Ceylon Biscuits Limited

Member of the CBL Group

THE EMBODIMENT OF RESILIENCE

Convenience Foods (Lanka) PLC

Annual Report 2016/2017

Contents

THE EMBODIMENT OF RESILIENCE

Convenience Foods (Lanka) PLC has stayed its course in understanding and realising our consumers' requirements since our inception 27 years ago. The year in focus has seen our Company continue to offer local consumers a range of exciting and innovative products. We have upheld the standards our brand has gained much acclaim for in all markets we operate in. Our relentless resilience has been the key to our success in going from strength to strength with every passing year. We have managed to stand our ground in the face of myriad challenges faced by the industry as a whole and have opted to bound forward in the face of trials, come what may. The fruit of this is the plethora of exciting and promising prospects that await your Company in the near future. We are geared to take the next step in our evolution as the nation's pioneering producer of trusted convenience food and look forward to creating unprecedented value for our valued stakeholders who have played a pivotal role in our successful journey thus far.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Twenty Sixth (26) Annual General Meeting of Convenience Foods (Lanka) PLC will be held on 22 September 2017 at 3.30 p.m. at Ceylon Biscuits Limited, Makumbura, Pannipitiya for the following purposes;

1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and the Statement of Accounts for the year ended 31 March 2017 and the Report of the Auditors thereon.
2. To declare a first and final dividend of Rs.4/- per share for the year ended 31 March 2017.
3. To pass the ordinary resolution set out below to re-appoint Mr R S Wickramasingha who attained the age of 70 years on 18 November 2016, and who retires at the conclusion of the Annual General Meeting in terms of Section 210(2)(a) of the Companies Act, as a Director of the Company;

   "IT IS HEREBY RESOLVED THAT Mr R S Wickramasingha who attained the age of 70 years on 18 November 2016 be and is hereby re-appointed a Director of the Company and it is hereby declared as provided for in Section 211(1) of the Companies Act, No. 07 of 2007 that the age limit of 70 years referred to in Section 210 of the Companies Act shall not apply to Mr R S Wickramasingha."
4. To re-appoint the retiring Auditors Messrs S J M S Associates, Chartered Accountants as the Company's Auditors and to authorize the Directors to determine their remuneration.
5. To authorize the Directors to determine donations for the year ending 31 March 2018 and up to the date of the next Annual General Meeting.

By Order of the Board
CONVENIENCE FOODS (LANKA) PLC

P W Corporate Secretarial (Pvt) Ltd
Secretaries

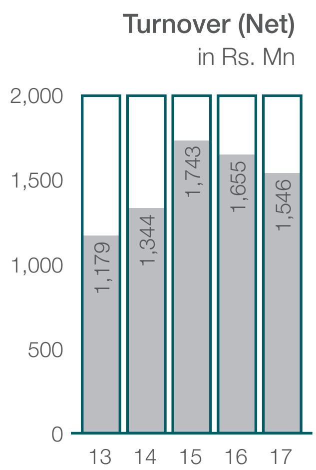
25 August 2017
Colombo

Notes: 1. A shareholder is entitled to appoint a Proxy to attend and vote at the Meeting on his/her behalf.

2. A Proxy need not be a shareholder of the Company.
3. A Form of Proxy is enclosed for this purpose.
4. The completed Form of Proxy must be deposited at the Registered Office of the Company at Ceylon Biscuits Ltd, Makumbura, Pannipitiya by 3.30 p.m. on 20 September 2017.

Financial Highlights

Group data	For the year ended 31.03.2017 Rs.	For the year ended 31.03.2016 Rs.	Change %
PROFITABILITY			
Turnover (Net)	1,546,475,941	1,655,253,143	-6.57%
Operating profit	95,296,456	127,241,375	-25.11%
Finance cost	(1,943,100)	(3,110,807)	37.54%
Other income	44,916,987	25,912,149	73.34%
Profit before taxation	138,270,344	150,042,717	-7.85%
Taxation	(51,155,944)	(53,512,713)	4.40%
Profit after taxation	87,114,400	96,530,004	-9.75%
PER SHARE DATA			
Earnings per share	31.68	35.10	-9.75%
Net assets per share	270.06	240.60	12.25%
Market price at year end	310.00	365.00	-15.07%
PROFITABILITY RATIOS			
Return on Capital Employed (ROCE)	18.88%	22.49%	-16.06%
Profit before tax margin	8.94%	9.06%	-1.36%



Turnover (Net)

1,546 Mn

2015/16: Rs. 1,655 Mn

Chairman's Review

Dear Stakeholder,
It is with great pleasure, we present to our valued stakeholders, the audited financial statements and annual report of Convenience Foods (Lanka) PLC, for the financial year ended 31 March 2017. We are pleased to report, that despite significant market challenges, your Company continues to perform as planned to meet the expectations of all stakeholders. Focusing on product innovation, with a constant eye for new growth opportunities, and by maintaining trust and high standards in every aspect of the business, we have progressively developed the Company over many decades, to serve consumers in multiple segments of society.

I wish to note at the outset, that the Company's performance over the year under review, was significantly hampered by persistent challenges prevailing in the domestic economy. The ramifications of such developments were as a result of general macroeconomic conditions which prevailed, as well as certain industry-level developments, the combined effect of which, were felt mostly by the Company's core business segment, i.e. the production, distribution and the sale of highest quality Textured Vegetable Protein (TVP) based food products.

Stable Commodity Prices Despite General Volatility in Global Economy

The global economy operated with many uncertainties in the wake of major social and political changes mainly in the developed, but also in the emerging markets. Global GDP growth in 2016 was recorded at 2.5%, compared with International Monetary Fund's (IMF) projections of 3.1% at the commencement of the year.

Despite general volatility and a weaker pace of global economic growth, commodity prices behaved with a degree of relative stability, during the year. Historic reduction in international crude oil prices began to show reversals in 2016, rising from US$ 26 per barrel up to US$ 55 per barrel by year end, which resulted in a marginal increase in inflation, particularly in net importing countries such as Sri Lanka. Improved interest rates in the United States, resulted in the US Dollar posting stronger performances during the year, which also resulted in exchange rate driven inflation.

Crucially, for Convenience Foods, the prices of soy flour which is a primary ingredient in the Company's TVP range of products, remained stable during the year, a factor which enabled to offset the import cost increases that resulted from a weaker Rupee relative to the Dollar, the Rupee depreciating by a further 5% against the Dollar.

Challenging Domestic Macroeconomic Conditions

Growth in the Sri Lankan economy recorded marginal contractions during the year under review, with GDP growth falling to 4.4% in 2016, as compared with 4.8% in the previous year. A steady acceleration in quarterly growth was observed from the second quarter of the year amidst tightened fiscal and monetary policies. Increased investment expenditure, especially in the construction sector, drove overall economic growth during the year.

During the year under review, the Country witnessed notable changes in key policy areas, particularly with regard to the marginal upward revision of interest rates and a parallel change in taxation policy designed to generate greater revenue for the State; a challenge which is expected to continue into the new financial year given currently subdued levels of Foreign Direct Investment (FDI) into the country. Nevertheless, Sri Lanka was able to make important progress towards a more stable macroeconomic footing with encouraging signs of growth on display in the industrial and services sector, while agriculture sector performance continued to contract in the face of disruptive weather conditions over the past year.

These conditions also resulted in marginal increase to food inflation, which in turn sparked an increase in overall inflation up to 4.1% by the end of 2016 and resulted in weaker consumer sentiment and consumption. Consumer price inflation moved upwards during the first half of 2016, although it stabilized somewhat during the remainder of the year, while core inflation broadly followed an upward trend in 2016.

Meanwhile, food inflation increased at a slower pace of 3.1% during the year compared to 5.2% in 2015. The share of the food and non-alcoholic beverages category in Personal Consumption Expenditure was 27.9% in 2016 compared to 27.7% in 2015.

Challenges in Core Business Offset by Growth in New Product Lines

While Convenience Foods was able to retain its position as the clear market leader, both in terms of quality and sales volumes, it is important to take note of the rapid escalation in competition both organized and less organized, in this segment, given the significant popularity of TVP, based on its appeal as a nutritious, healthy, vegetarian source of protein, and the tremendous value for money offered, relative to meat and fish alternatives.

Turnover during the year recorded Rs. 1.55 billion, as compared with previous year's turnover of Rs. 1.66 billion while Profits Before Tax (PBT) reduced from Rs. 150 million down to Rs. 138.3 million during the 12 months to 31 March 2017.

While our flagship Lankasoy brand continues to remain top-of-mind amongst Sri Lankan consumers, sales performance in this segment was negatively affected by macroeconomic dynamics, such as the multiple revisions in VAT rates over the past year. VAT was first increased in May of 2016 from 11% up to 15%, then revised back to 11% within the next two months, and subsequently increased to 15% in November of 2016.

The Company has been cognizant of escalating competition in the TVP sector, and to that end, we commenced a strategy of diversification in order to reduce your Company's dependence on soya-based products from the 2012/13 financial year. While at that time, the dependence on soya products accounted for 98% of the Company's total revenue generation. Convenience Foods has successfully been able to drive progressive reductions in the dependency on this segment. In the previous financial year, we were able to reduce dependency to 87% from 98% and as at the end of the financial year under review, the Company was able to effect a further reduction down to 82%, through a strategic move towards product diversification.

These highly significant developments at Convenience Foods were made a reality through concerted efforts and investments directed towards the development of entirely new product categories and brands. In more recent years the Company launched several such products including our multi-grain Nutriline cereal range, and our popular line of extruded baked snacks under the Ramba brand.

Manufactured, processed and packaged locally with home-grown produce, the Nutriline and Ramba ranges have been groundbreaking additions to our product portfolio, not only in terms of providing a healthy and affordable option to our Sri Lankan consumers, but perhaps equally important in terms of the vibrant and mutually rewarding relationship that the Company has been able to establish with farming communities across the Island. Both brands recorded notable improvements during the year under review, and we maintain the strongest confidence in the ability of these products to capture greater market share in the coming financial years.

Over the year under review, we are pleased to report that Convenience Foods was able to maintain its product diversification momentum through the launch of our latest breakthrough product, Tetos, a potato-based extruded snack that is now being marketed in 20g packs in three distinct delicious flavours. During the same period we were also able to launch the very latest addition to our highly popular Sera brand, with Sera Soup.

With regard to our flagship product, the TVP range, we are working towards creating even greater diversity in the Lankasoy brand with a view to catering to the distinct requirements of many different demographics, where as in the past, our product offerings were split between basic value-for-money TVP products and highly value added products for higher end consumers. During the year in review, Convenience Foods also introduced two new product lines to the Lankasoy range, with a view to creating more diverse products, capable of appealing to specific market segments. In keeping with this strategy, the Company launched its first product targeting the mid-range price bracket with the Meaty Soy Mas Curriya pack in addition to an innovative new Meaty Soy Sausage Cuts pack which is aimed at the higher spending market segment.

An Exciting Future

While it must be acknowledged that the past year has been quite challenging for the Company, we take great encouragement from the performance of our many product diversifications. We also anticipate a modest recovery in the soy segment over the coming year as competitors are now being forced to abandon short-term strategies to capture market share. As the price disparities between Lankasoy and its competitors has narrowed, consumers

"Focusing on product innovation, with a constant eye for new growth opportunities, and by maintaining trust and high standards in every aspect of the business, we have progressively developed the Company over many decades, to serve consumers in multiple segments of society."

are expected to once again become more quality conscious and in so doing, we anticipate a return of greater market share in the coming financial year.

These dynamics combined with the rapidly increasing popularity of each of our new product diversifications are expected to drastically improve revenue generation capacity over the short-medium term.

In conclusion, I wish to register my sincere thanks to our Board of Directors whose wisdom and guidance has been invaluable. I also wish to express gratitude to our esteemed shareholders for continued faith and confidence reposed in the Company.

Similarly, I also wish to place on record my gratitude to our dedicated Management team and our hard-working and committed family of employees who have consistently delivered exemplary performances during the year; their efforts form the backbone of our success and I look forward to working with them in future to deliver on the promise of excellence extended by Convenience Foods (Lanka) PLC. Finally, I wish to convey my sincere thanks to our deeply valued customers for the continued trust and loyalty that they have placed in our products. We will continue to work hard to earn and reward their trust and loyalty in the years to come.

Sincerely

R S Wickramasingha
Chairman

25 August 2017

Managing Director's Review

Introduction

At the conclusion of a challenging financial year, we are pleased to report that Convenience Foods (Lanka) PLC continues to retain its position as one of Sri Lanka's most trusted producers of wholesome, high-quality food products. Our passion for tasty, nutritious and affordable food remains at the very core of our business and over the past year, we are pleased to note that despite certain notable challenges, your Company continues to display tremendous resilience in our journey towards becoming one of Sri Lanka's most dynamic, diversified FMCG producers.

Convenience Foods has steadily established an unblemished reputation in the Sri Lankan market. This has been built up through the trust reposed in our brand by a diverse cross section of Sri Lankans over the last quarter century, primarily through our Textured Vegetable Protein (TVP) range of products marketed under the highly renowned Lankasoy brand.

Under the stewardship of Convenience Foods, TVP has over the ensuing decades become a popular staple of the Sri Lankan diet and despite a significant increase in competition in this segment, we are pleased to note that the Lankasoy brand continues to retain its status as a house-hold name across the Island and even among expatriate communities of Sri Lankans living overseas.

"...during the year in review our product development teams were able to generate another popular innovation under the Ramba brand in the form of the Tetos range of snacks. A flavoured extruded snack that is made from real potatoes..."

In the time since we first introduced Sri Lanka to the nutritious taste of TVP products, the country has undergone remarkable changes that have permeated into all facets of daily life. Where in the past, we were the dominant producer of TVP products, today's market is becoming increasingly saturated with newer brands that are aggressively competing for market share, particularly at the lowest end of the price spectrum. Combined with fluctuations in taxation policies and general albeit limited volatility in consumer sentiment arising out of shifting macroeconomic dynamics, Convenience Foods main line of business was forced to contend with notable challenges.

In that regard, it is important to take note of the tremendous progress which Convenience Foods has achieved towards the diversification of our product portfolio. In addition to enhancing the depth of our offering within our TVP segment, the Company continues to deliver diverse and flavoursome brand innovations as part of a continuing proactive strategy to expand our range of offerings while providing wholesome, affordable products to meet the needs of everyday Sri Lankans.

While the country's economy continued to encounter resistance during the year in review, our shareholders will be pleased to note that the proactive strategies adopted by the Management, particular with respect to our continuing success in designing and launching new product lines into the Sri Lankan market, which we fully anticipate holds the potential to generate substantial turnover for the Company over the medium to long term.

Financial Highlights

As alluded to previously, the financial year ended 31 March 2017 was a challenging period for the Company, during which time our topline performance declined from Rs. 1.66 billion down to Rs. 1.55 billion largely as a result of extremely intense competition in the TVP product category as lower priced competitors sought out short-term market gains through the absorption of increased Value-Added Tax (VAT) rates over the course of the last year. During this period, VAT was increased from its original rate of 11% up to 15% effective from May 2016 before that decision was subsequently reversed in July and the original 11% rate was once again applied. Subsequently, in November 2016, the VAT rate was once again raised back to 15%.

Managing Director's Review Contd.

The volatile fluctuation of tax rates during the year in review resulted in direct and indirect impediments to our financial performance over the year. At an organizational level, such fluctuations necessitated multiple revisions to the assessment of the Company's tax liability while at an operational level, these sudden increases in VAT caused significant price distortions across the domestic economy. During this time, the Management took a concerted decision to protect the medium-long term interests of the Company by passing on the initial VAT price increase to customers.

While many of our competitors appeared willing to absorb the first hike in VAT rates in order to undercut our dominant position in the market, they were ultimately compelled to revise their strategies in the face of the final revision to VAT rates in the third quarter of the financial year. The reduction in turnover resulting from the dynamics discussed previously also translated into the Company's operating profits, which fell from Rs. 127.2 million down to Rs. 95.3 million in 2017.

As highlighted by our Chairman, these developments took place in an environment in which all TVP products in the Sri Lankan market underwent a category decline in the face of rising food inflation. This overall reduction in consumption of TVP products during the year in review exerted further pressure on the Company's topline performance.

Despite these challenges, we note with pride that over the year in review, Convenience Foods was able to completely eliminate bank borrowings, as compared with the previous year when borrowings stood at Rs. 19.3 million when the Company utilized a mixture of profits and bank borrowings to fund new product diversifications.

Notably, the Company's asset growth outstripped last year's performance, concluding the year with asset growth of Rs. 967.9 million, as compared with Rs. 939.3 million previously. As a result of these notably challenging environment, Company's Profits Before Tax (PBT) declined from Rs. 150 million down to Rs. 138.3 million during the year in review while earnings per share fell from Rs. 35 down to Rs. 32 per share.

Lankasoy Performance

Despite facing a host of challenges, our shareholders will be pleased to note that our flagship Lankasoy brand continues to retain a dominant position in the domestic market. Being the longest established TVP brand, we have spent decades consolidating our Lankasoy's reputation for possessing the highest quality and best value for money. Already available in an exciting variety of flavours, during the year in review, we were able to launch further innovative diversifications of the brand as part of a concerted strategy that will enable Lankasoy to reach an even wider base of customers and even expand market share to attract new consumer segments.

At present around 200 different TVP brands are competing for the same market share in Sri Lanka. Meanwhile, during the year in review, the entire market recorded a category decline of 6.9% Year-on-Year, meaning that the actual size of the market during the year also contracted. Combined with the price dynamics previously alluded to, the Lankasoy brand witnessed reductions in turnover that strongly affected the overall growth momentum of Convenience Foods, particularly given that TVP products accounts for the core of the Company's revenue.

During the year in review, the Dollar-value of soy flour which is the primary raw material input for Lankasoy products recorded declines in international markets. However the positive impact that these reductions had on the Company's input costs were offset somewhat by the higher price of the US Dollar relative to the Sri Lankan Rupee as a result of exchange rate fluctuations prevalent during the year.

Having been cognizant of the increasingly competitive nature of the Sri Lankan market in the TVP segment, Convenience Foods had previously commenced a strategy of product innovation aimed at deepening the breadth of our offerings in order to capture new market segments. During the year in review, the Company was able to make important progress in this direction through the launch of two new products targeting the middle-high end price category. While TVP continues to be a steady favourite among certain Sri Lankan demographics, the noticeable differences in texture between TVP and meat-based food items continues to be an obstacle to capture new market share.

Keeping these factors in mind, Lankasoy's two most recent innovations are aimed at closing the gap between meat-based dishes and TVP through the emulation of not just flavour but also texture. In that regard, our recently launched 60g Meaty Soy Mas Curriya is Lankasoy's very first product to be priced in a mid-range category. Similarly, Meaty Soy Sausage Cuts has been designed to appeal to higher-spending

"Our commitment to quality stands as one of our best assets and we are confident that this uncompromising approach towards producing the very best products will come to be appreciated by an even larger segment of the Sri Lankan market in the years to come."

consumers seeking vegetarian dishes that are capable of emulating the flavour and texture of sausages.

Moving forward, we will continue to drive new innovations in the Lankasoy brand. Combined with the brand's trusted reputation gathered over the last 27 years, we are confident that our products will remain a household name for generations of Sri Lankans to come.

Ramba Snack Range and New Product Lines

Following on the success of our popular range of Ramba extruded snacks, during the year in review our product development teams were able to generate another popular innovation under the Ramba brand in the form of the Tetos range of snacks. A flavoured extruded snack that is made from real potatoes, the Tetos range is trans-fat free but still manages to give the consumer a taste that is very close to a potato chip or French fry.

Available in 3 exciting flavours, the Tetos range is poised to become another highly popular product innovation and a real milestone for Convenience Foods. Particularly when combined with the 5 other flavours available in the Ramba range, the addition of the Ramba Tetos range represents a small but fast growing new revenue generating segment for the Company.

In that regard it is extremely noteworthy that all of our products, including the Ramba range of snacks are manufactured without resorting to the use of monosodium glutamate (MSG) or any other artificial flavour enhancers.

While it cannot be denied that competitors who do utilize these additives are able to immediately capture consumer preference in the short term, our Company maintains a strict policy that we will not use MSG in any of our products. Hence our customers can be certain that the taste they experience in our products are not achieved through MSG or any other artificial flavour enhancers.

Moving forward, we will continue to develop new products, both under the Ramba brand as well as several of Convenience Foods other product lines, including the Sera brand. Currently growing in popularity for its range of tetra-packed coconut milk, during the year in review, we also launched two new products under the Sera brand, namely: Sera Mushroom soup and Sera Vegetable Clear soup. Given the unmatched flavour, convenience and affordability of these products, we are confident that they will also grow to become fast favourites in the Sri Lankan market.

Nutriline Cereals Performance

Another highly significant diversification to the Convenience Foods product portfolio over the recent past has been our Nutriline range of breakfast cereals. Manufactured using domestically sourced grains, Nutriline is a high energy, nutritious, cereal line specifically designed for adults and children. Currently the Nutriline range comprises of three variants, with Choco Blobs, Choco Chips and Choco Grains. The cereals are manufactured using a combination of wheat, rice, soya, green gram and maize to ensure a diversity of nutrients, with a chocolate centre that combines to give a memorable, sweet taste which can be consumed as a snack directly out of the pack or combined with milk for a wholesome breakfast.

At the time of the launch of the Nutriline range two years prior, we had noted that the breakfast cereal market had tended to be dominated by international brands while changing lifestyle trends were also resulting in a greater share of Sri Lankans seeking out breakfast cereals as a fast, hassle-free alternative breakfast option to start their day.

Given that in 2017, these trends continue unabated, our decision to enter into this untested market with an entirely new line of products has been thoroughly vindicated. During the year in review, Nutriline sales recorded notable improvements. Given that the product is manufactured locally from locally sourced products, we are able to place Nutriline cereals at an extremely competitive price point capable of attracting cost conscious consumers without compromising in the slightest on quality, nutrition and taste. Moving forward, we also remain extremely enthusiastic about the potential of Nutriline to develop into a favourite, home-grown breakfast cereal with the potential in the long-term to even expand into regional export markets.

Managing Director's Review Contd.

Internal Efficiencies

Particularly in the face of a challenging macroeconomic environment, our continuous emphasis on driving a culture of efficiency throughout all aspects of the business from the factory floor to the Board room supported Convenience Foods efforts to strictly manage costs while streamlining production to optimal levels. Previous investments into top-quality equipment, careful design of operational processes and the more recent introduction of a state-of-the-art Enterprise Resource Planning (ERP) system continued to yield positive results for the Company in terms of its cost structures.

Marketing

Given the integral importance of consumers and consumer awareness to our business, Convenience Foods maintains regular investments towards the advertising and marketing of its products, both with a view to strengthening our sales network and improving end-consumer awareness of our products, how they are made and the passion which goes into the creation of every Convenience Foods product.

Despite the difficulties endured by the Company during the year in review, we remain cognizant of the importance of advertising and marketing. Particularly in times when consumer sentiment is at its weakest is when a strong, well designed promotional campaign can have the most impact. Consequently, during the year in review, Convenience Foods increased its advertising spend by 12% Year-on-Year in order to generate greater awareness of our latest range of products and moving forward too, we plan to launch several new promotional campaigns that will also extend our presence into new media and social media in a bold manner.

Employee Welfare

The performance of our Company is ultimately a factor of the performance of our employees. Keeping this fundamental tenant in mind, Convenience Foods places an extremely strong emphasis on ensuring that all of our employees are nurtured, supported, and motivated to give their best performances.

Occupational health and safety plays a vital role in the success of our Company and to the end, the organisation maintained stringent training programs focused on occupational health, safety and emergency fire training. The Company maintains a committee to investigate all incidents of accidents and near-accidents and take corrective action in every instance.

From an occupational health and safety perspective we are pleased to note that it is been another year free from any notable incidents and this stands as a testament to the strong organization that has gone into the design of our operating procedures, as well as the culture of compliance and safety that permeates the entire hierarchy of Convenience Foods.

During the year in review, measures were also taken to drive further improvements to our occupational health and safety standards through the adoption of ISO OHSAS 18001 certificate. This is an ongoing process however during the year in review, significant progress was made towards the completion of certification requirements and we anticipate that the Company will be able to achieve full certification well within the next financial year.

Similar to our approach to marketing, a challenging year is when we feel that investments into training and motivational programs and team building exercise are most crucial. In that regard, we continued to invest in and ensure the hosting of all of the standard activities for our employees including annual trips, sports meets and the end-of-the-year get-together, with a view to ensuring that our team is able to keep their momentum and build it up in future, and in so doing, drive our Company to even greater heights.

Corporate Social Responsibility

Convenience Foods remains committed to creating value for the widest possible group of stakeholders. This commitment ensures that the Company stays connected and engaged with Sri Lankan communities and where possible and where it is constructive to do so, we work to create strategic interventions capable of uplifting the lives of Sri Lankans in a meaningful way.

During the year in review, the Company worked to lend assistance to the Kandawela School with the launch of a 5S programme aimed at educating teachers and students alike on the benefits of a well ordered learning environment in the hopes that we can also inspire all participants to voluntarily implement the 5S system in their day to day lives.

Moving forwards we are working on formulating a new CSR project that will focus on educating underserved communities on basic hygiene standards in order to prevent instances of communicable diseases.

Outlook

Overall we expect positive momentum over the coming financial year as the steps we took to adjust our production processes, pricing, and product diversity over the past two years begin to yield greater results for the Company. From a global economic perspective it is a difficult time in which to speculate as to the trajectory of global economic developments given the unprecedented political, social and economic volatility unfolding in key markets across the globe.

At a domestic level, economic growth is expected to improve over the coming year as more new businesses both local and international begin to set up show in Sri Lanka. In the process, the country's rising trend in GDP per capita is anticipated to drive further improvements to consumer spending, which in turn should reflect favourably on the Company's performance.

Backed by a rich and diverse range of trusted, high quality products, we are confident that we will be able to make tremendous progress in terms of sales volumes by ensuring holistic value for an increasingly value conscious Sri Lankan customer base. In this endeavour, our commitment to quality stands as one of our best assets and we are confident that this uncompromising approach towards producing the very best products will come to be appreciated by an even larger segment of the Sri Lankan market in the years to come.

Acknowledgements

I wish to thank our Chairman for his invaluable leadership and guidance that has helped to once again steer Convenience Foods into a path of prosperity and success and look forward to working with him in the coming year in order to continue to develop and grow our Company in future. Further, I extend my sincere gratitude to our Board of Directors for their unwavering commitment and support. I also wish to thank our suppliers and of course our loyal and valued customers for their support and loyalty. Finally, I thank and congratulate my team of dedicated and hardworking employees for the excellent work they achieved during years past and I look forward to working in cooperation with them to take our Company to new heights in the coming year.

Sincerely

E T De Zoysa
Managing Director

25 August 2017

Corporate Governance

Convenience Foods (Lanka) PLC (CFL), a subsidiary of Ceylon Biscuits Ltd (CBL) continues to aspire to the highest corporate governance standards across the organization. In cognizant of its responsibilities towards all stakeholders - shareholders, employees, consumers, suppliers and the community, the Board is committed to meet its business objectives with integrity and professionalism.

Practices adopted by the organization are within the framework stipulated by the Code of Best Practice issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and Section 7 of the Listing Rules of the Colombo Stock Exchange (CSE). Refer Appendix 1 for the detailed description of the rules and compliance of the same by CFL.

The disclosures below demonstrate the extent to which the principles of good corporate governance are adhered by the Company. Further to the above, the Board of Directors to the best of their knowledge and belief is also satisfied that all statutory payments due to the Government, other regulatory institutions, and related to the employees, have been made on time.

The Corporate Governance philosophy of CFL is derived from the values developed internally by the Company since its inception in addition to values inherited from CFL's parent Company, CBL. These values are centered on the fundamental principle that the cultivation of honest, ethical and empowering relationships between all stakeholder groups – shareholders, employees, regulators, consumers and the Sri Lankan community in general are at the very foundation of any successful business enterprise. In pursuit of this objective, the Board is committed to meet its business goals with the highest standards of transparency and professionalism.

The Directors of the Company acknowledge and accept their responsibility to ensure that the affairs of the Company are managed in a manner that achieves full compliance with the internal governance framework and external regulatory requirements and remain fully committed to the principles of good governance. The Company is committed to acting in a manner that is transparent and fair in all of its dealings. The Directors and Management of the Company consistently strive to inculcate values of good governance and associated best practices across every level of the organizational hierarchy and such processes are formalized through the development and constant refinement of processes and procedures designed to ensure the highest standards of compliance throughout the organization. For a diagram of the organizational chart refer page 14 (Only employees from Executive cadre and above have been presented)

Board of Directors

Duties and Responsibilities

The Board of Directors, along with the Chairman, is the apex body responsible and accountable for the stewardship function. The Directors are collectively responsible for upholding and ensuring the highest standards of Corporate Governance and inculcating ethics and integrity.

The Board is responsible for the supervision and management of the Company's business and affairs, which includes ensuring that the policies and practices of the organization are in full compliance with the established corporate governance framework of the Company in addition to the stipulations of pertinent regulatory and statutory requirements. Among the primary responsibilities attributed to the Board of Directors is the duty to ensure an effective and equitable balance between ensuring the continued prosperity of CFL and providing value to shareholders.

In addition to comprehensive oversight into issues related to business, finance, and shareholder relations, the Board also monitors and manages challenges and issues relating to corporate governance, corporate ethics and corporate social responsibility.

Furthermore, the Board is also responsible for defining and guiding the overall strategic direction of the Company, risk management, appointment of the CEO/ Managing Director, evaluation and approval of capital expenditure and new investments, succession planning, approval of budgets, and establishing policies that ensure effective internal controls, standards, and employee satisfaction. We are pleased to report that the Board and the overall Company's steadfast commitment to values of good corporate governance continue to encourage accountability and transparency within the organization and yield strongly positive results as evidenced by sound decision and policy making that has worked to support the business and ensure its continued success.

Composition of the Board of Directors

CFL fulfils the mandate of the Listing Rules of the CSE by having seven (07) Non-Executive Directors appointed, including the Chairman representing more than one third of the entire Board of eight (08) Directors.

Each Non-Executive Director has submitted a declaration of his independence or non-independence as required under the Listing Rules of the CSE.

Mr M S Nanayakkara qualifies against the criteria for independence as per Rule 7.10.4 of the CSE Listing Rules and the Board, based on the declaration submitted by the said Director, has determined that he is an Independent Director.

The period of service of Mr M U S G Thilakawardana and Dr D M A Kulasooriya exceed 9 years. The Board is of the view that the period of service of the said Directors do not compromise their independence and objectivity in discharging their functions as Directors and therefore, based on declarations submitted by the said Directors, has determined that those Directors shall nevertheless be 'Independent' as per the CSE Listing Rules.

All of the Directors serving on the Board were selected on the basis of their wide range of skills and experience that have assisted in the effective management of the affairs of the Company.

The Directors were required to report any substantial changes in their professional responsibilities and business associations to the entire Board. It is also confirmed that the Board of Directors have dedicated adequate time for the fulfilment of their duties as Directors of the Company. A detailed profile of each member of the Board is provided on pages 20 and 21 of this Annual Report.

Board Meetings

The Board of Directors met four (04) times during the year in review. In addition to attending Board meetings the relevant Directors also attended subcommittee meetings such as Audit Committee meetings, Remuneration Committee meetings and Related

Party Transactions Review Committee meetings.

The above described meetings of the Board of Directors occurred on a quarterly basis while provisions remain in place to call further meetings of the Board as they become necessary in relation to the effective discharge of their duties.

Balance of Authority and Management Structure

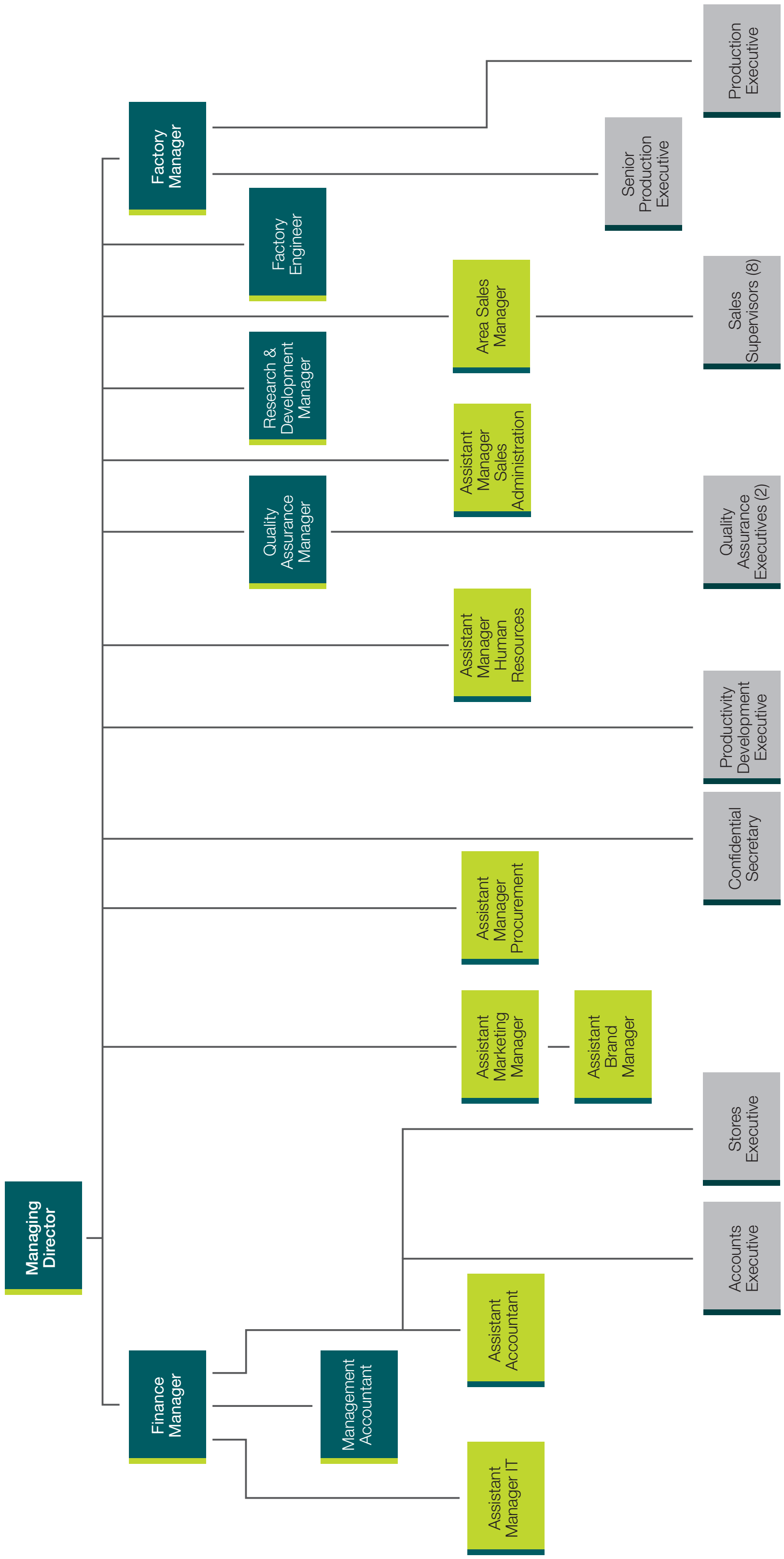
It is the policy of the Board to ensure that the role of Chief Executive, which is vested in the Executive Director, is kept separate from the Chairman of the Company, thereby facilitating the effective discharge of duties by the Board of Directors.

The operational management function is guided by a team of Senior Managers within the ethical framework as established by the Board. Monthly management review meetings are also held, the agenda of which is to review the operation of the Senior Management team under the supervision and guidance of the Board. At these meetings, the Board reviews strategic direction, risk management and other issues. The Senior Management team also reports to the Board on the trends in Key Performance Indicators which are discussed at weekly/monthly internal meetings and management review held with sectional heads.

Board Sub-Committees

The Board has delegated some of its functions to its Sub-Committees. However the Board retains the right to make a final decision in respect of some of the selected matters coming under the purview of the Sub-Committees. The composition and the functions of these sub-committees are discussed in detail under the relevant sections of this Report.

Corporate Governance Contd.



A Remuneration Committee, Audit Committee and a Related Party Transactions Review Committee function as Sub Committees of the Board.

Remuneration Committee

CFL appoints its own Remuneration Committee comprising of the Directors given below. The Committee meets and makes recommendations to the Board on the remuneration payable to the Executive Director. The remuneration is assessed based on the performance of the organization during the preceding year.

The Committee is mindful of the fact that the remuneration of the management and staff should reflect market expectations and should be sufficient to attract and retain the quality of management and staff needed to run the Company. The Committee also takes into consideration issues related to annual increments of confirmed employees as they relate to the performance and discipline while also taking into account the profitability of the Company. Bonuses are similarly granted to employees in line with industry norms and in relation to the profitability of the Company as determined by the Committee.

Following are the Directors appointed to the Remuneration Committee for the year in review:

Mr. R S Wickramasingha
(Non-Executive Director/ Chairman of the Committee)
Dr. D M A Kulasooriya
(Independent/ Non-Executive Director)
Mr. U Thilakawardana
(Independent/ Non-Executive Director)

Audit Committee

The Board has established an Audit Committee to ensure a formal and transparent application of accounting policies, financial control and internal control principles, while maintaining an appropriate relationship with the Company's auditors.

The Chairman of the Committee is a member of a recognized Accounting Body. The Audit Committee consists of all Independent Non-Executive Directors. The Managing Director, Finance Manager, Senior Management and other staff attend its meetings on invitation to provide information, advice and support as requested by the Committee.

This practice has been adopted to ensure that the Audit Committee is competently guided and advised to enable sufficient recommendations to be made to the Board to improve the organization's internal control and risk management procedures, assess the independence and performance of the External Auditors, adopt any recommendations made in the Management Letter issued by the External Auditors and to ensure that reliable and transparent financial information is disclosed in keeping with the Sri Lanka Accounting Standards (SLFRS/LKAS), the Companies Act and other regulations.

The Audit Committee comprises of the Directors named below.
Mr. M S Nanayakkara
(Independent/ Non-Executive Director/ Chairman of the Committee)
Dr. D M A Kulasooriya
(Independent/Non-Executive Director)
Mr. U Thilakawardana
(Independent/Non-Executive Director)

Related Party Transactions Review Committee

The Board has established the Related Party Transactions Review Committee, to review all related party transactions and advice the Board on their compliance with the requirements of the CSE, rules of the Securities and Exchange Commission (SEC) and other rules, procedures and best practices. The Committee ensures that all related party transactions are carried out in the best interests of the Company.

The composition of the Committee is as follows:
Dr. D M A Kulasooriya
(Independent/ Non-Executive Director/ Chairman of the Committee)
Mr. M S Nanayakkara
(Independent/Non-Executive Director)
Mr. U Thilakawardana
(Independent/Non-Executive Director)
Mr. E T De Zoysa
(Executive Director)

The Finance Manager, senior management and other staff attend the meetings of the Committee on request in order to provide the Committee with information and advice to enable it to carry out its functions.

Independent Advice

Provisions are in place to enable Directors to seek professional advice at the Company's expense when it is requested by the Board members. All Board members have access to the Company Secretary P W Corporate Secretarial (Pvt) Ltd., to obtain advice on applicable rules, regulations and compliance requirements. Advice on taxation has been obtained over the year under review from Messrs Ernst & Young, Chartered Accountants, while opinions were sought from the Employers Federation to ensure the organization maintained healthy employee relations.

Financial Acumen

Adequate financial guidance is provided to the Board by Mr. M.S. Nanayakkara and the Finance Manager, both of whom are members of professional accounting bodies and possess sufficient knowledge and competence to guide the Board.

Supply of Information

The Board's decision making capabilities are further strengthened by supplying comprehensive information through budgets, monthly financial statements, market reports and other reports as required, in accordance with the agenda.

The Chairman ensures that all Directors are adequately briefed on matters to be decided at the meeting and ensures the Directors are fully conversant and upto date with all developments taking place in the Company.

Arising out of these briefings, advice and guidance is provided to the Company's Board on a regular basis in order to evaluate progress in relation to performance targets and ensure accountability of the Senior Management team. This is an ongoing process and is reviewed periodically by the entire Board. Training and career development also continues to be an issue of strong emphasis among the Board and at all levels of the Organizational hierarchy. This has created a committed and empowered workforce and continues to generate value for the Company by driving continuous improvements in terms of productivity, innovation and performance excellence.

Relations with Shareholders and Financial Reporting

Active participation of the shareholders is encouraged at the Annual General Meeting, of which notice is given in the Annual Report. The Notice contains the agenda for the AGM and Form of Proxy and the prescribed period of notice set out in terms of the Articles of Association of the Company has been met. Individual shareholders are encouraged to participate at the Annual General Meeting and to carry out adequate analysis or seek independent advice on their investing decisions.

Through the Managing Director's Review and the financial and non-financial information set out in the Annual Report and the interim accounts which are submitted to them (and to the CSE) at quarterly intervals, the shareholders are able to obtain a clear indication of the Company's performance over the year. The Board is committed to ensure complete transparency in disclosing its financial and non-financial information.

Major Transactions

No major transactions have occurred during the year, which falls within the definition of the Companies Act.

Internal Controls

The Board is responsible for establishing a sound framework of internal financial controls and monitoring its effectiveness on a continuous basis. By establishing such a strong framework, CFL is able to manage business risks and ensure that the financial information on which business decisions are made and published are reliable.

Policies in the areas of stocks, debtors, purchases, budgeting, and financial investments, among others are continuously monitored by Messrs Ernst & Young.

Results from regular internal audits and system reviews are discussed with the Managing Director and Finance Manager of CFL and where necessary, corrective measures are adopted and discussions held with the Audit Committee and the Board of CFL.

Going Concern

After extensive analysis of financial statements, management reviews, feedback from the Group internal audit team and analysis of the annual budgets, capital expenditure and other investment requirements, periodic cash flow forecasts and the organization's liquidity indicators, the Board is convinced that the Company has sufficient cash flow to continue as a going concern in the foreseeable future.

By Order of the Board of Convenience Foods (Lanka) PLC

E T De Zoysa
Managing Director

25 August 2017

Appendix 1

Corporate Governance Rule	Compliance Status	Details
7.10.1 Non-Executive Directors		
a) The Board of Directors of a Listed Entity shall include at least, (i) Two Non-Executive Directors; or (ii) Such number of Non-Executive Directors equivalent to one third of the total number of Directors whichever is higher.	Complied	Company has 7 Non-Executive Directors and 1 Executive Director on its Board.
b) The total number of Directors is to be calculated based on the number as at the conclusion of the immediately preceding Annual General Meeting.	Complied	The Company had 7 Non-Executive Directors and 1 Executive Director at the conclusion of the last AGM.
c) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	Complied	There has not been any period of non compliance as explained above.
7.10.2 Independent Directors		
a) Where the constitution of the Board of Directors includes only two Non-Executive Directors as mentioned above, both such Non-Executive Directors shall be 'Independent'. In all other instances two or 1/3 of Non-Executive Directors appointed to the Board of Directors, whichever is higher shall be 'Independent'	Complied	3 of 7 Non-Executive Directors are determined to be Independent.
b) The Board shall require each Non-Executive Director to submit a signed and dated declaration annually of his/her Independence or Non-Independence against the specified criteria.	Complied	3 Independent Non-Executive Directors have submitted to the Company a declaration in the prescribed format.
7.10.3 Disclosures Relating to Directors		
a) The Board shall make a determination annually as to the Independence or Non-Independence of each Non-Executive Director based on such declaration and other information available to the Board and shall set out in the Annual Report the names of Directors determined to be 'Independent.'	Complied	3 Non-Executive Directors are deemed to be independent by the Board of Directors. They are as follows; Mr. M S Nanayakkara Dr. D M A Kulasooriya Mr. Udara Thilakawardana
b) In the event a Director does not qualify as 'Independent' against any of the criteria set out below but if the Board, taking into account of all the circumstances, is of the opinion that the Director is nevertheless 'Independent', the Board shall specify the criteria not met and the basis for its determination in the Annual Report.	Complied	Refer page 13 of the Report.
c) In addition to the disclosures relating to the Independence of a Director set out above, the Board shall publish in its annual report a brief resume of each Director on its Board which includes information on the nature of his/her expertise in relevant functional areas.	Complied	Refer Profile of Directors on pages 20 and 21 for a brief resume of the Board of Directors.
d) Upon appointment of a new Director to its Board, the Entity shall forthwith provide to the exchange a brief resume of such Director for dissemination to the public. Such resume shall include information on the matters itemized in paragraphs (a), (b) and (c) above.	N/A	During the year there were no such appointments.

Corporate Governance Rule	Compliance Status	Details
7.10.5 Remuneration Committee		
A Listed Entity shall have a Remuneration Committee in conformity with the following: (a) Composition The Remuneration Committee shall comprise; (i) of a minimum of two Independent Non-Executive Directors (in instances where an Entity has only two Directors of its Board); or (ii) of Non-Executive Directors a majority of whom shall be Independent, whichever shall be higher.	Complied	2 out of 3 members of the Remuneration Committee are independent Non-Executive Directors.
In a situation where both the Parent Company and the subsidiary are 'Listed Entities', the Remuneration Committee of the Parent Company may be permitted to function as the Remuneration Committee of the subsidiary.	N/A	N/A
However, if the Parent Company is not a Listed Entity, then the Remuneration Committee of the parent Company is not permitted to act as the Remuneration Committee of the subsidiary. The subsidiary shall have a separate Remuneration Committee.	Complied	Since parent company (CBL) is not a listed company, remuneration committee has been appointed specific to the Company.
One Non-Executive Director shall be appointed as Chairman of the Committee by the Board of Directors.	Complied	The Committee is led by Mr. R. S. Wickramasingha a Non-Executive Director.
(b) Functions The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and Chief Executive Officer of the Listed Entity and/ or equivalent position thereof, to the Board of Listed Entity which will make the final determination upon consideration of such recommendations.	Complied	The Committee recommends to the Board the remuneration payable to the key executives. In recommending an appropriate remuneration package the primary objective of the Committee is to attract and retain the services of highly qualified and experienced personnel.
(c) Disclosures The Annual Report should set out the names of Directors (or persons in the Parent Company's committee in the case of a group Company) comprising the Remuneration Committee, contain a Statement of the Remuneration Policy and set out the aggregate remuneration paid to Executive and Non-Executive Directors.	Complied	Refer Remuneration Committee Report on page 30 for the members of the company's Remuneration Committee and statement for the remuneration policy. Refer Directors remuneration on note 8 of the financial statements.
7.10.6 Audit Committee		
A Listed Entity shall have an Audit Committee in conformity with the following: (a) Composition (i) The Audit Committee shall comprise; of a minimum of two Independent Non-Executive Directors (in instances where a Entity has only two Directors on its Board); or (ii) of Non-Executive Directors a majority of whom shall be Independent, whichever shall be higher.	Complied	All 3 members of the Audit Committee are independent Non-Excutive Directors.

Corporate Governance Rule	Compliance Status	Details
7.10.6 Audit Committee Contd.		
In a situation where both the Parent Company and the subsidiary are 'Listed Entities', the Audit Committee of the Parent Company may function as the Audit Committee of the subsidiary.	N/A	N/A
However, if the Parent Company is not a Listed Entity, then the Audit Committee of the Parent Company is not permitted to act as the Audit Committee of the subsidiary. The subsidiary should have a separate Audit Committee.	Complied	Since parent company (CBL) is not a listed company, the Audit Committee has been appointed specific to the Company.
One Non-Executive Director shall be appointed as Chairman of The Committee by the Board of Directors.	Complied	The Committee is led by Mr. M S Nanayakkara, a Non-Executive Director
Unless otherwise determined by the Audit Committee, the Chief Executive Officer and the Chief Financial Officer of the Listed Entity shall attend Audit Committee meetings.	Complied	Both the officers have attended the Audit Committee meeting throughout the year.
The Chairman or one member of the Committee should be a member of a recognized professional accounting body.	Complied	The Chairman of the Committee is a Fellow Member of CA Sri Lanka and Associate Member of CIMA (UK).
(b) Functions Shall include 1. Overseeing of the preparation, presentation and adequacy of disclosures in the financial statements of a Listed Entity, in accordance with Sri Lanka Accounting Standards (SLFRSs/LKASs). 2. Overseeing of the Entity's compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements. 3. Overseeing the processes to ensure that the Entity's internal controls and risk management are adequate, to meet the requirements of the Sri Lanka Auditing Standards. 4. Assessment of the Independence and performance of the Entity's external auditors. 5. To make recommendation to the Board pertaining to appointment, Re-appointment and removal of external auditors and to approve the remuneration and terms of the engagement of the external auditors.	Complied	Refer Audit Committee Report on page 31.
(C) Disclosures The names of the Directors (or persons in the Parent Company's committee in the case of a Group Company) comprising the Audit Committee should be disclosed in the Annual Report.	Complied	Refer Audit Committee Report on page 31 for CFL Audit Committee members.
The Committee shall make a determination of the Independence of the Auditors and shall disclose the basis for such determination in the Annual Report.	Complied	Refer Audit Committee Report on page 31.
The Annual Report shall contain a report by the Audit Committee, setting out the manner of compliance by the Entity in relation to the above, during the period to which the Annual Report relates.	Complied	Refer Audit Committee Report on page 31.

Board of Directors

Mr. R S Wickramasingha
Chairman

Mr. R S Wickramasingha was appointed as the Chairman of Convenience Foods (Lanka) PLC from 24 June 2015 having served on the Board since 10 May 2000. He is currently the Chairman of Ceylon Biscuits Group, the largest FMCG conglomerate in the food industry that manufactures biscuits, chocolates, wafers, cake, soy products, cereals, snacks and dehydrated fruits. CBL possesses the strongest brands in the food industry and has market leadership in all categories it competes in. Its products are exported to over 50 countries while also operating in Bangladesh and Myanmar. He is also the Chairman of all subsidiary companies of the CBL Group.

Mr. Wickramasingha possesses vast and varied experience in the food industry and is qualified in Food technology at “Borough Polytechnic”, now known as the “University of South Bank, U.K”. While his focus has been on continuous product innovation and quality improvement, he has over the years been overall in-charge of product, quality assurance, product development and procurement across the CBL Group. He has been a Past President of the Lanka Confectionery Manufacturers Association.

Mr. Thilanka de Zoysa
Managing Director

Mr. De Zoysa possesses over 25 years of experience in General management. He started his career in the plantation sector and has been with Soy Foods Lanka Ltd (now Convenience Foods (Lanka) PLC) since 1996. He was appointed to the Board of CFL on 30 October 2002 and was appointed as the Managing Director of the Company with effect from 1 April 2011.

Ms. Sheamalee Wickramasingha
Director

Ms. Wickramasingha was first appointed to the Board of Soy Foods (Lanka) Ltd. (now Convenience Foods (Lanka) PLC) in May 2000. She is the Group Managing Director of Ceylon Biscuits Limited and the Managing Director of Modern Pack Lanka (Pvt) Ltd. She is also a Director of Plenty Foods (Pvt) Ltd., CBL Foods International (Pvt) Ltd., CBL Export (Pvt) Ltd., CBL Natural Foods (Pvt) Ltd., CBL Agroprocessors (Pvt) Ltd., CBL Cocos (Pvt) Ltd., Retailers Alliance Ltd., CBL Global Foods Ltd., CBL Myanmar Private Limited, CBL Management Services (Pvt) Ltd. and Spar SL (Private) Ltd. She possesses a Master’s Degree in Food Chemistry from the USA.

Mr. Nandana Wickramage
Group Director

The Group Director / Head of Marketing and Sales, Mr. Wickramage is professionally qualified in Marketing, Sales and Retail Management and is a certified master practitioner of NLP (Neuro Linguistic Programming). With over 35 years hands-on experience in Business Management, he is one of the most renowned marketers in the country, well-known for his ability to turn around brands and achieve success, proven by his strategic and innovative thinking. His continuous success in this highly challenging task proves the efficacy of his practical and creative approach to strategic planning and brand building. His enormous contribution to Marketing and Leadership has been recognized not only locally but internationally as well with most prestigious awards such as Global Brand Leadership Award 2010, Most Outstanding Marketing Professional of the year 2011 by World Brand Congress, Marketing Professional of the year 2011 by CMO Council Asia, listed among 50 most talented Chief Marketing Officers (Global) at World Marketing Summit 2013 and Peoples Leader Award in Marketing at IPM 2014. He is also a well-recognized local and international peak performance coach, personal development trainer, mentor and motivator.

Ms. Nishka Wickramasingha
Director

Ms. Nishka Wickramasingha is a Group Director of Ceylon Biscuits Limited. She holds a BSc Degree in Food Science from Purdue University USA and is a member of the Chartered Institute of Marketing, UK. Having joined CBL in 1993 as a Management Trainee, she worked in various management positions in the Company and was invited to join the Board of CBL in 1999. Ms. Wickramasingha is also a Director of many of the subsidiaries of the Ceylon Biscuits Group.

Dr. D M A Kulasooriya
Director

A BSc Graduate from the University of Peradeniya, Dr. Kulasooriya has a PhD in lean management from JNTU, India and MSc in management from the University of Sri Jayewardenepura, a postgraduate Training in Management from the Postgraduate Institute of Management and a Certification in Six Sigma Black Belt.

He currently serves as the Director General at National Institute of Business Management and possesses 21 years of experience in the field of Quality and Productivity Management, 12 years of which dealt directly in Lean Six Sigma implementation and Data Analytics.

Mr. Udara Thilakawardana
Director

Mr. Udara Thilakawardana, Attorney-at-Law currently practices as a Counsel for civil and criminal cases in Colombo and outstation courts and is a Legal Consultant for several organizations including private and public companies. He started his career in 1990 when he was enrolled in the Attorney General's Department as a State Counsel. Following 6 years in the Attorney General's Department, he joined the unofficial bar and started practice in original and appellate courts. Currently, he is the legal Counsel of Rosmead Law Chambers.

Mr. Mahesh Shirantha Nanayakkara
Director

Mr. Nanayakkara has over 20 years of extensive experience in external and internal auditing and management consultancy related roles. Mr. Nanayakkara is a Fellow Member of the Institute of Chatered Accountants of Sri Lanka (FCA) and an Associate Member of the Chartered Institute of Management Accountants (ACMA, UK). He also holds a Master of Business Administration degree from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura and a Bachelor of Commerce degree from University of Colombo.

Mr. Nanayakkara was appointed to the Board as an Independent Director of the Company in August 2010. Currently, he functions as the Senior Manager Group Assurance and Advisory Services of Sri Lankan Airlines and its subsidiary Sri Lankan Catering Ltd.

Innovative Products

MEATY SOY “MAS CURRIYA”

An innovative and convenient product that looks and feels just like meat. The curry mix sachet includes authentic spices used to make the tasty Sri Lankan Meaty Mas Curriya, the texture of Soy Meat gives the appetizing real meaty nature. The product has no added MSG or any other artificial flavour enhancers.

MEATY SOY “SAUSAGE CUTS”

Being the market leader and trend setter in the Soy Industry, Lankasoy has launched another novelty product, which has the same taste, texture and aroma of real chicken sausages. The taste of the product has not been enhanced by adding MSG or any other artificial flavour enhancers.

SERA VEGETABLE CLEAR SOUP

A delicious, convenient soup made with vegetables and a special blend of spices. The product has no added MSG or any other artificial flavour enhancers, to get the real taste. Also, the product is free of colours and preservatives.

SERA MUSHROOM SOUP

A soup flavoured with mushroom and a special blend of spices is a great option to experience the taste of creamy mushroom. The inherent taste of the product has not been enhanced by using MSG or any other flavour enhancers. Also, the product is free of colours and preservatives.

RAMBA TETOS

A new extruded potato snack launched under Ramba brand, Tetos made with real potato that gives real product experience of potato chips/french fries. It is baked but not fried, which is healthy for consumers. “Tetos” has no added MSG and artificial colours or flavours.

“Tetos” was launched with three exciting variants namely, Cheese, Tomato and BBQ.

Annual Report of the Board of Directors on the Affairs of the Company

The Directors of Convenience Foods (Lanka) PLC have pleasure in presenting their Annual Report together with the Audited Financial Statements of the Company for the year ended 31 March 2017.

General

Convenience Foods (Lanka) PLC is a public limited liability Company which was incorporated on 24 March 1991 as a private limited liability Company under the Companies Act, No.17 of 1982 as Soy Foods (Private) Limited. The Company was converted to a public limited liability Company on 11 March 1992 and was listed on the Colombo Stock Exchange in May 1992. It was re-registered as per the Companies Act, No.7 of 2007 on 25 June 2008 under Registration No. PQ 164. The name of the Company was changed to Convenience Foods (Lanka) PLC on 21 August 2008.

Principal Activity

The principle activity of the Company is the manufacture and marketing of Textured Vegetable Protein (TVP), which is popularly known as Soya Meat and also Other Food Products.

Review of Business

A review of the business of the Company and its performance during the year with comments on financial results, future strategies and prospects are contained in the Chairman's review on pages 4 to 6.

This Report together with the financial statements, reflect the state of affairs of the Company.

Financial Statements

The financial statements of the Company are given on pages 36 to 62.

Auditors Report

The Report of the Auditors on the financial statements of the Company is given on page 35.

Accounting Policies

The accounting policies adopted by the Company in the preparation of the financial statements are given on pages 40 to 47, which are consistent with those of the previous period.

Directors

The names of the Directors who held office as at the end of the accounting period are given below and their brief profiles appear on pages 20 and 21.

Executive Directors

Mr E T De Zoysa - Managing Director

Non-Executive Directors

Mr R S Wickramasingha	- Chairman
Ms D S Wickramasingha	- Director
Mr N A Wickramage	- Director
Ms N K Wickramasingha	- Director
*Mr M U S G Thilakawardana	- Director
*Dr D M A Kulasooriya	- Director
*Mr M S Nanayakkara	- Director

*Independent Non-Executive Directors

Mr R S Wickramasingha who attained the age of 70 years on 18 November 2016, vacates office at the conclusion of the Annual General Meeting. The Board recommends his re-appointment in terms of Section 211 of the Companies Act.

Interest Register

The Company maintains an Interest Register in terms of the Companies Act, No.07 of 2007.

The relevant interests of Directors in the shares of the Company as at 31 March 2017 as recorded in the interests register are given in this report under Directors' shareholding.

Related Party Transactions with the Company

All related party transactions which encompasses the transactions of Directors who were directly or indirectly interested in a contract or a related party transaction with the Company during the accounting period are recorded in the interests register in due compliance with the applicable rules and regulations of the relevant regulatory authorities.

Transactions with related parties (as defined in LKAS 24 - Related Party Disclosure) of the Company are set out in Note 31 to the financial statements.

The Directors declare that the Company is in compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the financial year ended 31 March 2017.

Annual Report of the Board of Directors on the Affairs of the Company Contd.

Directors' Shareholding

The relevant interests of Directors in the shares of the Company as at 31 March 2017 and 31 March 2016 are as follows:

	As at 31.03.2017	As at 31.03.2016
Mr R S Wickramasingha	Nil	Nil
Ms D S Wickramasingha	Nil	Nil
Mr E T De Zoysa	Nil	Nil
Mr N A Wickramage	Nil	Nil
Ms N K Wickramasingha	Nil	Nil
Mr M U S G Thilakawardana	Nil	Nil
Mr D M A Kulasooriya	Nil	Nil
Mr M S Nanayakkara	Nil	Nil

Mr R S Wickramasingha, Ms D S Wickramasingha, Mr N A Wickramage and Ms N K Wickramasingha are Directors of Ceylon Biscuits Limited which held 1,962,977 shares equivalent to 71.381% of the shares constituting the Stated Capital of the Company.

Directors' Remuneration

The Directors' remuneration is disclosed under Note 8 to the financial statements.

Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of the financial statements of the Company to reflect a true and fair view of the state of its affairs.

Auditors

Messrs SJMS Associates, Chartered Accountants served as the Auditors during the year under review. The Auditors do not have any interest in the Company other than as Auditors.

The fee payable to the Auditors for the year under review is Rs. 744,726/-

Messrs Ernst & Young provided tax compliance services during the year under review and the fee payable therefor amounts to Rs. 473,832/-

The Auditors have expressed their willingness to continue in office. A resolution to re-appoint the Auditors and to authorize the Directors to determine their remuneration will be proposed at the Annual General Meeting.

Stated Capital

The Stated Capital of the Company is Rs.52,521,178/- representing by 2,750,000 Ordinary Shares.

Major Shareholders, Distribution Schedule and Other Information

Information on the twenty (20) largest shareholders of the Company, the distribution schedule of shareholders, percentage of shares held by the public, market values per share as per the Listing Rules of the Colombo Stock Exchange are given on pages 63 to 64 under Shareholder Information.

Reserves

The movements of reserves during the year are given under the Statement of Changes in Equity on page 38.

Capital Expenditure

Total capital expenditure during the year was Rs 23,515,969/-. Details of movements in property, plant and equipment and Intangible assets are given in Notes 12, 13 and 14 of the financial statements.

Land Holdings

The Company does not own any freehold land.

Financial Ratios

The Earnings Per Share and other financial ratios are given under the Performance Summary on page 65.

Dividend

The payment of a first and final dividend of Rs.4/- per share as recommended by the Board of Directors will be proposed at the Annual General Meeting.

Donations

The Company did not make any donations during the year.

Events Occurring after the Reporting Period

No material circumstances have arisen since the reporting date, which would require adjustment to, or disclosure in the financial statements.

Corporate Governance

The Board of Directors confirms that the Company is in compliance with the rules on Corporate Governance contained in the Listing Rules of the Colombo Stock Exchange.

Annual General Meeting

The Annual General Meeting will be held on 22 September 2017 at Ceylon Biscuits Limited at Makumbura, Pannipitiya.

The Notice of the Annual General Meeting appears on page 2.

Signed for and on behalf of the Board of Directors by

R S Wickramasingha
Chairman

E T De Zoysa
Managing Director

P W Corporate Secretarial (Pvt) Ltd
Secretaries

25 August 2017
Colombo

Remuneration Committee Report

The Role and Responsibilities

The Remuneration Committee is tasked with establishing and maintaining the remuneration policies of the Company as a whole. The policies have been established in such a manner as to enable the Company to hire and retain vital talented personnel while maximising the overall profitability of the organization in the long term.

Remuneration Committee Composition

The Remuneration Committee comprises of three (03) Non-Executive Directors, two (02) of whom are independent. The members of the Remuneration Committee as at 31 March 2017 were Mr. R S Wickramasingha (Chairman), Dr. D M A Kulasooriya (Member) and Mr. U. Thilakawardana (Member).

The Managing Director and members of management attend the meetings upon invitation to brief the Remuneration Committee on specific issues and submit relevant information.

Responsibilities of the Remuneration Committee

The functions of the Remuneration Committee include;

- Making recommendations to the Board on the ideal compensation packages in a transparent manner.
- Ensuring no Director is involved in deciding his own pay package.
- Deciding on the remuneration packages and extra benefits of the Executive Director and Key Management Personnel.

Remuneration Policy

- Attractive and capable of retaining well qualified and knowledgeable employees.
- Rewarding employees based on experience and quantifiable contribution to the Company's bottom line.
- Be in line with industry standards and best practices.

Remuneration Committee Meetings

The Committee meets to ensure two-way communication, comprehensive dialogue and resolution of issues. Meetings are held as often as required. Recommendation on compensation structures, bonuses, increments and matters concerning recruitment of Key Management Personnel are made at the meetings. One of its other goals is to ensure that management and staff at all levels are adequately rewarded for their performance and commitment to the Company's goals on a competitive basis.

Remuneration Packages

The cumulative amount paid to Directors' as remuneration during the year under review is recorded in Note 08 to the financial statements.

R S Wickramasingha
Chairman - Remuneration Committee

25 August 2017

Audit Committee Report

The Role and Responsibilities

The primary role of the Audit Committee is to assist the Board of Directors in fulfilling its duties by providing an independent review of the system of internal controls, the financial reporting system, the management of business risks, the Company's process for monitoring compliance with laws and regulations, the independence of the external audit and the internal audit function.

Audit Committee Composition and Meetings

The Audit Committee comprises of three (03) Non-Executive Directors all of whom are independent. The members of the Audit Committee as at 31 March 2017 were Mr. Mahesh Nanayakkara (Chairman), Dr. D M A Kulasooriya (Member) and Mr. Udara Thilakawardana (Member).

During the financial year ended 31 March 2017, the Audit Committee held four (04) meetings. The members of the management attend the meetings upon invitation to brief the Audit Committee on specific issues. In addition, the Audit Committee met with the external auditors Messrs SJMS Associates to ascertain the nature, scope and approach of the external audit and to review the financial statements and the management reports.

Internal Audit Function

The Internal Auditors of Convenience Foods (Lanka) PLC reports to the Audit Committee of CFL and to the Audit Committee of the CBL Group. The internal audit function is outsourced to Messrs Ernst & Young. The internal audit function provides an independent and objective evaluation of adequacy, efficiency and effectiveness of the system of internal controls.

Key Activities of the Audit Committee During the Financial Year

- Ensuring that a good financial reporting system is in place and is well managed, in order to give accurate, appropriate and timely information to Management, Regulatory Authorities and Shareholders.
- Review the implementation of the annual internal audit plan and the audit findings on the system of internal controls including IS/ IT controls and the status of implementation of management action plans.
- Review the results of the external audit report and management responses to the issues highlighted.
- Review the procedures in place for the identification, evaluation and management of business risks.
- Review the extent of compliance with laws of the country, government regulations, Listing Rules of the Colombo Stock Exchange and established policies of the Company.
- Review the Internal Audit Function, including the independence and authority of its reporting obligations and the internal audit plan.
- Assessing the independence of the External Auditor and monitoring the External Audit Function. The Audit Committee is satisfied that the independence of the External Auditors had not been impaired by any event or service that gives rise to a conflict of interest. Due consideration has been given to the nature of the services provided by the External Auditors.
- Make recommendations to the Board pertaining to appointment, re-appointment and removal of External Auditors and to approve the remuneration and terms of engagement of the External Auditors.

M.S.

Mahesh Nanayakkara
Chairman - Audit Committee

25 August 2017

Related Party Transactions Review Committee Report

The Role and Responsibilities

The Related Party Transactions Review Committee ("the Committee") is tasked with reviewing all Related Party Transactions of the Company and ensuring that it complies with the requirements of the SEC Code of Best Practices on Related Party Transactions ("the Related Party Code") and other relevant statutes and regulations.

The Committee reviews and pre-approves all proposed non-recurrent Related Party Transactions of the Company. Further, the Committee reviews all recurrent Related Party Transactions on a quarterly basis and annually to ensure compliance with the limits and reporting guidelines specified by the Related Party Code.

Related Party Transactions Review Committee Composition

The Committee comprises of three (03) Independent Non-Executive Directors and one (01) Executive Director. The members of the Related Party Transactions Review Committee as at 31 March 2017 were Dr. D M A Kulasooriya (Chairman), Mr. Mahesh Nanayakkara (Member), Mr. Udara Thilakawardana (Member) and Mr. E T De Zoysa (Member).

During the financial year ended 31 March 2017, the Committee held four (04) meetings. The members of the management attend the meetings upon invitation to brief the Committee on specific issues.

Key Activities of the Related Party Transactions Review Committee During The Financial Year

- Review and pre-approve all non-recurrent related party transactions of the Company prior to approval by the Board of Directors.
- Review all related party transactions to ensure that they are in the best interests of the Company.
- Ensure that all reporting requirements of the Related Party Code and other statutes and regulations are met.
- Update the Board of Directors on related party transactions of the the Company.
- Assess the adequacy of related party reporting systems along with the advice of the External and Internal Auditors.
- Ensure that all transactions with related parties are in the best interest of all shareholders and adequate transparency is maintained.
- Establish guidelines and policies for the management and reporting of related party transactions.

The Committee has reviewed all related party transactions during the period and has established that they are in the best interest of the Company and comply with all standards of best practice and reporting.

Key Management Personnel

The Directors of the Company were designated as Key Management Personal of the Company. The Committee ensures that no participant in the discussions of a related party transaction shall be a direct related party to the particular transaction. However, such persons may participate in the discussion for the sole purpose of providing information on such transactions.

Dr. D M A Kulasooriya
Chairman - Related Party Transactions Review Committee

25 August 2017

Financial Information

Independent Auditor's Report

Deloitte.

SJMS Associates
Chartered Accountants
No.11, Castle Lane
Colombo 04
Sri Lanka

Tel: +94 11 2580409, 5444400
Fax: +94 11 2582452
www.deloitte.com

TO THE SHAREHOLDERS OF CONVENIENCE FOODS (LANKA) PLC

Report on the financial statements

We have audited the accompanying financial statements of Convenience Foods (Lanka) PLC ("the Company"), and the consolidated financial statements of the Company and its subsidiary ("Group"), which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board's responsibility for the financial statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2017, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

a) The basis of opinion and scope and limitations of the audit are as stated above.

b) In our opinion:

- we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.
- the financial statements of the Company give a true and fair view of its financial position as at 31 March 2017, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.
- the financial statements of the Company and the Group comply with the requirements of section 151 and 153 of the Companies Act No.07 of 2007.

sjmsassociates

SJMS ASSOCIATES
Chartered Accountants

14 June 2017
Colombo

Statement of Comprehensive Income

Year ended 31 March 2017	Note	Company 2016/2017 Rs.	Company 2015/2016 Rs.	Group 2016/2017 Rs.	Group 2015/2016 Rs.
Revenue	5	1,546,475,941	1,655,253,143	1,546,475,941	1,655,253,143
Cost of sales		(1,024,036,869)	(1,120,005,622)	(1,024,036,869)	(1,120,005,622)
Gross profit		522,439,072	535,247,521	522,439,072	535,247,521
Other income	6	44,916,987	25,912,149	44,916,987	25,912,149
Distribution expenses		(300,912,384)	(280,977,744)	(300,912,384)	(280,977,744)
Administrative expenses		(126,230,232)	(127,028,402)	(126,230,232)	(127,028,402)
Finance expenses	7	(1,943,100)	(3,110,807)	(1,943,100)	(3,110,807)
Profit before tax	8	138,270,344	150,042,717	138,270,344	150,042,717
Income tax expense	9	(51,155,944)	(53,512,713)	(51,155,944)	(53,512,713)
Profit for the year		87,114,400	96,530,004	87,114,400	96,530,004
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Actuarial gain/(loss) on defined benefit plan		6,824,511	7,568,470	6,824,511	7,568,470
Deferred tax effect for actuarial gain/(loss) on defined benefit plan		(1,910,863)	(2,119,172)	(1,910,863)	(2,119,172)
Total other comprehensive income for the year, net of income tax		4,913,648	5,449,298	4,913,648	5,449,298
Total comprehensive income for the year		92,028,048	101,979,302	92,028,048	101,979,302
Profit for the year attributable to:					
Owners of the company		87,114,400	96,530,004	87,114,400	96,530,004
Non-controlling interest		-	-	-	-
		87,114,400	96,530,004	87,114,400	96,530,004
Total comprehensive income for the year attributable to:					
Owners of the company		92,028,048	101,979,302	92,028,048	101,979,302
Non-controlling interest		-	-	-	-
		92,028,048	101,979,302	92,028,048	101,979,302
Earnings per share - basic	10	31.68	35.10	31.68	35.10
Dividend per share	11	4.00	5.50	4.00	5.50

The accounting policies and notes from 1 to 33 form an integral part of these financial statements.

Statement of Financial Position

As at 31 March 2017	Note	Company 31.03.2017 Rs.	Company 31.03.2016 Rs.	Group 31.03.2017 Rs.	Group 31.03.2016 Rs.
Assets					
Non current assets					
Property, plant and equipment	12	270,843,939	291,042,879	270,843,939	291,042,879
Leasehold land	13	5,155,766	5,289,275	5,155,766	5,289,275
Intangible asset	14	8,915,549	9,472,995	8,915,549	9,472,995
Investment in subsidiary	15	20	20	-	-
Total non current assets		284,915,274	305,805,170	284,915,254	305,805,150
Current assets					
Inventories	16	110,320,359	124,110,383	110,320,359	124,110,383
Trade and other receivables	17	240,266,290	196,176,562	240,266,290	196,176,562
Amounts due from related parties	18	1,845,035	4,147,669	1,845,035	4,147,669
Short term investments	19	312,682,790	308,009,301	312,682,790	308,009,301
Cash in hand and at bank	20	17,896,018	1,058,381	17,896,018	1,058,381
Total current assets		683,010,492	633,502,296	683,010,492	633,502,296
Total assets		967,925,766	939,307,466	967,925,746	939,307,446
Equity and liabilities					
Equity attributable to equity - holders of the parent					
Stated capital	21	52,521,178	52,521,178	52,521,178	52,521,178
Retained earnings		690,370,749	609,342,701	690,151,038	609,122,990
Total equity		742,891,927	661,863,879	742,672,216	661,644,168
Liabilities					
Non current liabilities					
Deferred tax liabilities	22	20,385,817	15,984,924	20,385,817	15,984,924
Interest bearing borrowings	23	-	1,481,482	-	1,481,482
Retirement benefit obligations	24	41,269,953	45,425,885	41,269,953	45,425,885
Total non current liabilities		61,655,770	62,892,291	61,655,770	62,892,291
Current liabilities					
Trade and other payables	25	143,574,051	161,373,563	144,142,689	161,942,201
Interest bearing borrowings	23	-	17,777,756	-	17,777,756
Current tax liabilities	26	15,898,090	2,846,834	15,898,090	2,846,834
Amounts due to related parties	27	3,905,928	2,829,962	3,556,981	2,481,016
Bank overdrafts	28	-	29,723,179	-	29,723,179
Total current liabilities		163,378,069	214,551,294	163,597,760	214,770,986
Total liabilities		225,033,839	277,443,585	225,253,530	277,663,277
Total equity and liabilities		967,925,766	939,307,466	967,925,746	939,307,446
Net assets value per share		270.14	240.68	270.06	240.60

I certify that these financial statements comply with the requirements of the Companies Act No. 07 of 2007.

Dasun Mendis
Finance Manager

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the Board on 14 June 2017.

R S Wickramasingha
Chairman

E T De Zoysa
Managing Director

The accounting policies and notes from 1 to 33 form an integral part of these financial statements.

Statement of Changes in Equity

Year ended 31 March 2017 Company	Stated capital Rs.	Retained earnings Rs.	Total Rs.
Balance as at 1 April 2015	52,521,178	522,488,399	575,009,577
Profit for the year	-	96,530,004	96,530,004
Other comprehensive income			
Actuarial gain/(loss) on defined benefit plan, net of tax	-	5,449,298	5,449,298
Dividend for the year 2014/2015	-	(15,125,000)	(15,125,000)
Balance as at 31 March 2016	52,521,178	609,342,701	661,863,879
Profit for the year	-	87,114,400	87,114,400
Other comprehensive income			
Actuarial gain/(loss) on defined benefit plan, net of tax	-	4,913,648	4,913,648
Dividend for the year 2015/2016	-	(11,000,000)	(11,000,000)
Balance as at 31 March 2017	52,521,178	690,370,749	742,891,927

Year ended 31 March 2017 Group	Stated capital Rs.	Retained earnings Rs.	Total Rs.
Balance as at 1 April 2015	52,521,178	522,268,688	574,789,866
Profit for the year	-	96,530,004	96,530,004
Other comprehensive income			
Actuarial gain/ (loss) on defined benefit plan, net of tax	-	5,449,298	5,449,298
Dividend for the year 2014/2015	-	(15,125,000)	(15,125,000)
Balance as at 31 March 2016	52,521,178	609,122,990	661,644,168
Profit for the year	-	87,114,400	87,114,400
Other comprehensive income			
Actuarial gain/(loss) on defined benefit plan, net of tax	-	4,913,648	4,913,648
Dividend for the year 2015/2016	-	(11,000,000)	(11,000,000)
Balance as at 31 March 2017	52,521,178	690,151,038	742,672,216

The accounting policies and notes from 1 to 33 form an integral part of these financial statements.

Statement of Cash Flows

Year ended 31 March 2017	Company		Group	
	2016/2017 Rs.	2015/2016 Rs.	2016/2017 Rs.	2015/2016 Rs.
Cash flows from/(used in) operating activities				
Profit before taxation	138,270,344	150,042,717	138,270,344	150,042,717
Adjustments for:				
Depreciation	43,080,717	38,777,427	43,080,717	38,777,427
Amortization	1,119,860	727,312	1,119,860	727,312
Interest income	(32,916,502)	(18,966,947)	(32,916,502)	(18,966,947)
Profit on disposal of assets	(4,724,174)	(1,687,154)	(4,724,174)	(1,687,154)
Interest expense	1,284,285	2,497,250	1,284,285	2,497,250
Adjustment for leasehold asset	63,913	-	63,913	-
Provision for gratuity	8,669,782	8,745,509	8,669,782	8,745,509
Operating profit before working capital changes	154,848,225	180,136,114	154,848,225	180,136,114
(Increase)/ decrease in inventories	13,790,024	(5,201,881)	13,790,024	(5,201,881)
(Increase)/ decrease in trade and other receivables	(44,089,728)	47,923,862	(44,089,728)	47,923,862
(Increase)/ decrease in amount due from related parties	2,302,634	(1,929,620)	2,302,634	(1,929,620)
Increase/ (decrease) in amount due to related parties	1,075,966	(1,764,597)	1,075,966	(1,764,597)
Increase/ (decrease) in trade and other payables	(17,799,512)	(42,401,831)	(17,799,512)	(42,401,831)
Cash flow generated from/ (used in) operations	110,127,608	176,762,047	110,127,608	176,762,046
Gratuity paid	(6,001,202)	(335,340)	(6,001,202)	(335,340)
Tax paid	(35,614,660)	(54,282,875)	(35,614,660)	(54,282,875)
Net cash flow generated from/ (used in) operations	68,511,746	122,143,832	68,511,746	122,143,831
Cash flows from investing activities				
Purchase of property, plant and equipment	(23,023,151)	(55,703,260)	(23,023,151)	(55,703,260)
Acquisition of intangible assets	(492,818)	(9,087,455)	(492,818)	(9,087,455)
Proceeds from disposal of assets	4,865,548	1,919,950	4,865,548	1,919,950
Interest received	32,916,502	18,966,947	32,916,502	18,966,947
(Increase)/ decrease in short term investment	(4,673,489)	(52,106,752)	(4,673,489)	(52,106,752)
Net cash flow from/ (used in) investing activities	9,592,592	(96,010,570)	9,592,592	(96,010,570)
Cash flows from financing activities				
Borrowing repayment	(19,259,238)	(17,777,784)	(19,259,238)	(17,777,784)
Interest paid	(1,284,285)	(2,497,250)	(1,284,285)	(2,497,250)
Dividends paid	(11,000,000)	(15,125,000)	(11,000,000)	(15,125,000)
Net cash generated from/ (used in) financing activities	(31,543,523)	(35,400,034)	(31,543,523)	(35,400,034)
Net increase/ (decrease) in cash and cash equivalents	46,560,816	(9,266,771)	46,560,816	(9,266,771)
Cash and cash equivalents at the beginning of the year	(28,664,798)	(19,398,027)	(28,664,798)	(19,398,027)
Cash and cash equivalents at the end of the year	17,896,018	(28,664,798)	17,896,018	(28,664,798)
Cash and cash equivalents at the end of the year				
Cash in hand and at bank	17,896,018	1,058,381	17,896,018	1,058,381
Bank overdrafts	-	(29,723,179)	-	(29,723,179)
	17,896,018	(28,664,798)	17,896,018	(28,664,798)

The accounting policies and notes from 1 to 33 form an integral part of these financial statements.

Notes to the Financial Statements

1. Corporate information

1.1 General

Convenience Foods (Lanka) PLC ('the company") is a public limited liability company incorporated and domiciled in Sri Lanka and listed in the Colombo Stock Exchange. The registered office of the company is located at Makumbura, Pannipitiya and the principal place of business is situated at No. 133, 7th Lane, Off Borupana Road, Kandawala, Ratmalama. The consolidated financial statements of Convenience Foods (Lanka) PLC for the year ended 31 March 2017 comprises the company and its subsidiary (together referred to as the "group").

1.2 Principal activities and nature of operations

The company is engaged in the manufacture and marketing of Textured Vegetable Protein (TVP) and other food products.

1.3 Parent company

The company's parent undertaking is Ceylon Biscuits Ltd. In the opinion of the Directors, the company's ultimate parent undertaking and controlling party is also Ceylon Biscuits Ltd, which is incorporated in Sri Lanka.

1.4 Date of authorization for issue

The financial statements of group for the year ended 31March 2017 were authorized for issue under a resolution of the Board of Directors on 14 June 2017.

2. Basis of preparation

2.1 Statement of compliance

The financial statements of the group (statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows together with accounting policies and notes) are prepared in accordance with Sri Lanka Accounting Standards (LKASs and SLFRSs) as issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the requirements of the Companies Act No.07 of 2007.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to benefit from its activities.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The following companies have been consolidated:

Convenience Foods (Lanka) PLC - Parent
Soy Products (Pvt) Ltd - Subsidiary

Subsidiary is the enterprise controlled by the parent. The financial statements of the subsidiary are included in the consolidated financial statements from the date on which control is effectively transferred to the company until the date that control effectively ceases.

Control exists when the parent has the power, directly or indirectly to govern the financial and operating policies of an enterprise.

However, the subsidiary had not carried out any operations during the year.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except in respect of the following material items in the statement of financial position:

- liability of defined benefit obligation is recognized as the present value of the defined benefit obligation

2.4 Functional and presentation currency

The financial statements are presented in Sri Lankan Rupees, which is the group's functional currency and presentation currency. All financial information presented in Sri Lankan Rupees is rounded to the nearest Rupee unless otherwise stated.

2.5 Comparative information

The accounting policies have been consistently applied by the group with those of the previous financial year in accordance with LKAS 01 - presentation of financial statements.

The presentation and classification of the financial statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current period for the better presentation of financial information. The management has reasonable evidence that such presentation would be more relevant for the understanding of the entity's financial performance and financial position.

2.6 Materiality and aggregation

In compliance with LKAS 01 on presentation of financial statements, each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or functions too are presented separately, if they are material.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not off-set in the income statement unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies.

3. Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the application of certain critical accounting assumptions relating to the future. Further, it requires the management of the company to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in future periods. Hence, actual experience and results may differ from these judgements and estimates.

In the process of applying the company's accounting policies, management has made the following judgements, estimates and assumptions which have the most significant effect on the amounts recognized in the financial statements:

a) Taxation

The company recognized assets and liabilities for current, deferred and other taxes based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income, deferred and tax amounts in the period in which the determination is made.

b) Useful life-time of the property, plant and equipment

The company reviews the residual values, useful lives and methods of depreciation of assets as at each reporting date. Judgement of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

c) Going concern

The Directors have made an assessment of the company's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the board is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the company. Therefore, the financial statements continue to be prepared on the going concern basis.

d) Impairment losses on financial assets

The group assesses at each reporting date or more frequently to determine whether there is any objective evidence whether an impairment loss should be recorded in the statement of comprehensive income.

e) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and tax credits to the extent it is probable that taxable profits will be available against which these losses/credits can be utilized. Significant management judgements are required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

f) Defined benefit plans

The cost of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future.

These include the determination of the discount rate, future salary increases, mortality rates, etc. Due to the complexity of the valuation, the underlying assumptions and their long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the yield of Sri Lanka Government bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases are based on expected future inflation rates and expected future salary increase rate of the company.

Notes to the Financial Statements Contd.

4. Summary of significant accounting policies

The significant accounting policies applied by the company in preparation of its financial statements are included below. The accounting policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise is indicated.

4.1 Foreign currency transactions and balances

All foreign currency transactions are translated into the functional currency, which is Sri Lankan Rupees, using the exchange rates prevailing at the dates of the transactions was affected.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Sri Lankan Rupees using the spot foreign exchange rate as at the date and all differences arising in non-trading activities are taken to “other income” in the statement of comprehensive income.

4.2 Revenue recognition

4.2.1 Sale of goods

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes.

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- The company has transferred significant risks and rewards of ownership of the goods to the buyer.
- The company retaining, neither a continuing managerial involvement to the degree usually associated with ownership nor an effective control over the goods sold.
- The amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

4.2.2 Interest income

Interest income is recognised using the Effective Interest Rate (EIR) method.

4.2.3 Dividend income

Dividend income is recognised in the statement of comprehensive income on an accrual basis when the company’s right to receive the dividend is established.

4.2.4 Other income

Other income is recognized on an accrual basis.

4.3 Expenditure recognition

Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in running the business and in maintaining property, plant and equipment in a state of efficiency has been charged to the statement of comprehensive income.

For the purpose of presentation of the income statement, the “function of expenses” method has been adopted, on the basis that it presents fairly the elements of the company’s performance.

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income.

4.4 Taxation

4.4.1 Current tax

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to the Commissioner General of Inland Revenue in respect of the current year and any adjustment to tax payable in respect of prior years. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted as at the reporting date.

4.4.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting period date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose.

Deferred tax assets are recognised for all deductible differences. Carrying forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carrying forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset is reviewed at each reporting date and reduced to the extent it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each statement of financial position date and are recognised to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply in the year when the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or subsequently enacted at the reporting date.

4.4.3 Earnings Per Share (EPS)

The company presents basic Earnings Per Share (EPS) based on profit or loss attributable to the ordinary shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

4.5 Non-financial asset

4.5.1 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with LKAS 16 - property, plant and equipment. Initially property, plant and equipment are measured at cost.

Cost model

Property, plant and equipment is stated at cost, excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the equipment when that cost is incurred, if the recognition criteria are met.

Subsequent cost

Subsequent expenditure incurred for the purpose of acquiring, extending, or improving assets of a permanent nature by means of which to carry on the business or to increase the earning capacity of the business is treated as capital expenditure and such expenses are recognised in the carrying amount of an asset. The costs associated with day-to-day servicing of property, plant and equipment is recognised in the statement of comprehensive income as incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives. Land is not depreciated.

The rates of depreciation based on the estimated useful lives are as follows:

Category of asset	Depreciation rate (%)
Buildings	4
Machinery	12.5
Tools and equipment	15
Motor vehicles	25
Furniture and fittings	20
Electrical installations	15
Office equipment	15
Computers	25

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end with the effect of any changes in such estimates accounted for prospectively.

Derecognition

Property, plant and equipment is de-recognised on disposal or when no future economic benefits are expected from the use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in 'other income' in the statement of comprehensive income in the year the asset is de-recognised.

4.5.2 Impairment of non–financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount.

4.6 Operating leases

Leases where the lessor effectively retains substantially all the risk and benefits of ownership over the leased term are classified as operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term or on a basis which is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4.7 Finance leases

Assets held under finance leases are initially recognised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included

Notes to the Financial Statements Contd.

in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the company's general policy on borrowing costs.

4.8 Intangible assets

Computer software

Purchased computer software is stated at cost less accumulated amortization and any accumulated impairment losses. It is amortized over its estimated life of 10 years using the straight-line method. If there is any indication that there has been a significant change in amortization rate, useful life or residual value of an intangible asset, the amortization of the asset is revised prospectively to reflect the new expectations.

4.9 Investment in subsidiary

In the company's financial statements, the investment in subsidiary is treated as a long term investment and stated at cost. Transaction costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combinations are expensed and included in administrative expenses.

4.10 Inventories

Inventories are valued at the lower of cost and Net Realisable Value (NRV). NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. Costs incurred in bringing inventories to their present conditions and locations are determined as follows:

Raw Materials and Consumables

At actual cost on weighted average basis.

Finished Goods

At actual cost of direct materials, direct labour and an appropriate proportion of fixed production overheads based on normal operating capacity.

Spares and Accessories

At actual cost on weighted average basis.

4.11 Financial assets – recognition and measurement

4.11.1 Initial recognition

All financial assets are initially recognized on the trade date, i.e., the date that the company becomes a party to the contractual provisions of the instrument. This includes 'regular way trades': purchases or sales of financial assets that require delivery of assets within the time-frame generally established by regulation or convention in the market place.

4.11.2 Initial measurement

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value including transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

4.11.3 Subsequent measurement

The company subsequently measures non-derivative financial assets categorising them in to the categories of financial assets at fair value through profit or loss, held-to maturity investments, loans and receivables and available-for-sale financial assets.

i. Financial assets at Fair Value Through Profit or Loss (FVTPL)

A financial asset is classified as fair value through profit or loss if it is held for trading or is designated at fair value through profit or loss.

ii. Held-to-maturity financial investments

Held-to-maturity financial investments are non–derivative financial assets with fixed or determinable payments and fixed maturities, which the company has the intention and ability to hold to maturity. Subsequent to initial measurement, held to maturity financial investments are measured at amortised cost using the Effective Interest Rate (EIR), less impairment.

iii. Loans and receivables

Loans and receivables include non– derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- Those that the company intends to sell immediately or in the near term and those that the company, upon initial recognition, designates as at fair value through profit or loss
- Those that the company, upon initial recognition, designates as available for sale
- Those for which the company may not recover substantially all of its initial investment, other than because of credit deterioration

After initial measurement, loans and receivables are subsequently measured at amortised cost using the EIR method less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortisation is included in 'interest income' in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in 'impairment gain/ (loss) on loans and receivables'.

iv. Available-for-sale financial investments

Available for sale investments are those which are neither classified as held for trading nor designated at fair value through profit or loss. The company has not designated any loans or receivables as available-for-sale.

After initial measurement, available-for-sale financial investments are measured at fair value. Unrealised gains and losses are recognised directly in equity (other comprehensive income) in the "available-for-sale reserve". When the investment is disposed of, the cumulative gain or loss previously recognized in equity is recognised in the statement of comprehensive income in other income.

4.11.4 Reclassification of financial assets

The company may re-classify non-derivative financial assets other than those designated at FVTPL upon initial recognition, in certain circumstances:

- Out of the held-for-trading category and into the available for sale, loans and receivables, or held-to-maturity categories.
- Out of the 'available-for-sale' category and into the 'loans and receivables', 'held for trading category' or 'held-to-maturity'. Reclassifications are recorded at fair value at the date of reclassification, which becomes the new amortised cost. For a financial asset re-classified out of the 'available-for-sale' category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is recycled to the statement of comprehensive income.
- Out of the 'held-for-trading' category and into the 'loans and receivables' category if it meets the definition of loans and receivables and the company has the intention and ability to hold the financial asset for the foreseeable future or until maturity. If a financial asset is re-classified, and if the company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase are recognised as an adjustment to the EIR from the date of the change in estimate.

Re-classification is at the election of the management, and is determined on an instrument by instrument basis.

4.11.5 Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement and either:
  - The company has transferred substantially all the risks and rewards of the asset or
  - The company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass–through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the company's continuing involvement in the asset. In that case, the company also recognises the associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Notes to the Financial Statements Contd.

4.11.6 Identification, measurement and assessment of impairment

At each reporting date the company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

The company writes off loans and advances and investment securities when they are determined to be unrecoverable.

4.12 Cash and bank balances

Cash and bank balances are defined as cash-in-hand and balances with banks.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

4.13 Stated capital

Ordinary shares are classified as equity. The equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

4.14 Retirement benefit obligations

4.14.1 Defined benefit plan – gratuity

The company is liable to pay gratuity in terms of the Payment of Gratuity Act No. 12 of 1983, according to which an obligation to pay gratuity arises only on completion of 5 years of continued service. The company's obligation under the said Act is determined based on an actuarial valuation, using the projected unit credit method, carried out by a professional actuary.

The company recognises the total actuarial gains and losses that arise in calculating the company's obligation in respect of the plan in Other Comprehensive Income during the period in which it occurs.

4.14.2 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of comprehensive income as in the periods during which services are rendered by employees.

a. Employees' Provident Fund

The company and employees contribute 12% and 8% respectively on the salary of each employee to the approved Provident Fund.

b. Employees' Trust Fund

The company contributes 3% of the salary of each employee to the Employees' Trust Fund.

4.15 Financial liabilities

4.15.1 Initial recognition and measurement

The company classified financial liabilities into financial liabilities at Fair Value through Profit or Loss (FVTPL) or other financial liabilities in accordance with the substance of the contractual arrangement and the definitions of financial liabilities.

The company recognizes financial liabilities in the statement of financial position when the company becomes a party to the contractual provisions of the financial liability.

i. Financial liability at FVTPL

Financial liabilities at FVTPL include financial liabilities held-for-trading or designated as such upon initial recognition. Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, and changes there in recognized in profit or loss.

Upon initial recognition, transaction cost are directly attributable to the acquisition are recognized in profit or loss as incurred. The criteria for designation of financial liabilities at FVTPL upon initial recognition are the same as those of financial assets at FVTPL.

ii. Other financial liabilities

Other financial liabilities including deposits, debt issued by the Company and the other borrowed funds are initially measured at fair value less transaction cost that are directly attributable to the acquisition and subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR.

4.15.2 Derecognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

4.16 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

4.17 Statement of cash flows

The cash flow statement has been prepared using the indirect method, as stipulated in LKAS 7- statement of cash flows. Cash and cash equivalents comprise of cash in hand, cash at bank and bank overdrafts.

4.18 Segmental information

A Segment is a distinguishable component engaged in providing services and that is subject to risks and returns that are different to those of other segments. The company does not have distinguishable components to be identified as a segment as all operations are treated as one segment.

4.19 Changes in accounting standard which are effective from current year

A number of standard have been modified on miscellaneous points with effect from January 2016. Such changes include Disclosure Initiative (Amendments to LKAS 1), Accounting for Acquisition of Interest in Joint Operations (Amendments SLFRS 11), Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to SLFRS 10 and LKAS 28), Investment Entities: Applying the Consolidation Exception (Amendments to SLFRS 10, SLFRS 12 and LKAS 28) and Annual Improvements 2012 - 2014 (which made amendments to SLFRS 5 Non-current Assets Held for Sale and Discontinued Operations, SLFRS 7 Financial Instruments: Disclosure, LKAS 19 Employee Benefits and LKAS 34 Interim Financial Reporting).

None of these amendments had a material effect on the company's Financial Statements.

4.20 New Accounting Standards issued but not yet effective

The Institute of Chartered Accountants of Sri Lanka has issued the following new Sri Lanka Accounting Standards that have an effective date in the future and have not yet been applied in preparing the financial statements for the year ended 31 March 2017.

4.20.1 Sri Lanka Accounting Standard (SLFRS 9) – Financial Instruments: Classification and measurement

This standard applies to classification and measurement of financial assets and liabilities as defined in LKAS 39. This standard is effective for financial periods beginning on or after 01 January 2018.

4.20.2 Sri Lanka Accounting Standard (SLFRS 15) – Revenue from Contracts with Customers

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including Sri Lanka Accounting Standard (LKAS 18) - Revenue, Sri Lanka Accounting Standard (LKAS 11) - Construction Contracts and IFRIC 13 - Customer Loyalty Programmes. This standard is effective for the annual periods beginning on or after 01 January 2018.

4.20.3 Sri Lanka Accounting Standard (SLFRS 16) - Leases

This standard sets outs the principles for the recognition, measurement, presentation and disclosure of leases and provides a single lessee accounting model requiring lessees to recognise assets and liabilities for all leases other than short term leases (lease term is 12 months or less) and leases for which the underlying asset has a low value although accounting for lessors remains substantially similar to the current practice. This standard is effective for the annual periods beginning on or after 01 January 2019.

4.20.4 Improvements and other amendments to SLFRS/ LKAS

A number of standard have been modified on miscellaneous points. These include Disclosure Initiative, Statement of Cash Flows (Amendments to LKAS 7), Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to LKAS 12) and Classifications and Measurements of Share Based Payment Transactions (Amendments to SLFRS 2)

These amendments are not expected to have any material impact on the Group.

	Company		Group	
	2016/2017 Rs.	2015/2016 Rs.	2016/2017 Rs.	2015/2016 Rs.
5. Revenue				
Sales	1,585,692,367	1,680,070,775	1,585,692,367	1,680,070,775
Sales return	(39,216,426)	(24,817,631)	(39,216,426)	(24,817,631)
	1,546,475,941	1,655,253,143	1,546,475,941	1,655,253,143
6. Other income				
Interest income	32,916,502	18,966,947	32,916,502	18,966,947
Exchange gain	1,687,804	-	1,687,804	-
Scrap sales net income	5,073,274	5,188,467	5,073,274	5,188,467
Profit on disposal of assets	4,724,174	1,687,154	4,724,174	1,687,154
Other revenue	515,232	69,580	515,232	69,580
	44,916,987	25,912,149	44,916,987	25,912,149
7. Finance expenses				
Bank charges	658,814	613,557	658,814	613,557
Overdraft interest	137,885	217,414	137,885	217,414
Loan interest	1,146,400	2,279,836	1,146,400	2,279,836
	1,943,100	3,110,807	1,943,100	3,110,807
8. Profit before tax				
Profit for the year is stated after charging all expenses including the following:				
Directors fees and emoluments	11,750,695	10,847,581	11,750,695	10,847,581
Staff costs	188,323,708	185,588,224	188,323,708	185,588,224
Contributions to Employees' Provident Fund	11,986,691	11,377,776	11,986,691	11,377,776
Contributions to Employees' Trust Fund	2,996,673	2,844,174	2,996,673	2,844,174
Defined benefit plan contribution	8,669,782	8,745,509	8,669,782	8,745,509
Depreciation	43,080,717	38,777,427	43,080,717	38,777,427
Amortisation	1,119,860	727,312	1,119,860	727,312
Audit and related services	744,726	522,021	744,726	522,021

	Company		Group	
	2016/2017	2015/2016	2016/2017	2015/2016
	Rs.	Rs.	Rs.	Rs.

9. Income taxes

Current tax (Note 9.1)	48,569,917	35,697,648	48,569,917	35,697,648
Under provision for previous year's taxes	95,997	5,010,416	95,997	5,010,416
Deferred tax (Note 22)	2,490,030	12,804,648	2,490,030	12,804,648
	51,155,944	53,512,713	51,155,944	53,512,713

9.1 The income tax expense for the year can be reconciled to the accounting profit as follows:

Accounting profit as per tax computation	138,270,344	150,042,717	138,270,344	150,042,717
Tax at the applicable tax rate of 28%	38,715,696	42,011,961	38,715,696	42,011,961
Tax effect on expenses that are not deductible in determining taxable profits	22,941,195	20,722,160	22,941,195	20,722,160
Tax effect on expenses that are deductible in determining taxable profits	(22,303,594)	(16,628,882)	(22,303,594)	(16,628,882)
Tax effect on investment allowance	-	(15,718,336)	-	(15,718,336)
Tax effect on interest income	9,216,620	5,310,745	9,216,620	5,310,745
Income tax expenses at the effective income tax rate	48,569,917	35,697,648	48,569,917	35,697,648
Statutory tax rate	28%	28%	28%	28%
Effective tax rate	35%	24%	35%	24%

10. Earnings per share - basic/diluted

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

	Company		Group	
	2016/2017	2015/2016	2016/2017	2015/2016
	Rs.	Rs.	Rs.	Rs.
Amount used as the numerator				
Profit after tax attributable to ordinary shareholders	87,114,400	96,530,004	87,114,400	96,530,004
Amount used as the denominator				
Weighted average number of ordinary shares in issue	2,750,000	2,750,000	2,750,000	2,750,000
Earnings per share - basic/diluted	31.68	35.10	31.68	35.10

11. Dividend per share

First and final dividends	11,000,000	15,125,000	11,000,000	15,125,000
Number of ordinary shares	2,750,000	2,750,000	2,750,000	2,750,000
Dividend per share	4.00	5.50	4.00	5.50

* The previous year's final dividend was paid in the financial year 2016/17

12. Property, plant and equipment

Company / group	Buildings Rs.	Machinery Rs.	Furniture fittings and office equipment Rs.	Motor vehicles Rs.	Installations, tools and equipment Rs.	Total Rs.
Cost						
Balance at 1 April 2015	202,206,916	144,114,399	29,878,013	39,397,071	28,973,900	444,570,298
Additions during the year	20,011,436	16,476,910	5,350,773	12,997,000	867,141	55,703,260
Disposals during the year	-	-	(2,350,403)	(2,312,500)	(268,678)	(4,931,582)
Balance at 31 March 2016	222,218,352	160,591,309	32,878,382	50,081,571	29,572,363	495,341,976
Additions during the year	-	2,974,731	2,173,445	17,299,000	575,975	23,023,151
Disposals during the year	-	(3,443,182)	(876,222)	(9,341,111)	(184,392)	(13,844,907)
Balance at 31 March 2017	222,218,352	160,122,858	34,175,604	58,039,459	29,963,946	504,520,219
Accumulated depreciation						
Balance at 1 April 2015	35,857,474	79,207,987	15,971,710	22,327,801	16,855,485	170,220,456
Disposals during the year	-	-	(2,117,608)	(2,312,500)	(268,678)	(4,698,786)
Charge for the year	8,571,362	14,893,313	4,037,433	8,053,413	3,221,906	38,777,427
Balance at 31 March 2016	44,428,836	94,101,300	17,891,535	28,068,714	19,808,712	204,299,097
Disposals during the year	-	(3,443,182)	(734,849)	(9,341,111)	(184,392)	(13,703,534)
Charge for the year	8,885,039	15,079,233	4,342,036	11,512,375	3,262,035	43,080,717
Balance at 31 March 2017	53,313,875	105,737,351	21,498,723	30,239,978	22,886,354	233,676,280
Written down value						
Balance at 31 March 2017	168,904,478	54,385,507	12,676,882	27,799,481	7,077,591	270,843,939
Balance at 31 March 2016	177,789,517	66,490,009	14,986,847	22,012,856	9,763,651	291,042,879

12.1. Cost of PPE amounting to Rs. 73,158,449/- which were fully depreciated are still in use as at the financial position date.

	Company		Group	
	31.03.2017 Rs.	31.03.2016 Rs.	31.03.2017 Rs.	31.03.2016 Rs.

13. Leasehold land

	31.03.2017 Rs.	31.03.2016 Rs.	31.03.2017 Rs.	31.03.2016 Rs.
Cost	6,580,075	6,643,989	6,580,075	6,643,989
Accumulated amortization	(1,424,309)	(1,354,714)	(1,424,309)	(1,354,714)
Balance at the end of the year	5,155,766	5,289,275	5,155,766	5,289,275

The details of the leasehold land are as follows.

Property	Lessor	Lease period	Extent	Number of buildings
No. 133, 7th Lane, Off Borupana Road, Kandawala, Ratmalama.	Urban Development Authority	99 Years commencing from 23 March 1994	2A- 2R- 5.50P	2

14. Intangible asset

	31.03.2017 Rs.	31.03.2016 Rs.	31.03.2017 Rs.	31.03.2016 Rs.
Computer software				
Cost				
Balance at the beginning of the year	10,420,503	1,333,048	10,420,503	1,333,048
Additions during the year	492,818	9,087,455	492,818	9,087,455
Balance at the end of the year	10,913,321	10,420,503	10,913,321	10,420,503
Accumulated amortization				
Balance at the beginning of the year	947,508	283,992	947,508	283,992
Charge for the year	1,050,264	663,516	1,050,264	663,516
Balance at the end of the year	1,997,772	947,508	1,997,772	947,508
Written down value at the end of the year	8,915,549	9,472,995	8,915,549	9,472,995

15. Investment in subsidiary

Unquoted investments

	Holding %	Number of shares	31.03.2017 Rs.	31.03.2016 Rs.
Soy Products (Pvt) Ltd	100	2	20	20

The subsidiary has not carried out any operations during the year under review.

	Company		Group	
	31.03.2017 Rs.	31.03.2016 Rs.	31.03.2017 Rs.	31.03.2016 Rs.

16. Inventories

Raw materials and consumables	47,381,795	58,093,332	47,381,795	58,093,332
Finished goods	39,664,561	45,516,492	39,664,561	45,516,492
Spares and accessories	23,974,159	22,325,922	23,974,159	22,325,922
	111,020,516	125,935,746	111,020,516	125,935,746
Less: Provision for slow moving inventories (Note 16.1)	(700,157)	(1,825,363)	(700,157)	(1,825,363)
	110,320,359	124,110,383	110,320,359	124,110,383

16.1 Provision for slow moving inventories

Balance at the beginning of the year	1,825,363	4,348,308	1,825,363	4,348,308
Charge/(recovered) during the year	(23,574)	1,825,363	(23,574)	1,825,363
Write off	(1,101,632)	(4,348,308)	(1,101,632)	(4,348,308)
Balance at the end of the year	700,157	1,825,363	700,157	1,825,363

17. Trade and other receivables

Trade receivables	202,979,221	179,159,687	202,979,221	179,159,687
Less: allowances for impairment of trade receivable (Note 17.1)	(75,623)	(1,516,978)	(75,623)	(1,516,978)
Trade receivable - net	202,903,598	177,642,709	202,903,598	177,642,709
Other receivable	37,362,692	18,533,853	37,362,692	18,533,853
	240,266,290	196,176,562	240,266,290	196,176,562

17.1 Allowance for impairment of trade receivable

Balance at the beginning of the year	1,516,978	556,705	1,516,978	556,705
Charge/(recovered) during the year	75,623	960,273	75,623	960,273
Write off	(1,516,978)	-	(1,516,978)	-
Balance at the end of the year	75,623	1,516,978	75,623	1,516,978

18. Amounts due from related parties

Ceylon Biscuits Limited	1,618,837	3,079,785	1,618,837	3,079,785
CBL Foods International (Pvt) Ltd	689	-	689	-
Plenty Foods (Pvt) Ltd	225,509	1,067,884	225,509	1,067,884
	1,845,035	4,147,669	1,845,035	4,147,669

19. Short term investments

Fixed deposits	312,682,790	257,966,610	312,682,790	257,966,610
Repo	-	50,042,691	-	50,042,691
	312,682,790	308,009,301	312,682,790	308,009,301

	Company		Group	
	31.03.2017 Rs.	31.03.2016 Rs.	31.03.2017 Rs.	31.03.2016 Rs.

20. Cash in hand and at bank

People's Bank current account	4,005,909	-	4,005,909	-
Hatton National Bank current account	817,514	996,466	817,514	996,466
DFCC Bank	327	-	327	-
Petty cash	93,264	61,915	93,264	61,915
Hatton National Bank Money Market Savings (Note 20.1)	12,979,004	-	12,979,004	-
	17,896,018	1,058,381	17,896,018	1,058,381

20.1 The Money Market Savings account with Hatton National Bank is operated as Money Market Savings account linked with current account where minimum balance of Rs.500,000/- is maintained at any given time.

21. Stated capital

Issued and fully paid up shares				
2,750,000 number of ordinary shares	52,521,178	52,521,178	52,521,178	52,521,178
	52,521,178	52,521,178	52,521,178	52,521,178

22. Deferred tax asset/ (liability)

Balance at the beginning of the year	(15,984,924)	(1,061,104)	(15,984,924)	(1,061,104)
Charge/(reversal) during the year				
Through income statement	(2,490,030)	(12,804,648)	(2,490,030)	(12,804,648)
Through OCI	(1,910,863)	(2,119,172)	(1,910,863)	(2,119,172)
Balance at the end of the year - asset/ (liability)	(20,385,817)	(15,984,924)	(20,385,817)	(15,984,924)

22.1 Deferred tax for the period is arising from:

Origination of temporary difference from PPE	(3,237,233)	558,841	(3,237,233)	558,841
Origination of temporary difference from investment allowance	-	(15,718,336)	-	(15,718,336)
Origination of temporary difference from RBO - through profit/ (loss)	747,202	2,354,847	747,202	2,354,847
Origination of temporary difference from RBO - through OCI	(1,910,863)	(2,119,172)	(1,910,863)	(2,119,172)
	(4,400,893)	(14,923,820)	(4,400,893)	(14,923,820)

22.2 Deferred tax asset is arising from the temporary differences of:

Deferred tax asset				
Retirement benefit obligation (RBO)	11,555,587	12,719,248	11,555,587	12,719,248
Deferred tax liability				
Property, plant and equipment (PPE)	(31,941,404)	(28,704,171)	(31,941,404)	(28,704,171)
Net deferred tax liability	(20,385,817)	(15,984,924)	(20,385,817)	(15,984,924)

	Company		Group	
	31.03.2017 Rs.	31.03.2016 Rs.	31.03.2017 Rs.	31.03.2016 Rs.

23. Term loans

Balance at the beginning of the year	19,259,238	37,037,022	19,259,238	37,037,022
Loans obtained during the year	-	-	-	-
Payments made during the year	(19,259,238)	(17,777,784)	(19,259,238)	(17,777,784)
	-	19,259,238	-	19,259,238
Payable within one year	-	(17,777,756)	-	(17,777,756)
Payable after one year	-	1,481,482	-	1,481,482

Terms and conditions of borrowing facilities
Interest - 0.5% per annum above the AWPLR
Repayment - 54 equal monthly installments
Security - New factory building and purchased machinery

24. Retirement benefit obligations

Balance at the beginning of the year	45,425,885	44,584,186	45,425,885	44,584,186
Current service cost	3,218,676	4,287,091	3,218,676	4,287,091
Interest cost	5,451,106	4,458,418	5,451,106	4,458,418
Actuarial (gains)/losses recognised	(6,824,511)	(7,568,470)	(6,824,511)	(7,568,470)
Payments during the year	(6,001,202)	(335,340)	(6,001,202)	(335,340)
Balance at the end of the year	41,269,953	45,425,885	41,269,953	45,425,885

The amount recognised in the statement of comprehensive income is as follows:

	2016/2017 Rs.	2015/2016 Rs.	2016/2017 Rs.	2015/2016 Rs.
Current service cost	3,218,676	4,287,091	3,218,676	4,287,091
Interest cost	5,451,106	4,458,418	5,451,106	4,458,418
Actuarial (gains)/losses	(6,824,511)	(7,568,470)	(6,824,511)	(7,568,470)
	1,845,271	1,177,039	1,845,271	1,177,039

24.1 An actuarial valuation of the retirement benefit obligation was carried out as at 31 March 2017 by Messrs.' Actuarial & Management Consultants (Pvt) Limited, a firm of professional actuaries. The valuation method used by the actuary to value the Fund is the "Projected Unit Credit Method", recommended by Sri Lanka Accounting Standards-LKAS 19 (Employee Benefits).

24.2 The principal assumptions used for this purpose are as follows :

		31.03.2017	31.03.2016
Discount rate		12.75%	12%
Future salary increment rate	Executives	10%	15%
	Staff	11%	15%
	Associates	12%	15%
Retirement age		55 years	55 years
Average expected future services		9 years	10 years

24.3 Assumption regarding future mortality are based on A67/70 Mortality table, issued the Institute of Actuaries, London, United Kingdom.

24.4 Sensitivity analysis is an analysis which will give the movement in liability if the assumption were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

	31.03.2017 Rs.
Sensitivity analysis	
Project benefit obligation on current assumption	41,269,953
One percentage point increase (+1%) in discount rate	38,792,281
One percentage point decrease (-1%) in discount rate	44,069,783
One percentage point increase (+1%) in salary escalation rate	44,125,026
One percentage point decrease (-1%) in salary escalation rate	38,700,376

	Company		Group	
	31.03.2017 Rs.	31.03.2016 Rs.	31.03.2017 Rs.	31.03.2016 Rs.
25. Trade and other payables				
Trade creditors	59,233,239	77,872,148	59,233,239	77,872,148
Other payables	21,523,769	17,301,637	22,092,407	17,870,274
Accrued expenses	62,817,043	66,199,778	62,817,043	66,199,778
	143,574,051	161,373,563	144,142,689	161,942,201
26. Current tax liabilities				
Balance at the beginning of the year	2,846,834	16,421,644	2,846,834	16,421,644
Under provision for previous year's taxes	95,997	5,010,416	95,997	5,010,416
Provision for the period	48,569,917	35,697,649	48,569,917	35,697,649
	51,512,748	57,129,709	51,512,748	57,129,709
Tax credit				
Economic service charge, self assessment payments, other refunds and final tax payments	(33,892,356)	(54,282,875)	(33,892,356)	(54,282,875)
Withholding tax receivable	(1,722,302)	-	(1,722,302)	-
Balance at the end of the year	15,898,090	2,846,834	15,898,090	2,846,834

	Company		Group	
	31.03.2017 Rs.	31.03.2016 Rs.	31.03.2017 Rs.	31.03.2016 Rs.

27. Amounts due to related parties

	Company 31.03.2017 Rs.	Company 31.03.2016 Rs.	Group 31.03.2017 Rs.	Group 31.03.2016 Rs.
CBL Foods International (Pvt) Ltd	1,567,200	1,032,400	1,567,200	1,032,400
Plenty Foods (Pvt) Ltd	616,000	772,062	616,000	772,062
CBL Agro Processors (Pvt) Ltd	1,165,000	21,894	1,165,000	21,894
Soy Products (Pvt) Ltd	348,947	348,947	-	-
Ceylon Biscuits Limited	208,781	654,660	208,781	654,660
	3,905,928	2,829,962	3,556,981	2,481,016

28. Bank overdrafts

	Company 31.03.2017 Rs.	Company 31.03.2016 Rs.	Group 31.03.2017 Rs.	Group 31.03.2016 Rs.
Hatton National Bank current account	-	29,114,275	-	29,114,275
People's Bank	-	608,904	-	608,904
	-	29,723,179	-	29,723,179

Terms and condition of facility

The company has obtained overdraft facilities amounting to Rs.20,000,000/- at an interest rate of AWPLR +1% from Hatton National Bank PLC by negative pledge over project assets.

29. Financial instruments - fair values and risk management

29.1 Accounting classification and fair value of financial instruments

Financial instruments measured subsequently on the ongoing basis either at fair value or amortised cost. The summary of significant accounting policies describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The following is a description of how fair values are determined for financial instruments that are recorded at fair values using valuation techniques. These incorporate the company's estimate of assumptions that a market participant would make when valuing the instruments. The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

Level 1: Category of financial assets that are measured in whole or in partly by reference to published quotes in an active market

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information of financial assets and financial liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

As at 31 March 2017	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
	Rs.	Rs.	Rs.	Rs.
Financial assets				
- Assets carried at amortised cost				
Short term investments	312,682,790	-	-	-
Trade receivables	202,903,598	-	-	-
Other receivables	1,505,133	-	-	-
Amounts due from related parties	1,845,035	-	-	-
Cash and cash equivalents	17,896,018	-	-	-
Total financial assets	536,832,574	-	-	-
Financial liabilities				
- Liabilities carried at amortised cost				
Interest bearing borrowings	-	-	-	-
Trade payables	59,233,239	-	-	-
Amounts payable to related parties	3,905,928	-	-	-
Total financial liabilities	63,139,167	-	-	-

As at 31 March 2016	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
	Rs.	Rs.	Rs.	Rs.
Financial assets				
- Assets carried at amortised cost				
Short term investments	308,009,301	-	-	-
Trade receivables	177,642,709	-	-	-
Other receivables	1,369,565	-	-	-
Amounts due from related parties	4,147,669	-	-	-
Cash and cash equivalents	1,058,381	-	-	-
Total financial assets	492,227,625	-	-	-
Financial liabilities				
- Liabilities carried at amortised cost				
Interest bearing borrowings	19,259,238	-	-	-
Trade payables	77,872,148	-	-	-
Amounts payable to related parties	2,829,962	-	-	-
Total financial liabilities	99,961,348	-	-	-

29.1.1 Determination of fair value of financial assets with short maturities

Carrying values of financial assets and liabilities that have a short term maturity such as trade and other receivables and payables, fixed deposits, cash and cash equivalents are reasonable approximation of their fair value. Therefore, fair value hierarchy is not applicable.

30. Risk management framework, objectives and policies

Risk management of the company is the systematic process of identifying, quantifying and managing all risks and opportunities that can affect the achievement of the Convenience Foods (Lanka) PLC strategic and financial goals. Convenience Foods (Lanka) PLC has established a sound risk management framework to identify and mitigate the risk exposure.

Financial instruments held by the company, principally comprise of cash, trade receivables, trade payables and investments held under amortised cost category. The main purpose of these financial instruments is to manage the operating, investing and financing activities of the company.

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board is responsible for developing and monitoring the company's risk management policies.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversee how management monitors compliance with the company risk management processes / guidelines and procedures and reviews the adequacy of the risk management framework in relation to the risks. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Financial risk management of the company is carried out based on guidelines established by the finance division which comes under the purview of the Board of Directors of the company. The finance division identifies, evaluates and mitigates financial risk in close co-operation with the Group's finance department.

Convenience Foods (Lanka) PLC has identified 3 critical types of risk which can affect on company's operations adversely as credit, liquidity and market risks.

30.1 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables), and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables consist of local and overseas customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The company does not have a significant credit risk exposure to any single counterparty or any group of counterparties. The company has established policies and procedures to evaluate the clients before approving credit terms. Debtor balance as at 31 March 2017 comprises Modern Trade, General trade, Direct Dealers and individuals representing 37.17%, 52.40%, 10.40% and 0.04% respectively.

With respect to credit risk arising from the other financial assets of the company, such as cash and cash equivalents, the company's exposure to credit risk arises from default of the counterparty. The company manages its operations to avoid any excessive concentration of counterparty risk and the company takes all reasonable steps to ensure that the counterparties fulfill their obligations.

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts. Based on the review of their past performance and credit worthiness the company has obtained bank guarantees from its distributors.

The requirement for impairment is analysed at each reporting date on an individual basis for major customers. In order to mitigate settlements and operational risks related to cash and cash equivalents, the company uses several banks with acceptable ratings for its deposits.

a) The maximum exposure to credit risk at reporting date

	As at 31 March 2017	As at 31 March 2016
Cash at bank and cheques in hand (note 20)	17,802,755	996,466
Short term investments	312,682,790	308,009,301
Trade receivables	202,903,598	177,642,709
	533,389,143	486,648,477

b) The aging of the trade receivable at the reporting date

	Gross Receivables		Impairment Allowance		Carrying Value	
	2017	2016	2017	2016	2017	2016
Not due	175,671,633	154,478,200	-	-	175,671,633	154,478,200
Past due:						
Past due 1-30 days	14,742,691	13,370,393	-	-	14,742,691	13,370,393
Past due 31-60 days	4,748,697	3,688,889	-	-	4,748,697	3,688,889
Past due 61-90 days	5,287,462	3,463,140	-	-	5,287,462	3,463,140
Past due 91-120 days	649,537	1,798,144	-	-	649,537	1,798,144
More than 120 days	1,879,201	2,360,921	75,623	1,516,978	1,803,578	843,943
Total	202,979,221	179,159,687	75,623	1,516,978	202,903,598	177,642,709

The company grants credit approvals to it's customers subjected to the internal credit limits which are regularly reviewed and controlled by the Management. The average credit period granted to such debtors are 30 days.

c) Movement in the impairment allowance

	As at 31 March 2017	As at 31 March 2016
Balance at the beginning of the year	1,516,978	556,705
Charge/(Recovered) during the year	75,623	960,273
Write off	(1,516,978)	-
Balance at the end of the year	75,623	1,516,978

Allowance for impairment of Rs. 75,623/- (31 March 2016 - Rs. 1,516,978/-) has been made in respect of trade receivables, as at the reporting date. Unimpaired amounts are considered collectible in full, based on historic payment behavior and analysis of customer's credit risks.

d) Investments

The company limits its exposure to credit risk by investing in fixed deposits with selected bankers with Board Approval.

e) Cash equivalents

The company held cash at bank and cheques in hand of Rs. 17,802,754/- as at 31 March 2017 (31 March 2016 - Rs. 996,466/-) which represents its maximum credit exposure on these assets. The cash equivalents are held with bank and financial institutions counterparties, which have better ratings.

30.2 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The company does not have any financial liquidity risk since the company does not have any borrowings as at 31 March 2017 and the company maintains adequate cash and cash equivalents to meet its obligations.

30.3 Market Risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to the changes in market prices. Mainly the changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

a) Foreign currency risk

The foreign currency risk is the risk that the fair values or future cash flows of a financial instrument fluctuating due to changes in foreign exchange rates. The company is principally exposed to fluctuations in the value of the US Dollar (USD) against the Sri Lankan Rupee (LKR) on its pending letter of credit valued at Rs. 55,771,314/-, shipping guarantee valued at Rs. 65,948,400/- and import bills valued at Rs. 4,057,800/- as at 31 March 2017. The movement of the LKR against the USD by Rs. 1 per USD, will have a total impact of Rs. 838,181/- on the financial statements.

b) Interest rate risk

Interest rate risk mainly arises as a result of the company having interest sensitive assets and liabilities which are directly impacted by changes in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The management monitors the sensitivities on regular basis and ensures that such risks are managed on a timely manner.

The company is not exposed to interest rate fluctuations on its investments in fixed deposits amounting to Rs. 312,682,790/-, since the financial assets are transacted on fixed rate interest terms.

The company has obtained an overdraft facility amounting to Rs. 20,000,000/- at an interest rate of AWPLR +1% from Hatton National Bank PLC by negative pledge over project assets, which has a direct impact on the interest expense due to the fluctuation of the interest rates. However, as at the reporting date, the company had not utilised the overdraft facility.

Other than the above, the company does not have any financial instruments on which the realisable/market value will be significantly affected by the movements of interest rates as at 31 March 2017.

Capital risk management

The company's objectives when managing capital is to safeguard the company's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The company manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

31. Related party disclosures

31.1 Transactions with Key Management Personnel

Related parties include Key Management Personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the company. Key Management Personnel include members of the Board of Directors of the company. Compensation to Key Management personnel are as follows:

	Company		Group	
	2016/2017 Rs.	2015/2016 Rs.	2016/2017 Rs.	2015/2016 Rs.
Short term employee benefits	11,750,695	10,847,581	11,750,695	10,847,581

31.2 Transactions of the Company with its subsidiary

There were no transactions with the subsidiary during the year.

31.3 Transactions of the Company with its parent

During the year the company entered in to the following transactions with its parent company, Ceylon Biscuits Limited.

Nature of transaction	Transaction value 2016/2017 Rs.	Receivable/ (payable) 31.03.2017 Rs.
Sales	15,807,338	1,618,837
Purchase of raw materials	10,106,682	(208,781)
Reimbursement of expenses from the company	2,872,150	-

31.4 Transactions of the company with group companies

Name of the company	Nature of transaction	Transaction value 2016/2017 Rs.	Receivable/ (payable) 31.03.2017 Rs.
Plenty Foods (Pvt) Ltd	Sales	10,534,388	225,509
	Purchase of raw materials	10,413,750	(616,000)
	Reimbursement of expenses from the company	1,183,033	-
	Reimbursement of expenses to the company	1,777,573	-
CBL Foods International (Pvt) Ltd	Sales	282,941	689
	Purchase of raw materials and services obtained	11,382,588	(1,567,200)
CBL Agro (Pvt) Ltd	Purchase of raw materials	6,002,924	(1,165,000)
Ritzbury Lanka (Pvt) Ltd	Stores rent expenses	1,740,000	-
Soy Product (Pvt) Ltd	Nil	-	(348,947)
CBL Global Foods (Pvt) Ltd	Reimbursement of expenses to the company	822,920	-

"Sales of finished goods to related parties were made at the companies usual list prices. Purchases and sales of raw materials were made with a nominal markup. Expense reimbursements made according to the cost incurred by the related parties. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties."

32. Commitments and contingencies.

32.1 Financial commitments

Commitments on account of letter of credit as at 31 March 2017 was Rs. 55,771,314/- (31 March 2016: Rs.97,850,978/-). Shipping Guarantees as at 31 March 2017 was Rs. 65,948,400/- (31 March 2016: Nil). Import Bills as at 31 March 2017 was Rs. 4,057,800/- (31 March 2016: Rs.16,665,664/-).

32.2 Capital commitments

There were no significant capital commitments as at reporting date.

32.3 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 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). Pending the final decision, no provision has been made in these financial statements.

33. Events after the reporting period

There were no significant events after the reporting date that would require adjustments to or disclosures in the financial statements.

Shareholder and Investor Information

Ordinary Shareholders

Number of shareholders – 1,548 as at 31 March 2017

From To	Number of shareholders	Number of shares	% Holding
1 - 1,000	1,487	139,375	5.07%
1,001 - 10,000	52	164,239	5.97%
10,001 - 100,000	6	138,720	5.04%
100,001 - 1,000,000	2	344,689	12.53%
OVER 1,000,000	1	1,962,977	71.38%
	1,548	2,750,000	100.00%

Categories of Shareholders

Categories	Number of shareholders	Number of shares	% Holding
Local individuals	1,485	327,723	11.92%
Local institutions	53	2,345,808	85.30%
Foreign individuals	9	76,419	2.78%
Foreign institutions	1	50	0.00%
	1,548	2,750,000	100.00%

Details of Shares Traded During the Year

Market price per share	As at 31.03.2017	As at 31.03.2016
Highest during the year (Rs.)	480.00	534.90
Lowest during the year (Rs.)	300.00	301.70
As at end of the year (Rs.)	310.00	365.00
Market Capitalization as at 31 March (Rs. Millions)	852.50	1,003.75

Shareholder and Investor Information Contd.

Major Holders of Equity

	31.03.2017		31.03.2016	
	No. of shares	% holding	No. of shares	% holding
1. CEYLON BISCUITS LIMITED	1,962,977	71.38	1,962,977	71.38
2. DAWI INVESTMENT TRUST (PVT) LTD	175,084	6.37	189,204	6.88
3. PEOPLE'S LEASING & FINANCE PLC/ C D KOHOMBANWICKRAMA	169,605	6.17	166,677	6.06
4. MR. H W M WOODWARD	70,628	2.57	70,628	2.57
5. MR. A M D E S JAYARATNE	18,570	0.68	18,570	0.68
6. MR. K C VIGNARAJAH	14,200	0.52	14,200	0.52
7. BANSEI SECURITIES CAPITAL (PVT) LTD	14,159	0.52	-	-
8. MR. E D K WEERASURIYA	10,765	0.39	10,765	0.39
9. MR. R J S JAYAMAHA	10,398	0.38	10,398	0.38
10. MR. L H S PEIRIS	7,730	0.28	7,730	0.28
11. MRS. N A CHANDRASENA AND MR. J U N CHANDRASENA	7,505	0.27	7,505	0.27
12. MR. G W AMARATUNGA	6,900	0.25	6,900	0.25
13. MR. Z G CARIMJEE	6,867	0.25	6,867	0.25
14. MR. U I SURIYABANDARA	6,507	0.24	5,312	0.19
15. MR. D J N HETTIARACHCHI	6,369	0.23	6,369	0.23
16. MRS. S VIGNARAJAH	6,300	0.23	6,300	0.23
17. MR. A J RUMY	6,200	0.23	6,200	0.23
18. MRS. M M UDESHI	6,000	0.22	6,000	0.22
19. MR. D RATNAYAKE	5,700	0.21	5,700	0.21
20. NATIONAL DEVELOPMENT BANK PLC/ SAKUVI INVESTMENT TRUST (PVT) LTD	5,000	0.18	5,000	0.18
SUB TOTAL	2,517,464	91.54	2,513,302	91.39
OTHERS	232,536	8.46	236,698	8.61
	2,750,000	100.00	2,750,000	100.00

The percentage of Shares held by the public is 28.62% consisting of 1,547 shareholders.

Performance Summary

Group data	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015	For the year ended 31.03.2014	For the year ended 31.03.2013
Profitability (Rs.)					
Revenue (Net)	1,546,475,941	1,655,253,143	1,742,502,671	1,343,789,021	1,179,237,701
Profit/(Loss) from operating activities	95,296,456	127,241,375	171,888,441	113,031,106	65,507,527
Finance cost	(1,943,100)	(3,110,807)	(5,045,496)	(9,088,221)	(11,143,138)
Other income	44,916,987	25,912,149	13,561,664	11,510,815	11,648,577
Total gain on disposal of shares held by the trust	-	-	41,613,945	-	-
Profit before taxation	138,270,344	150,042,717	222,018,555	115,453,701	66,012,966
Taxation	(51,155,944)	(53,512,713)	(57,096,337)	(29,483,821)	29,897,653
Profit after taxation	87,114,399	96,530,003	164,922,218	85,969,880	95,910,619
Investor's Fund (Rs.)					
Stated capital	52,521,178	52,521,178	52,521,178	52,521,178	52,521,178
Available for sale reserve	-	-	-	24,375,517	19,650,228
Retained earnings	690,151,038	609,122,990	522,268,688	368,941,463	288,953,161
Non current liabilities	61,655,770	62,892,291	64,904,528	72,248,432	81,275,143
Total Investor's fund	804,327,986	724,536,460	639,694,394	518,086,588	442,399,711
Assets Employed (Rs.)					
Current assets	683,010,492	633,502,296	622,889,404	388,177,152	323,947,105
Current liabilities	163,597,760	214,770,986	263,946,981	190,702,954	215,670,689
Working capital	519,412,732	418,731,310	358,942,423	197,474,198	108,276,416
Non current asset	284,915,254	305,805,150	280,751,970	320,612,390	334,123,295
Total assets employed	804,327,986	724,536,460	639,694,394	518,086,588	442,399,711
Key Financial Indicators					
Market price of a share as at year end	310.00	365.00	325.70	210.00	139.90
Net assets per share	270.06	240.60	209.01	162.12	131.32
Earnings per share	31.68	35.10	59.97	31.26	34.88
Dividend per share	4.00	5.50	3.00	1.50	1.50
Price Earnings ratio (year end)	9.79	10.40	5.43	6.72	4.01
Market capitalization (Rs.'000)	852,500	1,003,750	895,675	577,500	384,725
Return on Capital Employed	18.88%	22.49%	37.11%	24.97%	17.79%
Dividend pay out ratio	0.13	0.16	0.05	0.05	0.04
Interest cover (Times covered)	72	49	37	14	7
Current ratio (No. of times)	4.17	2.95	2.36	2.04	1.50

Certain comparatives of the previous years have been restated to conform to the presentation of financial statements as at 31.03.2017.

Employee Statistics

Employee Strength

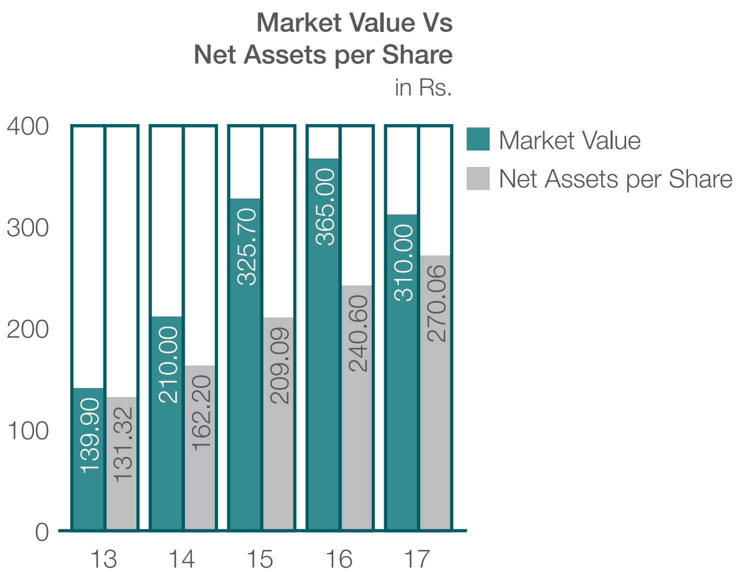
Executive Staff	As at 31.03.2017	As at 31.03.2016
Director	1	1
Senior Managers	2	2
Managers	4	5
Assistant Managers	8	8
Executives	16	11
	31	27

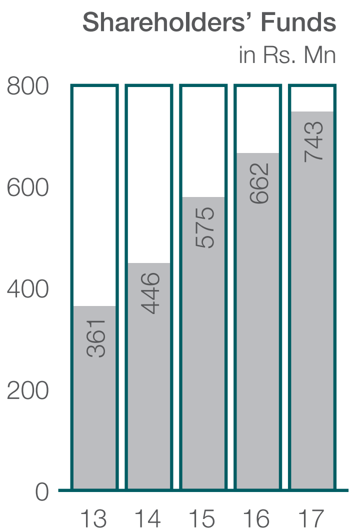
Non Executive Staff	As at 31.03.2017	As at 31.03.2016
Support Staff		
Permanent	78	74
Contract	1	0
Factory Staff		
Permanent	121	130
Contract	2	2
	202	206

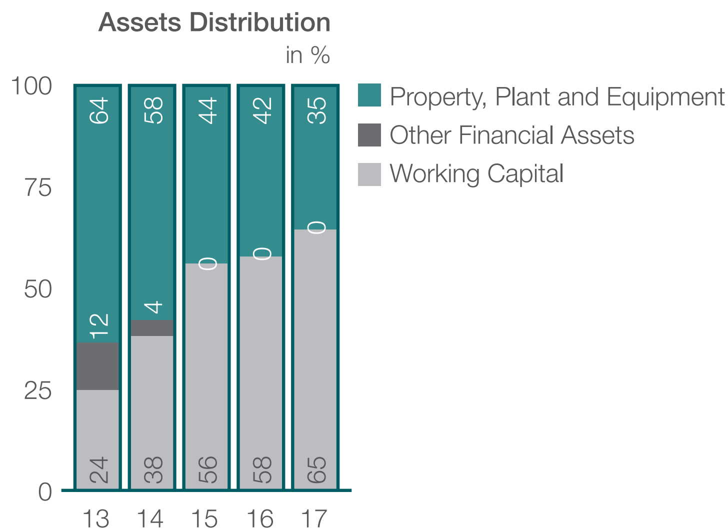
Functional Analysis of Executives

	As at 31.03.2017	As at 31.03.2016
General Management	1	1
Finance	4	4
Stores	1	1
Information Technology	1	1
Sales and Marketing	12	7
Production	4	4
Quality	3	4
Research and Development	1	1
Procurement	1	1
Human Resources	1	1
Administration	2	2
	31	27

Graphical Review







Glossary of Financial Terms

Capital Employed
The total of stated capital, capital reserves, revenue reserves and interest bearing liabilities.

Capital Reserves
Reserves identified for specific purposes and considered not available for distribution.

Current Ratio
Total current assets divided by total current liabilities.

Market Value (price) per Share
The price at which an ordinary share is traded in the market.

Dividend per Share
Gross dividend divided by the number of ordinary shares in issue at the year end.

Earnings per Share
Profit attributable to ordinary shareholders divided by the number of shares in issue.

Dividend Payout Ratio
Ordinary dividend per share divided by earnings per share.

Interest Cover
Profit before tax plus interest charges divided by interest charges.

Market Capitalisation
Number of shares in issue at the end of the financial year multiplied by the market value of a share as at that date.

Net Assets per Share
Total assets less total liabilities (net assets employed) divided by the number of shares.

Profit before Tax Margin
Profit before taxation divided by turnover.

Price Earnings Ratio
Market price of a share as at the end of the financial year divided by the earnings per share for the financial year.

Return on Capital Employed
Earnings Before Interest and Tax divided by Capital Employed.

Shareholders' Funds
Total of stated capital and revenue reserves.

Total Debt
The total of long and short term (current) borrowings.

Working Capital
Capital required to finance day to day operations (Current assets minus current liabilities).

Notes

Notes Contd.

Form of Proxy

I/We*.. NIC No ....

of...being a shareholder/s* of CONVENIENCE FOODS (LANKA) PLC

hereby appoint...of...or failing him*;

Mr. Ramya Sanath Wickramasingha	of Colombo or failing him*
Ms. Dharshini Sheamalee Wickramasingha	of Colombo or failing her*
Mr. Edenadure Thilanka De Zoysa	of Colombo or failing him*
Mr. Nandana Arunasiri Wickramage	of Colombo or failing him*
Ms. Nishka Kanya Wickramasingha	of Colombo or failing her*
Mr. Muditha Udara Saliya Gamini Thilakawardana	of Colombo or failing him*
Mr. Dissanayake Mudiyanselage Ananda Kulasooriya	of Colombo or failing him*
Mr. Mahesh Shirantha Nanayakkara	of Colombo*

as my/our *proxy to represent me/us* and to vote as indicated hereunder for me/us* and on my/our* behalf and /or* to speak at the Twenty Sixth (26) Annual General Meeting of the Company to be held on 22 September 2017 and at every poll which may be taken in consequence of the aforesaid Meeting and at any adjournment thereof.

		For	Against
1.	Declare a first and final dividend of Rs.4/- per share for the year ended 31 March 2017.		
2.	To pass the ordinary resolution set out under item 3 of the Notice of Meeting for the re-appointment of Mr R S Wickramasingha as a Director of the Company.		
3.	To re-appoint the retiring Auditors Messrs S J M S Associates, Chartered Accountants as the Company's Auditors and to authorize the Directors to determine their remuneration.		
4.	To authorize the Directors to determine donations for the year ending 31 March 2018 and up to the date of the next Annual General Meeting.		

In witness my/our* hand this .... day of .... Two Thousand and Seventeen.

....

Signature of Shareholder/s

*Please delete what is inapplicable.

Note:

1. Instructions as to completion appear on the reverse.
2. A Proxy need not be a shareholder of the Company.

INSTRUCTIONS FOR COMPLETION

1. Kindly perfect the Form of Proxy by filling in legibly your full name, address and the National Identity Card number and signing in the space provided and filling in the date of signature.
2. If the appointor is a Company / incorporated body this Form must be executed in accordance with the Articles of Association / Statute.
3. If the Form of Proxy is signed by an Attorney, the relative Power of Attorney should accompany the Form of Proxy for registration if such Power of Attorney has not already been registered with the Company.
4. If you wish to appoint a person other than the Chairman (or failing him, one of the Directors) as your Proxy please insert the relevant details in the space provided.
5. Please indicate with an 'X' in the space provided how your proxy is to vote on the resolution. If no indication is given, the proxy in his discretion will vote as he thinks fit.
6. The completed Form of Proxy should be deposited at the Registered Office of the Company, C/o Ceylon Biscuits Limited, Makumbura, Pannipitiya by 3.30 p.m. on 20 September 2017.

Corporate Information

Name of the Company

Convenience Foods (Lanka) PLC
(Formerly known as Soy Foods (Lanka) PLC)

Legal Form and Listing

A Public Limited Company listed on the
Colombo Stock Exchange

Date of Incorporation

27 March 1991

Registered Office

Ceylon Biscuits Ltd,
Makumbura,
Pannipitiya,
Sri Lanka.

Principal Place of Business

No. 133, 7th Lane, Off Borupana Road,
Kandawala, Ratmalama.

Tel: +94 11 2611154, 2624408, 5003000
E- mail: inquiry.cf@cbllk.com
Web:www.muncheelk.com

Principal Business Activity

Manufacture and Marketing of Textured
Vegetable Protein (TVP) and Other Food
Products.

Directors of the Company

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

Auditors

SJMS Associates
Chartered Accountants,
No.11, Castle Lane,
Colombo 4, Sri Lanka.

Secretaries and Registrars

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

Bankers

Hatton National Bank PLC
Peoples Bank
DFCC Bank PLC

Produced by Copyline (Pvt) Ltd   Printed by Printel (Pvt) Ltd

Ceylon Biscuits Limited

Member of the CBL Group

Convenience Foods (Lanka) PLC
No. 133, 7th Lane, Off Borupana Road,
Kandawala, Ratmalama.

Tel: +94 11 2611154, 2624408, 5003000
E- mail: inquiry.cf@cbllk.com
Web: www.muncheelk.com