

**Sri Lanka Telecom PLC**



**Interim Condensed Consolidated Financial Statements**

**For the Quarter ended**

**31 December 2021**

*(All amounts in LKR Millions)*

	Group		Company		Group		Company	
	Oct - Dec		Oct - Dec		Jan - Dec		Jan - Dec	
	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Audited)	2021 (Reviewed)	2020 (Audited)
Revenue	25,749	23,955	15,138	13,455	102,348	91,119	59,811	51,552
Direct costs	(14,673)	(14,019)	(9,515)	(8,180)	(56,482)	(50,436)	(34,919)	(29,162)
<b>Gross Profit</b>	<b>11,076</b>	<b>9,936</b>	<b>5,623</b>	<b>5,275</b>	<b>45,866</b>	<b>40,683</b>	<b>24,892</b>	<b>22,390</b>
Sales and marketing costs	(2,995)	(2,586)	(1,614)	(1,214)	(11,157)	(10,209)	(5,599)	(4,720)
Administrative costs	(5,466)	(5,410)	(4,178)	(4,147)	(20,865)	(18,842)	(15,957)	(14,168)
<b>Operating profit</b>	<b>2,615</b>	<b>1,940</b>	<b>(169)</b>	<b>(86)</b>	<b>13,844</b>	<b>11,632</b>	<b>3,336</b>	<b>3,502</b>
Other income	492	247	483	346	1,084	880	1,293	1,261
Dividend Income	-	-	250	251	-	-	1,489	1,001
Interest expenses and finance cost	(674)	(808)	(383)	(383)	(3,022)	(2,902)	(1,825)	(1,391)
Foreign exchange (loss) / gain	47	(433)	(71)	(301)	(482)	(1,203)	76	(727)
Interest income	315	461	91	341	1,308	1,232	630	819
Share of profit from equity accounted investee	17	14	17	14	86	74	86	74
<b>Profit before tax</b>	<b>2,812</b>	<b>1,421</b>	<b>218</b>	<b>182</b>	<b>12,818</b>	<b>9,713</b>	<b>5,085</b>	<b>4,539</b>
Income tax expenses	164	(289)	545	328	(657)	(1,832)	780	(520)
<b>Profit for the Period</b>	<b>2,976</b>	<b>1,132</b>	<b>763</b>	<b>510</b>	<b>12,161</b>	<b>7,881</b>	<b>5,865</b>	<b>4,019</b>
<b>Other comprehensive income</b>								
Net movement in Cash flow hedges	-	320	-	290	-	501	-	471
Defined benefit plan actuarial (loss) / gain	751	(511)	524	(462)	397	(473)	169	(426)
Tax on other comprehensive income	(157)	124	(126)	128	(150)	114	(116)	119
<b>Other comprehensive income for the period (net of tax)</b>	<b>594</b>	<b>(67)</b>	<b>398</b>	<b>(44)</b>	<b>247</b>	<b>142</b>	<b>53</b>	<b>164</b>
<b>Total Comprehensive Income for the Period</b>	<b>3,570</b>	<b>1,065</b>	<b>1,161</b>	<b>466</b>	<b>12,408</b>	<b>8,023</b>	<b>5,918</b>	<b>4,183</b>
<b>Profit Attributable to :</b>								
Owners of the company	2,975	1,130	763	510	12,155	7,877	5,865	4,019
Non-controlling interest	1	2	-	-	6	4	-	-
<b>Total Comprehensive Income attributable to:</b>	<b>2,976</b>	<b>1,132</b>	<b>763</b>	<b>510</b>	<b>12,161</b>	<b>7,881</b>	<b>5,865</b>	<b>4,019</b>
Owners of the company	3,569	1,063	1,161	466	12,402	8,019	5,918	4,183
Non-controlling interest	1	2	-	-	6	4	-	-
<b>Earnings per share</b>								
Basic (Rs.)	<b>1.65</b>	<b>0.63</b>	<b>0.42</b>	<b>0.28</b>	<b>6.73</b>	<b>4.36</b>	<b>3.25</b>	<b>2.23</b>

(All amounts in LKR Millions )

	Group		Company	
	31 Dec 2021 (Reviewed)	31 Dec 2020 (Audited)	31 Dec 2021 (Reviewed)	31 Dec 2020 (Audited)
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	143,134	137,208	105,854	100,269
Right-of-use assets	7,810	8,750	805	78
Intangible assets and goodwill	7,845	8,115	2,832	2,656
Investments in subsidiaries	-	-	14,821	14,821
Investments in associates	214	128	214	128
Deferred tax assets	206	185	-	-
Contract assets	878	560	233	155
Other receivables	2,672	2,748	2,657	2,732
<b>Total Non-current Assets</b>	<b>162,759</b>	<b>157,694</b>	<b>127,416</b>	<b>120,839</b>
<b>Current Assets</b>				
Inventories	2,690	3,367	2,039	2,634
Trade and other receivables	27,181	27,070	18,682	17,932
Current tax receivables	14	15	-	-
Contract assets	978	778	164	97
Other investments	8,310	3,666	8,288	3,646
Cash and cash equivalents	17,994	11,866	1,615	1,041
<b>Total Current Assets</b>	<b>57,167</b>	<b>46,762</b>	<b>30,788</b>	<b>25,350</b>
<b>Total Assets</b>	<b>219,926</b>	<b>204,456</b>	<b>158,204</b>	<b>146,189</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Stated capital	18,049	18,049	18,049	18,049
Insurance reserve	1,105	1,044	1,105	1,044
Hedging reserve	-	30	-	-
Retained earnings	74,714	65,056	46,518	43,350
Equity attributable to equity share - holders of the company	<b>93,868</b>	<b>84,179</b>	<b>65,672</b>	<b>62,443</b>
Non controlling Interest	<b>108</b>	<b>102</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>93,976</b>	<b>84,281</b>	<b>65,672</b>	<b>62,443</b>
<b>Non Current Liabilities</b>				
Borrowings	38,737	45,684	35,794	40,860
Lease liability	6,822	7,377	613	27
Contract liabilities	1,071	660	1,071	660
Deferred income	1,666	1,832	1,666	1,832
Deferred tax liabilities	5,651	7,346	4,870	6,936
Employee benefits	4,975	5,204	4,272	4,358
Trade and other payables	14,791	5,371	13,383	3,955
<b>Total Non Current Liabilities</b>	<b>73,713</b>	<b>73,474</b>	<b>61,669</b>	<b>58,628</b>
<b>Current Liabilities</b>				
Borrowings	9,053	9,690	7,269	7,132
Lease liability	2,373	2,281	216	58
Contract liabilities	971	742	684	484
Deferred income	3,924	2,812	383	240
Current tax liabilities	2,104	560	1,474	73
Deferred tax liabilities	11	11	-	-
Trade and other payables	33,801	30,605	20,837	17,131
<b>Total Current Liabilities</b>	<b>52,237</b>	<b>46,701</b>	<b>30,863</b>	<b>25,118</b>
<b>Total Liabilities</b>	<b>125,950</b>	<b>120,175</b>	<b>92,532</b>	<b>83,746</b>
<b>Total Equity and Liabilities</b>	<b>219,926</b>	<b>204,456</b>	<b>158,204</b>	<b>146,189</b>

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act No.07 of 2007.

Signed

Sanjeeva Samaranyake

Group Chief Financial Officer

The Board of Directors is responsible for these financial statements. These financial statements were approved by the Board of Directors on 17 February 2022.

Signed for and behalf of the Board.

Signed  
Rohan Fernando  
Chairman

Signed  
Saman Fernando  
Director

Sri Lanka Telecom PLC  
Company Registration No. PQ 7  
Interim Condensed Consolidated Statement of Changes In Equity  
For the year ended 31 December 2021

*(All amounts in LKR Millions)*

Group	Attributable to owners of the Company						
	Stated capital	Insurance reserve	Hedging reserve	Retained earnings	Total	Non controlling interest	Total equity
<b>Balance as at 1 January 2020</b>	18,049	917	(471)	59,574	78,069	98	78,167
Non Controlling interest	-	-	-	-	-	4	4
<b>Total comprehensive income for the year</b>							
Net profit for the year	-	-	-	7,881	7,881	-	7,881
<b>Other comprehensive income / (expense)</b>							
Net movement on cash flow hedges	-	-	501	-	501	-	501
Defined benefit plan actuarial loss, net of tax	-	-	-	(359)	(359)	-	(359)
<b>Total other comprehensive income / (expense) for the year</b>	-	-	501	(359)	142	-	142
<b>Total comprehensive income for the year</b>	-	-	501	7,522	8,023	4	8,027
<b>Transactions with owners, recorded directly in equity</b>							
<b>Contribution by and distribution to owners</b>							
Dividends to equity share holders	-	-	-	(1,913)	(1,913)	-	(1,913)
<b>Insurance reserve</b>							
Transferred to insurance reserve	-	127	-	(127)	-	-	-
<b>Balance as at 31 December 2020</b>	<b>18,049</b>	<b>1,044</b>	<b>30</b>	<b>65,056</b>	<b>84,179</b>	<b>102</b>	<b>84,281</b>
<b>Balance as at 1 January 2021</b>	<b>18,049</b>	<b>1,044</b>	<b>30</b>	<b>65,056</b>	<b>84,179</b>	<b>102</b>	<b>84,281</b>
Non controlling interest	-	-	-	-	-	6	6
<b>Total comprehensive income for period</b>							
Net profit for the period	-	-	-	12,161	12,161	-	12,161
<b>Other comprehensive income / (expense)</b>							
Net movement on cash flow hedges	-	-	(30)	-	(30)	-	(30)
Defined benefit plan actuarial gain, net of tax	-	-	-	247	247	-	247
<b>Total other comprehensive income / (expense) for period</b>	-	-	(30)	247	217	-	217
<b>Total comprehensive income for the period</b>	-	-	(30)	12,408	12,378	-	12,378
<b>Transactions with owners, recorded directly in equity</b>							
<b>Contribution by and distribution to owners</b>							
Dividends to equity share holders	-	-	-	(2,689)	(2,689)	-	(2,689)
<b>Insurance reserve</b>							
Transferred to insurance reserve	-	61	-	(61)	-	-	-
<b>Balance as at 31 December 2021</b>	<b>18,049</b>	<b>1,105</b>	<b>-</b>	<b>74,714</b>	<b>93,868</b>	<b>108</b>	<b>93,976</b>

*(All amounts in LKR Millions)*

Company	Attributable to owners of the Company				
	Stated capital	Insurance reserve	Hedging reserve	Retained earnings	Total
<b>Balance as at 1 January 2020</b>	<b>18,049</b>	<b>917</b>	<b>(471)</b>	<b>41,678</b>	<b>60,173</b>
<b>Total comprehensive income for the year</b>					
Net profit for the year	-	-	-	4,019	4,019
<b>Other comprehensive income / (expense)</b>					
Net movement on cash flow hedges	-	-	471	-	471
Defined benefit plan actuarial loss, net of tax	-	-	-	(307)	(307)
<b>Total other comprehensive income / (expense) for the year</b>	<b>-</b>	<b>-</b>	<b>471</b>	<b>(307)</b>	<b>164</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>471</b>	<b>3,712</b>	<b>4,183</b>
<b>Transactions with owners, recorded directly in equity</b>					
<b>Contribution by and distribution to owners</b>					
Dividends to equity share holders	-	-	-	(1,913)	(1,913)
<b>Insurance reserve</b>					
Transferred to insurance reserve	-	127	-	(127)	-
<b>Balance as at 31 December 2020</b>	<b>18,049</b>	<b>1,044</b>	<b>-</b>	<b>43,350</b>	<b>62,443</b>
<b>Balance as at 1 January 2021</b>	<b>18,049</b>	<b>1,044</b>	<b>-</b>	<b>43,350</b>	<b>62,443</b>
<b>Total comprehensive income for period</b>					
Net profit for the period	-	-	-	5,865	5,865
<b>Other comprehensive income / (expense)</b>					
Net movement on cash flow hedges	-	-	-	-	-
Defined benefit plan actuarial gain, net of tax	-	-	-	53	53
<b>Total other comprehensive income / (expense) for period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53</b>	<b>53</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,918</b>	<b>5,918</b>
<b>Transactions with owners, recorded directly in equity</b>					
<b>Contribution by and distribution to owners</b>					
Dividends to equity share holders	-	-	-	(2,689)	(2,689)
<b>Insurance reserve</b>					
Transferred to insurance reserve	-	61	-	(61)	-
<b>Balance as at 31 December 2021</b>	<b>18,049</b>	<b>1,105</b>	<b>-</b>	<b>46,518</b>	<b>65,672</b>

## Sri Lanka Telecom PLC

Company Registration No. PQ 7

## Interim Condensed Consolidated Statement of Cash Flows

For the year ended 31 December 2021

*(All amounts in LKR Millions)*

	GROUP		COMPANY	
	2021	2020	2021	2020
<b>Operating activities</b>				
Cash generated from operations	46,602	40,562	27,240	22,048
Interest received	1,334	1,243	656	830
Interest paid	(6,781)	(8,109)	(4,304)	(5,378)
Tax paid	(967)	(706)	-	-
Gratuity paid	(538)	(690)	(465)	(468)
<b>Net cash generated from operating activities</b>	<b>39,650</b>	<b>32,300</b>	<b>23,127</b>	<b>17,032</b>
<b>Cash flows from Investing activities</b>				
Acquisition of property, plant and equipment	(25,052)	(12,141)	(18,828)	(6,355)
Acquisition of intangible assets	(2,122)	(2,477)	(1,384)	(2,293)
Proceeds from disposal of property, plant and equipment	376	93	306	85
Proceeds / (Purchase) of short term investments	(4,418)	(509)	(4,416)	(464)
<b>Net cash used in investing activities</b>	<b>(31,216)</b>	<b>(15,034)</b>	<b>(24,322)</b>	<b>(9,027)</b>
<b>Cash flows from Financing activities</b>				
Proceeds from borrowings	5,779	17,911	5,750	17,500
Cash payment for the principle portion of lease liability	(1,761)	(1,769)	(622)	(588)
Finance lease principal re-payments	(7)	(56)	(7)	(2)
Re-payment on borrowings	(13,185)	(23,176)	(10,014)	(20,794)
Increase in deferred liability	9,553	-	9,543	-
Dividend paid to equity share holders	(2,689)	(1,913)	(2,689)	(1,913)
<b>Net cash (used) / generated from financing activities</b>	<b>(2,310)</b>	<b>(9,003)</b>	<b>1,961</b>	<b>(5,797)</b>
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>6,124</b>	<b>8,263</b>	<b>766</b>	<b>2,208</b>
<b>Movement in Cash and cash equivalents</b>				
Cash and cash equivalents at beginning of the year	9,981	1,718	(412)	(2,620)
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>6,124</b>	<b>8,263</b>	<b>766</b>	<b>2,208</b>
<b>Cash and cash equivalents at 31 December (Note)</b>	<b>16,105</b>	<b>9,981</b>	<b>354</b>	<b>(412)</b>
<b>Note</b>				
Cash and cash equivalents	17,994	11,866	1,615	1,041
Bank overdraft	(1,889)	(1,885)	(1,261)	(1,453)
	<b>16,105</b>	<b>9,981</b>	<b>354</b>	<b>(412)</b>

**I. Reporting Entity**

Sri Lanka Telecom PLC (the 'Company') is a company domiciled in Sri Lanka. The address of the Company's registered office is Lotus Road, Colombo 1. The interim condensed separate financial statements relate to Sri Lanka Telecom PLC. These interim condensed consolidated financial statements ('interim financial statements') as of 31 December 2021 and for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the 'Group').

The Group is primarily involved in providing a broad portfolio of telecommunication services across Sri Lanka. In addition, the range of services provided by the Group include, inter-alia, internet services, data services, domestic and international leased circuits, broadband, satellite uplink, maritime transmission, IPTV service and directory publishing service. The Company is listed on the Colombo Stock Exchange.

**II. Basis of accounting**

These interim condensed consolidated financial statements have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34, 'Interim Financial Reporting' and do not include all the information required for a complete set of SLFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group's financial position and performance since the last audited financial statements as of 31 December 2020 and for the year ended 31 December 2020.

These interim financial statements were authorized for issue by the Company's Board of Directors on 17 February 2022.

**III. Significant accounting policies**

The accounting policies applied in these interim financial statements are the same as those applied in the audited financial statement as of 31 December 2020 and for the year ended 31 December 2020.

**IV. Use of Judgments and estimates**

The management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense when preparing these interim financial statements. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation were the same as those applied to the audited financial statements as at 31 December 2020 and for the year ended 31 December 2020.

**V. Operating segments**

Information relevant to the operating segments are presented in a method consistent with the management reporting provided to those charged with governance.

(a) Information about reportable segments

(All amounts in Rs. Mn)

	Fixed ICT Operations		Mobile Operations		Other Segments Operations		Total	
	31 Dec		31 Dec		31 Dec		31 Dec	
	2021	2020	2021	2020	2021	2020	2021	2020
External revenues	54,693	47,065	45,576	41,939	2,079	2,115	102,348	91,119
Inter- segment revenue	5,118	4,487	1,565	1,428	4,678	3,219	11,361	9,134
Reportable segment revenue	59,811	51,552	47,141	43,367	6,757	5,334	113,709	100,253
Reportable segment Profit before tax	5,085	4,539	9,418	6,134	(26)	94	14,477	10,767
Interest revenue	630	819	670	405	8	8	1,308	1,232
Interest expenses	(1,825)	(1,391)	(1,284)	(1,574)	(92)	(82)	(3,201)	(3,047)
Depreciation and Amortization	(18,110)	(14,923)	(9,032)	(8,750)	(184)	(145)	(27,326)	(23,818)

Revenues	31 Dec 2021	31 Dec 2020
Total revenue for reportable segments	106,952	94,919
Revenue for other segments	6,757	5,334
Reportable segment revenue	113,709	100,253
Elimination of inter- segment revenue	(11,361)	(9,134)
Consolidated revenue	102,348	91,119
<b>Profit or loss</b>		
Total profit or loss for reportable segments	14,503	10,673
Profit for other segments	(26)	94
Reportable segment profit before tax	14,477	10,767
Elimination of inter- segment profits	(1,659)	(1,054)
Consolidated profit before tax	12,818	9,713



**Assets & Liabilities**

	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
<b>Assets</b>		
Total assets for reportable segments	236,238	220,163
Assets for other segments	5,646	4,870
	241,884	225,033
Elimination of inter - segment assets	(21,958)	(20,577)
<b>Consolidated total assets</b>	<b>219,926</b>	<b>204,456</b>
<b>Liabilities</b>		
Total liabilities for reportable segments	128,497	122,357
Liabilities for other segments	4,703	3,709
	133,200	126,066
Elimination of inter- segment liabilities	(7,250)	(5,891)
<b>Consolidated total liabilities</b>	<b>125,950</b>	<b>120,175</b>

**VI. Seasonal or cyclical factors**

The operations of the Group were not significantly affected by any seasonal or cyclical factors.

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

The telecommunication service has been categorised as an essential service by the Government of Sri Lanka. With the responsibility to provide an uninterrupted service to the nation, SLT as the national telecommunications provider activated its Business Continuity Plan ("BCP") and effected changes in operations, supply chain, workforce movements, investments and strategies to cope with the unprecedented challenges posed by the COVID-19 pandemic.

The below summarises our strategy and the response plan for the pandemic situation:

**(a) Uninterrupted service to the nation while keeping people safe**

As the national telecommunications and mobile services provider, SLT Group provided an uninterrupted service to the nation during this challenging period. SLT Group ensured customer service through digital platforms to minimize human contact and maintained social distancing and safety regulations in customer points.

SLT Group shifted most of the employees to Work from Home and the employees who perform their duties in office premises/ field were allowed to work under strict health and safety guidelines while maintaining social distancing regulations.

During the years 2020 and 2021, SLT created a fund to mitigate the cost of hospitalization, set up three intermediary quarantine centers and provided home care medical facilities for detected SLT employees and their immediate family members. However, considering the new guidelines issued by the Government of Sri Lanka on Covid-19 management practices, SLT revised its Covid-19 incident

handling protocol in the new normal situation and presently continues only with the provision of home care medical facilities.

**(b) Direction of operations for the need of the hour**

As a response to the need of the hour, SLT together with its mobile arm Mobitel provided innovative yet affordable data packages to meet the growing customer demand and introduced easy payment terms for corporate customers. With the shift towards work from home arrangements and study from home arrangements, the Group experienced a positive impact in revenue in areas such as Broadband, IPTV and Career Business services due to surge in utilization in both residential and business sectors. Further, future opportunities are emerging with novel digital products and services.

**(c) Liquidity Management**

The effective collection strategies of the Group coupled with the need for continuous supply of telecommunication services improved collections over the period. The Group prioritised capital expenditure for critical projects, which included projects which provide connectivity to rural areas to narrow the digital divide in the Country. However, the depreciation of the Sri Lankan rupee against the US dollar adversely impacted the cash flows of the Group. Further, the foreign currency liquidity issue prevailing in the domestic foreign exchange market poses challenges to project payments in foreign currency.

**(d) Impact on Property, Plant and Equipment**

The Group has assessed the impact on property, plant and equipment and spectrum assigned to the Group and does not foresee impairment due to the pandemic.

The Group will continue to take proactive measures to mitigate any potential impact and will continue its contingency plans and risk management measures as the situation evolves.

There were no other events or transactions that require disclosures or adjustments to the financial statements for the period ended 31 December 2021.

**VIII. Property Plant and equipment**

**(a) Acquisitions and Disposals**

During the year ended 31 December 2021, the Group acquired assets at a cost of Rs 31,558 Mn (year ended 31 December 2020 - Rs.23,032 Mn).

**(b)** Assets with a written down value of Rs.12 Mn were disposed during the year ended 31 December 2021 (year ended 31 December 2020 written down value of Rs 24 Mn), resulting in a gain on disposal of Rs.376 Mn (year ended 31 December 2020 gain of Rs.69 Mn), which was included in 'Other Income' in the Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income.

**(c) Capital commitments**

	Group (Rs. Mn)		Company (Rs. Mn)	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
<b>Property plant and equipment</b>				
Approved but not contracted	48,714	64,924	45,976	64,924
Approved and contracted	38,376	13,474	29,108	10,194

**IX. Capital and Reserves**

## (a) Stated Capital

Stated capital of the Company consists of 1,804,860,000 ordinary shares.

**X. Loans and Borrowings**

Material additions to loans and borrowings at Group level for the year under review:

<b>Additions</b>	<b>Currency</b>	<b>Amount (Rs. Mn.)</b>
Bank loan – 31 Dec 2021	LKR	5,779

Material repayment of loans and borrowings at Group level for the period under review:

<b>Repayments</b>	<b>Currency</b>	<b>Amount (Rs. Mn.)</b>
Bank loan – 31 Dec 2021	LKR	13,185

**XI. Contingencies**

There were no significant changes to the list of contingencies disclosed in the last audited financial statements as of 31 December 2020 and for the year ended 31 December 2020 apart from the below.

- a) In October 2014, SLT Debt Recovery Officers filed legal proceedings to the Labour Commissioner and Labour Tribunal to claim for relief and re-instatement or compensation. SLT filed an appeal against the proceedings before the Labour Commissioner. In February 2015, the Labour Commissioner delivered the Order which dismissed SLT's appeal. Subsequently, special Leave to appeal was obtained by SLT in March 2021. The new Case No is SC/Appeal/41/2021. Case was re-fixed for argument on 11<sup>th</sup> July 2022.

**XII. Related Parties**

Material related party transactions during the year under review:

<b>Company</b>	<b>Nature of Transaction</b>	<b>Transaction Value (Rs. Mn)</b>		<b>Amount due (to)/ from related parties (Rs. Mn)</b>	
		<b>31 Dec 2021</b>	<b>31 Dec 2020</b>	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
<b>Mobitel (Private) Limited</b>	Sale of goods and services	5,239	4,756	1,713	1,324
	Purchase of goods and services	1,662	1,428	(1,511)	(1,060)

**XIII. Other investments**

The Other investments includes short-term investments of USD Fixed Deposits and Escrow Fixed Deposits amounting to Rs 8,212 million (LKR equivalent) will get matured within next 3 months. Fixed Deposits which are maintained in USD to be used for future importations and to facilitate opening of Letter of Credits (LCs).

**XIV. Events after the Reporting date**

**a) Surcharge Tax**

The Government of Sri Lanka in its Budget for 2022 has proposed a one-time tax, referred to as a surcharge tax of 25% to be imposed on companies that have earned a taxable income in excess of LK Rs. 2,000 million for the year of assessment 2020/2021. The proposed tax should be deemed an expenditure in the financial statements relating to the year of assessment 2020/2021

The Bill introducing the proposed tax was published after the reporting period and it has not been placed on the Order Paper of the Parliament for its first reading before the date these financial statements were authorized for issue. The proposed tax has not been substantively enacted by the end of the reporting period. Therefore, the financial statements have not been adjusted to reflect the consequences of this proposal.

**b) Divestment of SLT Campus (Private) Limited**

In line with the Board's strategic direction, Sri Lanka Telecom PLC has decided to dispose its 100% stake held in SLT Campus (Private) Limited.

On 25 January 2022, Sri Lanka Telecom PLC has transferred Twenty-One Million and One (21,000,001) Ordinary Shares and Eighteen Million (18,000,000) Redeemable Cumulative Preference Shares representing one hundred per centum (100%) of the total issued shares of the SLT Campus (Private) Limited worth Rs. 390,000,000 to Tempest Two (Private) Limited for a total purchase consideration of Rs. 410,000,000.

No other material events have arisen since the date of the statement of financial position up to the date of this report which require changes to, or disclosure in the financial statements.

**Sri Lanka Telecom PLC**

Company Registration No. PQ 7

**Interim Condensed Consolidated Financial Statements**

**For the year ended 31 December 2021**

**Investor Information**

**Ratios**

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Net asset value per share (Rs)	52.01	46.64	36.39	34.60
Debt/equity ratio - Number of times	0.61	0.77	0.67	0.77
Quick asset ratio - Number of times	1.04	0.93	0.93	0.90

	For the year ended		For the year ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Interest cover - Number of times	3.31	1.91	1.92	1.16

**Market Value of Shares**

Market Value of the Ordinary Shares of the Company (Rs)	3 Months to 31 Dec 2021	3 Months to 31 Dec 2020
- Highest	41.00	34.80
- Lowest	35.00	29.00
- Last traded price	38.80	33.50

**Dividend Payment**

First and final dividend for the year 2020 - Rs 1.49 per share paid on 28 April 2021.

**Share trading from 1 October 31 December 2021**

	3 Months to 31 Dec 2021
- No of Transactions	1,541
- No of Shares Traded	1,050,580
- Value of Shares Traded (Rs)	39,079,509

**Debenture Information**

- Interest yield as at date of last trade
- Yield to maturity of last trade done with trade date
- Interest rate of comparable government security
- Market prices (ex-interest) for the current interim period
- Not traded after initial issue
- Not traded after initial issue
- 11.53%
- No trades during the Qtr 4, 2021

**Sri Lanka Telecom PLC****Company Registration No. PQ 7****Interim Condensed Consolidated Financial Statements****For the year ended 31 December 2021**

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## 1) List of 20 Major Shareholders

<b>Name &amp; Address</b>	<b>Share Holding</b>	<b>Percentage %</b>
1 Secretary to the Treasury	893,405,709	49.50
2 Global Telecommunications Holdings NV	811,757,869	44.98
3 Employees Provident Fund	25,324,104	1.40
4 Sri Lanka Insurance Corporation Ltd-Life Fund	17,713,735	0.98
5 Bank of Ceylon A/C Ceybank Unit Trust.	17,309,741	0.96
6 National Savings Bank	13,158,700	0.73
7 Employees Trust Fund Board	3,302,188	0.18
8 Sri Lanka Insurance Corporation Ltd-General Fund	2,041,538	0.11
9 Bank of Ceylon A/C Ceybank Century Growth Fund	1,620,369	0.09
10 Confab Steel Pvt Limited	1,392,166	0.08
11 The Incorporated Trustees of the Church of Ceylon	223,590	0.01
12 Bank of Ceylon No 1 Account	214,000	0.01
13 Pinnacle Trust (Pvt) Limited	183,984	0.01
14 Ceylon Biscuits Limited	161,825	0.01
15 Mr.T.K.D.A.P Samarasinghe	150,000	0.01
16 Mr.A.M.Weerasinghe	140,100	0.01
17 Mr. A.H.Munasinghe	130,787	0.01
18 Mr.E.L.Karannagoda	112,576	0.01
19 Mr.D.S.Karalliedde	109,523	0.01
20 Sinharaja Hills Plantation Pvt Limited	107,491	0.01
	<b>1,788,559,995</b>	<b>99.10</b>

2) Percentage of public holding as at 31 December 2021 4.78%

3) Number of shareholders representing the public holding 12,465

4) Float adjusted market capitalization Rs.3,347,365,550

The Company is not in compliance with option 4 of the listing rule 7.13.1 (a) which requires the Company to maintain a minimum public holding of 10%

5) Directors' holding None

6) Chief Executive Officer's including his spouse's shareholding 3,689

7) Number of shares representing the Company's stated capital 1,804,860,000 ordinary shares issued at Rs.10 per share.