

# Financial Performance of Commercial Public Enterprises - 2003

## 1 Name & Address of the Enterprise:

**Sri Lanka Cement Corporation**  
130, W.A.D. Wijayawardena Mawatha,  
Colombo 02

## 2 Mission:

Ensure an adequate supply of quality cement and cement based products to meet the country's needs.

## 3 Major Activities:

Sale of cement in Jaffna Peninsula, Vavuniya and Colombo.  
Production and supply of Concrete items in the Jaffna Penninsula

## 4 Brief comments on financial performance

Performance has been deteriorating, with decline in total revenue, gross margins and net profits.

The major source of income is the rent from the property owned by the Corporation.

The Corporation has been generating only a marginal return on equity and total assets as the Cement Factory at Kankasanthurai has not been functioning.

The Corporation has made investments amounting to Rs.25.22Mn without the required approval in terms of the Finance Act No. 38 of 1971

During the year services of 154 employees attached to the Kankasanthurai cement factory have been terminated on payment of compensation amounting to Rs.48.4mn.

The Corporation has not been performing its core activities due to the unrest prevailing in the North and East.

Although the Corporation was identified for restructuring under the supervision of PERC and a proposal was made to offer VRS be paid from the own funds, so far no action has been taken.

## 5 Performance Trend

ABSOLUTE VALUES		2000	2001	2002	2003	2004 B	
1	Total Non-Current Assets (WDV) as at end of yr.	(Rs.' 000)	1,589,148	1,582,251	2,033,972	1,977,596	1,579,189
2	Total Current Assets as at end of year	(Rs.' 000)	511,769	514,811	129,595	87,018	567,634
3	Total Equity as at end of year	(Rs.' 000)	1,532,706	1,541,823	1,545,537	1,524,595	1,558,516
4	Total Non-Current Liabilities as at end of year	(Rs.' 000)	538,343	513,563	585,937	503,851	577,797
5	Total Current Liabilities as at end of year	(Rs.' 000)	29,868	41,676	32,093	36,168	10,510
6	Total Revenue for the year	(Rs.' 000)	36,304	68,351	77,534	76,551	285,546
7	Gross Profit for the year	(Rs.' 000)	3,594	2,295	3,863	2,856	35,053
8	Net Profit bef. Tax for the year	(Rs.' 000)	14,930	16,739	7,841	907	12,979
9	Financial Charges for the year	(Rs.' 000)	-	-	-	-	-
10	Total Capital Expenditure for the year	(Rs.' 000)	35	2,342	195	408	3,000
11	Total Cost of Employment for the year	(Rs.' 000)	38,506	35,815	26,700	23,412	23,420
12	Total Number of Employees as at end of year	(Nos.)	553	339	307	140	140
RATIOS							
a)	Net Profit bef. Tax to total Equity	(%)	0.97%	1.09%	0.51%	0.06%	0.83%
b)	Net Profit before tax & Fin. Charges to Tot. Assets	(%)	0.71%	0.80%	0.36%	0.04%	0.60%
c)	Total Cost of Employment per employee	(Rs.' 000)	69.63	105.65	86.97	167.23	167.29

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