

# **DIPPED PRODUCTS PLC**

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INTERIM REPORT FOR THE NINE MONTHS ENDED 31ST DECEMBER 2012

# CORPORATE INFORMATION

## LEGAL FORM

A Public Limited Company  
Incorporated in Sri Lanka in 1976

## COMPANY NUMBER

PQ60

## DIRECTORS

A.M. Pandithage – *Chairman*  
Dr. K.I. M. Ranasoma - *Managing Director*  
J.A.G. Anandarajah  
G.K. Seneviratne  
N.Y. Fernando  
R. Seevaratnam  
F. Mohideen  
K.A.L.S. Fernando  
L.G.S.Gunawardena  
S.C.Ganegoda  
K.D.D.Perera  
M. Bottino  
L.D.E.A. De Silva (Alternate director to Mr. F. Mohideen) - Resigned w.e.f 23/10/2012

## REGISTERED OFFICE

400, Deans Road, Colombo 10, Sri Lanka  
Telephone: 2683964-7 (4 Lines), 2698354  
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.

## 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

### Plantations

DPL Plantations (Private) Limited  
Kelani Valley Plantations PLC  
Kalupahana Power Company (Private) Limited  
Kelani Valley Instant Tea (Private) Limited  
Mabroc Teas (Private) Limited  
Hayleys Plantation Services (Private) Limited  
Talawakelle Tea Estates PLC  
TTEL Hydro Power Company (Pvt) Limited  
TTEL Somerset Hydro Power (Pvt) Limited

## SECRETARIES

Hayleys Group Services (Private) Limited  
400, Deans Road, Colombo 10, Sri Lanka  
Telephone: 2627650-6 (7 Lines)  
Fax: 2627645  
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

## DIPPED PRODUCTS PLC

## INCOME STATEMENTS

Group Audited year to 31.03.2012 Rs.'000		Group			Group	
		Unaudited 09 months to 31.12.2012 Rs.'000	Unaudited 09 months to 31.12.2011 Rs.'000	Increase/ (Decrease) %	Unaudited 03 months to 31.12.2012 Rs.'000	Unaudited 03 months to 31.12.2011 Rs.'000
19,786,485	<b>Turnover</b>	<b>17,375,827</b>	14,539,750	20	<b>5,882,655</b>	4,891,928
(16,344,798)	Cost of sales	<b>(14,036,329)</b>	(12,070,023)	16	<b>(4,720,642)</b>	(4,097,180)
3,441,687	Gross profit	<b>3,339,498</b>	2,469,727	35	<b>1,162,013</b>	794,748
1,216,969	Other income	<b>48,287</b>	1,178,485	(96)	<b>29,699</b>	3,948
(1,568,983)	Administrative expenses	<b>(1,291,103)</b>	(1,149,630)	12	<b>(427,984)</b>	(408,690)
(453,411)	Distribution expenses	<b>(365,885)</b>	(323,264)	13	<b>(118,239)</b>	(106,661)
(12,935)	Other expenses	<b>(17,827)</b>	(9,500)	88	<b>(7,175)</b>	(4,962)
(212,111)	Net finance cost	<b>(201,192)</b>	(97,030)	107	<b>(51,188)</b>	(58,752)
(27,067)	Share of loss of equity accounted investee (net of tax)	-	(27,067)	(100)	-	-
2,384,149	<b>Profit before tax</b>	<b>1,511,778</b>	2,041,721	(26)	<b>587,126</b>	219,631
(290,168)	Income tax expense	<b>(271,012)</b>	(184,698)	47	<b>(98,035)</b>	(44,625)
<b>2,093,981</b>	<b>Profit for the period</b>	<b>1,240,766</b>	<b>1,857,023</b>	(33)	<b>489,091</b>	<b>175,006</b>
	<b>Attributable to :</b>					
1,866,627	Equity holders of the Company	<b>1,038,406</b>	1,730,275	(40)	<b>407,704</b>	150,647
227,354	Non-controlling interest	<b>202,360</b>	126,748	60	<b>81,387</b>	24,359
<b>2,093,981</b>	<b>Profit for the period</b>	<b>1,240,766</b>	<b>1,857,023</b>	(33)	<b>489,091</b>	<b>175,006</b>
31.18	Basic earnings per ordinary share for the period (Rs.) *	<b>17.35</b>	28.90		<b>6.81</b>	2.52
31.18	Diluted earnings per ordinary share for the period (Rs.) *	<b>17.35</b>	28.90		<b>6.81</b>	2.52
6.00	Dividend per share (Rs)	-	-		-	-

\*Computed based on 59,861,512 ordinary shares on issue as at December 31, 2012.

The notes to the financial statements on pages from 7 to 9 form an integral part of the financial statements.

*The figures in brackets indicate deductions*

## DIPPED PRODUCTS PLC

## INCOME STATEMENTS

Company	Company			Company		
	Unaudited 09 months to 31.12.2012 Rs.'000	Unaudited 09 months to 31.12.2011 Rs.'000	Increase/ (Decrease) %	Unaudited 03 months to 31.12.2012 Rs.'000	Unaudited 03 months to 31.12.2011 Rs.'000	
Audited year to 31.03.2012 Rs.'000						
1,798,644	<b>Turnover</b>	<b>1,507,110</b>	1,348,655	12	<b>499,034</b>	418,164
(1,449,966)	Cost of sales	<b>(1,113,699)</b>	(1,086,734)	2	<b>(375,955)</b>	(350,494)
348,678	Gross profit	<b>393,411</b>	261,921	50	<b>123,079</b>	67,670
1,148,171	Other income	<b>8,857</b>	1,145,349	(99)	<b>3,271</b>	2,754
(285,052)	Administrative expenses	<b>(234,694)</b>	(224,603)	4	<b>(78,493)</b>	(83,608)
(15,993)	Distribution expenses	<b>(35,113)</b>	(16,621)	111	<b>(8,455)</b>	(7,710)
(2,686)	Other expenses	<b>(13,536)</b>	(7,837)	73	<b>(5,912)</b>	(4,721)
(150,000)	Provision for diminution in value of investments	-	-	-	-	-
37,159	Net finance income	<b>130,368</b>	93,630	39	<b>7,241</b>	20,002
1,080,277	<b>Profit before tax</b>	<b>249,293</b>	1,251,839	(80)	<b>40,731</b>	(5,613)
2,416	Income tax (expense) / release	<b>(20,219)</b>	1,226	(1,749)	<b>(5,584)</b>	4,974
<b>1,082,693</b>	<b>Profit for the period</b>	<b>229,074</b>	<b>1,253,065</b>	(82)	<b>35,147</b>	(639)
18.09	Basic earnings per ordinary share for the period (Rs.) *	<b>3.83</b>	20.93		<b>0.59</b>	(0.01)
18.09	Diluted earnings per ordinary share for the period (Rs.) *	<b>3.83</b>	20.93		<b>0.59</b>	(0.01)
6.00	Dividend per share (Rs)	-	-		-	-

\*Computed based on 59,861,512 ordinary shares on issue as at December 31, 2012.

The notes to the financial statements on pages from 7 to 9 form an integral part of the financial statements.

*The figures in brackets indicate deductions*

**DIPPED PRODUCTS PLC**  
**BALANCE SHEETS**

Group	Company		Group		Company	
As at 31.03.2012 Rs.'000	As at 31.03.2012 Rs.'000	Notes	As at 31.12.2012 Rs.'000	As at 31.12.2011 Rs.'000	As at 31.12.2012 Rs.'000	As at 31.12.2011 Rs.'000
<b>ASSETS</b>						
<b>Non-current assets</b>						
8,808,301	321,732		9,191,839	8,887,766	316,901	553,021
228,331	228,331		224,330	-	224,330	-
195,843	-		194,066	208,851	-	-
-	2,013,900		-	-	2,352,684	1,843,280
2,553	-		638	2,553	-	-
31,435	30,823		34,346	22,763	33,734	21,998
9,266,463	2,594,786		9,645,219	9,121,933	2,927,649	2,418,299
<b>Current assets</b>						
3,374,760	396,590		3,622,238	3,328,918	461,535	465,228
4,362,081	437,485		4,759,022	4,763,870	298,782	505,944
-	392,302		-	-	340,538	767,252
8,299	-		8,437	8,333	-	-
793,837	425,677		1,127,422	908,140	735,176	500,000
210,383	22,455		290,294	472,549	94,552	94,697
8,749,360	1,674,509		9,807,413	9,481,810	1,930,583	2,333,121
18,015,823	4,269,295		19,452,632	18,603,743	4,858,232	4,751,420
<b>EQUITY AND LIABILITIES</b>						
<b>Equity attributable to equity holders of the company</b>						
598,615	598,615	3	598,615	598,615	598,615	598,615
236,836	133,788		383,287	236,837	133,788	133,788
4,459,936	2,074,467		5,140,478	4,328,236	1,944,372	2,244,838
5,295,387	2,806,870		6,122,380	5,163,688	2,676,775	2,977,241
1,676,148	-		1,852,878	1,540,823	-	-
6,971,535	2,806,870		7,975,258	6,704,511	2,676,775	2,977,241
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
243,259	-		279,259	194,338	-	-
2,174,357	262,188		2,343,593	2,285,066	285,740	247,724
42,610	-		51,700	43,398	-	-
1,781,894	-		1,603,947	1,833,518	-	-
703,369	-		705,017	720,663	-	-
4,945,489	262,188		4,983,516	5,076,983	285,740	247,724
<b>Current liabilities</b>						
2,227,577	147,857		2,839,028	2,659,152	213,030	216,463
3,999	3,999		4,200	2,890	4,200	2,890
333,269	-		331,834	364,082	-	28,488
3,447,198	372,980		3,175,424	3,715,900	442,894	697,772
-	654,220		-	-	1,201,847	571,180
18,597	10,523		16,972	12,642	10,167	5,682
68,159	10,658		126,400	67,583	23,579	3,980
6,098,799	1,200,237		6,493,858	6,822,249	1,895,717	1,526,455
18,015,823	4,269,295		19,452,632	18,603,743	4,858,232	4,751,420

The notes to the financial statements on pages from 7 to 9 form an integral part of the financial statements.

The Balance Sheets as at December 31, 2012, and Statements of Income, Changes in Equity and Cash Flow for the nine months then ended are drawn up from the unaudited financial statements of the Company, its subsidiaries and associates 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.

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sgd.  
**N.A.R.R.S. Nanayakkara**  
General Manager Finance  
**Signed on behalf of the Board**

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sgd.  
**A.M.Pandithage**  
Chairman

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sgd.  
**Dr. K.I.M. Ranasoma**  
Managing Director

February 05, 2013

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

**Group**

For the period ended December 31, 2012

	-----Attributable to equity holders of the Company-----								Non-controlling Interest	Total Equity	
	Stated Capital	-----Capital Reserves-----				Revenue Reserves	Total	Total			
		Capital Redemption Reserve Fund	Reserve on scrip Issue	Reserve on Revaluation of assets	Legal Reserve						General Reserve
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
<b>Balance as at April 1, 2012</b>	<b>598,615</b>	<b>180</b>	<b>25,384</b>	<b>189,517</b>	<b>21,755</b>	<b>927,688</b>	<b>3,441,320</b>	<b>90,928</b>	<b>5,295,387</b>	<b>1,676,148</b>	<b>6,971,535</b>
Adjustment due to changes in holding Exchange difference on translation of overseas entities	-	-	-	-	-	-	(1,908)	250	(1,658)	1,658	-
Net gains/(losses) not recognised in the Income Statement	-	-	-	-	-	-	(1,908)	143,407	141,499	36,947	178,446
Profit for the period	-	-	-	-	-	-	1,038,406	-	1,038,406	202,360	1,240,766
Dividends	-	-	-	-	-	-	(359,169)	-	(359,169)	(56,320)	(415,489)
Transfers / adjustments	-	-	142,025	-	4,426	-	(140,194)	-	6,257	(6,257)	-
<b>Balance as at December 31, 2012</b>	<b>598,615</b>	<b>180</b>	<b>167,409</b>	<b>189,517</b>	<b>26,181</b>	<b>927,688</b>	<b>3,978,455</b>	<b>234,335</b>	<b>6,122,380</b>	<b>1,852,878</b>	<b>7,975,258</b>
<b>For the period ended December 31, 2011</b>											
<b>Balance as at April 1, 2011</b>	<b>598,615</b>	<b>180</b>	<b>25,384</b>	<b>189,517</b>	<b>18,418</b>	<b>817,359</b>	<b>1,786,303</b>	<b>111,426</b>	<b>3,547,202</b>	<b>831,677</b>	<b>4,378,879</b>
Adjustments due to changes in holding Exchange difference on translation of overseas entities	-	-	-	-	-	-	-	-	-	641,900	641,900
Net gains/(losses) not recognised in the Income Statement	-	-	-	-	-	-	-	(23,996)	(23,996)	30	(23,966)
Profit for the period	-	-	-	-	-	-	1,730,275	-	1,730,275	126,748	1,857,023
Dividends	-	-	-	-	-	-	(89,793)	-	(89,793)	(59,532)	(149,325)
Transfers / adjustments	-	-	-	-	3,338	-	(3,338)	-	-	-	-
<b>Balance as at December 31, 2011</b>	<b>598,615</b>	<b>180</b>	<b>25,384</b>	<b>189,517</b>	<b>21,756</b>	<b>817,359</b>	<b>3,423,447</b>	<b>87,430</b>	<b>5,163,688</b>	<b>1,540,823</b>	<b>6,704,511</b>

**Company**

For the period ended December 31, 2012

	Stated Capital	-----Capital Reserves-----			Revenue Reserves	Total
		Capital Redemption Reserve Fund	Reserve on Revaluation of assets	Retained Earnings		
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>Balance as at April 1, 2012</b>	<b>598,615</b>	<b>180</b>	<b>133,608</b>	<b>2,074,467</b>	<b>2,806,870</b>	
Profit for the period	-	-	-	229,074	229,074	
Dividends	-	-	-	(359,169)	(359,169)	
<b>Balance as at December 31, 2012</b>	<b>598,615</b>	<b>180</b>	<b>133,608</b>	<b>1,944,372</b>	<b>2,676,775</b>	
<b>For the period ended December 31, 2011</b>						
<b>Balance as at April 1, 2011</b>	<b>598,615</b>	<b>180</b>	<b>133,608</b>	<b>1,081,566</b>	<b>1,813,969</b>	
Profit for the period	-	-	-	1,253,065	1,253,065	
Dividends	-	-	-	(89,793)	(89,793)	
<b>Balance as at December 31, 2011</b>	<b>598,615</b>	<b>180</b>	<b>133,608</b>	<b>2,244,838</b>	<b>2,977,241</b>	

The notes to the financial statements on pages from 7 to 9 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>		<u>Group</u>		<u>Company</u>	
Audited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
year to	year to	09 months to	09 months to	09 months to	09 months to	09 months to	09 months to
31.03.2012	31.03.2012	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Cash flows from operating activities</b>							
1,097,773	280,301	2,717,801	729,140	939,360	(251,787)		
(281,473)	(24,366)	(267,834)	(188,224)	(21,554)	(19,484)		
(147,550)	(10,001)	(177,238)	(92,071)	(10,209)	(9,044)		
(108,811)	(11,778)	(148,241)	(63,544)	(16,410)	(7,585)		
(2,999)	-	(228)	(1,583)	-	-		
556,940	234,156	2,124,260	383,718	891,187	(287,900)		
<b>Cash flows from investing activities</b>							
(749,031)	(13,902)	(696,767)	(671,600)	(22,259)	(235,168)		
(230,999)	(230,999)	-	-	-	-		
17,451	-	14,533	6,926	-	-		
39,345	994	10,976	21,403	477	521		
1,335,510	1,335,510	-	1,335,510	-	1,335,510		
-	(320,620)	-	-	(338,784)	-		
(280,000)	-	-	(280,000)	-	-		
(87,452)	-	-	(87,452)	-	-		
70,478	31,162	58,638	40,195	35,795	17,733		
14,145	14,145	-	14,145	-	14,145		
14,296	72,887	-	14,296	104,234	72,887		
(17,152)	-	(56,320)	(59,532)	-	-		
126,591	889,177	(668,940)	333,891	(220,537)	1,205,628		
<b>Cash flows from financing activities</b>							
126,424	-	-	114,777	-	-		
(406,555)	(110,460)	(272,174)	(307,610)	-	(81,972)		
(6,698)	-	(6,505)	(4,883)	-	-		
(96,038)	(96,038)	(358,968)	(97,148)	(358,968)	(97,148)		
(382,867)	(206,498)	(637,647)	(294,864)	(358,968)	(179,120)		
300,664	916,835	817,673	422,745	311,682	738,608		
(2,743,642)	(841,683)	(2,575,381)	(2,757,956)	75,152	(841,683)		
(2,442,978)	75,152	(1,757,708)	(2,335,211)	386,834	(103,075)		
<b>A</b>							
<b>Cash generated from operations</b>							
2,384,149	1,080,277	1,511,778	2,041,721	249,293	1,251,839		
<b>Adjustments for</b>							
281,473	24,366	267,834	188,224	21,554	19,484		
27,067	-	-	27,067	-	-		
534,775	36,726	517,120	373,951	27,091	27,173		
2,668	2,668	4,001	-	4,001	-		
400	-	1,777	95	-	-		
(27,182)	(237)	(9,517)	(18,617)	(478)	(234)		
(1,141,053)	(1,141,053)	-	(1,141,053)	-	(1,141,053)		
(44,534)	-	(12,885)	(16,715)	-	-		
5,563	122	18,100	5,623	(69)	44		
291,481	56,555	311,820	356,412	39,962	37,898		
4,434	-	3,508	3,282	-	-		
-	150,000	1,915	-	-	-		
56,426	16,877	1,787	45,785	1,665	13,274		
(84,623)	(118,194)	(58,638)	(54,340)	(140,029)	(104,765)		
(28,287)	-	215,765	(8,222)	-	-		
2,262,757	108,107	2,774,365	1,803,213	202,990	103,660		
(597,577)	(95,480)	(417,125)	(988,769)	190,536	(538,811)		
(379,117)	(81,940)	(249,265)	(322,634)	(66,610)	(146,975)		
(188,290)	349,614	609,826	237,330	612,444	330,339		
(1,164,984)	172,194	(56,564)	(1,074,073)	736,370	(355,447)		
1,097,773	280,301	2,717,801	729,140	939,360	(251,787)		
<b>B</b>							
<b>Analysis of cash &amp; cash equivalents at end of the period</b>							
210,383	22,455	290,294	472,549	94,552	94,697		
793,837	425,677	1,127,422	908,140	735,176	500,000		
(3,447,198)	(372,980)	(3,175,424)	(3,715,900)	(442,894)	(697,772)		
(2,442,978)	75,152	(1,757,708)	(2,335,211)	386,834	(103,075)		
(132,403)	-	-	-	-	-		
(2,575,381)	75,152	(1,757,708)	(2,335,211)	386,834	(103,075)		

The notes to the financial statements on pages from 7 to 9 form an integral part of the financial statements.

The figures in brackets indicate deductions

## DIPPED PRODUCTS PLC

### NOTES TO THE FINANCIAL STATEMENTS

1. The Interim Financial Statements are unaudited and have been prepared in accordance with the same accounting policies and methods set out in the Annual Financial Statements for the year ended March 31, 2012 and are in compliance with the Sri Lanka Accounting Standard 35 - Interim Financial Reporting.

#### 2. Impact to the Statement of Comprehensive Income and Net Assets based on SLFRS/LKAS

The Institute of Chartered Accountants of Sri Lanka had issued a new volume of Sri Lanka Accounting Standards which have become applicable for financial periods beginning on or after January 01, 2012. These Sri Lanka Accounting Standards comprise of Accounting Standards prefixed both SLFRS (corresponding to IFRS) and LKAS (corresponding to IAS).

The Company is required to prepare Interim Financial Statements in accordance with LKAS 34 – Interim Financial Reporting. However, the Institute of Chartered Accountants of Sri Lanka has decided to allow Companies to prepare Interim Financial Statements during the first financial year commencing on or after January 01, 2012 in accordance with Sri Lanka Accounting Standards that existed immediately prior to that date (SLASs) with disclosures on impact to the Statement of Comprehensive Income for the period and Net assets based on SLFRS/LKAS. If determination of that impact is impracticable, the Companies are required to disclose that fact.

The Company has quantified the impact to the Statement of Comprehensive Income for the period and Net Assets based on the new Sri Lanka Accounting Standards and the impact of which is shown below. The assessment of impact due to Hydro Power Plants and Leasehold Right to Bare Land is in progress.

	Nature of SLFRS/LKAS adjustment	Statement of Comprehensive income for the period ended December 31		Net Assets as at December 31, 2012	Net Assets as at March 31, 2012
		Statement of Income	Statement of Other Comprehensive Income		
		Increased / (decreased) by			
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Inventory	The measurements of products that are the result of processing after harvest (produced tea and rubber) were previously valued at estimated selling price or since realized price in terms of SLAS 32 -Plantations. The measurement of those stocks are no longer under the purview of SLAS 32 and measured at lower of cost or net realizable value under LKAS 2 - Inventories. According to LKAS 41- Agriculture, the agricultural produce that entity has harvested from its biological assets are measured on initial recognition at their fair value less cost to sell at the point of harvest in arriving at the raw material cost. The costs of conversion i.e. manufacturing, labour, packing, transport that are directly attributable to the production of goods are absorbed to stocks on completion basis.	(9,332)	-	(71,777)	(62,445)
Property Plant and Equipment	Considering distinguish expected usage, technical and commercial obsolescence, the useful lives of Plant & Machinery and the Motor vehicles were changed after a comprehensive review in terms of LKAS 16 – Property Plant and Equipment. The Electronic machinery were segregated from Plant & Machinery as a separate class of assets and reduced its expected useful life to 10 years while other Plant & Machinery increased to 20 years. The expected lives of supervisory vehicles remain unchanged and the useful life of the utility vehicles extended to 10 years. The changes of estimates will be adjusted in accordance with LKAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.	8,033	-	517,938	509,905
Forward Contracts - Financial Assets	LKAS 32 and 39 - Financial Instruments Presentation, Recognition and Measurement. The forward exchange contracts are to be measured at fair value.	8,178	-	8,207	29
Hydro Power Plants	LKAS 38 - Intangible Assets - The generation and distribution of electricity at power companies is solely depend on the Power Purchase Agreement (PPA) entered with Ceylon Electricity Board. Therefore the contract between the Ceylon Electricity Board and power companies falls within IFRIC-12 Service Concession Arrangements. Hence the cost of power plants derecognized in its financial statements and recognized as an intangible asset and amortized over the PPA period in terms of LKAS 38 - Intangible Assets. However the impact on financial statements has not been quantified yet as the valuation process is in progress.				
Biological Assets	LKAS 41 - Agriculture - The fair value of managed timber has to be ascertained in accordance with LKAS 41 - Agriculture. The timber valuation is carried out by a professionally qualified valuer.	9,819	-	14,406	4,587
Lease hold Right to Bare land	LKAS 17 – Leases - The land given on lease by the government has been classified as a finance lease based on the UITF ruling published by the Institute of Chartered Accountants of Sri Lanka. According to LKAS 17 – Leases, the Land is an operating lease due to the nature of indefinite economic useful life. The Planters Association has requested from the Institute of Chartered Accountants of Sri Lanka for a decision to either continue existing method or to adopt new method. The impact on financial statements has not been quantified yet.				



# DIPPED PRODUCTS PLC

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

### 3. Stated Capital

<u>Group</u>			<u>Group</u>		<u>Company</u>	
<u>Unaudited</u>	Unaudited		<u>Unaudited</u>	Unaudited	<u>Unaudited</u>	Unaudited
<u>As at</u>	As at		<u>As at</u>	As at	<u>As at</u>	As at
<u>31.03.2012</u>	31.03.2011		<u>31.12.2012</u>	31.12.2011	<u>31.12.2012</u>	31.12.2011
<u>Rs.'000</u>	Rs.'000		<u>Rs.'000</u>	Rs.'000	<u>Rs.'000</u>	Rs.'000
		Issued and Fully paid				
<u>598,615</u>	598,615	59,861,512 Ordinary Shares	<u>598,615</u>	598,615	<u>598,615</u>	598,615

4. 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.

5. 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 31.03.2012.

### 6. Industry Segment Turnover

<u>Group</u>			<u>Group</u>	
Audited	Unaudited		Unaudited	Unaudited
year to	09 months to		09 months to	09 months to
<u>31.03.2012</u>	<u>31.12.2012</u>		<u>31.12.2012</u>	31.12.2011
Rs'000	Rs'000		Rs'000	Rs.'000
13,499,025	10,967,109	Hand Protection	10,967,109	10,430,662
7,051,988	7,061,465	Plantations	7,061,465	4,678,300
20,551,013	18,028,574		18,028,574	15,108,962
(764,528)	(652,747)	Inter - segment sales / services	(652,747)	(569,212)
<u>19,786,485</u>	<u>17,375,827</u>		<u>17,375,827</u>	<u>14,539,750</u>

### 7. Industry Segment Results

<u>Group</u>			<u>Group</u>	
Audited	Unaudited		Unaudited	Unaudited
year to	09 months to		09 months to	09 months to
<u>31.03.2012</u>	<u>31.12.2012</u>		<u>31.12.2012</u>	31.12.2011
Rs. '000	Rs. '000		Rs. '000	Rs.'000
1,990,288	1,012,566	Hand Protection	1,012,566	1,857,091
633,039	700,404	Plantations	700,404	308,727
2,623,327	1,712,970	Segment results	1,712,970	2,165,818
(212,111)	(201,192)	Net finance cost	(201,192)	(97,030)
(27,067)	-	Share of loss of equity accounted investee	-	(27,067)
<u>2,384,149</u>	<u>1,511,778</u>	Profit before tax	<u>1,511,778</u>	<u>2,041,721</u>

## DIPPED PRODUCTS PLC

### INVESTOR INFORMATION

	31.12.2012 Rs.	31.12.2011 Rs.
<b>Market Value of Shares</b>		
The market value of an ordinary share of Dipped Products PLC was as follows.		
Closing price on	110.00	106.50
Highest price recorded for the nine months ending	114.00	127.00
Lowest price recorded for the nine months ending	84.00	91.00
Highest price recorded for the three months ending	112.50	121.00
Lowest price recorded for the three months ending	97.10	96.00
Market Capitalisation (Rs. M)	6,585	6,375
<b>Ratios</b>		
Net assets per share at the period end*	102.28	86.26
Price earnings ratio annualised (times)	4.8	2.8
<b>Share Trading information from April 1, 2012 to December 31, 2012</b>		
Number of transactions	900	1,538
Number of shares traded	1,934,463	3,752,900
Value of shares traded (Rs.)	204,608,780	431,560,690

#### Dividend Payments

Final dividend 2011/12 Rs.6.00 per share paid on 09.07.2012

\*Computed based on 59,861,512 shares on issue as at December 31, 2012

#### First twenty shareholders as at December 31, 2012

	Shareholder	No.of Shares as at December 31, 2012	%
1	Hayleys PLC	24,776,080	41.39
2	Employees Provident Fund	7,820,256	13.06
3	Volanka (Pvt) Limited	4,873,640	8.14
4	Haycarb PLC	4,068,746	6.80
5	Promar Overseas SA	3,873,496	6.47
6	National Savings Bank	1,000,000	1.67
7	Mr.H.A.Pieris	805,426	1.35
8	Bank Of Ceylon No.1 Account	792,400	1.32
9	Ravi Industries Limited	567,000	0.95
10	Seylan Bank PLC /Symphony Capital Ltd Waldock Mackenzie Ltd/Symphony Capital Ltd	562,935 4,000	0.95
11	E. W. Balasuriya & Co. (Pvt) Ltd	431,201	0.72
12	Dr.D.Jayantha	415,000	0.69
13	Mr. N. G. Wickremeratne	393,204	0.66
14	Renuka Properties Limited	324,934	0.54
15	Mr.J.A.G.Anandarajah	219,474	0.37
16	HSBC International Nominees Ltd-SSBT Deutsche Bank	200,044	0.33
17	Commercial Bank Of Ceylon PLC A/C No. 04	200,000	0.33
18	Hallsville Trading Group Inc.	200,000	0.33
19	Mr. D.F.G. Dalpethado	184,300	0.31
20	Mr.S.Krishnananthan	163,044	0.27
	<b>TOTAL</b>	<b>51,875,180</b>	<b>86.66</b>

There were no non-voting shares as at December 31, 2012.

The percentage of shares held by public as per Colombo Stock Exchange Rules as at December 31, 2012 was 29.17%.

#### Directors' shareholding as at December 31, 2012

Name of Director	No.of Shares as at December 31, 2012
Mr.J.A.G.Anandarajah	219,474
Mr.G.K.Seneviratne	5,000
Mr.N.Y.Fernando	10,288
Mr.K.A.L.S.Fernando	56,264
Dr.K.I.M.Ranasoma	300
Mr.K.D.D.Perera	1,000
<b>TOTAL</b>	<b>292,326</b>