

# **CONVENIENCE FOODS (LANKA) PLC**

## **INTERIM REPORT**

**FOR THE 4TH QUARTER ENDED,  
31ST MARCH 2023**

## CORPORATE INFORMATION

### NAME OF THE COMPANY

Convenience Foods (Lanka) PLC - PQ 164

### LEGAL FORM & LISTING

A Public Limited Company listed on the Colombo Stock Exchange.

### DATE OF INCORPORATION

27th March 1991

### REGISTERED OFFICE

Ceylon Biscuits Ltd,  
No. 555, High Level Road,  
Makumbura, Pannipitiya,  
Sri Lanka.

### BUSINESS ACTIVITY

Manufacture and Marketing of Textured Vegetable Protein (TVP), Culinary and other Food Products.

### DIRECTORS OF THE COMPANY

Mr. R.S.A. Wickramasingha - Chairman  
Mr. E.T. De Zoysa - Managing Director  
Ms. D.S. Wickramasingha - Director  
Ms. N.K. Wickramasingha - Director  
Mr. L.J.M. De Silva - Director  
Mr. M.U.S.G. Thilakawardana - Director  
Dr. D.M.A. Kulasooriya - Director  
Mr. M.S. Nanayakkara - Director

### AUDITORS

KPMG Sri Lanka  
Chartered Accountants,  
32A, Sir Mohomad Macan Markar Mawatha,  
Colombo 3, Sri Lanka.

### SECRETARIES & REGISTRARS

P W Corporate Secretarial (Pvt) Ltd.  
No.3/17, Kynsey Road,  
Colombo 08.

### BANKERS

Bank of Ceylon  
Commercial Bank of Ceylon PLC  
DFCC Bank PLC  
Hatton National Bank PLC  
Nation Trust Bank  
National Development Bank PLC  
Peoples Bank  
Sampath Bank PLC  
Standard Chartered Bank  
State Bank of India

CONVENIENCE FOODS (LANKA) PLC  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31ST MARCH 2023

For the 12 Months Ended 31st March	Company		Variance %
	2023 Rs.	2022 Rs.	
<b>Continuing Operations</b>			
Revenue	8,041,401,063	4,858,647,421	65.5%
Cost of Sales	(6,142,503,085)	(3,696,355,746)	66.2%
Gross Profit	1,898,897,977	1,162,291,676	63.4%
Other Operating Income	30,081,020	23,201,620	29.7%
Selling & Distribution Expenses	(765,466,114)	(541,365,129)	41.4%
Administrative Expenses	(243,146,344)	(184,171,999)	32.0%
Results from Operating Activities	920,366,539	459,956,167	100.1%
Finance Income	21,835,598	40,957,256	-46.7%
Finance Expenses	(294,758,455)	(11,679,300)	2423.8%
Net Finance Income	(272,922,857)	29,277,956	-1032.2%
Profit Before Tax	647,443,682	489,234,123	32.3%
Income Tax Expenses	(127,029,490)	(103,644,723)	22.6%
Profit for the Period	520,414,192	385,589,400	35.0%
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Re-measurement component of defined benefit plan	15,729,693	5,096,184	208.7%
Deferred Tax on Actuarial Loss	(4,627,539)	(917,313)	404.5%
Other Comprehensive Income for the Period	11,102,154	4,178,871	165.7%
Total Comprehensive Income for the Period	531,516,346	389,768,271	36.4%
Basic and Diluted Earnings Per Share	189.24	140.21	

Figures in brackets indicate deductions.  
The above figures are not audited.

CONVENIENCE FOODS (LANKA) PLC  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31ST MARCH 2023

For the 03 Months Ended 31st March	Company		Variance %
	2023 Rs.	2022 Rs.	
<b>Continuing Operations</b>			
Revenue	1,783,821,516	1,497,723,201	19.1%
Cost of Sales	(1,426,608,352)	(1,170,641,499)	21.9%
Gross Profit	357,213,164	327,081,703	9.2%
Other Operating Income	9,017,944	7,237,227	24.6%
Selling & Distribution Expenses	(186,835,434)	(154,387,138)	21.0%
Administrative Expenses	(44,300,715)	(44,644,065)	-0.8%
<b>Results from Operating Activities</b>	<b>135,094,960</b>	<b>135,287,727</b>	<b>-0.1%</b>
Finance Income	1,629,092	9,223,657	-82.3%
Finance Expenses	(114,577,777)	(6,700,764)	1609.9%
<b>Net Finance Income</b>	<b>(112,948,685)</b>	<b>2,522,893</b>	<b>-4577.0%</b>
<b>Profit Before Tax</b>	<b>22,146,275</b>	<b>137,810,620</b>	<b>-83.9%</b>
Income Tax Expenses	16,007,876	(35,831,951)	-144.7%
<b>Profit for the Period</b>	<b>38,154,151</b>	<b>101,978,669</b>	<b>-62.6%</b>
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Re-measurement component of defined benefit plan	15,729,693	5,096,184	208.7%
Deferred Tax on Actuarial Loss	(4,703,882)	(917,313)	412.8%
Other Comprehensive Income for the Period	11,025,810	4,178,871	163.8%
<b>Total Comprehensive Income for the Period</b>	<b>49,179,961</b>	<b>106,157,540</b>	<b>-53.7%</b>
<b>Basic and Diluted Earnings Per Share</b>	<b>17.88</b>	<b>37.08</b>	

Figures in brackets indicate deductions.  
The above figures are not audited.

CONVENIENCE FOODS (LANKA) PLC  
STATEMENT OF FINANCIAL POSITION  
AS AT 31ST MARCH 2023

As at 31st March 2023	Company	
	31.03.2023 Rs.	31.03.2022 Rs.
<b>Assets</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	619,605,792	616,391,944
Right of Use Assets	119,753,785	116,325,327
Intangible Assets	6,836,928	7,827,705
Investment in Subsidiary	-	20
<b>Total Non Current Assets</b>	<b>746,196,505</b>	<b>740,544,996</b>
<b>Current Assets</b>		
Inventories	2,335,620,191	1,136,374,206
Trade and Other Receivables	1,578,671,154	636,390,108
Amounts due from Related Companies	43,186,051	26,337,704
Short Term Investments	-	418,645,514
Cash and Cash Equivalents	149,301,595	173,094,623
<b>Total Current Assets</b>	<b>4,106,778,992</b>	<b>2,390,842,155</b>
<b>Total Assets</b>	<b>4,852,975,497</b>	<b>3,131,387,151</b>
<b>Equity and Liabilities</b>		
<b>Equity Attributable to Equity - holders of the Parent</b>		
Stated Capital	52,521,178	52,521,178
Other Reserves	41,613,945	41,613,945
Retained Earnings	2,346,194,703	1,982,289,617
<b>Total Equity</b>	<b>2,440,329,826</b>	<b>2,076,424,740</b>
<b>Liabilities</b>		
<b>Non Current Liabilities</b>		
Deferred Tax Liability	15,425,128	17,168,762
Lease Liabilities	115,038,545	112,526,575
Retirement Benefit Obligation	69,182,846	70,888,677
<b>Total Non Current Liabilities</b>	<b>199,646,519</b>	<b>200,584,014</b>
<b>Current Liabilities</b>		
Trade and Other Payables	817,559,104	783,769,816
Lease Liabilities	17,217,559	7,987,138
Current Tax Liabilities	28,559,745	32,074,465
Amount due to Related Companies	132,059,531	30,546,978
Short Term Loans	1,040,000,000	-
Bank Overdraft	177,603,214	-
<b>Total Current Liabilities</b>	<b>2,212,999,152</b>	<b>854,378,397</b>
<b>Total Liabilities</b>	<b>2,412,645,671</b>	<b>1,054,962,411</b>
<b>Total Equity and Liabilities</b>	<b>4,852,975,497</b>	<b>3,131,387,151</b>
<b>Net assets value per share</b>	<b>887.39</b>	<b>755.06</b>

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

  
S. K. I. S. Senarathne  
General Manager - Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements. Approved and signed for and on

  
R. S. A. Wickramasingha  
Chairman

  
E. T. De Zoysa  
Managing Director

29th May 2023

The above figures are not audited.

**CONVENIENCE FOODS (LANKA) PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31ST MARCH 2023**

Company	Stated Capital Rs.	Other Reserves Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at 1st April 2021	52,521,178	41,613,945	1,620,021,346	1,714,156,469
Profit for the period	-	-	385,589,400	385,589,400
Other Comprehensive Income for the year	-	-	4,178,871	4,178,871
Dividend paid for the year 2020/21	-	-	(27,500,000)	(27,500,000)
<b>Balance as at 31st March 2022</b>	<b>52,521,178</b>	<b>41,613,945</b>	<b>1,982,289,617</b>	<b>2,076,424,740</b>
Balance as at 1st April 2022	52,521,178	41,613,945	1,982,289,617	2,076,424,740
Profit for the period	-	-	520,414,192	520,414,192
Other Comprehensive Income for the year	-	-	11,102,154	11,102,154
Dividend paid for the year 2021/22	-	-	(9,625,000)	(9,625,000)
Surcharge Tax paid for the year 2020/21	-	-	(157,986,260)	(157,986,260)
<b>Balance as at 31st March 2023</b>	<b>52,521,178</b>	<b>41,613,945</b>	<b>2,346,194,703</b>	<b>2,440,329,826</b>

The above figures are not audited.

CONVENIENCE FOODS (LANKA) PLC  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31ST MARCH 2023

For the 12 Months Ended 31st March	Company	
	2023 Rs.	2022 Rs.
<b>Cash Flows from Operating Activities</b>		
Profit Before Tax	647,443,682	489,234,123
<b>Adjustments for:</b>		
Depreciation of Property, Plant and Equipment	82,260,766	58,385,307
Amortization of Intangible Assets	1,625,389	1,446,714
Depreciation of Right of use Assets	12,277,316	9,555,443
Profit on Disposal of Assests	-	-
Interest Income	(21,835,598)	(40,957,256)
Interest Expenses	290,548,739	9,688,186
Provision for Retirement Benefit Obligation	17,217,461	11,181,112
<b>Operating Profit before Working Capital Changes</b>	<b>1,029,537,756</b>	<b>538,533,629</b>
<b>Changes in Working Capital</b>		
(Increase)/Decrease in Inventories	(1,199,245,985)	(894,340,356)
(Increase)/Decrease in Trade and Other Receivables	(942,281,046)	115,542,988
(Increase)/Decrease in Amount due from Related Companies	(16,848,347)	(17,006,660)
Increase/(Decrease) in Amount due to Related Companies	101,512,553	2,915,726
Increase/(Decrease) in Trade and Other Payables	1,073,789,288	171,840,583
<b>Cash Generated from /(Used to) Operations</b>	<b>46,464,219</b>	<b>(82,514,091)</b>
Retiring Gratuity Paid	(3,193,600)	(24,727,900)
Interest Paid	(290,548,739)	(9,688,186)
Income Tax Paid	(136,915,383)	(99,390,219)
Surcharge Tax Paid	(157,986,260)	-
<b>Net Cash Flows from Operating Activities</b>	<b>(542,179,763)</b>	<b>(216,320,396)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment	(85,474,614)	(180,163,951)
Purchase of Intangible Assets	(634,612)	(2,838,911)
Proceeds from Disposal of Assests	-	-
Interest Received	21,835,598	40,957,256
Investment in Subsidiaries	20	-
Net Movement of Investment in Fixed Deposits	418,645,514	521,830,245
<b>Net Cash Flows Used in Investing Activities</b>	<b>354,371,906</b>	<b>379,784,639</b>
<b>Cash Flows from Financing Activities</b>		
Dividend Paid	(9,625,000)	(27,500,000)
Repayment of Lease	(3,963,385)	(3,189,045)
<b>Net Cash Flows Used in Financing Activities</b>	<b>(13,588,385)</b>	<b>(30,689,045)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>(201,396,242)</b>	<b>132,775,198</b>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>173,094,623</b>	<b>40,319,425</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>(28,301,619)</b>	<b>173,094,623</b>
Cash in Hand and at Bank	(28,301,619)	173,094,623
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>(28,301,619)</b>	<b>173,094,623</b>

Figures in brackets indicate deductions.  
The above figures are not audited.

**CONVENIENCE FOODS (LANKA) PLC**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

**1 Corporate information**

Convenience Foods (Lanka) PLC ('the Company') is engaged in the manufacture and marketing of Textured Vegetable Protein (TVP), Culinary and other food products.

Convenience Foods (Lanka) PLC is a public limited company incorporated and domiciled in Sri Lanka and listed in the Colombo Stock Exchange.

**2 Approval of financial statements**

The interim condensed financial statements of the company for the twelve months period ended 31st March 2023 were authorised for issue by the Board of Directors on 29th May 2023.

**3 Basis of preparation**

The interim financial statements of the company for the twelve months period ended 31st March 2023 have been prepared in accordance with the requirements of LKAS - 34 Interim Financial Reporting and have been prepared in accordance with the same accounting policies and methods set out in the Annual Audited Financial Statements for the year ended 31st March 2023.

**4 Segmental information**

Segmental information is not presented since the company does not have distinguishable components to be identified as a segment as all operations are treated as one segment.

**5 Discontinuation of Soy Products (Pvt) Limited**

The board of directors resolved to liquidate its subsidiary of Soy products (Pvt) Limited on 05th August 2022. Legal proceedings which related liquidation has been completed on 19th December 2022. Since the company was in dormant status, there's no material financial impact to the financial statements as at 31st March 2023.

**6 Significant unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the period ended 31st March 2023.

**7 Events after the reporting period**

There were no significant events after the reporting period that would require adjustments to or disclosures in these interim financial statements for the period ended 31st March 2023.

**8 Commitments and contingencies.**

**Financial commitments**

Commitments on account of Letters of credit as at 31st March 2023 was Rs. 180,364,438 (31st March 2022: Rs. 744,148,456). Shipping Guarantees as at 31st March 2023 was Nil (31st March 2022: Rs. 122,037,530). Import Bills as at 31st March 2023 was Nil (31st March 2022: Rs. 4,483,794).

**Capital commitments**

There were no significant capital commitments as at reporting date.

**Contingencies - pending litigations**

There were no other significant contingent liabilities as at the reporting date, except for the following;

The Company had made an appeal to the Court of Appeal on a question of law arising from the determination of the Board of Review and is made under and in terms of Section 122 (1) of the Inland Revenue Act No. 28 of 1979 (as amended). The income tax payable as per the Board of Review determination for the year of assessment 1991/1992 amounts to a sum of Rs. 8,871,886 and surcharge on income tax of Rs. 1,072,031 (plus any penalties payable thereon). The Court of Appeal has given judgment in favor of the Company and has annulled the assessment. The Commissioner General of Inland Revenue has filed a petition in the Supreme Court seeking Special Leave to Appeal against the judgment of the Court of Appeal on this matter. The Supreme Court has granted Special Leave to Appeal to questions of law raised by both parties. The case came up for argument on 28th February 2023 & fixed for the same on 13th September 2023.



CONVENIENCE FOODS (LANKA) PLC  
ADDITIONAL NOTES

## 1 Share prices during the Quarter

	03 Months Ended 31st March 2023	03 Months Ended 31st March 2022
	Rs.	Rs.
Highest	1,400.00	1,990.00
Lowest	1,153.00	999.75
Last traded	1,208.00	1,182.25

## 2 Names and the number of shares held by the 25 major shareholders

	As At 31st March 2023	
	No of Shares	% of Holding
1 CBL INVESTMENTS LIMITED	1,962,977	71.38%
2 HATTON NATIONAL BANK PLC/DAWI INVESTMENT TRUST (PVT) LTD	263,428	9.58%
3 J.B. COCOSHELL (PVT) LTD	208,438	7.58%
4 MR A.M.D.E.S. JAYARATNE	18,570	0.68%
5 MR K.C. VIGNARAJAH	14,730	0.54%
6 MR S.R.S. DE SARAM & MRS S.T.T. JAYASUNDERA	14,723	0.54%
7 COCOSHELL ACTIVATED CARBON COMPANY (PVT) LTD	12,541	0.46%
8 MR U.I. SURIYABANDARA	10,048	0.37%
9 MR G.W. AMARATUNGA	8,677	0.32%
10 MR L.H.S. PEIRIS	8,499	0.31%
11 MR E.D.K. WEERASURIYA & MR S. WEERASURIYA	8,169	0.30%
12 DAWI INVESTMENT TRUST (PVT) LTD	7,357	0.27%
13 MR R.J.S. JAYAMAHA	7,000	0.25%
14 MR Z.G. CARIMJEE	6,867	0.25%
15 DFCC BANK PLC/MR.P.PRANAVAN	6,357	0.23%
16 MRS S. VIGNARAJAH	6,300	0.23%
17 MRS M.M. UDESHI	6,000	0.22%
18 DR S. YADDEHIGE	4,798	0.17%
19 MR N.K. FLEMMING	4,064	0.15%
20 MR U.C. BANDARANAYAKE & MRS L. BANDARANAYAKE	4,023	0.15%
21 MR A.J. RUMY	3,900	0.14%
22 MR S.K. HATHIRAMANI (DECEASED)	3,850	0.14%
23 MRS Z.M. ADAMALLY	3,433	0.12%
24 SAMPATH BANK PLC/MR. ABISHEK SITHAMPALAM	3,000	0.11%
25 MRS Y.K. AMARASINGHE	2,409	0.09%
Sub total	2,600,158	94.55%
Others	149,842	5.45%
Issued Capital	2,750,000	100.00%

## 3 Director's shareholding as at 31st March 2023

Mr. R S A Wickramasingha	Nil
Ms. D S Wickramasingha	Nil
Mr. E T De Zoysa	Nil
Ms. N K Wickramasingha	Nil
Mr. L J M De Silva	Nil
Mr. M U S G Thilakawardana	Nil
Dr. D M A Kulasooriya	Nil
Mr. M S Nanayakkara	Nil

4 Public holding percentage as at 31st March 2023 was 28.619% and comprised of approximately 1,566 Shareholders.

5 The Float adjusted market capitalization of the company as at 31st March 2023 was Rs. 950,723,784.00

6 The Float adjusted market capitalization of the Company falls under Option 5 of Rule 7.14.1 (i) (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said Option.