (Alternate Director to Mr.Dhammika Perera)	-
Mr.K.D.G.Gunaratne	-
Mr. S.M.Shaikh	-
Mr.H.S.R.Kariyawasan & K.H.S.Kariyawasan - 2,500	82,486
Mr.H.S.R.Kariyawasan & H.B.Kariyawasan - 79,986	104,412

*Mr.Dhammika Perera holds 50.44% directly and indirectly of the total issued shares of Hayleys PLC which holds 25,210,938 shares in Dipped Products PLC.

There were no non-voting shares as at 31/03/2017.