



**PERFORMANCE REPORT**

**2018**

**Department of Public Enterprises**

# **Vision**

**To be the apex body, which ensures good governance of Public Enterprises in Sri Lanka**

# **Mission**

**Strengthening governance in Public Enterprises through best practices to optimize performance and to safeguard the public interest**

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## **1. PERFORMANCE OF THE DEPARTMENT OF PUBLIC ENTERPRISES**

### **1.1. OVERVIEW**

The Department of Public Enterprises (PED) was re-established in 2002 to improve the performance of State Owned Enterprises (SOEs)<sup>1</sup> through enhanced corporate governance by monitoring the performance of SOEs and establish finance control over Public Corporations under the Administer Part II of the Finance Act No 38 of 1971.

SOEs remain as an integral component of Sri Lankan economy, being mostly prevalent in strategic sectors of the country including energy, water, ports, banking and insurance, commuter transportation, aviation and construction. The SOEs contribution to GDP amounted to 13.26 percent in 2018.

Out of the 422 SOEs, 54 SOEs have been identified as strategically important State Owned Businesses Enterprises (SOBEs)<sup>2</sup> that plays a catalytic role in transforming the country's economy to a high growth trajectory. At present, 287 SOEs are being monitored by the Department of Public Enterprises (PED) and the rest comes under the purview of the Department of National Budget (NBD).

In 2018, total revenue generated by 54 SOBEs amounted to Rs. 1,916.02 billion, of which 37 SOBEs, recorded a net profit amounting to Rs. 130.66 billion while 16 SOEs reported net losses amounting to Rs. 156.73 billion in 2018<sup>3</sup>. In the overall context, SOBEs has recorded a loss amounted to Rs. 26 billion arising from the loss of Rs. 104 billion recorded by Ceylon Petroleum Corporation (CPC). The total asset base of SOBEs amounts to Rs. 8,204.07 billion in 2018, grew by 10 percent compared Rs. 7,432.40 billion in 2017.

### **1.2. MAIN FUNCTIONS OF THE DEPARTMENT OF PUBLIC ENTERPRISES**

- Preparation of policies for State Owned Enterprises
- Administration of Commercial Corporations and Statutory Boards in accordance with the Finance Act No 38 of 1971
- Issue new Circulars and Guidelines to implement Good Governance in SOEs
- Study and analyze the proposals of Cabinet Memorandums
- Monitoring and supervising of SOEs
- Follow up of MOUs in relation to post privatized SOEs and assist to solve relevant issues
- Assist and participate to Committee on Public Enterprises (COPE) in Parliament

<sup>1</sup>State Owned Enterprises are Public Corporations, Statutory Boards or any other entity vested with the government under any written law and Companies which have majority ownership to the government, registered under the Companies Act which carry out commercial or non – commercial activities.

<sup>2</sup> State Owned Business Enterprises are those State Owned Enterprises engaged in business activities and generate revenue by way of sale of goods or services.

<sup>3</sup> Financial Statements of the Ceylon Fisheries Corporation has not been finalized.

## **2. PED'S MAIN ACTIVITIES DURING 2018**

The PED plays either shareholder functions or over sighting function in terms of the conduct of State Owned Entities. In order to discharge the main functions, the PED engages with issuing guidance for ensuring good governance, strength performance monitoring mechanism and thereby to safeguard the public interest.

### **2.1. ENSURE GOOD GOVERNANCE**

#### **a) Issuance of Circulars and amendments to the Guidelines**

As a foremost tool of delivering its duties and responsibilities as a monitoring and supervising agency of SOEs, the PED issued three Circulars in order to articulate policy directives and guidance to enhance the corporate governance of SOEs in Sri Lanka. Key areas addressed through those Circulars are;

- I. PED 01/2018 Procurement of Motor Vehicles for the State Owned Enterprises (SOEs)
- II. PED 02/2018 Investment of Surplus Funds
- III. PED 03/2018 Payment of Bonus to Staff of Government Corporations and fully Government owned Companies for year 2018

(b) Moreover, the policy unit of the PED has resolved and answered in writing over 200 policy issues referred by different SOEs during the year. In addition, officers in policy unit helped SOEs to improve their corporate governance by advising through telephone on their request in day to day basis.

(c) The PED exercised its authority granted by the Guidelines/Circulars issued by the MOF in granting approvals for purchase of vehicles, foreign travels, budgetary provisions, and cash releases.

(d) A Conference for Chairmen of the SOEs on good governance of SOEs and An awareness programme for Treasury Representatives on government rules and regulations applicable for SOEs were organized by the PED in 2018.

(e) The PED engaged with the Energy Pricing reform mission of the IMF during 2018 and awareness programs were conducted collaborating with the IMF, CEB, CPC and Public Utility Commission of Sri Lanka (PUCSL).

(f) PED liaised with the Ministry of Finance (MOF) to obtain MOF's concurrence for activities and operations of SOEs where necessary as per the Finance Act, Financial Regulations or PED circulars. After analyzing of the requests made by SOEs and considering their conformity with government policies, recommendations were made by PED to MOF. These include authorization of capital expenditure, enhancing of borrowing limits, tariff revisions etc.

(g) Dividends and Levies were collected from SOEs on behalf of the MOF In 2018, SOEs amounted to Rs. 41,828 million comprising Rs. 37,230 million as levy and Rs. 4,598 million as dividends. Further, two revenue accounts for the year were prepared.

(h) One of the priority of action of this department is to prepare observations of the Hon. Minister of Finance after careful scrutiny of the Cabinet Memorandums submitted by various Ministries in relation to the matters pertaining to the State Owned Enterprises (SOEs).

**Table 2.1: Cabinet Observations submitted by PED during 2018**

<b>Sectors</b>	<b>No. of Cabinet observations submitted</b>
Services	115
Industry	53
Agriculture	40
Policy	15
<b>Total</b>	<b>223</b>

*Sources: Department of State Owned Enterprises*

- (i) PED followed up submission of Annual Reports by SOEs in Parliament and also submitted the observations of the Minister of Finance after analyzing finance and operational performance of the SOEs. A list of Annual Reports submitted in parliament during the 2018 is in Annex II.

## **2.2. PERFORMANCE MONITORING**

- (a) With a view to enhance the performance of SOEs, the PED introduced the concept of SCI, the tripartite agreement containing key performance indicators targeting the key activities of the entity in 2017. This was initiated with five Key SOBEs, Ceylon Petroleum Corporation (CPC), Ceylon Electricity Board (CEB), Sri Lanka Ports Authority (SLPA), Airport and Aviation Services (Sri Lanka) Limited (AASL) and National Water Supply and Drainage Board (NWS&DB). Such SCIs are monitored by PED and the PED submits progress report to the Cabinet of Ministers periodically.
- (b) Subsequently, followed by the approval of the Cabinet of Ministers, it was planned to sign SCIs with another 10 selected SOBEs, Sri Lanka State Plantation Corporation, Urban Development Authority, Lanka Sathosa (Pvt) Ltd, Central Engineering Consultancy Bureau, State Timber Corporation, Kurunegala Plantation Pvt Ltd, State Pharmaceuticals Corporation, Milco (Pvt) Ltd, National Livestock Development Board and Geological Survey and Mines Bureau by end October 2018. However, the signing of the SCIs was postponed due to the political tension erupted in the latter part of 2018. It is planned to sign the 10 SCIs by end May 2019.
- (c) Staff of the PED has arranged/attended numerous meetings, chaired by Hon. Minister of Finance, Secretary to the Treasury, Deputy Secretary to the Treasury or the Director General of the PED with Boards of Directors/ Senior Management of SOEs to review and discuss progress, performance, and make arrangements to resolve operational issues etc.

## **2.3 SAFE GUARD THE PUBLIC INTEREST**

- (a) Assistance to COPE Proceedings

The progress to follow up actions taken by the SOEs on directions/recommendations given by the COPE was regularly monitored. A details list of COPE attendance in 2018 is given in Annex I.

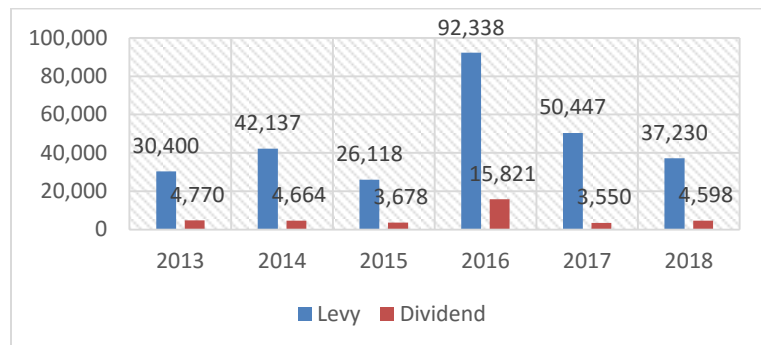
- (b) PED officials represented the Treasury at shareholder meetings, Annual/Extraordinary General Meetings of SOEs and provided directions to the management on improving the performance of SOEs in line with the government policy framework.

### 3. PURVIEW OF PUBLIC ENTERPRISES DEPARTMENT ON PHYSICAL PERFORMANCE OF SOES

#### 3.1. PAYMENT OF DIVIDEND/LEVY TO THE TREASURY

In 2018, SOBEs contributed to the national economy by way of non-tax revenue amounting to Rs 41,828 million comprising Rs. 37,230 million as levy and Rs. 4,598 million as dividends, a decline by 22 percent compared to Rs. 53,997 recorded in 2017. A list of dividends and levies collected during 2018 is given in Annex III.

**Table 3.1: Levy/Dividend from 2013-2018**



#### 3.2 BUDGETARY SUPPORT FOR SOEs

The government channeled Rs. 73 billion as transfers from the budget to support restructuring and expansion of business activities of SOEs during 2018.

#### 3.3. FINANCIAL OUTLOOK OF THE STRATEGICALLY IMPORTANT SOBES

The PED collects and analyzes financial information from SOEs periodically and based on the results, review meetings were held with Board of Directors, and/ or the management of SOEs.

### 4. PERFORMANCE OF SOBES

**Table 4.1: Performance of SOBES and Recommendations made by PED**

Sector	Performance of SOBES	Remarks
Energy Sector Ceylon Electricity Board (CEB)	In 2018, CEB has moderately improved its performance by the reduction of operating loss by Rs. 17 billion benefiting from the heavy rains in the water catchment areas. The operating loss in 2018 was Rs. 30 billion, compared to the loss of Rs. 47 billion in 2017. CEB's borrowings have considerably rose to Rs. 62 billion at end 2018 from Rs. 2.5 billion in 2017. However, CEB's debt outstanding to CPC and Independent Power Plants (IPPs) have reduced due to the payments made through borrowings from the state banks.	In June 2018, The Public Utility Commission of Sri Lanka (PUCSL) granted approval for Long Term Generation Expansion Plan for 2018-2037 in line with the government policy to generate 30 percent of Liquefied Natural Gas (LNG), by 2030. Further, government has proposed to invest in improved technologies to use Non – Conventional Renewable Energy (NCRE) sources such as high efficient super critical coal power, LNG, nuclear power and indigenously available natural gas. Accordingly, CEB and Ministry of Power, Energy and Business Development have taken measures to implement LNG projects as Government to Government (G2G) projects.

Sector	Performance of SOBEs	Remarks
<p>Ceylon Petroleum Corporation (CPC)</p>	<p>The CPC's net loss widened to Rs. 104 billion in 2018 owing to the exchange rate variation of Rs. 82.7 billion. The continuation of depreciation of LKR against US\$ has a negative impact on the operating and financial performance of the CPC. In 2018, the CPC sold 5,626.4 Mn Lts which is a 0.6 percent increase from 5,591.8 Mn Lts sold in 2017. However, CPC's total revenue increased by 16 percent in 2018 mainly due to the implementation of cost reflective price formula since May 2018. However, the formula has not covered the full cost of the CPC which has adversely affected to its financial position.</p> <p>Non receipt of government outstanding debts and the depreciation of Rupee against the US\$ has pushed the CPC towards bank borrowings of Rs. 562 billion, an increase of Rs. 224 billion against 2017.</p> <p>Although, CPC recorded an operating loss of Rs. 22 billion, the exchange rate variation of Rs. 82.7 billion was the main reason for the CPC's net loss to worsen to Rs. 104 billion. The fluctuation in foreign currency affected the import material &amp; purchase and service obtained from various parties in foreign currency.</p>	<p>It is envisaged that the government needs to take required policy measures to mitigate the possible external risk of increasing trend of oil prices in future, resulted by the market forces, which may create more adverse macroeconomic impact to the country.</p> <p>Finance charges also has a considerable impact on the bottom line profit of the entity. Therefore CPC should explore the possibility of managing their exposure to two state banks in prudent manner.</p>
<p><b>Water Sector</b></p> <p>National Water Supply and Drainage Board (NWS&amp;DB)</p>	<p>With the introduction of 6 new water supply schemes, 109,382 new connections were added to the system totalling 2,328,654 water supply connections at end 2018.</p> <p>The NWS&amp;DB distributed 527 million m<sup>3</sup> of water through 2.3 million water supply connections reflecting an increase of 3.7 percent compared to 2017.</p> <p>In 2018, NWS&amp;DB collected a revenue of Rs. 24,806 million, a 4 percent increase compared to 2017 amidst the increase in production cost by 11 percent. The NWS&amp;DB recorded a significant loss of Rs. 568 million in 2018 against the profit of Rs. 1,877 million recorded in 2017. This was mainly due to the increase in personal cost by 14 percent and finance cost by 1,923 percent. Reflecting the undertakings of new projects, the total assets of NWS&amp;DB increased to Rs. 514,386 million in 2018, compared to Rs. 441,143 million in 2017.</p> <p>The government has provided capital infusion amounted to Rs. 31,895 million along with the Treasury Guarantees and letters of comfort, considering the liquidity issues faced by the entity due to non-revision of tariff since 2012.</p>	<p>With the assistance of International Financial Corporation, the Board also launched its first ever BOOT project in Welivita, under private public partnership (PPP) to address the burning issue of water shortages in Town East Colombo, in line with the objective of achieving the total piped borne water coverage to 60 percent by 2020. World Bank works as the transaction advisor to the project. In addition, large scale water supply and sewerage projects such as Greater Dambulla, Katharagama Sacred City and Greater Kurunegala were completed in year 2018.</p> <p>Further, the board has taken initiatives to establish a NRW cell to monitor and manage NRW Island wide with a pro-active intervention and upgrade the Regional Support Centres as Strategic Business Unit to manage assets and control the NRW below 18 percent. However, the Board faces challenges in meeting adequate investments to achieve the water supply and sewerage coverages as targeted.</p>



Sector	Performance of SOBEs	Remarks
<p><b>Commuter Transportation Sector</b></p> <p>Sri Lanka Transport Board (SLTB)</p>	<p>In 2018, the total operational revenue of the SLTB declined by 9 percent to Rs. 30,823 million in 2018 and other income also declined by 2 percent to Rs. 12,064 million. Operated kilometres of the SLTB declined to 446 kilometre millions in 2018 from 448 kilometre million in 2017. Average buses operated per day, decreased by 1 percent in 2018. In 2018, the total expenditure of SLTB declined by Rs. 3,447 million to Rs. 39,957 million, due to the reduction of the overhead cost resulted by the provisioning of the Volunteer Retirement Scheme (VRS) for 3,822 number of employees of SLTB. The General Treasury has provided assistance amounting to Rs. 1,217 million to the SLTB, an increase of 26 percent compared to 2017. Consequently, the SLTB recorded a profit of Rs. 2,169 million at end 2018.</p>	<p>The SLTB, Ministry of Transport and Civil Aviation, Strategic Enterprise Management Agency (SEMA), SLTB, and the General Treasury formulated a business plan by integrating a self-developed ERP system, based on the profit centre concept and the concept of family ownership of busses that promotes to trim down the operational inefficiencies. Accordingly, it is expected to enlarge the SLTB's profitability in 2019 onwards.</p> <p>It is expected to sign SCI among the General Treasury, Ministry of Transport and Civil Aviation and the Board of Directors of the SLTB, by which the monitoring process of the SLTB performances will be strengthened.</p>
<p><b>Aviation Sector</b></p> <p>Airport &amp; Aviation Services (Sri Lanka) Ltd.(AASL)</p>	<p>AASL's operational performance improved during 2018 due to the increase in number of flights at BIA and MRJA, passenger movements and average passenger per flight by 7 percent, 9 percent and 2 percent respectively, over 2017. As a result, the Aeronautical revenue and the Non-Aeronautical revenue increased by 13.3 percent and 24.3 percent respectively compared to 2017.</p> <p>The expenditure of AASL has increased at a higher rate of 67 percent during 2018. This was mainly due to the increase in personal emoluments by 16 percent, exchange loss on loan conversion by 435 percent and finance expenses by 52 percent. Accordingly, AASL's Net Profit before Tax reduced to Rs. 10,458 million, by 3 percent over 2017.</p> <p>Although, loans obtained during the year was amounted to Rs. 1,391 million, the exchange loss on translation, totalled at Rs. 8,182 million caused AASL's borrowings to rise by Rs. 6,428 million during 2018.</p>	<p>The Cabinet of Ministers has already granted the approval for the development of the airport of Palali as a domestic airport where AASL will be the future operator utilizing the funds worth of Rs. 1,950 million out of which, Civil Aviation Authority of Sri Lanka (CAASL) and Tourism Development Fund will bear the cost of Rs. 900 million and Rs.1, 050 million, respectively.</p> <p>As the external factors of exchange rate fluctuations has adversely affected the performance and the financial position of the AASL, conscious risk mitigation strategies should be implemented by the Company in order to reduce the impact of exchange risk.</p>
<p>Sri Lanka Airlines (SLA)</p>	<p>In 2018, revenue generated by the SLA increased by 18 percent to Rs. 161,654 million, compared to Rs. 135,464 million in 2017 due to the increase in passengers.</p> <p>Fuel cost for the SLA is averaged at 32 percent whereas it makes up an average of 21 percent of operational cost of SLA which is far above the industry average of 21 percent. During the financial year 2017/ 2018, SLA spent a cost of Rs. 47,037.86 million on Aircraft Fuel from 29 percent of the earned income. SLA spent on average 15 percent of the operational cost as employee cost and the crew expenses. This attributed to 16 percent of the total revenue earnings of the company. SLA has spent Rs.</p>	<p>Peoples' Bank and Bank of Ceylon as well as Sovereign Guarantee issued for the International Bond. These have become obvious liabilities for the government as the company was unable to repay at least a single instalment for 2 consecutive using internally generated funds of SLA.</p> <p>Restructuring attempt undertaken by the SLA with the assistance of International Air Service Consultant became unsuccessful due to its inability to reduce losses. SLA has lost some of the valuable parking slots and routes which used to give indirect economic benefits by this attempt.</p>

Sector	Performance of SOBEs	Remarks
	<p>25,726.29 million on Rentals on Leased Aircraft which is 14 percent of the total operational cost. Although usual operational costs of a company is variable, most of SLA's operational costs have fixed elements which highly affects the financial leverage of the company.</p>	<p>A severe restructuring attempt needs to be carried out to reduce the potential unbearable loss to the government coffers. In view of this, the ability to implement the proposals submitted by the "Expert Committee" appointed by His Excellency the President in early 2019 may be taken into consideration immediately.</p>
<p><b>Port Sector</b></p> <p>Sri Lanka Ports Authority (SLPA)</p>	<p>The cost structure of the SLPA increased significantly in 2018: direct expenditure increased by 5 percent in 2018; direct salaries and wages and direct overtime cost increased by 18 percent and 25 percent, respectively mainly due to the collective agreement renewal in January 2018; administrative expenditure increased notably by 69 percent from Rs.7.9 billion to Rs.13.4 billion mainly due to the administrative staff salary and overtime costs and sundry expenditure.</p> <p>The profits of SLPA were impacted by the exchange rate loss due to the devaluation of rupee during the year. SLPA's profit before tax has reduced by 65 percent to Rs. 4.2 billion in 2018 from Rs. 11.9 billion in 2017 and profit after tax declined by 88 percent to Rs. 1.4 billion in 2018 from Rs.12 billion in 2017.</p>	<p>Several measures have been taken to increase the capacity, change in the competition dynamics between the ports competing with the Port of Colombo and respond to the changes occurring in the shipping industry strategically.</p>
<p><b>Construction Sector</b></p> <p>State Engineering Corporation (SEC)</p> <p>Central Engineering Consultancy Bureau (CECB)</p> <p>State Development and Construction Corporation (SD&amp;CC)</p>	<p>Although, SEC, CECB and SD&amp;CC undertake most of the government contracts, these enterprises contributes only 0.1 percent to the construction industry considering the turnover of Rs. 16,373 million.</p> <p>In 2018, revenue of SEC has increased by 7 percent to Rs. 3,176 million in 2018 from Rs. 2,960 million in 2017 and expenditure has also increased by 3 percent. SEC recorded a loss of Rs. 1,024 million in 2018 which is an increase of 9 percent compared to 2017. SEC's receivables of Rs. 2,182 million in 2017 has decreased by 75 percent to Rs. 547 million in 2018.</p> <p>Revenue of CECB decreased by 26 percent to Rs. 10,128 million in 2018 from Rs. 13,691 million in 2017 whereas profit declined by 16 percent to Rs. 531 million in 2018, compared to the profit of Rs. 633 million in 2017. Total receivables of CECB stood at Rs. 6,494 million at end 2018, a decrease over the receivables of Rs. 8,476 million in 2017.</p> <p>Total revenue of SD&amp;CC's increased by 21 percent to Rs.3,069 million, compared to the previous year while net profit increased to Rs. 15 million from Rs. 12 million in 2017. The Cabinet of Ministers has granted approval to extent the</p>	<p>Since, liquidity constraints of SD &amp; CC and SEC affect the day today activities of the institutions, action should be taken to collect the outstanding debts and to mitigate the deficiencies in contract management.</p> <p>It is a timely requirement to adopt new construction practices and processes with new investments to compete with private sector, these three SOBEs are experiencing a liquidity constraints mainly due to the delay in receiving payment from government institutions for the works completed.</p>

Sector	Performance of SOBEs	Remarks
	Treasury Guarantee of Rs. 400 million up to 06.12.2018 which is obtained for permanent overdraft facility.	
<b>Banking Sector</b>	<p>The two licensed commercial banks and six licensed specialized banks in Sri Lanka continued to dominate the country's banking sector accounting for almost 44 percent of the total assets in the banking sector in 2018. The Bank of Ceylon (BOC), People's Bank (PB) and National Savings Bank (NSB) alone possess assets over Rs. 5.04 trillion, accounting 43 percent of the total assets in the banking sector in 2018.</p> <p>State Banks accounted for 45 percent of the lending portfolio of the banking sector at Rs. 3.5 trillion as at end 2018, an increase of 25 percent compared to 2017. The deposit base of the state banks increased by 10 percent to Rs. 4.2 trillion as at end 2018 which is almost half of the total deposit base of the banking sector.</p> <p>To strengthening the capital base to meet the Basel III provisions, government infused capital of Rs. 5 billion to BOC. In line with the Budget Proposal 2016, Lankaputhra Development Bank was acquired by the Regional Development Bank on 31.12.2018.</p>	<p>In line with a 2018 Budget Proposal, Government made a capital infusion of Rs. 5 billion to BoC with the objective of strengthening the bank's Balance Sheet to meet the Basel III provisions. Fitch Rating (Lanka) re-affirmed AA+ (lka) national long term rating for BOC with a stable outlook for 2018.</p> <p>In 2018, the people's bank has introduced many new initiations such as School Banking Units with CDM, self-banking units. Fitch Rating (Lanka) affirmed AA+ (lka) national long term rating for PB with a stable outlook for the year 2018.</p> <p>In order to meet the Basel III provisions through a strong balance sheet, NSB increased its share capital by Rs. 2.7 billion in 2018 by utilizing the Unclaimed Deposit Reserve. NSB retained the AAA (lka) credit rating by Fitch Ratings (Lanka) for the sixteenth consecutive year in 2018.</p>
<b>Marketing &amp; Distribution</b> Hotel Developers Lanka PLC (HDL)	HDL's revenue decreased to Rs. 2,910 million in 2018 from Rs. 3,015 million in 2017 by 3.4 percent. HDL recorded a loss of Rs. 126 million in 2018 compared to the profit of Rs. 173 million recorded in 2017.	Formulate flexible pricing packages in order to attract local tourists for each spending year
Sri Lanka Handicraft Board (Laksala)	SLHB's revenue declined in 2018 by 2 percent in comparison with the previous year. Ultimately, the SLHB recorded a profit before tax of Rs. 18 million in 2018, which is a 24 percent decrease in comparison with the previous year.	<p>Attractive sales outlets should be established to obtain maximum benefit from the tourism industry.</p> <p>Formulate proper strategic plan to the institute being sustainable.</p>
State Timber Corporation (STC)	<p>Revenue of STC has decreased slightly by 4 percent to Rs. 4,069 million in 2018 over Rs. 4,253 million recorded in 2017. Timber logs represents approximately 64 percent of the revenue.</p> <p>Total expenditure of STC has increased by 13 percent to Rs. 1,680 million in 2018 from Rs. 1,486 million in 2017. STC has continued to be a profitable entity recording a profit of Rs. 322 million in 2018. However, STC has reported operational profit of only Rs. 8 million from its Co- business actives in 2018.</p> <p>STC's cost of sales accounted for 52 percent of the total turnover resulting Rs. 1,965 million gross profit on operation in 2018. STC's contribution to the consolidated fund as Levy was amounted to Rs. 100 million in 2018</p>	<p>Diversify their product portfolio to mainly furniture and sawn timber through the SCI.</p> <p>Undergo a cadre revision and introduce proper recruitment policies and enhance the profitability of the organization through a competent workforce.</p> <p>Take necessary measures to ensure the viability of the industry by focusing more on eco-friendly products to cater to niche market demands which in turn gives higher profit margins.</p>

Sector	Performance of SOBEs	Remarks
STC General Trading (STC)	Total revenue of STC in 2017/18 has increased by around 16 percent in comparison with the previous year. STC recorded a profit before tax of Rs. 88 million, which is a 94 percent improvement in comparison with 2016/17.	Develop new strategies to promote its product in markets with considering demand of goods.
State Printing Corporation (SPC)	SPC's revenue has reduced by 27 percent mainly due to the decrease in the income generated from school text book printings and stationery printing work. Accordingly, the loss before tax has increased to Rs. 406 million in 2018 from the loss of Rs. 243 million in 2017. Increase in finance cost and administrative expenses were the other major reasons for the expansion of loss.	The corporation needs further improvement in working capital management to reduce its finance cost and improve its profitability. SPC needs to move for a strategic business model to be a profitable entity and undergo a cadre revision and introduce proper recruitment policies.
<b>Insurance Sector</b>  Sri Lanka Insurance Corporation (SLIC)	SLIC recorded a revenue of Rs. 43,883 million in 2018, which is an 11.4 percent increase compared to Rs. 39,400 million recorded in last year. Gross Written Premium (GWP) has marginally increased by 0.95 percent to Rs. 31,727 million in 2018 from Rs. 31,438 million total GWP in 2017. The GWP from life insurance business increased by 5.5 percent to Rs. 13,206 million from Rs. 12,517 million in the previous year. SLIC reported a GWP of Rs. 18,521 million for non-life insurance in 2018 which was 2.1 percent decrease compared to Rs. 18,921 million in 2017. Meanwhile, the SLIC has contributed Rs. 1,856 million to the Consolidated Fund in 2018 by means of dividends.	SLIC should continuously develop new products to meet the customer needs and to face the intense competition in the insurance industry.
<b>Livestock Sector</b>  MILCO (Pvt) Ltd	Raw milk collection of MILCO has decreased from 96 million litres to 91 million litres, which is around 5 percent slump over the previous year. MILCO has paid an average price of Rs. 68.71 per litre in 2018 compared to Rs. 68.52 per litre paid in 2017. MILCO increased sales by 13.33 percent, supported by the product diversification, and increasing of milk production at restructured Digana and Polonnaruwa and Ambewela milk processing factories.	In 2019, it is expected to sign the SCI between the General Treasury, MILCO and relevant line Ministry which would be a mechanism for enhancing the operational and financial, performance of the MILCO within an agreed period in line with the macroeconomic policy framework of the Government.
National Livestock Development Board (NLDB)	When compared to the Rs. 840 million loss in the year 2017, NLDB has recorded a loss of Rs. 512 million in the year 2018. In addition, NLDB has recorded a decrease in both total expenditure and turnover by 2.3 percent and 7.7 percent respectively in 2018.	In addition to the on-going development programs, NLDB has initiated several other programs in 2018 including an establishment of dairy processing plant at Welisara farm at a cost of Rs. 28.36 million and importation of swine, cattle, and lamb seamen at a cost of Rs. 12.2 million in order to upgrade the current herd of the Board.

Sector	Performance of SOBEs	Remarks
<b>Plantation Sector</b>	<p>The JEDB, SLSPC and EPL own 11,695 ha, 11,757 ha and 4,083 ha of lands, respectively. JEDB, SLSPC, EPL engage in both tea and rubber plantation. KTFL is operating four tea factories namely Kalubovitiyana, Menikdiwela, Derangala and Hiniduma. KPL and CPL manage 4,002.5 ha of coconut lands and 3,804 ha of coconut lands, respectively.</p> <p>In 2018, coconut production of KPL totalled to 12.5 million of nuts and total coconut palms managed around 422,000 palms which represent almost 80 percent of the total land used by the company. In 2018, the average yield per hectare of KPL was 4,018 nuts and profit per hectare was Rs. 75,645. In 2018, CPL produced 8.1 million of nuts and net average sales of 1,000 nuts was Rs. 35.8 per nut.</p>	<p>With the expectation of improving the productivity of the land utilization, KPL implements intercrop programs and out growers' programs resulting the earning of Rs. 25 million from other crops which represents 4 percent of the total revenue. Further, KPL and SLSPC will be made under the Statement of Corporate Intent (SCI) project to improve their operational, financial and service delivery performances.</p>
<b>Non Renewable Resources</b>  Lanka Mineral Sands Limited (LMSL), Kahatagaha Graphite Lanka Ltd (KGLL), Lanka Phosphate Limited (LPL)	<p>Revenue increased by 6.9 percent to Rs. 1,665 million in 2018 from Rs. 1,557 million in 2017. The profit increased to Rs. 652 million in 2018 from Rs. 535 million in 2017.</p> <p>There is a decline in the revenue to 119 million 2018/19 from 123 million in 2017/18 by 3.2 percent. With the decrease in expenditure by 39 percent during the year 2018/19, KGLL has been able to record a profit of Rs. 31 million in 2018/19 over the profit of 24 million recorded in 2017/18.</p> <p>Eventhough, LPL has recorded a profit of Rs. 26 million in 2018/2019, this shows a decline of 31 percent compared to the profit of Rs. 38 million recorded in year 2017/2018 due to the decrease of revenue to Rs. 412 million in 2018/19 from Rs.493 million.</p> <p>The production of 46,857 MT in 2017/18 has decreased to 44,363 MT in 2018/19</p>	<p>Value addition is a competitive advantage on the existing products and should explore the possibilities of direct selling to end users.</p> <p>KGLL should explore the possibilities of value adding to the end product and gain the advantage of price setter.</p> <p>LPL need to explore the possibilities of new product and to find new market avenues for sustainable development.</p>
<b>Health Sector</b> Sri Lanka Ayurvedic Drugs Corporation	<p>SLADC's total revenue increased by 16.7 percent to Rs. 675.87 million in 2018. SLADC recorded a profit before tax of Rs. 32.8 million during 2018. It is a 46.6 percent decline compared to 2017.</p>	<p>Scarcity of herbs as raw material has been a major challenge for SLADC. SLADC should expand its herbal cultivation to ensure smooth flow of raw materials while using modern processing method to improve productivity. Further, the production, distribution and promotion of Ayurveda drugs should be enhance.</p>
State Pharmaceutical Manufacturing Corporation (SPMC)	<p>SPMC was able to increase its revenue by 45.57 percent to Rs. 4,621.54 million in 2018 over Rs. 3,174.61 million in 2017. Although, SPMC continued to be a profitable entity recording a profit of Rs. 359.68 million in 2018, it is an increase of 11.7 percent compared to Rs. 321.98 million in 2017.</p>	<p>SPMC has Introduced new formulas for the drug industry to control the high dependency on importation of drugs. SPMC has signed joint agreement with manufacture company to expand local pharmaceutical industry.</p>

Sector	Performance of SOBEs	Remarks
State Pharmaceutical Corporation (SPC)	SPC's income increased by 19.4 percent to Rs. 38,895 million in 2018 compared to Rs. 32, 563 million recorded in 2017. Profit before tax increased by around 9 percent in year 2018, compared 2017.	Considering the demand pattern of the pharmaceutical industry, the sound system needs to ensure that the procurement process is done through a modern database. Adopt procedures with regard to the expired drugs and expansion of the storage facilities. SPC has increased demand of general public on use of generic drug.
Sri Jayawardenepura General Hospital	SJGH has recorded a Rs. 123 million Profit before tax for the year 2018 over the loss recorded amounted to Rs. 144 million in 2017. Budgetary Support has been made to SJGH during 2018, its 40 percent of total revenue in year 2018.	Sri Jayawardenapura General Hospital (SJGH) is the only fee levying state hospital and tertiary referral center which provides curative health service as well as educational training facilities for undergraduate and postgraduate medical students.
<b>Media</b> Sri Lanka Broadcasting Corporation	SLBC's revenue has Sales decreased by 5 percent in year 2018. Budgetary support of Rs. 380 million was granted to SLBC for capital and recurrent expenditure during the year 2018.	In order to improve its viability, SLBC should implement strategies to expand and diversify its customer base to increase market share and introduce new technologies to rationalize its operations.
Sri Lanka Rupavahini Corporation	SLRC has recorded net profit of Rs. 188 million including Treasury Grant of Rs. 479 million in Year 2018. The amount of Rs. 193 million of net loss was recorded in year 2017. Revenue income decreased by 4 percent and administrative expenses increased by 9 percent compared to year 2017.	SLRC should adopt strategies to improve the quality of their programmes and to expand the coverage with the aim of increasing its customer base to incline the market share.
Independent Television Network	ITN incurred a net loss of Rs. 627 million, which is almost a 112 percent increase over the loss of Rs. 295 million recorded in 2017. Revenue also decreased by 16 percent in year 2018 compared to the year 2017.	ITN should implement strategies to improve the quality of their programs to attract more viewers.
<b>Fisheries</b> Ceylon Fisheries Corporation (CFC)	CFC recorded a profit before tax of Rs. 43 million in 2018 compared to Rs 37 million profit of the last year.	Absence of a proper business plan to improve sales and margins.
Ceylon Fisheries Harbours Corporation (CHFC)	During the year 2018, CFHC's operational revenue increased to Rs. 120 million by 26 million compared to 2017 However, with the increase in the expenditure, CFHC's losses increased to Rs. 70.5 million.	Absence of a proper strategic plan to at least reach breakeven in the short to medium term
<b>Fertilizer</b> Colombo Commercial Fertilizer Co. Ltd (CCFL)	CCFL's was able to increase its revenue by 156 percent to Rs. 2,111 million in 2017/18. The profit of CCFL increased to Rs. 290 million from Rs.70 million which is 3 times growth in comparison with 2016/17	Reengineer the marketing division appropriately to compete with the private sector.
Ceylon Fertilizer Co. Ltd. (CFC)	Total revenue increased to Rs. 3,373 million from Rs. 2,350 million as well the cost of sale increased to Rs. 3,342 million from Rs. 2,119 million. Ultimately, the CFC recorded decline of profit before tax by 69 percent to Rs. 39 million in 2017/18 comparison with 2016/17.	Reengineer the marketing division appropriately to compete with the private sector.

Sector	Performance of SOBEs	Remarks
<b>Lotteries</b> National Lotteries Board (NLB)	NLB recorded revenue of Rs. 20,439 million in 2018, an increase of 22 percent compared to 2017. As a result, NLB's profit was strengthened by 66 percent from Rs. 624 million in 2017 to Rs. 1,038 million in 2018. Prizes declared by NLB grew by 23 percent to Rs. 9,834 million in 2018 from Rs. 7,995 million in 2017.	In order to go in line with the objectives of the NLB, while increasing the contribution to the Consolidated Fund, the entity should improve the strategies necessary for increasing the revenue and reduction of the cost.
Development Lotteries Board (DLB)	DLB's net sales increased by 11.8 percent to Rs. 15,584 million in 2018 from Rs. 13,981 million in 2017. DLB recorded a profit before tax amounted to Rs. 2,735 million in 2018, a 17 percent increase over 2017. Furthermore, DLB's budgeted sales in 2019 amounts to Rs. 17,717 million.	It seems that the sales related cost has increased significantly over the previous year. Therefore, DLB should investigate the possibilities of reducing the sales relative cost down to an acceptable level

Sources: State Owned Enterprises and the Department of Public Enterprises

## 5. STAFF STRENGTH OF THE DEPARTMENT

Human Resources of the Department of the Public Enterprises were strengthened during the year 2018 having 70 total numbers of employees. During the year, one officer was working as a trainee Development officer while 05 trainees who were joined to the department from the Advanced Technology Institute were supervised

### 5.1. STAFF OFFICERS' PROFILE 2018

**Table 5.1: Staff Officers' Profile 2018**

	Name	Designation	Service
1	Mr. N K G K Nemmawatte	Director General	SLAS
2	Mr. H H Kasthuriarachchi	Addl. Director General	SLAS
3	Mr. P H A S Wijayarathne	Addl. Director General	SLPS
4	Ms. D.C.W Hapugoda	Addl. Director General	SLPS
5	Mr. T V Weerasena	Director	SLAc.S
6	Mr. P A S Athula Kumara	Director	SLAc.S
7	Mrs. M C N Balasooriya	Director	SLAc.S
8	Mr. M R V R Meepura	Director	SLAc.S
9	Mr. H A N S Kumara	Director	SLAc.S
10	Mr. R M Wijesinghe Banda	Director	SLPS
11	Mrs. J A Rushniya	Director	SLAS
12	Mr. K K S A Perera	Director	SLAS
13	Mrs. J P P Liyanage	Deputy Director	Departmental
14	Mrs. K V C Dilrukshi	Deputy Director	SLAc.S
15	Mr. R A L U Kumara	Assistant Director	SLAc.S
16	Mr. K S M de Silva	Assistant Director	SLAc.S
17	Mrs. D Gamage	Assistant Director	SLAc.S
18	Mrs. W K D Danstan	Assistant Director	SLAc.S
19	Mrs. A R Wickremasinghe	Assistant Director	Departmental
20	Mr. Chathura Samarasinghe	Assistant Director	SLAS
21	Mrs. H C M Fonseka	Assistant Director	SLPS
22	Mrs. W E Godagama	Assistant Director	SLAc.S
23	Mrs. S. Hettiarachchi	Assistant Director	SLAc.S

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24	Mrs. T. Sarath Kumara	Assistant Director	SLAS
25	Mr. N.M.S.P. Karunadasa	Assistant Director	SLAc.S
26	Mrs. E.G.H.M. Ranasinghe	Assistant Director	SLAc.S
27	Mrs. T.D.R. Prabodani	Assistant Director	SLAc.S
28	Ms. K.A.C. Priyadarshani	Assistant Director	SLAc.S
29	Mrs. K V D T N Wijegunaratne	Administrative officer	PMAS

*Source: Department of Public Enterprises*

*SLAS- Sri Lanka Administrative Service*

*SLPS- Sri Lanka Planning Service*

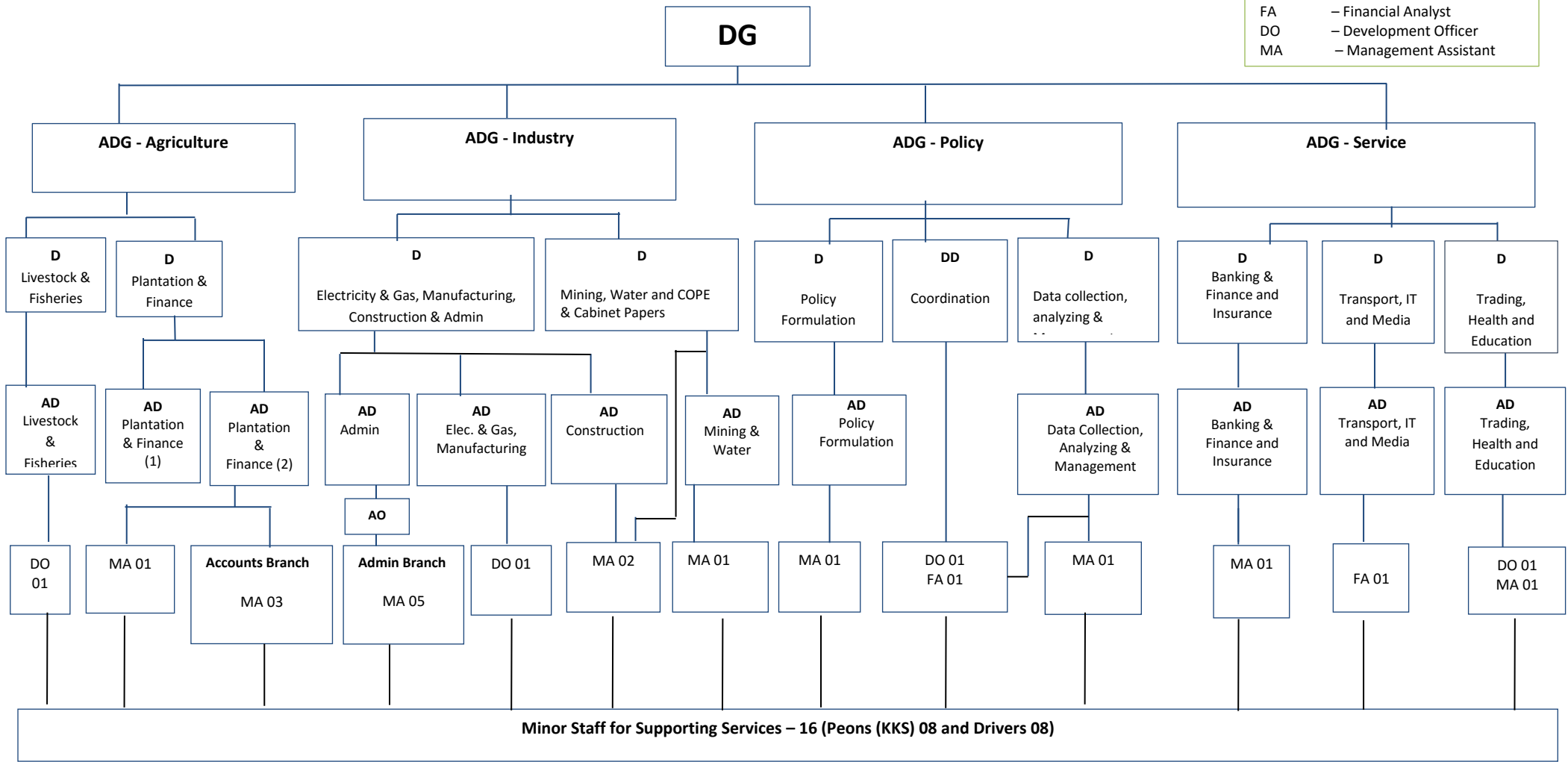
*SLAc.S- Sri Lanka Accountants' Service*

*PMAS- Public Mgt. Assistants' Service*



## 5.2 ORGANIZATIONAL STRUCTURE

- DG – Director General
- ADG – Additional Director General
- D – Director
- DD – Deputy Director
- AD – Assistant Director
- AO – Administrative officer
- FA – Financial Analyst
- DO – Development Officer
- MA – Management Assistant



**Table 5.2: Transfers During 2018**

Designation	Number	
	to PED	from PED
DG	-	-
ADG	-	-
Director	01	01
Deputy Director	-	-
Assistant Director	01	03
Administrative Officer	-	-
ICT Officer	-	-
Development Assistant	-	-
Financial Analyst	-	-
Management Assistant	05	06
Driver	01	02
KKS	01	01

Source: Department of Public Enterprises

**Table 5.3: Cadre Profile as at 31.12.2018**

Designation	Approved Cadre	Existing Cadre	Vacant	Excess
Director General	01	01	-	-
Additional Director General	04	03	01	-
Director - 09	10	09	01	-
Director (Departmental) - 01				
Deputy Director (Departmental)	02	02	-	-
Deputy Director /Assistant Director - 14	15	13	02	-
Assistant Director(Departmental) - 01				
Administrative Officer	01	01	-	-
Development Officer	07	05	02	-
I C T Officer	01	-	01	-
Financial Analyst	03	03	-	-
Management Assistant	18	17	01	-
Receptionist	01	01	-	-
Driver	08	07	01	-
KKS	08	08	-	-
<b>Total</b>	<b>79</b>	<b>70</b>	<b>09</b>	<b>-</b>

Source: Department of Public Enterprises

### 5.3. STAFF TRAINING PROVIDED DURING 2018

PED provided local and foreign training programmes to its staff to enhance the skills of officers throughout the year. Details are given in the following table.

**Table 5.4: Staff Training (Seminars/ Courses /Workshops) in the year 2018**

	Title of the training	No. Of participants	Duration
Local	Diploma in English for Junior Executives –DEJE Level 1/Level 2	02 -DO/PMA	Level 2 – 3 months Level 3 – 3 months
	Master of Public Management (MPM) Degree Programme 2015-2017	01 - AD	To July 2018
	Diploma in English for Junior Executives –DEJE Level 1, Level 2	01 -PMA	From August of 2018 to July of 2019
	E – Code	03-DO	03 days
	Capacity Building Programme on Officers in Sri Lanka Accounting Service	06 AD/D	05 days 03 days 02 days
	Computerized Government Payroll System	03-PMA	03 days
	Bid Document and Tender Procedure	02 - FA	03 days

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	Capacity Building Programme on Officers in Sri Lanka Planning Service	02-ADG/D	05 days
	Formal Letter Writing Skills	01-AD	02 days
	Financial Regulation in the Public Sector	08-FA/DO/PMA	02 days
	English for Office Use	01-PMA	03 days
	Reporting Writing Skills	04-AD/FA/DO	02 days
	Public Financial Regulation	07-DD/PMA	03 days
	Stores and Inventory Management	01-PMA	02 days
	Board of Survey and Losses & Write – Offs	02-FA	02 days
	Certificate in English Employment Purpose (CEEP)	02-DO/PMA	01 year
	Higher National Diploma in Public Procurement and Contract Administration 2018/2019	02-AD	60 days
	Seminar on National Audit Act	01-AD	01 day
	ITMIS	03-AD/PMA	04 days
	Government Finance Statistics	01-AD	05 days
Foreign	World Bank KDI Work Shop on SOE reforms	01-DG	02 days
	OECD-ADB Roundtable on Capital Market & Financial Reform in Asia	01-ADG	02 days
	Capacity Building Training Programm - Sri Lanka Planning Service (SLIDA)	01-ADG	07 days
	Capacity Building Training Programm - Sri Lanka Accounting Service (SLIDA)	01-ADG	07 days
	UNDP/UNFCC Regional Dialogue on Nationally Determined Contributions	01-D	03 days
	Workshop on Line of Credit Guidelines and Procedures for the officials of the Government of Sri Lanka-EXIM Bank of India	01-AD	02 days
	IFC Milken Institute Capital Markets Program	01-AD	09 Months
	SARTTAC Programme	01-D	05 days
	2018 Ministerial Workshop on Financial Strategy for Developing Countries	01-D	07 days
	Human Resource Planning and Development	01-DO	56 days
	Bank and Monetary Management for Developing Countries	01-AD	21 days
	Seminar on Public Private Partnership Application & Development for Sri Lanka	01-AD	21 days
	Seminar on Aid for Trade for Senior Officials of Developing Countries	01-AD	14 days
	Economic Development	01-AD	04 days
	Certificate in Governance and Risk Management	10DG/ADG/D/AD	03 days

Source: Department of Public Enterprises

DG - Director General

ADG - Additional Director General

D - Director

DD - Deputy Director

AD - Assistant Director

DA - Development Officer

MA - Management Assistant

FA - Financial Analyst

## 6. FINANCIAL MANAGEMENT

The Budgetary allocation and actual expenditure of the Department of Public Enterprises for the year 2018 with comparative figures are as follows.

**Table 6.1: Budgetary allocation and actual expenditure for year 2017 & 2018**

	Actual Expenditure		Net Budgetary Provision	
	2017	2018	2017	2018
<b>Recurrent</b>				
Personal Emolument	49,944	54,766	51,842	55,550
Other Recurrent	3,884,623*	21,264	3,886,993*	447,520
<b>Total</b>	<b>3,934,567</b>	<b>76,030</b>	<b>3,938,835</b>	<b>503,070</b>
<b>Capital</b>				
<b>Rehabilitation &amp; Improvement</b>	<b>0</b>	<b>378</b>	<b>500</b>	<b>500</b>
2001 Building & Structure	0	378	500	500
2003 Vehicle	0	0	0	0
<b>Acquisition</b>	<b>549</b>	<b>773</b>	<b>1,500</b>	<b>1,000</b>

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2102 Furniture & Office Equipment	549	773	1,500	1,000
2106 Software Development	0	0	0	0
<b>Other Capital Expenditure</b>	<b>13,475,553</b>	<b>8,634,623</b>	<b>13,475,553</b>	<b>8,635,075</b>
2301 Equity Contributions	13,475,553	8,634,623	13,475,553	8,635,075
2502 Investments	0	0	0	0
<b>Capacity Building</b>	<b>341</b>	<b>5,145</b>	<b>1,000</b>	<b>5,250</b>
2401 Training & Capacity Building	341	5,145	1,000	5,250
<b>Other Capital Expenditure</b>	<b>0</b>	<b>765</b>	<b>0</b>	<b>2,000</b>
2509 Other	0	765	0	2,000
<b>Total</b>	<b>13,476,443</b>	<b>8,641,684</b>	<b>13,478,553</b>	<b>8,643,825</b>

Source: Department of Public Enterprises

\*Including reimbursement of dormant accounts of NSB and SWAP cost on accounts of NSB's International Bond

## 6.1. PUBLIC OFFICERS' ADVANCE ACCOUNT - 2018

**Table 6.2: Public Officers' Advance Account Limits & Actual**

	<b>Limits Authorized</b>	<b>Actual at the end of the year</b>
Maximum Limit of Expenditure	4,400,000.00	4,318,531
Minimum Limit of Receipts	2,500,000.00	3,328,859
Maximum Limit of Debit Balance	18,000,000.00	14,833,482

Source: Department of Public Enterprises

The Final Account and the Annual Reconciliation Statement in respect of Advances to Public Officer's Accounts for the year 2018 have been submitted to the Auditor General.

## Annexes

### Annex I: Attendance of the COPE Meetings – SOEs

S. No	Institution	Date
1	Peoples Bank	17/07/2018
2	Janatha Estates Development board	18/07/2018
3	National Transport Commission	19/07/2018
4	Elkaduwa Plantations Ltd	20/07/2018
5	Land Reform Commission	7/8/2018
6	National Water supply and Drainage board	8/8/2018
7	State engineering Corporation	10/8/2018
8	Securities and Exchange commission	4/9/2018
9	Sri Lanka Ports Authority	19/09/2018
10	Mantai Salt Ltd.	12/11/2018
11	Board of Investment	25/10/2018

Source: Department of Public Enterprises

### Annex II: Submission of Annual Reports – SOEs

	2013	2014	2015	2016	2017
1 Bank of Ceylon	√	√	√	√	√
2 People's Bank	√	√	√	√	√
3 National Savings Bank	√	√	√	√	X
4 State Mortgage & Investment Bank	√	√	√	√	X
5 HDFC Bank	√	√	√	√	√
6 Lankaputhra Development Bank Ltd	√	√	√	X	√
7 Regional Development Bank (RDB)	√	√	√	√	√
8 Sri Lanka Savings Bank Ltd	√	√	√	X	X
9 Employee's Trust Fund Board	√	√	√	√	√
10 Sri Lanka Insurance Corporation	√	√	√	√	√
11 National Insurance Trust Fund	√	√	X	X	X
12 Ceylon Electricity Board	√	√	√	X	X
13 Ceylon Petroleum Corporation	√	√	√	√	X
14 Sri Lanka Ports Authority	√	√	√	√	√
15 National Water Supply and Drainage Board	√	√	√	X	√
16 Airport and Aviation Services (SL) Ltd	√	√	√	√	√
17 Sri Lankan Airlines Ltd	√	√	√	√	√
18 Mihin Lanka (Pvt) Ltd	X	X	√	X	X
19 Sri Lanka Transport Board	√	√	√	√	X
20 State Engineering Corporation of Sri Lanka	X	√	√	√	X
21 Central Engineering Consultancy Bureau	√	√	√	√	√
22 State Development and Construction Corporation	√	√	X	X	X
23 Milco (Pvt) Ltd	√	√	√	√	X
24 National Livestock Development Board	√	√	√	√	X
25 Ceylon Fisheries Corporation	√	√	√	X	X
26 Ceylon Fishery Harbour Corporation	√	√	√	√	√
27 State Pharmaceuticals and Manufacturing Corporation	√	√	√	√	√
28 SL Ayurvedic Drugs Corporation	√	√	√	√	√
29 State Pharmaceuticals Corporation	√	√	√	√	√
30 Sri Jayawardenapura General hospital	√	√	√	√	X
31 Independent Television Network Ltd	√	√	√	√	X
32 SL Rupavahini Corporation	√	√	√	X	X

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33 Sri Lanka Broadcasting Corporation	√	√	√	√	X
34 Ceylon Fertilizer Company Ltd	√	√	√	√	√
35 Colombo Commercial Fertilizer Company Ltd	√	√	√	√	√
36 State Timber Corporation	√	√	√	X	X
37 STC General Trading Company	√	√	√	√	√
38 Hotel Developers Lanka PLC	√	√	√	√	√
39 Lanka Sugar Company Ltd	√	√	X	X	X
40 Lanka Sathosa Ltd	√	X	X	X	X
41 Development Lotteries Board	√	√	√	√	X
42 National Lotteries Board	√	√	√	√	√
43 Lanka Mineral Sands Ltd	√	√	√	√	√
44 Lanka Phosphate Ltd	√	√	√	√	√
45 State Printing Corporation	√	X	X	X	X
46 Sri Lanka Export Credit Insurance Corporation	√	X	X	X	X
47 Agriculture and Agrarian Insurance Board	√	X	X	X	√
48 Sri Lanka State Plantations Corporation	X	X	X	X	X
49 Kurunegala Plantations Ltd	√	√	√	√	√
50 Janatha Estates Development Board	X	X	X	X	X
51 Chilaw Plantations Ltd	√	√	√	√	√
52 Kalubovitiyana Tea Factory Ltd	√	√	√	√	√
53 Sri Lanka Cashew Corporation	√	√	√	√	√
54 Sri Lanka Handicraft Board	√	√	X	X	X
55 Kahatagaha Graphite Lanka Ltd	√	√	X	√	X

Sources: SOBEs and the Department of Public Enterprise

### Annex III: Levy/Dividend Income from SOEs

(Rs. Million)

	2014	2015	2016	2017	2018
<b>Levy</b>	<b>42,137</b>	<b>26,118</b>	<b>92,338</b>	<b>50,447</b>	<b>37,230</b>
National Savings Bank	4,000	2,800	12,026	3,865	500
Bank of Ceylon	6,500	5,000	18,000	12,000	4,500
People's Bank	6,000	3,000	8,000	5,000	3,200
Telecommunication Regulatory Commission	10,000	10,000	28,000	22,800	21,850
Ceylon Petroleum Corporation	10,000	-	10,000	-	-
State Mortgage & Investments Bank	10	10	10	25	-
Regional Development Bank	-	87	88	-	-
State Timber Corporation	25	50	175	100	100
State Pharmaceuticals Manufacturing Corporation	25	30	65	45	50
National Insurance Trust Fund	4,000	3,000	2,500	2,100	2,750
Geological Survey and Mines Bureau	650	850	900	1,500	1,700
National Gem and Jewellery Authority	-	75	175	100	25
Sri Lanka Convention Bureau	-	-	-	-	-
Sri Lanka Rupavahini Corporation	2	-	-	-	-
Ceylon Electricity Board	-	-	8,000	-	-
Board of Investment	100	141	115	220	250
National Lotteries Board	-	50	550	-	-
Securities and Exchange Commission	-	-	-	-	-
Insurance Board of Sri Lanka	-	-	-	-	-
Sri Lanka Standard Institution	-	-	-	-	-
Sri Lanka Export Credit Insurance Corporation	-	-	25	-	15
National Livestock and Development Board	-	-	-	-	-
Central Engineering Consultancy Bureau	-	25	25	25	25
Sri Lank Tourism promotion Bureau	500	500	1,500	1,000	1,000
Civil Aviation Authority	250	400	768	800	800
State Pharmaceutical Corporation	75	100	216	222	-
National Transport Medical Institute	-	-	200	160	165

	2014	2015	2016	2017	2018
Sri Lanka Bureau of Foreign Employment	-	-	1,000	185	200
National Transport Commission	-	-	-	300	100
<b>Dividends</b>	<b>4,664</b>	<b>3,678</b>	<b>15,821</b>	<b>3,550</b>	<b>4,598</b>
National Savings Bank	60	60	60	60	60
Bank of Ceylon	346	346	346	346	346
People's Bank	316	316	316	316	316
Lankaputhra Development Bank	36	36	36	41	41
National Development Bank	6	5	2	2	1
Sri Lanka Savings Bank	-	-	-	-	86
Sri Lanka Insurance Corporation Ltd	2,001	1,003	11,857	503	1,856
Airport and Aviation Services Ltd	500	497	1,500	850	300
Lanka Mineral Sands Ltd	43	14	-	-	35
Lanka Phosphate Ltd	35	30	-	8	5
Independence Television Network Ltd	125	84	-	10	12
Lanka Leyland Ltd	11	54	34	35	45
Rakna Arakshaka Lanka Ltd	68	93	-	-	40
Manthai Salt Ltd	1	-	-	-	-
Ceylon Fertilizer Ltd	38	54	116	90	21
Colombo Commercial Fertilizer Ltd	12	10	25	12	20
Paranthan Chemicals Company Ltd	10	5	-	8	11
Kahatagaha Graphite Lanka Ltd	1	-	-	-	-
STC General Trading Company	-	-	5	-	-
Sri Lanka Telecom PLC	759	795	795	795	795
De La Rue Lanka Ltd	49	61	62	79	106
Lanka Electricity Company Ltd	25	87	152	218	305
Lanka Industrial Estates Ltd	55	55	47	55	78
Skills Development Fund	-	2	-	-	-
Ceylon Agro Industries	7	6	12	12	19
Lanka Sugar Company Ltd	80	-	-	-	-
Asian Reinsurance Corporation	-	-	-	-	-
Lanka Logistics Limited	2	2	5	-	1
Ceylon Petroleum Storage Terminals Ltd	-	-	438	-	-
Plantation Companies*	80	62	10	103	95
Others**	-	1	3	7	4
<b>Total</b>	<b>46,801</b>	<b>29,796</b>	<b>108,159</b>	<b>53,997</b>	<b>41,828</b>

Sources: Department of Treasury Operations and Department of Public enterprises

\* includes Kurunegala, Kalubowitiyana, Chilaw, Pussellawa, Kotagala, Namunuluka, Elpitiya Plantations

\*\*includes, Carsons Management, Lanka Canneries, United motors Lanka Ltd, Bogala Graphite Lanka Ltd, Autogrill Lanka Ltd, Hunnasfalls Hotel, Lanka Hydraulic service (Pvt) Ltd

#### Annex IV: Financial Outturn for 54 SOBEs as at 31/12/2018

(Rs. Million)

Enterprise	Profit/(Loss)				Business Turnover 2018 *	Budgetary Support 2018	
	2008	2016	2017	2018		Recurrent	
1 Bank of Ceylon	5,231	31,189	37,592	31,894	221,017		5,000
2 People's Bank	5,664	20,814	25,913	24,334	185,615		
3 National Savings Bank	3,100	13,303	14,029	7,941	111,902		
4 State Mortgage & Investment Bank	41	706	446	498	5,680		
5 HDFC Bank	(94)	660	557	926	7,126		
6 Lankaputhra Development Bank Ltd	227	259	378	297	898		
7 Regional Development Bank (RDB)	1,037	1,256	2,191	3,689	26,073		
8 Sri Lanka Savings Bank Ltd	149	691	708	504	1,041		
9 Employee's Trust Fund Board	10,020	16,043	19,534	26,726	28,386		
10 Sri Lanka Insurance Corporation	974	13,791	5,890	3,515	43,883	8,574	1,765
11 National Insurance Trust Fund	2,862	2,840	813	3,289	15,003		
12 Sri Lanka Export Credit Insurance Corporation	116	193	(182)	387	239		
13 Agriculture and Agrarian Insurance Board	N/A	(3,261)	(3,895)	612	4,681		
14 Ceylon Electricity Board	(34,640)	(13,191)	(49,231)	(29,000)	238,946	-	-

Enterprise	Profit/(Loss)				Business Turnover 2018 *	Budgetary Support 2018	
	2008	2016	2017	2018		Recurrent	
15 Ceylon Petroleum Corporation	(14,735)	69,620	3,504	(104,037)	535,236	-	-
16 Sri Lanka Ports Authority	(10,035)	1,035	13,222	4,247	50,123		
17 National Water Supply and Drainage Board	(2,915)	1,737	738	(568)	24,806		
18 Airport and Aviation Services (SL) Ltd	1,742	6,909	10,820	10,458.4	31,871		
19 Sri Lankan Airlines Ltd	4,497	(12,622)	(28,930)	(17,214)	161,654		
20 Sri Lanka Transport Board	(481)	(633)	1,617	2,169	42,887	11,004	2,349
21 State Engineering Corporation	60	(958)	(943)	(1024)	3176		
22 Central Engineering Consultancy Bureau	199	499	757	531	10,128	14,427	308
23 State Development and Construction Corp.	62	23	(491)	15	3,069	-	-
24 Milco (Pvt) Ltd	109	274	(154)	(770)	11,834	-	-
25 National Livestock Development Board	20	9	(869)	(429)*	2,298*	-	-
26 Sri Lanka State Plantations Corporation	(4)	(117)	(101)	(76)	790		
27 Janatha Estates Development Board	19	(564)	(399)	(320)	1,000		
28 Kurunegala Plantations Ltd	100	144	248	211	612.76	-	-
29 Chilaw Plantations Ltd	35	126	85	(35)	362		
30 Kalubovitiyana Tea Factory Ltd	49	43	31	(16)	979	1,598.53	33
31 Sri Lanka Cashew Corporation	40	(52)	16	18	119	50	66.52
32 Lanka Mineral Sands Ltd	233	170	535	652	1,665	2,081	4,806
33 Lanka Phosphate Ltd	16	61	32	26	412	-	-
34 Kahatagaha Graphite Lanka Ltd	9	1	24	31	119	-	-
35 Development Lotteries Board	0.6	2,695	2,331	2,735	16,164		
36 National Lotteries Board	1038	897	624	1,038	19,676	19,945	187
37 State Pharmaceuticals and Manufacturing Corp.	74.19	441	322	360	4,621.53		
38 SL Ayurvedic Drugs Corporation	49	53	60	33	676	-	47
39 State Pharmaceuticals Corporation	449	1,940	1,868	1,720	38,895.31	-	-
40 Sri Jayawardenapura General hospital	(92)	(171)	(144)	123	4,142.04		
41 Independent Television Network Ltd	(18)	(70)	(287)	(627)	1,196	-	30
42 SL Rupavahini Corporation	30	107	(196)	188	1,699	479	100
43 Sri Lanka Broadcasting Corporation	(18)	84	75	(20)	659	360	20
44 Sri Lanka Handicraft Board	(24)	9	25	18	737.28		
45 State Timber Corporation	648	531	967	672	4,069.02		
46 STC General Trading Company	28	61	71	88	4,334.17	-	
47 Lanka Sathosa Ltd	18	(4,445)	(2,255)	(2,066)	29,988		
48 State Printing Corporation	78	(32)	(229)	(406)	901.05		
49 Ceylon Fisheries Corporation	N/A	(161)	N/A	N/A	N/A		
50 Ceylon Fishery Harbour Corporation	N/A	(113)	(64)	43	N/A		
51 Ceylon Fertilizer Company Ltd	27	713	836	39	3,373.99		
52 Colombo Commercial Fertilizer Company Ltd	N/A	253	70	290	2,111.88		
53 Hotel Developers Lanka PLC	987	172	173	(126)	2,910.54	-	
54 Lanka Sugar Company Ltd	*	1,006	638	347	6,243		
<b>Total</b>	<b>(41,941)</b>	<b>154,968</b>	<b>59,370</b>	<b>(26,070)</b>	<b>1,916,029</b>	<b>58,519</b>	<b>14,712</b>

Sources: SOBEs and the Department of Public Enterprise

\*Lanka Sugar Company Ltd was established in 2012