

# CONVENIENCE FOODS (LANKA) PLC

## INTERIM REPORT

FOR THE 1ST QUARTER ENDED,  
30th JUNE 2022



## CORPORATE INFORMATION

### NAME OF THE COMPANY

Convenience Foods (Lanka) PLC - PQ 164

### LEGAL FORM & LISTING

A Public Limited Company listed on the Colombo Stock Exchange

### DATE OF INCORPORATION

27th March 1991

### REGISTERED OFFICE

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

### BUSINESS ACTIVITY

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

### DIRECTORS OF THE COMPANY

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

### AUDITORS

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

### SECRETARIES & REGISTRARS

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

### BANKERS

Bank of Ceylon  
Commercial Bank of Ceylon PLC  
Hatton National Bank PLC  
Peoples' Bank  
Standard Chartered Bank  
State Bank of India

### INVESTOR RELATIONS OFFICER

Daminda Sampath  
Manager - Financial Reporting  
Convenience Foods (Lanka) PLC  
damindas.cf@cblkk.com

**CONVENIENCE FOODS (LANKA) PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30TH JUNE 2022**

For the 3 Months Ended 30th June	Group			Company		
	2022 Rs.	2021 Rs.	Change %	2022 Rs.	2021 Rs.	Change %
Revenue	1,666,383,944	785,666,659	112.1	1,666,383,944	785,666,659	112.1
Cost of Sales	(1,299,633,246)	(564,432,988)	130.3	(1,299,633,246)	(564,432,988)	130.3
<b>Gross Profit</b>	<b>366,750,698</b>	<b>221,233,671</b>	<b>65.8</b>	<b>366,750,698</b>	<b>221,233,671</b>	<b>65.8</b>
Other Operating Income	8,269,416	10,800,359	-23.4	8,269,416	10,800,359	-23.4
Distribution Expenses	(166,581,865)	(109,717,526)	51.8	(166,581,865)	(109,717,526)	51.8
Administrative Expenses	(59,500,335)	(41,185,513)	44.5	(59,500,335)	(41,185,513)	44.5
<b>Results from Operating Activities</b>	<b>148,937,914</b>	<b>81,130,991</b>	<b>83.6</b>	<b>148,937,914</b>	<b>81,130,991</b>	<b>83.6</b>
Finance Income	6,498,292	12,928,138	-49.7	6,498,292	12,928,138	-49.7
Finance Expenses	(12,739,546)	(1,815,949)	601.5	(12,739,546)	(1,815,949)	601.5
<b>Net Finance Income</b>	<b>(6,241,254)</b>	<b>11,112,190</b>	<b>-156.2</b>	<b>(6,241,254)</b>	<b>11,112,190</b>	<b>-156.2</b>
<b>Profit Before Tax</b>	<b>142,696,659</b>	<b>92,243,180</b>	<b>54.7</b>	<b>142,696,659</b>	<b>92,243,180</b>	<b>54.7</b>
Income Tax Expenses	(25,117,858)	(16,764,636)	49.8	(25,117,858)	(16,764,636)	49.8
<b>Profit for the Period</b>	<b>117,578,801</b>	<b>75,478,544</b>	<b>55.8</b>	<b>117,578,801</b>	<b>75,478,544</b>	<b>55.8</b>
<b>Other Comprehensive Income</b>						
Other Comprehensive Income for the Period	-	-	0.0	-	-	0.0
<b>Total Comprehensive Income for the Period</b>	<b>117,578,801</b>	<b>75,478,544</b>	<b>55.8</b>	<b>117,578,801</b>	<b>75,478,544</b>	<b>55.8</b>
<b>Profit for the Period Attributable to:</b>						
Owners of the Company	117,578,801	75,478,544	55.8	117,578,801	75,478,544	55.8
Non-Controlling Interest	-	-	0.0	-	-	0.0
<b>Total Profit for the Period</b>	<b>117,578,801</b>	<b>75,478,544</b>	<b>55.8</b>	<b>117,578,801</b>	<b>75,478,544</b>	<b>55.8</b>
<b>Total Comprehensive Income for the Period</b>						
<b>Attributable to:</b>						
Owners of the Company	117,578,801	75,478,544	55.8	117,578,801	75,478,544	55.8
Non-Controlling Interest	-	-	0.0	-	-	0.0
<b>Total Comprehensive Income for the Period</b>	<b>117,578,801</b>	<b>75,478,544</b>	<b>55.8</b>	<b>117,578,801</b>	<b>75,478,544</b>	<b>55.8</b>
<b>Basic and Diluted Earnings Per Share</b>	<b>42.76</b>	<b>27.45</b>		<b>42.76</b>	<b>27.45</b>	


Figures in brackets indicate deductions.

The above figures are not audited.

CONVENIENCE FOODS (LANKA) PLC  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2022

As at	Group		Company	
	30.06.2022 Rs.	31.03.2022 Rs.	30.06.2022 Rs.	31.03.2022 Rs.
<b>Assets</b>				
<b>Non Current Assets</b>				
Property, Plant and Equipment	611,447,867	616,391,944	611,447,867	616,391,944
Right of Use Assets	113,936,466	116,325,327	113,936,466	116,325,327
Intangible Assets	7,698,466	7,827,705	7,698,466	7,827,705
Investment in Subsidiary	-	-	20	20
<b>Total Non Current Assets</b>	<b>733,082,799</b>	<b>740,544,976</b>	<b>733,082,819</b>	<b>740,544,996</b>
<b>Current Assets</b>				
Inventories	1,352,779,828	1,136,374,206	1,352,779,828	1,136,374,206
Trade and Other Receivables	1,050,167,887	636,390,109	1,050,167,887	636,390,109
Amounts due from Related Companies	37,310,987	26,337,704	37,310,987	26,337,704
Short Term Investments	199,011,858	418,645,514	199,011,858	418,645,514
Cash and Cash Equivalents	826,703,396	173,094,623	826,703,396	173,094,623
<b>Total Current Assets</b>	<b>3,465,973,957</b>	<b>2,390,842,156</b>	<b>3,465,973,957</b>	<b>2,390,842,156</b>
<b>Total Assets</b>	<b>4,199,056,755</b>	<b>3,131,387,132</b>	<b>4,199,056,775</b>	<b>3,131,387,152</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Stated Capital	52,521,178	52,521,178	52,521,178	52,521,178
Other Reserves	41,613,945	41,613,945	41,613,945	41,613,945
Retained Earnings	2,020,875,268	1,982,289,597	2,020,875,288	1,982,289,617
<b>Total Equity</b>	<b>2,115,010,391</b>	<b>2,076,424,720</b>	<b>2,115,010,411</b>	<b>2,076,424,740</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
Deferred Tax Liability	16,601,223	17,168,762	16,601,223	17,168,762
Lease Liabilities	112,749,431	112,526,574	112,749,431	112,526,574
Retirement Benefit Obligation	75,532,174	70,888,677	75,532,174	70,888,677
<b>Total Non Current Liabilities</b>	<b>204,882,828</b>	<b>200,584,013</b>	<b>204,882,828</b>	<b>200,584,013</b>
<b>Current Liabilities</b>				
Trade and Other Payables	909,024,437	783,769,817	909,024,437	783,769,817
Lease Liabilities	7,295,089	7,987,138	7,295,089	7,987,138
Current Tax Liabilities	39,060,976	32,074,465	39,060,976	32,074,465
Amount due to Related Companies	923,783,033	30,546,979	923,783,033	30,546,979
<b>Total Current Liabilities</b>	<b>1,879,163,536</b>	<b>854,378,399</b>	<b>1,879,163,536</b>	<b>854,378,399</b>
<b>Total Liabilities</b>	<b>2,084,046,364</b>	<b>1,054,962,412</b>	<b>2,084,046,364</b>	<b>1,054,962,412</b>
<b>Total Equity and Liabilities</b>	<b>4,199,056,755</b>	<b>3,131,387,132</b>	<b>4,199,056,775</b>	<b>3,131,387,152</b>
<b>Net assets value per share</b>	<b>769.09</b>	<b>623.12</b>	<b>769.09</b>	<b>623.33</b>

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

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

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

  
R. S. Wickramasingha  
Chairman

  
E. T. De Zoysa  
Managing Director

01st August 2022

The above figures are not audited.

**CONVENIENCE FOODS (LANKA) PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30TH JUNE 2022**

<b>Group</b>	<b>Stated Capital Rs.</b>	<b>Other Reserves Rs.</b>	<b>Retained Earnings Rs.</b>	<b>Total Equity Rs.</b>
Balance as at 1st April 2021	52,521,178	41,613,945	1,619,437,686	1,713,572,809
Profit for the period	-	-	75,478,544	75,478,544
<b>Balance as at 30th June 2021</b>	<b>52,521,178</b>	<b>41,613,945</b>	<b>1,694,916,230</b>	<b>1,789,051,353</b>
Balance as at 1st April 2022	52,521,178	41,613,945	1,982,289,597	2,076,424,720
Profit for the period	-	-	117,578,801	117,578,801
Other Comprehensive Income for the year	-	-	-	-
Surcharge Tax paid for the year 2020/21	-	-	(78,993,130)	(78,993,130)
<b>Balance as at 30th June 2022</b>	<b>52,521,178</b>	<b>41,613,945</b>	<b>2,020,875,268</b>	<b>2,115,010,391</b>

<b>Company</b>	<b>Stated Capital Rs.</b>	<b>Other Reserves Rs.</b>	<b>Retained Earnings Rs.</b>	<b>Total Equity Rs.</b>
Balance as at 1st April 2021	52,521,178	41,613,945	1,620,021,346	1,714,156,469
Profit for the period	-	-	75,478,544	75,478,544
<b>Balance as at 30th June 2021</b>	<b>52,521,178</b>	<b>41,613,945</b>	<b>1,695,499,890</b>	<b>1,789,635,013</b>
Balance as at 1st April 2022	52,521,178	41,613,945	1,982,289,617	2,076,424,740
Profit for the period	-	-	117,578,801	117,578,801
Other Comprehensive Income for the year	-	-	-	-
Surcharge Tax paid for the year 2020/21	-	-	(78,993,130)	(78,993,130)
<b>Balance as at 30th June 2022</b>	<b>52,521,178</b>	<b>41,613,945</b>	<b>2,020,875,288</b>	<b>2,115,010,411</b>

The above figures are not audited.

**CONVENIENCE FOODS (LANKA) PLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30TH JUNE 2022**

For the 3 Months Ended 30th June	Group		Company	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
<b>Cash Flows from Operating Activities</b>				
Profit Before Tax	142,696,659	92,228,180	142,696,659	92,243,180
<b>Adjustments for:</b>				
Depreciation of Property, Plant and Equipment	18,950,576	7,526,555	18,950,576	7,526,555
Amortization of Intangible Assets	401,939	327,203	401,939	327,203
Depreciation of Right of use Assets	2,388,861	1,970,286	2,388,861	1,970,286
Interest Income	(6,498,292)	(12,928,138)	(6,498,292)	(12,928,138)
Interest Expenses	11,762,975	1,651,701	11,762,975	1,651,701
Provision for Retirement Benefit Obligation	4,976,697	4,307,838	4,976,697	4,307,838
<b>Operating Profit before Working Capital Changes</b>	<b>174,679,416</b>	<b>95,083,624</b>	<b>174,679,416</b>	<b>95,098,624</b>
<b>Changes in Working Capital</b>				
(Increase)/Decrease in Inventories	(216,405,622)	(240,499,738)	(216,405,622)	(240,499,738)
(Increase)/Decrease in Trade and Other Receivables	(413,777,778)	(95,207,919)	(413,777,778)	(95,207,919)
(Increase)/Decrease in Amount due from Related Companies	(10,973,283)	(7,648,395)	(10,973,283)	(7,648,395)
Increase/(Decrease) in Amount due to Related Companies	893,236,054	(8,942,809)	893,236,054	(8,942,809)
Increase/(Decrease) in Trade and Other Payables	125,254,620	3,369,322	125,254,620	3,354,322
<b>Cash Generated from/ (Used in) Operations</b>	<b>552,013,407</b>	<b>(253,845,913)</b>	<b>552,013,407</b>	<b>(253,845,913)</b>
Retiring Gratuity Paid	(333,200)	(19,020,400)	(333,200)	(19,020,400)
Interest Paid	(11,762,975)	(1,651,701)	(11,762,975)	(1,651,701)
Income Tax Paid	(19,244,285)	(38,886,504)	(19,244,285)	(38,886,504)
Surcharge Tax Paid	(78,993,130)	-	(78,993,130)	-
<b>Net Cash Flows from/ (Used in) Operating Activities</b>	<b>441,679,817</b>	<b>(313,404,518)</b>	<b>441,679,817</b>	<b>(313,404,517)</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of Property, Plant and Equipment	(14,006,500)	(24,500,459)	(14,006,500)	(24,500,459)
Purchase of Intangible Assets	272,700	(93,555)	272,700	(93,555)
Interest Received	6,498,292	12,928,138	6,498,292	12,928,138
Net Movement of Investment in Fixed Deposits	219,633,656	183,360,518	219,633,656	183,360,518
<b>Net Cash Flows from/ (Used in) Investing Activities</b>	<b>212,398,148</b>	<b>171,694,642</b>	<b>212,398,148</b>	<b>171,694,642</b>
<b>Cash Flows from Financing Activities</b>				
Dividend Paid	-	-	-	-
Repayment of Lease	(469,192)	(1,480,504)	(469,192)	(1,480,504)
<b>Net Cash Flows from/ (Used in) Financing Activities</b>	<b>(469,192)</b>	<b>(1,480,504)</b>	<b>(469,192)</b>	<b>(1,480,504)</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>653,608,773</b>	<b>(143,190,381)</b>	<b>653,608,773</b>	<b>(143,190,380)</b>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>173,094,623</b>	<b>40,319,425</b>	<b>173,094,623</b>	<b>40,319,425</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>826,703,396</b>	<b>(102,870,956)</b>	<b>826,703,396</b>	<b>(102,870,956)</b>
Cash in Hand and at Bank	826,703,396	-	826,703,396	-
Bank Overdrafts	-	(102,870,956)	-	(102,870,956)
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>826,703,396</b>	<b>(102,870,956)</b>	<b>826,703,396</b>	<b>(102,870,956)</b>

Figures in brackets indicate deductions.

The above figures are not audited.

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

### 1 Corporate information

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

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

### 2 Approval of financial statements

The interim condensed financial statements of the group and the company for the three months period ended 30th June 2022 were authorised for issue by the Board of Directors on 01st August 2022.

### 3 Basis of preparation

The interim financial statements of the company and group for the three months period ended 30th June 2022 have been prepared in accordance with the requirements of LKAS - 34 Interim Financial Reporting and have been prepared in accordance with the same accounting policies and methods set out in the Annual Audited Financial Statements for the year ended 31st March 2022.

### 4 Segmental information

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

### 5 Significant unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the period ended 30th June 2022.

### 6 Events after the reporting period

There were no significant events after the reporting period that would require adjustments to or disclosures in these interim financial statements for the period ended 30th June 2022.

### 7. Commitments and contingencies.

#### Financial commitments

Commitments on account of Letters of credit as at 30th June 2022 was Rs. 805,689,914 (31st March 2022: Rs. 744,148,456). Shipping Guarantees as at 30th June 2022 was Rs. 356,592,150 (31st March 2022: Rs. 122,037,530). Import Bills as at 30th June 2022 was Rs. 1,227,600 (31st March 2022: Rs. 4,483,794).

#### Capital commitments

There were no significant capital commitments as at reporting date.

#### Contingencies - pending litigations

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

The Company had made an appeal to the Court of Appeal on a question of law arising from the determination of the Board of Review and is made under and in terms of Section 122 (1) of the Inland Revenue Act No. 28 of 1979 (as amended). The income tax payable as per the Board of Review determination for the year of assessment 1991/1992 amounts to a sum of Rs. 8,871,886 and surcharge on income tax of Rs. 1,072,031 (plus any penalties payable thereon). The Court of Appeal has given judgment in favor of the Company and has annulled the assessment. The Commissioner General of Inland Revenue has filed a petition in the Supreme Court seeking Special Leave to Appeal against the judgment of the Court of Appeal on this matter. The Supreme Court has granted Special Leave to Appeal to questions of law raised by both parties. The matter has been fixed for argument on 19th October 2022.

## CONVENIENCE FOODS (LANKA) PLC

### ADDITIONAL NOTES

#### 1 Share prices during the Quarter

	03 Months Ended 30th June 2022	03 Months Ended 30th June 2021
	Rs.	Rs.
Highest	1,299.00	1,300.00
Lowest	888.00	1,014.00
Last traded	1,152.50	1,202.75

#### 2 Names and the number of shares held by the 22 major shareholders

	As At 30th June 2022	
	No of Shares	% of Holding
1 CBL INVESTMENTS LIMITED	1,962,977	71.381%
2 HATTON NATIONAL BANK PLC/ DAWI INVESTMENT TRUST (PVT) LTD	263,404	9.578%
3 J.B. COCOSHELL (PVT) LTD	211,686	7.698%
4 MR A.M.D.E.S. JAYARATNE	18,570	0.675%
5 MR K.C. VIGNARAJAH	14,720	0.535%
6 COCOSHELL ACTIVATED CARBON COMPANY (PVT) LTD	14,000	0.509%
7 MR U.I. SURIYABANDARA	9,498	0.345%
8 MR W.D.N.H. PERERA	9,213	0.335%
9 MR G.W. AMARATUNGA	8,677	0.316%
10 MR L.H.S. PEIRIS	8,499	0.309%
11 MR E.D.K. WEERASURIYA & MR S. WEERASURIYA	8,169	0.297%
12 MR R.J.S. JAYAMAHA	7,000	0.255%
13 MR Z.G. CARIMJEE	6,867	0.250%
14 MRS S. VIGNARAJAH	6,300	0.229%
15 MRS M.M. UDESHI	6,000	0.218%
16 DFCC BANK PLC/MR.P.PRANAVAN	5,250	0.191%
17 DR S. YADDEHIGE	4,798	0.174%
18 DAWI INVESTMENT TRUST (PVT) LTD	4,144	0.151%
19 MR N.K. FLEMMING	4,064	0.148%
20 MR U.C.Bandaranayake & MRS L.Bandaranayake	4,023	0.146%
21 MR A.J. RUMY	3,900	0.142%
22 MR S.K. HATHIRAMANI (DECEASED)	3,850	0.140%
<b>Sub total</b>	<b>2,585,609</b>	<b>94.022%</b>
<b>Others</b>	<b>164,391</b>	<b>5.978%</b>
<b>Issued Capital</b>	<b>2,750,000</b>	<b>100.00%</b>

#### 3 Director's holding as at 30th June 2022

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

4 Public holding percentage as at 30th June 2022 was 28.619% and comprised of approximately 1,592 Shareholders.

5 The Float adjusted market capitalization of the company as at 30th June 2022 was Rs. 907,044,007.50

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