

Financial Performance of Commercial Public Enterprises - 2003

1 Name & Address of the Enterprise:

National Paper Co. Ltd.

356, Union Place,
Colombo 02.

2 Mission:

"Improve productivity in every area of the organization so that the company's products will gain a competitive edge over imports and thereby become viable."

3 Major Activities:

Manufacture of Paper and Paper products.

4 Brief comments on financial performance

The Company has been incurring heavy losses despite the regular government grants to meet the salary bills.

Operation of the Embilipitiya mill has been suspended and only Valachchanai mill is currently under operation which too at a very low capacity.

The company offered a VRS in three stages to 1,024 employees who have been retired at a cost of Rs. 442mn funded by the Treasury.

The total salary bill financed by the Treasury so far amounts to Rs.613.6mn.

The accumulated losses as at the year under review amounts to Rs.398.5mn which has totally eroded the capital employed.

The Company is currently going through the restructuring process under the supervision of PERC.

5 Performance Trend

ABSOLUTE VALUES		2000/2001	2001/2002	2002/2003	2003/2004	2004/2005B	
1	Total Non-Current Assets (WDV) as at end of yr.	(Rs.' 000)	154,887	136,338	117,489	98,071	92,355
2	Total Current Assets as at end of year	(Rs.' 000)	545,579	545,189	427,331	308,857	302,100
3	Total Equity as at end of year	(Rs.' 000)	344,326	223,722	47,852	11,355	8,355
4	Total Non-Current Liabilities as at end of year	(Rs.' 000)	-	-	113,169	81,098	75,600
5	Total Current Liabilities as at end of year	(Rs.' 000)	356,140	457,805	383,798	314,475	310,500
6	Total Revenue for the year	(Rs.' 000)	419,954	443,273	281,655	114,082	102,000
7	Gross Profit for the year	(Rs.' 000)	(98,792)	(61,707)	(120,632)	(35,632)	(45,600)
8	Net Profit bef. Tax for the year	(Rs.' 000)	(153,097)	(120,604)	(175,871)	(43,956)	(65,100)
9	Financial Charges for the year	(Rs.' 000)	11,132	21,703	18,173	6,956	7,500
10	Total Capital Expenditure for the year	(Rs.' 000)	3,719	914	-	8,205	-
11	Total Cost of Employment for the year	(Rs.' 000)	244,375	261,880	229,324	133,714	144,720
12	Total Number of Employees as at end of year	(Nos.)	2,400	2,113	1,510	1,038	1,020
RATIOS							
a)	Net Profit bef. Tax to total Equity	(%)	-44.46%	-53.91%	-367.53%	-387.11%	-779.17%
b)	Net Profit before tax & Fin. Charges to Tot. Assets	(%)	-20.27%	-14.51%	-28.94%	-9.09%	-14.60%
c)	Total Cost of Employment per employee	(Rs.' 000)	101.82	123.94	151.87	128.82	141.88

700,466
700,466
681,527
681,527
544,820
544,819
406,928
406,928
394,455
394,455