

DIPPED PRODUCTS PLC

INTERIM REPORT FOR THE YEAR ENDED 31ST MARCH 2013

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 - Retired on 31-03-2013

G.K. Seneviratne - Retired on 08-04-2013

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) - Appointed on 29/08/2012 and Resigned on 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

ICOQUANTI 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

STATEMENTS OF INCOME

	Group			Group		
	Year to 31.03.2013 Rs.'000	Year to 31.03.2012 Rs.'000	Increase/ (Decrease) %	03 months to 31.03.2013 Rs.'000	03 months to 31.03.2012 Rs.'000	Increase/ (Decrease) %
Turnover	23,657,743	19,693,665	20	6,281,916	5,153,915	22
Cost of sales	(19,079,931)	(16,195,264)	18	(5,043,602)	(4,125,241)	22
Gross profit	4,577,812	3,498,401	31	1,238,314	1,028,674	20
Other income	126,808	1,246,070	(90)	78,521	60,511	30
Administrative expenses	(1,777,854)	(1,565,787)	14	(486,751)	(416,157)	17
Distribution expenses	(489,042)	(453,411)	8	(123,157)	(130,147)	(5)
Other expenses	(21,350)	(12,935)	65	(3,523)	(3,435)	3
Net finance cost	(241,158)	(254,428)	(5)	(39,966)	(150,325)	(73)
Share of loss of equity accounted investee (net of tax)	-	(20,232)	(100)	-	6,835	-
Profit before tax	2,175,216	2,437,678	(11)	663,438	395,956	68
Income tax expense	(390,943)	(294,922)	33	(119,931)	(110,124)	9
Profit for the year	1,784,273	2,142,756	(17)	543,507	285,832	90
Attributable to :						
Equity holders of the Company	1,417,888	1,905,975	(26)	379,482	176,359	115
Non-controlling interest	366,385	236,781	55	164,025	109,473	50
Profit for the year	1,784,273	2,142,756	(17)	543,507	285,832	90
Basic earnings per ordinary share for the year (Rs.) *	23.69	31.84		6.34	2.95	
Diluted earnings per ordinary share for the year (Rs.) *	23.69	31.84		6.34	2.95	
Dividend per share (Rs)	7.00	6.00		-	-	

*Computed based on 59,861,512 ordinary shares on issue as at March 31, 2013.
The notes to the financial statements form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC

STATEMENTS OF INCOME

	Company			Company		
	Year to 31.03.2013 Rs.'000	Year to 31.03.2012 Rs.'000	Increase/ (Decrease) %	03 months to 31.03.2013 Rs.'000	03 months to 31.03.2012 Rs.'000	Increase/ (Decrease) %
Turnover	2,018,710	1,798,644	12	511,600	449,989	14
Cost of sales	(1,524,208)	(1,451,393)	5	(410,509)	(364,659)	13
Gross profit	494,502	347,251	42	101,091	85,330	18
Other income	592,994	1,235,203	(52)	584,137	2,822	20,599
Administrative expenses	(304,665)	(285,052)	7	(69,971)	(60,449)	16
Distribution expenses	(15,502)	(15,993)	(3)	19,611	628	3,023
Other expenses	(16,075)	(2,686)	498	(2,539)	5,151	(149)
Provision for diminution in value of investments	-	(150,000)	-	-	(150,000)	-
Net finance income	32,120	(57,204)	(156)	(98,248)	(63,802)	54
Profit before tax	783,374	1,071,519	(27)	534,081	(180,320)	(396)
Income tax (expense) / release	(29,536)	(6,196)	377	(9,317)	(7,422)	26
Profit for the year	753,838	1,065,323	(29)	524,764	(187,742)	(380)
Basic earnings per ordinary share for the year (Rs.) *	12.59	17.80		8.77	(3.14)	
Diluted earnings per ordinary share for the year (Rs.) *	12.59	17.80		8.77	(3.14)	
Dividend per share (Rs)	7.00	6.00		-	-	

*Computed based on 59,861,512 ordinary shares on issue as at March 31, 2013.

The notes to the financial statements form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC				
STATEMENT OF COMPREHENSIVE INCOME				

	Group		Company	
	Year to	Year to	Year to	Year to
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit for the Year	1,784,273	2,142,756	753,838	1,065,323
Other Comprehensive Income				
Net Exchange differences on translation of foreign operations	156,097	(20,498)	-	-
Net gain/(loss) on available for sale financial assets	-	-	-	-
Net change in fair value of available for sale financial assets reclassified to profit or loss	-	(1,156,715)	-	(1,156,715)
	-	(1,156,715)	-	(1,156,715)
Revaluation of Lands	69,591	-	45,297	-
	69,591	-	45,297	-
Other comprehensive income for the period, net of tax	225,688	(1,177,213)	45,297	(1,156,715)
Total comprehensive income for the period, net of tax	2,009,961	965,543	799,135	(91,392)

The notes to the financial statements form an integral part of the financial statements.

DIPPED PRODUCTS PLC

STATEMENTS OF FINANCIAL POSITION

	Group			Company		
	As at 31.03.2013 Rs.'000	As at 31.03.2012 Rs.'000	As at 01.04.2011 Rs.'000	As at 31.03.2013 Rs.'000	As at 31.03.2012 Rs.'000	As at 01.04.2011 Rs.'000
ASSETS						
Non-current assets						
Property , plant and equipment	10,119,322	9,451,513	6,246,770	478,171	384,402	409,410
Formers (Maulds)	190,647	188,731	167,020	55,934	44,281	28,686
Investment property	221,896	228,331	-	221,896	228,331	-
Biological assets	235,021	192,113	40,395	-	-	-
Intangible assets	178,611	181,308	34,694	-	-	-
Investments in subsidiaries	-	-	-	2,352,684	2,013,900	1,843,280
Investments in equity accounted investee	-	-	329,945	-	-	-
Other non-current financial assets	22	2,575	1,353,751	-	-	1,351,166
Deferred tax assets	20,647	19,161	14,260	20,360	18,549	14,260
Total non-current assets	10,966,166	10,263,732	8,186,835	3,129,045	2,689,463	3,646,802
Current assets						
Inventories	3,267,185	3,123,709	2,536,390	372,090	352,309	302,841
Trade and other receivables	4,144,582	4,070,967	3,428,132	283,387	330,858	154,411
Advances and prepayments	378,104	290,371	278,933	61,544	106,627	70,550
Amounts due from subsidiaries	-	-	-	346,358	401,037	513,254
Other current financial assets	6,137	11,303	27,990	-	3,004	17,214
Short term deposits	472,535	793,837	323,316	-	425,677	-
Cash and cash equivalents	273,846	210,383	208,531	92,569	22,455	25,485
Total current assets	8,542,389	8,500,570	6,803,292	1,155,948	1,641,967	1,083,755
Total assets	19,508,555	18,764,302	14,990,127	4,284,993	4,331,430	4,730,557
EQUITY AND LIABILITIES						
attributable to equity holders						
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	452,878	236,836	233,499	179,085	133,788	133,788
Other components of equity	14	16	1,156,732	-	-	1,156,710
Revenue reserves	5,793,215	4,965,582	3,153,488	2,291,824	2,136,602	1,161,070
Total equity attributable to equity holders of the company	6,844,722	5,801,049	5,142,334	3,069,524	2,869,005	3,050,183
Non-controlling interest	2,068,640	1,750,494	840,397	-	-	-
Total equity	8,913,362	7,551,543	5,982,731	3,069,524	2,869,005	3,050,183
Liabilities						
Non-current liabilities						
Deferred tax liability	370,723	290,486	210,707	-	-	-
Retirement benefit obligations	2,324,356	2,174,357	1,160,230	290,448	262,188	217,411
Agents' indemnity fund	52,900	42,610	41,328	-	-	-
Interest bearing loans and borrowings	1,642,681	1,899,974	1,238,387	-	-	-
Deferred income	699,054	703,369	480,877	-	-	-
Total non-current liabilities	5,089,714	5,110,796	3,131,529	290,448	262,188	217,411
Current liabilities						
Trade and other payables	2,725,100	2,231,576	2,113,310	205,811	151,856	169,300
Short-term interest-bearing loans and borrowings	2,686,940	3,774,416	3,705,525	320,792	372,980	977,628
Amounts due to related parties	8,666	18,597	26,622	371,316	664,743	303,931
Other current financial liabilities	-	9,215	1,930	-	-	1,930
Income tax payable	84,773	68,159	28,480	27,102	10,658	10,174
Total current liabilities	5,505,479	6,101,963	5,875,867	925,021	1,200,237	1,462,963
Total equity and liabilities	19,508,555	18,764,302	14,990,127	4,284,993	4,331,430	4,730,557

The notes to the financial statements form an integral part of the financial statements.

The Statement of Financial Position as at March 31, 2013, and Statements of Income, Changes in Equity and Cash Flow for the year and Statement of Income for the three 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.

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

sgd.
A.M.Pandithage
Chairman

May 14, 2013

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

DIPPED PRODUCTS PLC

STATEMENTS OF CHANGES IN EQUITY

Group												
For the year ended 31 March 2013												
	Share capital	Reserve on scrip issue	Revaluation reserve	Other capital reserves	Timber reserve	AFS reserves	Exchange fluctuation reserve	General reserve	Retained earnings	Parent Total	Non-control-ling Interest	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Previously reported Balance as at April 1, 2011	598,615	25,384	189,517	18,598	-	-	111,426	817,359	1,786,303	3,547,202	831,677	4,378,879
SLFRS Adjustments	-	-	-	-	17,620	1,156,732	-	-	420,779	1,595,131	8,720	1,603,851
Adjusted Balance as at April 1, 2011	598,615	25,384	189,517	18,598	17,620	1,156,732	111,426	817,359	2,207,082	5,142,333	840,397	5,982,730
Profit for the year									1,893,749	1,893,749	225,719	2,119,468
Other comprehensive income					12,225	(1,156,716)	(20,498)			(1,164,989)	11,057	(1,153,932)
Total comprehensive income	-	-	-	-	12,225	(1,156,716)	(20,498)	-	1,893,749	728,760	236,776	965,536
Adjustment due to changes in holding									19,748	19,748	732,853	752,601
Transfers				3,337				110,329	(113,666)			-
Dividends									(89,792)	(89,792)	(59,532)	(149,324)
Balance as at March 31, 2012	598,615	25,384	189,517	21,935	29,845	16	90,928	927,688	3,917,121	5,801,049	1,750,494	7,551,543
Profit for the year									1,400,502	1,400,502	360,786	1,761,288
Other comprehensive income			69,591		17,386	(2)	156,097			243,072	39,900	282,972
Total comprehensive income	-	-	69,591	-	17,386	(2)	156,097	-	1,400,502	1,643,574	400,686	2,044,260
Adjustments							109		(1,395)	(1,286)	6,741	5,455
Transfers		142,025	-	4,426	-	-		242,012	(388,463)	-	-	-
Dividends									(598,615)	(598,615)	(89,281)	(687,896)
Balance as at March 31, 2013	598,615	167,409	259,108	26,361	47,231	14	247,134	1,169,700	4,329,150	6,844,722	2,068,640	8,913,362
Company												
For the year ended 31 March 2013												
	Share capital	Reserve on scrip issue	Revaluation reserve	Other capital reserves	Timber reserve	AFS reserves	Exchange fluctuation reserve	General reserve	Retained earnings	Parent Total		
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000		
Previously reported Balance as at 1st April 2011	598,615	-	133,608	180	-	-	-	-	1,081,566	1,813,969		
SLFRS Adjustments	-	-	-	-	-	1,156,709	-	-	79,503	1,236,212		
Adjusted Balance as at April 1, 2011	598,615	-	133,608	180	-	1,156,709	-	-	1,161,069	3,050,181		
Profit for the year									1,065,323	1,065,323		
Other comprehensive income					-	(1,156,709)	-			(1,156,709)		
Total comprehensive income	-	-	-	-	-	(1,156,709)	-	-	1,065,323	(91,386)		
Dividends									(89,792)	(89,792)		
Balance as at March 31, 2012	598,615	-	133,608	180	-	-	-	-	2,136,600	2,869,003		
Profit for the year									753,838	753,838		
Other comprehensive income			45,297		-	-	-			45,297		
Total comprehensive income	-	-	45,297	-	-	-	-	-	753,838	799,135		
Dividends									(598,615)	(598,615)		
Balance as at March 31, 2013	598,615	-	178,905	180	-	-	-	-	2,291,823	3,069,523		

DIPPED PRODUCTS PLC STATEMENTS OF CASH FLOWS

	<u>Group</u>		<u>Company</u>	
	Year to 31.03.2013 Rs.'000	year to 31.03.2012 Rs.'000	Year to 31.03.2013 Rs.'000	year to 31.03.2012 Rs.'000
Cash flows from operating activities				
Cash generated from operations (Note A)	3,598,010	1,097,773	156,036	280,301
Interest paid	(348,097)	(281,473)	(28,422)	(24,366)
Income taxes paid	(328,216)	(147,550)	(14,903)	(10,001)
Retiring gratuity paid	(219,532)	(108,811)	(27,102)	(11,778)
Agents' indemnity paid	(518)	(2,999)	-	-
Net cash flow from operating activities	2,701,647	556,940	85,609	234,156
Cash flows from investing activities				
Purchase & construction of property, plant and equipment	(1,022,154)	(749,031)	(95,540)	(13,902)
Purchase of investment property	-	(230,999)	-	(230,999)
Grants received	32,808	17,451	-	-
Proceeds from disposal of property, plant and equipment	45,068	39,345	8,909	994
Proceeds from disposal of investment	-	1,335,510	-	1,335,510
Development cost incurred on biological assets	(11,737)	-	-	-
Investments in group companies	-	-	(338,784)	(320,620)
Cash paid on investment in Hayleys Plantation Services (Pvt) Ltd	-	(280,000)	-	-
Net of short-term borrowings, cash & cash equivalents on acquisition of Hayleys Plantation Services (Pvt) Ltd	-	(87,452)	-	-
Interest received	94,968	70,478	52,189	31,162
Dividend received from non-group companies	-	14,145	-	14,145
Dividend received from associate / subsidiary companies	-	14,296	581,344	72,887
Net payments to non-controlling interest	(89,281)	(17,152)	-	-
Net cash flows from investing activities	(950,328)	126,591	208,118	889,177
Cash flows from financing activities				
Long term loans obtained	17,171	126,424	-	-
Repayment of term loans	(329,768)	(406,555)	-	(110,460)
Capital payment on finance lease	(2,662)	(6,698)	-	-
Dividend paid	(597,102)	(96,038)	(597,102)	(96,038)
Net cash flows from financing activities	(912,361)	(382,867)	(597,102)	(206,498)
Net increase / (decrease) in cash & cash equivalents	838,958	300,664	(303,375)	916,835
Cash & cash equivalents at beginning of the period	(2,442,978)	(2,743,642)	75,152	(841,683)
Cash & cash equivalents at end of the period (Note B)	(1,604,020)	(2,442,978)	(228,223)	75,152
A Cash generated from operations				
Profit before tax	2,175,216	2,437,678	783,374	1,071,519
Adjustments for				
Interest cost	348,097	286,267	28,422	24,366
Share of (profit)/loss of equity accounted investees	-	20,232	-	-
Gain on valuation of biological assets	(31,171)	(14,955)	-	-
Depreciation on property, plant & equipment	604,601	474,482	38,636	38,153
Depreciation on investment property	5,335	2,668	5,335	2,668
Amortisation of intangible assets	2,697	400	-	-
Net loss on financial instruments at fair value through profit or loss	(4,049)	23,379	-	12,281
(Gain)/loss on disposal of property, plant & equipment	(30,721)	(30,378)	(478)	(237)
Gain on disposal of investments	-	(1,141,053)	-	(1,141,053)
Amortisation of grants	(37,123)	(44,534)	-	-
Provision for / (reversal of) bad & doubtful debts	(79,061)	5,563	102	122
Provision for retiring gratuity	363,677	291,481	55,362	56,555
Provision for agents' indemnity fund	4,798	4,434	-	-
Provision for diminution in value of investments	2,550	-	-	150,000
Provision for slow-moving / obsolete inventories	14,420	56,426	2,171	16,877
Interest and dividend income	(94,968)	(84,623)	(633,533)	(123,144)
Differences of exchange on translation of foreign entities	78,591	(28,291)	-	-
	3,322,889	2,259,176	279,391	108,107
(Increase) / decrease in trade and other receivables	(48,246)	(597,577)	150,135	(95,480)
(Increase) / decrease in inventories	(159,813)	(375,536)	(33,605)	(81,940)
Increase / (decrease) in trade and other payables	483,180	(188,290)	(239,885)	349,614
	275,121	(1,161,403)	(123,355)	172,194
	3,598,010	1,097,773	156,036	280,301
B Analysis of cash & cash equivalents at end of the year				
Cash at bank and in hand	273,846	210,383	92,569	22,455
Short term deposits	472,535	793,837	-	425,677
Short term loans and overdraft	(2,350,401)	(3,447,198)	(320,792)	(372,980)
	(1,604,020)	(2,442,978)	(228,223)	75,152

The notes to the financial statements form an integral part of the financial statements.

The figures in brackets indicate deductions

DIPPED PRODUCTS PLC

Reconciliation of total comprehensive income

	Notes	Group			Company		
		SLAS	Remeasurements	SLFRS	SLAS	Remeasurements	SLFRS
		Year to 31.03.2012 Rs.'000		Year to 31.03.2012 Rs.'000	Year to 31.03.2012 Rs.'000		Year to 31.03.2012 Rs.'000
Turnover	A	19,786,485	(92,820)	19,693,665	1,798,644	-	1,798,644
Cost of Sales	B	(16,344,798)	149,532	(16,195,266)	(1,449,966)	(1,427)	(1,451,393)
Gross Profit		3,441,687	56,712	3,498,399	348,678	(1,427)	347,251
Other Income	C	1,216,969	29,101	1,246,070	1,148,171	87,032	1,235,203
Distribution Expenses		(453,411)	-	(453,411)	(15,993)	-	(15,993)
Administrative Expenses	D	(1,568,983)	3,196	(1,565,787)	(285,052)	-	(285,052)
Other Expenses		(12,935)	-	(12,935)	(2,686)	-	(2,686)
Provision for diminution value of Investments		-	-	-	(150,000)	-	(150,000)
Net Finance cost	E	(212,111)	(42,318)	(254,429)	37,159	(94,363)	(57,204)
Profit Before Tax		2,384,149	53,526	2,437,675	1,080,277	(17,517)	1,071,519
Income Tax Expenses/Reversals	F	(290,168)	(4,753)	(294,921)	2,416	(8,612)	(6,196)
Profit for the year		2,093,981	48,773	2,142,754	1,082,693	(17,370)	1,065,323
Attributable to:							
Equity holders of the Company		1,866,627	39,347	1,905,974	1,082,693	(17,370)	1,065,323
Non-controlling interest	G	227,354	9,426	236,780	-	-	-
Net Profit for the Year		2,093,981	48,773	2,142,754	1,082,693	(17,370)	1,065,323

DIPPED PRODUCTS PLC

Reconciliation of equity as at 01.04.2011 (date of transition to SLFRS)

		Group				Company			
		SLAS*	Reclassificatio ns	Remeasureme nts	SLFRS as at**	SLAS	Reclassificatio ns	Remeasureme nts	SLFRS as at
	Notes	01.04.2011 Rs.'000	Rs.'000	Rs.'000	01.04.2011 Rs.'000	01.04.2011 Rs.'000	Rs.'000	Rs.'000	01.04.2011 Rs.'000
Assets									
Non-Current Assets									
Property, Plant and Equipment	H	5,713,251	(51,499)	585,018	6,246,769	345,313	-	64,097	409,410
Investment Property		-	-	-	-	-	-	-	-
Formers (Maulds)		-	167,020	-	167,020	-	28,686	-	28,686
Intangible Assets	I	48,993	1,385	(15,684)	34,694	-	-	-	-
Biological Assets	J	-	50,857	(10,462)	40,395	-	-	-	-
Investment in Subsidiary		-	-	-	-	1,843,280	-	-	1,843,280
Investments in equity accounted investees		308,879	-	21,066	329,945	-	-	-	-
Other Non-Current Financial Assets	K	-	197,010	1,156,741	1,353,751	-	194,457	1,156,710	1,351,166
Other Long Term Investments	L	197,010	(197,010)	-	-	194,457	(194,457)	-	-
Deferred Tax Assets		17,922	-	(3,662)	14,260	17,922	-	(3,662)	14,260
		6,286,055	167,762	1,733,016	8,186,833	2,400,972	28,686	1,217,145	3,646,803
Current Assets									
Inventories	M	2,733,672	(167,020)	(30,262)	2,536,390	331,527	(28,686)	-	302,841
Trade and Other Receivables	N	3,707,808	(279,676)	-	3,428,132	295,510	(70,550)	-	224,960
Amounts Due from Related Parties		-	-	-	-	-	-	-	-
Amounts Due from Subsidiaries		-	-	-	-	438,919	-	3,785	442,704
Advances and Prepayments	O	-	278,933	-	278,933	-	70,550	-	70,550
Other Current Financial Assets	P	-	8,893	19,097	27,990	-	-	17,214	17,214
Short Term Investments	Q	8,893	(8,893)	-	-	-	-	-	-
Short Term Deposits		323,316	-	-	323,316	-	-	-	-
Cash and Cash Equivalents		208,531	-	-	208,531	25,485	-	-	25,485
		6,982,220	(167,763)	(11,165)	6,803,293	1,091,441	(28,686)	20,999	1,083,754
Total Assets		13,268,275	(0)	1,721,851	14,990,126	3,492,413	(0)	1,238,144	4,730,557
Equity and Liabilities									
Equity									
Stated Capital		598,615	-	-	598,615	598,615	-	-	598,615
Capital Reserves		233,499	-	-	233,499	133,788	-	-	133,788
Other Component of Equity	R	-	-	1,156,732	1,156,732	-	-	1,156,710	1,156,710
Revenue Reserves	S	2,715,088	-	438,399	3,153,487	1,081,566	-	79,505	1,161,071
		3,547,202	-	1,595,131	5,142,333	1,813,969	-	1,236,214	3,050,183
Non Controlling Interests		831,677	-	8,720	840,397	-	-	-	-
Total Equity		4,378,879	-	1,603,851	5,982,730	1,813,969	-	1,236,214	3,050,183
Non-Current Liabilities									
Deferred tax liability	T	162,540	-	48,167	210,707	-	-	-	-
Retirement Benefit Obligations		1,160,230	-	-	1,160,230	-	-	-	-
Agents' indemnity fund		41,328	-	-	41,328	-	-	-	-
Interest Bearing Loans and Borrowings	U	1,166,211	-	72,176	1,238,387	217,411	-	-	217,411
Deferred Revenue		480,877	-	-	480,877	-	-	-	-
		3,011,186	-	120,343	3,131,529	217,411	-	-	217,411
Current Liabilities									
Trade and Other Payables		2,113,310	-	-	2,113,310	169,300	-	-	169,300
Interest Bearing Loans and Borrowings	U	3,709,798	-	(4,272)	3,705,526	977,628	-	-	977,628
Other Current Financial Liabilities	V	-	-	1,930	1,930	-	-	1,930	1,930
Amounts due to Related Parties	W	-	26,622	-	26,622	-	11,136	-	11,136
Amounts to Subsidiaries		-	-	-	-	292,795	-	-	292,795
Amounts due to Hayleys PLC	X	26,622	(26,622)	-	-	11,136	(11,136)	-	-
Income Tax Payables		28,480	-	-	28,480	10,174	-	-	10,174
		5,878,210	0	(2,343)	5,875,868	1,461,033	-	1,930	1,462,963
Total Liabilities		8,889,396	0	118,000	9,007,397	1,678,444	-	1,930	1,680,374
Total Equity and Liabilities		13,268,275	0	1,721,851	14,990,127	3,492,413	-	1,238,144	4,730,557

DIPPED PRODUCTS PLC

Reconciliation of equity as at 31.03.2012

Notes		Group				Company			
		SLAS	Reclassificatio	Remeasureme	SLFRS as at	SLAS	Reclassificatio	Remeasureme	SLFRS as at
		31.03.2012	ns	nts	31.03.2012	31.03.2012	ns	nts	31.03.2012
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets									
Non-current assets									
Property, Plant and Equipment	H	8,808,301	(76,304)	719,516	9,451,513	321,732	-	62,670	384,402
Formers (Maulds)		-	188,731	-	188,731	-	44,281	-	44,281
Investment Property		228,331	-	-	228,331	228,331	-	-	228,331
Intangible Assets	I	195,843	1,149	(15,684)	181,308	-	-	-	-
Biological Assets	J	-	75,898	116,215	192,113	-	-	-	-
Investment in Subsidiary		-	-	-	-	2,013,900	-	-	2,013,900
Investments in equity accounted investees		-	-	-	-	-	-	-	-
Other Non Current Financial Assets	K	-	2,553	22	2,575	-	-	-	-
Other Long Term Investments	L	2,553	(2,553)	-	-	-	-	-	-
Trade and Other Receivables		-	-	-	-	-	-	-	-
Deferred Tax Assets	T	31,435	-	(12,274)	19,161	30,823	-	(12,274)	18,549
		9,266,463	189,474	807,795	10,263,732	2,594,786	44,281	50,396	2,689,463
Current assets									
Inventories	M	3,374,760	(188,731)	(62,321)	3,123,708	396,590	(44,281)	-	352,309
Trade and Other Receivables	N	4,362,081	(291,114)	-	4,070,967	437,485	(106,627)	-	330,858
Amounts Due from Subsidiaries		-	-	-	-	392,302	-	8,735	401,037
Advances and Prepayments	O	-	290,371	-	290,371	-	106,627	-	106,627
Other Current Financial Assets	P	-	8,299	3,004	11,303	-	-	3,004	3,004
Short Term Investments	Q	8,299	(8,299)	-	0	-	-	-	-
Short Term Deposits		793,837	-	-	793,837	425,677	-	-	425,677
Cash and Cash Equivalents		210,383	-	-	210,383	22,455	-	-	22,455
		8,749,360	(189,474)	(59,317)	8,500,569	1,674,509	(44,281)	11,739	1,641,967
Total assets		18,015,823	-	748,479	18,764,302	4,269,295	-	62,135	4,331,430
Equity and liabilities									
Equity									
Stated Capital		598,615	-	-	598,615	598,615	-	-	598,615
Reserves		236,836	-	-	236,836	133,788	-	-	133,788
Other Component of Equity	R	-	-	16	16	-	-	0	0
Revenue Reserve	S	4,459,936	-	505,646	4,965,582	2,074,467	-	62,135	2,136,602
		5,295,387	-	505,662	5,801,049	2,806,870	-	62,135	2,869,005
Non Controlling Interest		1,676,148	-	74,347	1,750,495	-	-	-	-
Total equity		6,971,535	-	580,009	7,551,544	2,806,870	-	62,135	2,869,005
Non-current liabilities									
Deferred tax liability	T	243,259	-	47,227	290,486	-	-	-	-
Retirement Benefit Obligations		2,174,357	-	-	2,174,357	262,188	-	-	262,188
Agents' indemnity fund		42,610	-	-	42,610	-	-	-	-
Interest Bearing Loans and Borrowings	U	1,781,894	-	118,080	1,899,974	-	-	-	-
Deferred income		703,369	-	-	703,369	-	-	-	-
		4,945,489	-	165,307	5,110,796	262,188	-	-	262,188
Current liabilities									
Trade and Other Payables		2,231,576	-	-	2,231,576	151,856	-	-	151,856
Interest Bearing Loans and Borrowings	U	3,780,467	-	(6,051)	3,774,416	372,980	-	-	372,980
Other Current Financial Liabilities	V	-	-	9,215	9,215	-	-	-	-
Amounts due to Related Parties	W	-	18,597	-	18,597	-	10,523	-	10,523
Amounts to Subsidiaries		-	-	-	-	654,220	-	-	654,220
Amounts due to Hayleys PLC	X	18,597	(18,597)	-	0	10,523	(10,523)	-	-
Income Tax Payables		68,159	-	-	68,159	10,658	-	-	10,658
		6,098,799	-	3,164	6,101,963	1,200,237	-	-	1,200,237
Total liabilities		11,044,288	-	168,470	11,212,758	1,462,425	-	-	1,462,425
Total equity and liabilities		18,015,823	-	748,479	18,764,302	4,269,295	-	62,135	4,331,430

DIPPED PRODUCTS PLC

NOTES TO THE FINANCIAL STATEMENTS

1. These interim financial statements have been prepared in accordance with the accounting policies set out in the Annual report for the year ended 31.03.2012 and comply with the Sri Lanka Accounting Standards (SLFRS/LKAS). They also provide the information required by the Colombo Stock Exchange and LKAS 34.
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 31.03.2012.
4. Where necessary, comparative figures have been re-stated to conform with SLFRS/LKAS.

5. Industry Segment Turnover

	<u>Group</u>	
	Year to 31.03.2013	Year to 31.03.2012
	Rs'000	Rs'000
Hand Protection	14,674,543	13,499,025
Plantations	9,836,401	6,959,168
	24,510,944	20,458,193
Inter - segment sales / services	(853,201)	(764,528)
	23,657,743	19,693,665

6. Industry Segment Results

	<u>Group</u>	
	Year to 31.03.2013	Year to 31.03.2012
	Rs. '000	Rs. '000
Hand Protection	1,371,800	2,052,684
Plantations	1,154,574	659,654
	2,526,374	2,712,338
Inter - segment results	(110,000)	-
Segment results	2,416,374	2,712,338
Net finance cost	(241,158)	(254,428)
Share of loss of equity accounted investee	-	(20,232)
Profit before tax	2,175,216	2,437,678

DIPPED PRODUCTS PLC

7. Notes to the SLFRS/LKAS reconciliations for the Net Assets as at 01.04.2011 & 31.03.2012 and Income Statement for the year ended 31.03.2012.

A Revenue

Profit & loss of the perennial crop of plantation sector has been recognised in the financial period of harvesting in terms of SLAS 32. Thus the unsold stocks were treated as a part of revenue. The scope of revenue recognition was changed to LKAS 18. Accordingly, the revenue is recognised based on the date of auction where the recognition criteria are met and therefore quantity which is sold at auction is treated as the sales. Effect to Group Revenue for the year ended 31.03.2012 was a reduction of Rs. 93M.

B Cost of sales

Matching the cost of sales against Revenue as per Note A, changes of useful lives and residual values of property, plant and equipment and increase in amortization due to re-assessment of right-to-use land (Plantations) had a effect of reducing company cost of sales by Rs.1.4M and increasing Group cost of sales by Rs.150M for the year ended 31.03.2012.

C Other Income

Re-classification of dividend income under Other income and gain of valuation of Biological assets (plantations) had a positive Rs.87 M on Company and positive Rs.29M on Group for the year ended 31.03.2012.

D Administration Expense

Assets disposed during 2011/12 have been recorded to the transitional date. Therefore the loss already recorded has been reversed which had a positive Rs.3M on Group Administrative expenses for the year ended 31.03.2012.

E Net Finance Income

Gains/losses on forward contracts which were values at fair value as per LKAS 39, re-assessment of lease liability as per SoRP for Right-to-use land and re-classification of dividend income under other income had a effect of negative Rs. 94M on Company Net finance income and negative Rs.42M on Group Net finance income for the year ended 31.03.2012.

F Income Tax Expense

Deferred tax provision was reassessed due to the change in accounting base of the Property, Plant and Equipment and Biological assets. Thus deferred tax expense reduced by Rs.8.6M and Rs.4.7 M in the company and Group respectively for the year ended 31.03.2012.

G Non-controlling interest

LKAS/SLFRS adjustments had an effect on Non-controlling interest in the profit & loss a positive Rs. 9.4M

H Property, Plant and equipment (PPE)

Changes to the estimation of new useful lives had a positive Rs. 64M and Rs.63M on Company as at 01.04.2011 and 31.03.2012 respectively. Changes to the estimation of new useful lives, re-classification of improvement to leasehold property consists of mature and immature tea, rubber and other plantation under Biological assets, re-classification of computer software under Intangible assets, reversal of loss on disposal of fixed assets to 01.04.2011 and change in right-to-use land had a positive effect of Rs.534M and Rs.643M on Group as at 01.04.2011 and 31.03.2012 respectively.

I Intangible Asset

Re-classification of Computer Software and write-off of goodwill as at 01.04.2011 had a negative Rs.14M and negative Rs.15M effect on Group as at 01.04.2011 and 31.03.2012 respectively.

J Biological Assets

Re-classification of Biological assets and valuation of Biological assets at fair value had a positive Rs.40M and positive Rs.192M effect on Group as at 01.04.2011 and 31.03.2012 respectively.

DIPPED PRODUCTS PLC

7. Notes to the SLFRS/LKAS reconciliations for the Net Assets as at 01.04.2011 & 31.03.2012 and Income Statement for the year ended 31.03.2012.

K Non Current Financial Assets

Re-Classification of Available for Sale financial assets and valuation of Available for Sale Financial assets at fair value had a positive effect on Company a Rs.1,351M and Rs. Nil as at 01.04.2011 and 31.03.2012 respectively. The same had a positive effect on Group a Rs.1,354M and Rs.3 as at 01.04.2011 and 31.03.2012 respectively.

L Other Long Term Investment

Investment of Shares held for Non Trading purposes were re-classified as Available for Sale Financial assets as per LKAS 32 which had a negative effect of Rs.194M and Rs. Nil on Company as at 01.04.2011 and 31.03.2012 respectively. The same had a had a negative effect of Rs.197M and Rs.3M on Group as at 01.04.2011 and 31.03.2012 respectively.

M Inventory

Re-classification of Formers (Mauls) under Non - current assets had a negative effect of Rs.29 and Rs.44 on Inventory value of the company as at 01.04.2011 and 31.03.2012 respectively.

The same had a negative effect of Rs.167M and Rs.189M on Inventory value of Group as at 01.04.2011 and 31.03.2012 respectively.

The produce stock of biological assets i.e. tea & rubber were valued at their actual or estimated realisable values, net of direct selling expenses in terms of SLAS 32. With the conversion to new accounting standards, the agricultural products that are harvested from biological assets i.e. green leaf & latex are required to measure at its fair value less cost to sell at the point of harvest. Thereafter it is scoped under LKAS 2 and said fair value is the cost at the date of applying this standard. The cost of semi-finished and finished products was estimated through attributing the direct manufacturing cost in to the fair value of biological products. Finally the measurement of inventory is carried at the lower of cost and estimated net realizable value in accordance with LKAS 2. These adjustments had a negative Rs.30M and negative Rs.62M on Group Inventory values as at 01.04.2011 and 31.03.2012 respectively.

N Trade & Other Receivable

Re-classification of Advance and Prepayments from Trade and Other Receivables and presenting the same separately had a negative effect on Company of Rs. 71M and Rs.107M as at 01.04.2011 and 31.03.2012 respectively.

The same had a negative effect on Group of Rs. 279M and Rs.290M as at 01.04.2011 and 31.03.2012 respectively.

O Advance and Prepayments

The effect of above Note N on Advance and prepayments of the company was a positive Rs. Rs. 71M and Rs.107M as at 01.04.2011 and 31.03.2012 respectively.

The same had an effect on Group of a positive Rs. 279M and Rs.290M as at 01.04.2011 and 31.03.2012 respectively.

P Other Current Financial Assets

As per LKAS 39, forward contracts were valued at fair value and recognised the fair value gain on Comprehensive income. It had a positive effect on Company of a positive Rs. 17M and Rs.3M as at 01.04.2011 and 31.03.2012 respectively.

The same valuation and re-classification of Available for Sale Financial assets from Short-term investments had a positive effect on Group of Rs. 28M and Rs.11M as at 01.04.2011 and 31.03.2012 respectively.

Q Short Term Investments

Re-Classification of Short Term Investments under other current financial assets had a negative effect on Group of Rs. 9M and Rs.8M as at 01.04.2011 and 31.03.2012 respectively.

R Other Component of Equity

Fair value change of Available for sale Financial Asset had a positive effect on Company reserves of Rs. 1,157M and Rs. Nil as at 01.04.2011 and 31.03.2012 respectively. The same had a positive effect on Group reserves of Rs. 1,157M and Rs.Nil as at 01.04.2011 and 31.03.2012 respectively .

DIPPED PRODUCTS PLC

7. Notes to the SLFRS/LKAS reconciliations for the Net Assets as at 01.04.2011 & 31.03.2012 and Income Statement for the year ended 31.03.2012.

S Retained Earnings

The re-measurement changes had a positive effect on Company Retained Earnings of Rs. 79M and Rs.62M as at 01.04.2011 and 31.03.2012 respectively.

The same had a positive effect on Group Retained Earnings of Rs. 437M and Rs.505M as at 01.04.2011 and 31.03.2012 respectively.

T Deferred Tax

The deferred tax effect due to the increase of the taxable temporary difference as a result of changing depreciation policy of the company had a negative effect of Rs. 4M and Rs.12M as at 01.04.2011 and 31.03.2012 respectively.

The deferred tax effect due to the increase of the taxable temporary difference as a result of changing depreciation policy and fair valuation of biological assets of the Group had a negative effect of Rs.44M and Rs.35M as at 01.04.2011 and 31.03.2012 respectively.

U Interest Bearing Loans and Borrowings

As per the provisions of SoRP for right-to-use land in plantations, the group has re-assessed the liability to make lease payment as of 1 January 2011 which has a positive effect of Rs.68M and Rs.112M as at 01.04.2011 and 31.03.2012 respectively.

V Other Current Financial Liability

As per LKAS 39, forward contracts were valued at fair value and recognised the fair value gain on Comprehensive income. It resulted a Other current financial liability in Company of Rs.2M and Rs. Nil as at 01.04.2011 and 31.03.2012 respectively. The same resulted a Other current financial liability in Group of Rs.2M and Rs.9M as at 01.04.2011 and 31.03.2012 respectively.

W Amounts due to Related Parties

Amount Due to Hayleys PLC was reclassified as Amount Due to Related Parties.

It had a positive effect on Company of Rs.11M and Rs.11M as at 01.04.2011 and 31.03.2012 respectively.

The same had a positive effect on Group of Rs.26M and Rs.19M as at 01.04.2011 and 31.03.2012 respectively.

X Amounts due to Hayleys PLC

The effect on the above Note W had a negative effect on Company of Rs.11M and Rs.11M as at 01.04.2011 and 31.03.2012 respectively.

The same had a negative effect on Group of Rs.26M and Rs.19M as at 01.04.2011 and 31.03.2012 respectively.

DIPPED PRODUCTS PLC

INVESTOR INFORMATION

	31.03.2013 Rs.	31.03.2012 Rs.
Market Value of Shares		
The market value of an ordinary share of Dipped Products PLC was as follows.		
Closing price on	111.00	100.10
Highest price recorded for the year ending	120.00	127.00
Lowest price recorded for the year ending	84.00	80.00
Highest price recorded for the three months ending	120.00	109.80
Lowest price recorded for the three months ending	100.10	80.00
Market Capitalisation (Rs. M)	6,645	5,992
Ratios		
Net assets per share at the year end*	114.34	96.91
Price earnings ratio annualised (times)	4.7	3.1
Share Trading information from April 1, 2012 to March 31, 2013		
Number of transactions	1,339	1,964
Number of shares traded	2,346,207	5,553,492
Value of shares traded (Rs.)	249,780,146	598,854,317
Dividend Payments		
Final dividend 2011/12	Rs.6.00 per share paid on 09-07-2012	
Interim dividend 2012/13	Rs.4.00 per share paid on 26-02-2013	

*Computed based on 59,861,512 shares on issue as at March 31, 2013

First twenty shareholders as at March 31, 2013

	Shareholder	No.of Shares as at March 31, 2013	%
1	Hayleys PLC	24,902,073	41.60
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	453,501	0.76
12	Dr.D.Jayanntha	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	Mr. D.F.G. Dalpethado	205,743	0.34
17	HSBC International Nominees Ltd-SSBT Deutsche Bank	200,044	0.33
18	Commercial Bank Of Ceylon PLC A/C No. 04	200,000	0.33
19	Hallsville Trading Group Inc.	200,000	0.33
20	Mr.S.Krishnananthan	163,044	0.27
	TOTAL	52,044,916	86.94

There were no non-voting shares as at March 31, 2013.

The percentage of shares held by public as per Colombo Stock Exchange Rules as at March 31, 2013 was 28.96%.

Directors' shareholding as at March 31, 2013

Name of Director	No.of Shares as at March 31, 2013
Mr.J.A.G.Anandarajah (retired on 31-03-2013)	219,474
Mr.G.K.Seneviratne (retired on 08-04-2013)	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
TOTAL	292,326