

# CONVENIENCE FOODS (LANKA) PLC

## INTERIM REPORT

FOR THE 2ND QUARTER ENDED,  
30TH SEPTEMBER 2024



## CORPORATE INFORMATION

### NAME OF THE COMPANY

Convenience Foods (Lanka) PLC - PQ 164

### LEGAL FORM

A Public Limited Company listed on the Colombo Stock Exchange.

### DATE OF INCORPORATION

27th March 1991

### REGISTERED OFFICE

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

### BUSINESS ACTIVITY

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

### DIRECTORS OF THE COMPANY

Mr. R.S.A. Wickramasingha - Chairman  
Mr. M.C. Dahanayake - Managing Director  
Ms. D.S. Wickramasingha - Director  
Ms. N.K. Wickramasingha - Director  
Mr. L.J.M. De Silva - Director  
Ms. S. Ratwatte - Director  
Mr. I. S. Fonseka - Director  
Mr. M. Wickremesinghe - Director

### AUDITORS

Ernst & Young Sri Lanka.  
Chartered Accountants,  
Rotunda Towers, No. 109, Galle Road,  
Colombo 03, Sri Lanka.

### SECRETARIES

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

### REGISTRARS

S S P Corporate Services (Pvt) Ltd.  
No.101, Inner Flower Road,  
Colombo 03.

### BANKERS

Sampath Bank PLC  
Nations Trust Bank PLC  
People's Bank  
Commercial Bank of Ceylon PLC  
Hatton National Bank PLC  
State Bank of India  
DFCC Bank PLC  
Bank of Ceylon  
National Development Bank PLC  
Standard Chartered Bank

**CONVENIENCE FOODS (LANKA) PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30TH SEPTEMBER 2024**

For the 03 Months Ended 30th September	2024 Rs.	2023 Rs.	Variance %
Revenue	1,766,571,129	1,542,973,208	14.5
Cost of Sales	(1,115,483,604)	(1,170,842,297)	-4.7
<b>Gross Profit</b>	<b>651,087,525</b>	<b>372,130,911</b>	<b>75.0</b>
Other Operating Income	30,731,664	6,020,760	410.4
Selling and Distribution Expenses	(280,147,510)	(219,501,326)	27.6
Administrative Expenses	(89,745,249)	(60,042,615)	49.5
<b>Results from Operating Activities</b>	<b>311,926,430</b>	<b>98,607,730</b>	<b>216.3</b>
Finance Income	33,562,984	4,566,587	635.0
Finance Expenses	(2,106,663)	(8,264,355)	-74.5
<b>Net Finance Income/ (Expense)</b>	<b>31,456,321</b>	<b>(3,697,768)</b>	<b>950.7</b>
<b>Profit Before Tax</b>	<b>343,382,751</b>	<b>94,909,962</b>	<b>261.8</b>
Income Tax Expenses	(106,612,552)	(41,692,284)	155.7
<b>Profit for the Period</b>	<b>236,770,199</b>	<b>53,217,678</b>	<b>344.9</b>
<b>Other Comprehensive Income</b>	-	-	
Other Comprehensive Income for the Period	-	-	
<b>Total Comprehensive Income for the Period</b>	<b>236,770,199</b>	<b>53,217,678</b>	<b>344.9</b>
<b>Basic Earnings Per Share</b>	<b>86.10</b>	<b>19.35</b>	

*Figures in brackets indicate deductions.*

*The above figures are not audited.*

**CONVENIENCE FOODS (LANKA) PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30TH SEPTEMBER 2024**

For the 06 Months Ended 30th September	2024 Rs.	2023 Rs.	Variance %
Revenue	3,266,218,200	3,039,176,502	7.5
Cost of Sales	(2,109,072,955)	(2,322,052,653)	-9.2
<b>Gross Profit</b>	<b>1,157,145,245</b>	<b>717,123,849</b>	<b>61.4</b>
Other Operating Income/ (Expenses)	38,945,129	(2,742,965)	1519.8
Selling and Distribution Expenses	(529,048,480)	(400,166,534)	32.2
Administrative Expenses	(166,063,574)	(125,542,404)	32.3
<b>Results from Operating Activities</b>	<b>500,978,320</b>	<b>188,671,946</b>	<b>165.5</b>
Finance Income	60,545,498	6,421,203	842.9
Finance Expenses	(4,367,589)	(64,357,353)	-93.2
<b>Net Finance Income/ (Expense)</b>	<b>56,177,909</b>	<b>(57,936,150)</b>	<b>197.0</b>
<b>Profit Before Tax</b>	<b>557,156,229</b>	<b>130,735,796</b>	<b>326.2</b>
Income Tax Expenses	(175,417,678)	(52,440,034)	234.5
<b>Profit for the Period</b>	<b>381,738,551</b>	<b>78,295,762</b>	<b>387.6</b>
<b>Other Comprehensive Income</b>			
Other Comprehensive Income for the Period	-	-	
<b>Total Comprehensive Income for the Period</b>	<b>381,738,551</b>	<b>78,295,762</b>	<b>387.6</b>
Basic Earnings Per Share	138.81	28.47	

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


**CONVENIENCE FOODS (LANKA) PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH SEPTEMBER 2024**

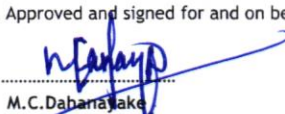
As at	30.09.2024	31.03.2024
	Rs.	Rs.
<b>Assets</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	585,832,975	609,256,990
Right of Use Assets	100,605,187	106,115,513
Intangible Assets	4,389,600	5,186,433
<b>Total Non Current Assets</b>	<b>690,827,762</b>	<b>720,558,936</b>
<b>Current Assets</b>		
Inventories	791,658,569	885,042,049
Trade and Other Receivables	872,565,983	846,953,160
Amounts due from Related Companies	40,405,994	25,641,653
Short Term Investments	1,464,492,748	963,880,860
Cash and Cash Equivalents	187,953,488	128,788,816
<b>Total Current Assets</b>	<b>3,357,076,782</b>	<b>2,850,306,538</b>
<b>Total Assets</b>	<b>4,047,904,544</b>	<b>3,570,865,474</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Stated Capital	52,521,178	52,521,178
Other Reserves	41,613,945	41,613,945
Retained Earnings	2,923,252,110	2,554,438,559
<b>Total Equity</b>	<b>3,017,387,233</b>	<b>2,648,573,682</b>
<b>Liabilities</b>		
<b>Non Current Liabilities</b>		
Deferred Tax Liability	18,166,359	9,870,928
Lease Liabilities	113,594,766	113,408,973
Retirement Benefit Obligation	99,159,563	91,606,581
<b>Total Non Current Liabilities</b>	<b>230,920,688</b>	<b>214,886,482</b>
<b>Current Liabilities</b>		
Trade and Other Payables	656,004,556	521,349,190
Lease Liabilities	7,694,234	11,756,853
Current Tax Liabilities	98,839,665	66,087,731
Amount due to Related Companies	37,058,168	108,211,536
<b>Total Current Liabilities</b>	<b>799,596,623</b>	<b>707,405,310</b>
<b>Total Liabilities</b>	<b>1,030,517,311</b>	<b>922,291,792</b>
<b>Total Equity and Liabilities</b>	<b>4,047,904,544</b>	<b>3,570,865,474</b>
<b>Net assets value per share</b>	<b>1,097.23</b>	<b>963.12</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. R. S. Senarathne  
 General Manager - Finance

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

  
 D. S. Wickramasingha  
 Director  
 25th October 2024

  
 M. C. Dahanayake  
 Managing Director

The above figures are not audited.

**CONVENIENCE FOODS (LANKA) PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30TH SEPTEMBER 2024**

	Stated Capital Rs.	Other Reserves Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at 1st April 2023	52,521,178	41,613,945	2,346,194,703	2,440,329,826
Profit for the period	-	-	78,295,762	78,295,762
Dividend paid for the year 2022/23	-	-	(12,925,000)	(12,925,000)
<b>Balance as at 30th September 2023</b>	<b>52,521,178</b>	<b>41,613,945</b>	<b>2,411,565,465</b>	<b>2,505,700,588</b>
Balance as at 1st April 2024	52,521,178	41,613,945	2,554,438,559	2,648,573,682
Profit for the period	-	-	381,738,551	381,738,551
Dividend paid for the year 2023/24	-	-	(12,925,000)	(12,925,000)
<b>Balance as at 30th September 2024</b>	<b>52,521,178</b>	<b>41,613,945</b>	<b>2,923,252,110</b>	<b>3,017,387,233</b>

The above figures are not audited.

**CONVENIENCE FOODS (LANKA) PLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30TH SEPTEMBER 2024**

For the 06 Months Ended 30th September	2024 Rs.	2023 Rs.
<b>Cash Flows from Operating Activities</b>		
Profit Before Tax	557,156,229	130,735,796
<b>Adjustments for:</b>		
Depreciation of Property, Plant and Equipment	48,021,736	46,088,658
Amortization of Intangible Assets	796,833	826,318
Depreciation of Right of Use Assets	5,510,326	6,819,142
Interest Income	(60,545,498)	(6,421,203)
Interest Expense	4,367,589	64,357,354
Provision for Retirement Benefit Obligation	10,279,883	9,859,564
<b>Operating Profit before Working Capital Changes</b>	<b>565,587,098</b>	<b>252,265,629</b>
<b>Changes in Working Capital</b>		
(Increase)/Decrease in Inventories	93,383,480	1,108,242,950
(Increase)/Decrease in Trade and Other Receivables	(25,612,823)	635,366,919
(Increase)/Decrease in Amount due from Related Companies	(14,764,341)	8,585,703
Increase/(Decrease) in Amount due to Related Companies	(71,153,368)	(63,745,798)
Increase/(Decrease) in Trade and Other Payables	134,655,366	(1,449,830,512)
<b>Cash Generated from Operations</b>	<b>682,095,412</b>	<b>490,884,891</b>
Gratuity Paid	(2,726,900)	(2,087,400)
Interest Paid	(4,367,589)	(64,357,354)
Income Tax Paid	(134,370,313)	(46,873,405)
<b>Net Cash Flows from Operating Activities</b>	<b>540,630,610</b>	<b>377,566,732</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment	(24,597,722)	(49,420,465)
Purchase of Intangible Assets	-	-
Interest Received	60,545,498	5,423,943
Withdrawal of / (Investment in) Fixed Deposits	(500,611,888)	(100,000,000)
<b>Net Cash Flows Used in Investing Activities</b>	<b>(464,664,112)</b>	<b>(143,996,522)</b>
<b>Cash Flows from Financing Activities</b>		
Dividend Paid	(12,925,000)	(12,925,000)
Repayment of Lease	(3,876,825)	(3,287,211)
<b>Net Cash Flows Used in Financing Activities</b>	<b>(16,801,825)</b>	<b>(16,212,211)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>59,164,672</b>	<b>217,357,999</b>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>128,788,816</b>	<b>(28,301,618)</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>187,953,488</b>	<b>189,056,381</b>
Cash in Hand and at Bank	187,953,488	218,511,379
Bank Overdraft	-	(29,454,998)
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>187,953,488</b>	<b>189,056,381</b>

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

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

**1 Corporate information**

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

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

**2 Approval of financial statements**

The interim condensed financial statements of the company for the six months period ended 30th September 2024 were authorised for issue by the Board of Directors on 25th October 2024.

**3 Basis of preparation**

The interim financial statements of the company for the six months period ended 30th September 2024 have been prepared in compliance with LKAS - 34 Interim Financial Reporting, using the same accounting policies and methods outlined in the Annual Audited Financial Statements for the year ended 31st March 2024.

**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 Comparative figures**

Certain reclassifications have been made to the comparative figures to improve the comparability and fair presentation of these financial statements. These reclassifications have not resulted in changes to the profit for the quarter or total net assets previously reported as at 30th September 2023.

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

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the period ended 30th September 2024.

**7 Events after the reporting period**

There were no significant events after the reporting period that would require adjustments to or disclosures in these interim financial statements for the period ended 30th September 2024.

**8 Commitments and contingencies**

**Financial commitments**

Commitments on account of Letters of credit as at 30th September 2024 was Rs.202,534,136.36 (31st March 2024: Rs. 274,555,318.11). Shipping Guarantees as at 30th September 2024 was Rs.10,810,284.45 (31st March 2024: Rs. 91,264,000.00).

**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 Commissioner General of Inland Revenue (CGIR) has filed a petition in the Supreme Court seeking Special Leave to Appeal against the judgment of the Court of Appeal, for the income tax assessment for the year of assessment 1991/1992, which had been given in favor of the Company. The Supreme Court has granted Special Leave to Appeal to questions of law. The matter was refixed for argument on 08th November 2024. Based on the information currently available the Management is of the view that the ultimate resolution of such legal procedures would not likely to have a material adverse effect on the result of the operations, financial position or liquidity of the Company. Accordingly, no provision for any liability has been made in these Financial Statements.

A third-party supplier had filed a lawsuit against the company for a shipment of goods under the Indian Credit facility which was rejected by the State Authorities as it failed to comply with the required standards in terms of the Operating Guidelines of Importation of Essential Items under this facility, no payment could be made without Sri Lanka Custom releasing the commodity and sending a recommendation to the Indian Credit Facility Coordinating Unit (ICFCU). However, this case was withdrawn by the plaintiff on 16th October 2024. Accordingly, no provision for any liability has been made in these Financial Statements.



**CONVENIENCE FOODS (LANKA) PLC**  
**ADDITIONAL NOTES**

**1 Share prices during the Quarter**

	06 Months Ended 30th September 2024	06 Months Ended 30th September 2023
	Rs.	Rs.
Highest	924.00	1,193.00
Lowest	755.00	970.00
Last traded	778.00	987.00

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

	As At 30th September 2024	
	No of Shares	% of Holding
1 CBL INVESTMENTS LIMITED	1,962,977	71.38%
2 HATTON NATIONAL BANK PLC/DAWI INVESTMENT TRUST (PVT) LTD	218,678	7.95%
3 J.B. COCOSHELL (PVT) LTD	208,448	7.58%
4 MR A.M.D.E.S. JAYARATNE	18,570	0.68%
5 DAWI INVESTMENT TRUST (PVT) LTD	17,860	0.65%
6 MR S.R.S. DE SARAM & MRS S.T.T. JAYASUNDERA	15,000	0.55%
7 MR K.C. VIGNARAJAH	14,730	0.54%
8 COCOSHELL ACTIVATED CARBON COMPANY (PVT) LTD	12,526	0.46%
9 MR U.I. SURIYABANDARA	10,346	0.38%
10 MR G.W. AMARATUNGA	8,677	0.32%
11 MR L.H.S. PEIRIS	8,499	0.31%
12 MR E.D.K. WEERASURIYA & MR S. WEERASURIYA	8,169	0.30%
13 DFCC BANK PLC/MR.P.PRANAVAN	7,500	0.27%
14 MR R.J.S. JAYAMAHA	7,000	0.25%
15 MR Z.G. CARIMJEE	6,867	0.25%
16 MRS S. VIGNARAJAH	6,300	0.23%
17 MRS M.M. UDESHI	6,000	0.22%
18 MR. M.D.C.P.K. GUNATHILAKE	5,000	0.18%
19 DR S. YADDEHIGE	4,798	0.17%
20 MR N.K. FLEMMING	4,064	0.15%
21 MR U.C. BANDARANAYAKE & MRS L. BANDARANAYAKE	4,023	0.15%
22 MR A.J. RUMY	4,000	0.15%
23 MR S.K. HATHIRAMANI (DECEASED)	3,850	0.14%
24 MRS Z.M. ADAMALLY	3,433	0.12%
25 SAMPATH BANK PLC/MR. ABISHEK SITHAMPALAM	3,000	0.11%
<b>Sub total</b>	<b>2,570,315</b>	<b>93.46%</b>
<b>Others</b>	<b>179,685</b>	<b>6.54%</b>
<b>Issued Capital</b>	<b>2,750,000</b>	<b>100.00%</b>

**3 Director's holding as at 30th September 2024**

Mr. R.S.A. Wickramasingha - Chairman	Nil
Mr. M.C. Dahanayake - Managing Director	Nil
Ms. D.S. Wickramasingha - Director	Nil
Ms. N.K. Wickramasingha - Director	Nil
Mr. L.J.M. De Silva - Director	Nil
Ms. S.T. Ratwatte - Director	Nil
Mr. I. S. Fonseka - Director	Nil
Mr. M.E. Wickremesinghe - Director	Nil

**4 Public holding percentage as at 30th September 2024 was 28.62% and comprised of 1,796 Shareholders.**

**5 The Float adjusted market capitalization of the company as at 30th September 2024 was Rs. 612,303,894.00**

**6 The Float adjusted market capitalization of the company falls under Option 5 of Rule 7.13.1 (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.**