

Sri Lanka Telecom PLC



Interim Condensed Consolidated Financial Statements

For the Quarter ended

31 December 2020

(All amounts in LKR Millions)

	Group		Company		Group		Company	
	Oct - Dec		Oct - Dec		Jan - Dec		Jan - Dec	
	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Audited)	2020 (Reviewed)	2019 (Audited)
Revenue	23,958	22,084	13,455	12,611	91,122	85,948	51,552	50,007
Direct costs	(13,866)	(12,796)	(8,029)	(7,378)	(50,283)	(48,223)	(29,011)	(28,711)
Gross Profit	10,092	9,288	5,426	5,233	40,839	37,725	22,541	21,296
Sales and marketing costs	(2,682)	(2,466)	(1,214)	(1,162)	(10,305)	(9,472)	(4,720)	(3,553)
Administrative costs	(5,553)	(5,360)	(4,298)	(4,129)	(18,985)	(19,714)	(14,319)	(14,393)
Operating profit	1,857	1,462	(86)	(58)	11,549	8,539	3,502	3,350
Other income	265	400	346	501	898	845	1,261	1,166
Dividend Income	-	-	251	17	-	-	1,001	449
Interest expenses and finance cost	(808)	(667)	(383)	(307)	(2,902)	(2,067)	(1,391)	(690)
Foreign exchange loss	(413)	(385)	(301)	(376)	(1,183)	(443)	(727)	(314)
Interest income	461	428	341	304	1,232	1,288	819	739
Share of profit from equity accounted investee	14	4	14	4	74	54	74	54
Profit before tax	1,376	1,242	182	85	9,668	8,216	4,539	4,754
Income tax expenses	(244)	95	328	293	(1,787)	(1,894)	(520)	(974)
Profit for the Period	1,132	1,337	510	378	7,881	6,322	4,019	3,780
Other comprehensive income								
Net movement in Cash flow hedges	290	282	290	282	471	201	471	201
Defined benefit plan actuarial loss	(511)	(278)	(462)	(112)	(473)	(214)	(426)	(49)
Tax on other comprehensive income	123	66	128	31	113	49	119	14
Other comprehensive income for the period (net of tax)	(98)	70	(44)	201	111	36	164	166
Total Comprehensive Income for the Period	1,034	1,407	466	579	7,992	6,358	4,183	3,946
Profit Attributable to :								
Owners of the company	1,131	1,336	510	378	7,878	6,320	4,019	3,780
Non-controlling interest	1	1	-	-	3	2	-	-
	1,132	1,337	510	378	7,881	6,322	4,019	3,780
attributable to:								
Owners of the company	1,033	1,406	466	579	7,989	6,356	4,183	3,946
Non-controlling interest	1	1	-	-	3	2	-	-
	1,034	1,407	466	579	7,992	6,358	4,183	3,946
Earnings per share								
Basic (Rs.)	0.63	0.74	0.28	0.21	4.36	3.50	2.23	2.09

(All amounts in LKR Millions)

	Group		Company	
	31 Dec 2020 (Reviewed)	31 Dec 2019 (Audited)	31 Dec 2020 (Reviewed)	31 Dec 2019 (Audited)
Assets				
Non-Current Assets				
Property, plant and equipment	137,098	140,632	100,269	103,800
Right-of-use assets	8,750	10,372	78	513
Intangible assets and goodwill	8,115	7,416	2,656	1,151
Investments in subsidiaries	-	-	14,821	14,821
Investments in associates	128	54	128	54
Deferred tax assets	860	223	615	-
Contract assets	560	707	155	148
Other receivables	2,748	2,897	2,732	2,868
Total Non-current Assets	158,259	162,301	121,454	123,355
Current Assets				
Inventories	3,368	3,565	2,634	2,768
Trade and other receivables	27,080	33,021	17,932	20,865
Current tax receivables	-	852	-	852
Contract assets	778	711	97	87
Other investments	3,666	3,112	3,646	3,082
Cash and cash equivalents	11,866	5,457	1,041	645
Total Current Assets	46,758	46,718	25,350	28,299
Total Assets	205,017	209,019	146,804	151,654
Equity and Liabilities				
Equity				
Stated capital	18,049	18,049	18,049	18,049
Insurance reserve	1,044	917	1,044	917
Hedging reserve	-	(471)	-	(471)
Retained earnings	65,055	59,574	43,350	41,678
Equity attributable to equity share holders of the company	84,148	78,069	62,443	60,173
Non controlling Interest	101	98	-	-
Total Equity	84,249	78,167	62,443	60,173
Non Current Liabilities				
Borrowings	45,754	49,178	40,860	42,820
Lease liability	7,377	8,238	27	50
Contract liabilities	2,492	2,614	2,492	2,590
Deferred tax liabilities	7,938	7,499	7,551	7,485
Employee benefits	5,204	4,697	4,358	3,806
Trade and other payables	5,371	1,677	3,955	346
Total Non Current Liabilities	74,136	73,903	59,243	57,097
Current Liabilities				
Borrowings	9,622	12,498	7,132	9,650
Lease liability	2,281	2,511	58	494
Contract liabilities	3,554	3,451	724	734
Current tax liabilities	570	308	73	-
Deferred tax liabilities	11	-	-	-
Trade and other payables	30,594	38,181	17,131	23,506
Total Current Liabilities	46,632	56,949	25,118	34,384
Total Liabilities	120,768	130,852	84,361	91,481
Total Equity and Liabilities	205,017	209,019	146,804	151,654

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

Signed

Sanjeewa Samaranayake

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 09 February 2021.

Signed for and behalf of the Board.

Signed
Rohan Fernando
Chairman

Signed
Lalith Seneviratne
Director

Sri Lanka Telecom PLC
Company Registration No. PQ 7
Interim Condensed Consolidated Statement of Changes In Equity
For the year ended 31 December 2020

(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
Balance as at 1 January 2019	18,049	791	(672)	55,456	73,624	96	73,720
Non Controlling interest	-	-	-	-	-	2	2
Total comprehensive income for the year	-	-	-	-	-	-	-
Net profit for the year	-	-	-	6,322	6,322	-	6,322
Other comprehensive income / (expense)	-	-	-	-	-	-	-
Net movement on cash flow hedges	-	-	201	-	201	-	201
Defined benefit plan actuarial loss, net of tax	-	-	-	(165)	(165)	-	(165)
Total other comprehensive income / (expense) for the year	-	-	201	(165)	36	-	36
Total comprehensive income for the year	-	-	201	6,157	6,358	-	6,358
Transactions with owners, recorded directly in equity							
Contribution by and distribution to owners							
Dividends to equity share holders	-	-	-	(1,913)	(1,913)	-	(1,913)
Insurance reserve							
Transferred to insurance reserve	-	126	-	(126)	-	-	-
Balance as at 31 December 2019	18,049	917	(471)	59,574	78,069	98	78,167
Balance as at 1 January 2020	18,049	917	(471)	59,574	78,069	98	78,167
Non controlling interest	-	-	-	-	-	3	3
Total comprehensive income for the year	-	-	-	-	-	-	-
Net profit for the year	-	-	-	7,881	7,881	-	7,881
Other comprehensive income / (expense)	-	-	-	-	-	-	-
Net movement on cash flow hedges	-	-	471	-	471	-	471
Defined benefit plan actuarial loss, net of tax	-	-	-	(360)	(360)	-	(360)
Total other comprehensive income / (expense) for the year	-	-	471	(360)	111	-	111
Total comprehensive income for the year	-	-	471	7,521	7,992	3	7,995
Transactions with owners, recorded directly in equity							
Contribution by and distribution to owners							
Dividends to equity share holders	-	-	-	(1,913)	(1,913)	-	(1,913)
Insurance reserve							
Transferred to insurance reserve	-	127	-	(127)	-	-	-
Balance as at 31 December 2020	18,049	1,044	-	65,055	84,148	101	84,249

(All amounts in LKR Millions)

Company	Attributable to owners of the Company				
	Stated capital	Insurance reserve	Hedging reserve	Retained earnings	Total
Balance as at 1 January 2019	18,049	791	(672)	39,972	58,140
Total comprehensive income for the year					
Net profit for the year	-	-	-	3,780	3,780
Other comprehensive income / (expense)					
Net movement on cash flow hedges			201		201
Defined benefit plan actuarial loss, net of tax	-	-	-	(35)	(35)
Total other comprehensive income / (expense) for the year	-	-	201	(35)	166
Total comprehensive income for the year	-	-	201	3,745	3,946
Transactions with owners, recorded directly in equity					
Contribution by and distribution to owners					
Dividends to equity share holders	-	-	-	(1,913)	(1,913)
Insurance reserve					
Transferred to insurance reserve	-	126	-	(126)	-
Balance as at 31 December 2019	18,049	917	(471)	41,678	60,173
Balance as at 1 January 2020	18,049	917	(471)	41,678	60,173
Total comprehensive income for the year					
Net profit for the year	-	-	-	4,019	4,019
Other comprehensive income / (expense)					
Net movement on cash flow hedges	-	-	471	-	471
Defined benefit plan actuarial loss, net of tax				(307)	(307)
Total other comprehensive income / (expense) for the year	-	-	471	(307)	164
Total comprehensive income for the year	-	-	471	3,712	4,183
Transactions with owners, recorded directly in equity					
Contribution by and distribution to owners					
Dividends to equity share holders	-	-	-	(1,913)	(1,913)
Insurance reserve					
Transferred to insurance reserve	-	127	-	(127)	-
Balance as at 31 December 2020	18,049	1,044	-	43,350	62,443

Sri Lanka Telecom PLC

Company Registration No. PQ 7

Interim Condensed Consolidated Statement of Cash Flows

For the year ended 31 December

(All amounts in LKR Millions)

	GROUP		COMPANY	
	2020	2019	2020	2019
Operating activities				
Cash generated from operations	40,467	29,307	22,047	15,476
Interest received	1,243	1,305	830	756
Interest paid	(8,109)	(8,321)	(5,378)	(5,721)
Tax paid	(720)	(1,334)	-	(239)
Gratuity paid	(693)	(547)	(467)	(461)
Net cash generated from operating activities	32,188	20,410	17,032	9,811
Cash flows from Investing activities				
Acquisition of property, plant and equipment	(12,031)	(27,966)	(6,355)	(13,526)
Acquisition of intangible assets	(2,477)	(1,097)	(2,293)	(367)
Proceeds from disposal of property, plant and equipment	93	249	85	204
Proceeds / (Purchase) of short term investments	(509)	536	(464)	477
Investments in subsidiaries	-	-	-	(455)
Net cash used in investing activities	(14,924)	(28,278)	(9,027)	(13,667)
Cash flows from Financing activities				
Proceeds from borrowings	17,905	47,475	17,500	46,350
Cash payment for the principle portion of lease liability	(1,769)	(1,541)	(588)	(483)
Finance lease principal re-payments	(56)	(29)	(2)	(2)
Re-payment on borrowings	(23,170)	(39,035)	(20,794)	(37,749)
Dividend paid to equity share holders	(1,913)	(1,913)	(1,913)	(1,913)
Net cash (used) / generated from financing activities	(9,003)	4,957	(5,797)	6,203
Increase in cash and cash equivalents	8,261	(2,911)	2,208	2,347
Movement in Cash and cash equivalents				
Cash and cash equivalents at beginning of the year	1,718	4,629	(2,620)	(4,967)
Increase /(Decrease) in cash and cash equivalents	8,261	(2,911)	2,208	2,347
Cash and cash equivalents at 31 December (Note)	9,979	1,718	(412)	(2,620)
Note				
Cash and cash equivalents	11,866	5,457	1,041	645
Bank overdraft	(1,887)	(3,739)	(1,453)	(3,265)
	9,979	1,718	(412)	(2,620)

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 at 31 December 2020 and for the year ended 31 December 2020 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 at 31 December 2019 and for the year ended 31 December 2019.

These interim financial statements were authorized for issue by the Company's Board of Directors on 09 February 2021.

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 at 31 December 2019 and for the year ended 31 December 2019.

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 2019 and for the year ended 31 December 2019.

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	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
External revenues	47,065	45,897	41,939	38,482	2,118	1,569	91,122	85,948
Inter- segment revenue	4,487	4,110	1,428	1,697	3,219	3,556	9,134	9,363
Reportable segment revenue	51,552	50,007	43,367	40,179	5,337	5,125	100,256	95,311
Reportable segment Profit before tax	4,539	4,754	6,154	4,073	11	(143)	10,704	8,684
Interest revenue	819	739	405	510	8	39	1,232	1,288
Interest expenses	(1,391)	(690)	(1,574)	(1,540)	(82)	(35)	(3,047)	(2,265)
Depreciation and Amortization	(14,923)	(13,102)	(8,792)	(8,255)	(145)	(88)	(23,860)	(21,445)

Revenues	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
Total revenue for reportable segments	94,919	90,186
Revenue for other segments	5,337	5,125
Reportable segment revenue	100,256	95,311
Elimination of inter- segment revenue	(9,134)	(9,363)
Consolidated revenue	91,122	85,948
Profit or loss		
Total profit or loss for reportable segments	10,693	8,827
Profit for other segments	11	(143)
Reportable segment profit before tax	10,704	8,684
Elimination of inter- segment profits	(1,036)	(468)
Consolidated profit before tax	9,668	8,216

Assets & Liabilities

	31 Dec 2020	31 Dec 2019
Assets		
Total assets for reportable segments	220,764	226,904
Assets for other segments	4,826	4,394
	225,590	231,298
Elimination of inter- segment assets	(20,573)	(22,279)
Consolidated total assets	205,017	209,019
Liabilities		
Total liabilities for reportable segments	122,957	135,238
Liabilities for other segments	3,694	3,226
	126,651	138,464
Elimination of inter- segment liabilities	(5,883)	(7,612)
Consolidated total liabilities	120,768	130,852

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 categorized 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 the Company's 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 financial impact to the Company due to the pandemic is summarized below:

(a) Impact to Earnings

In the short run, the Company experienced a positive impact in areas such as Broadband, IPTV and Career Business services due to the surge in utilization in the residential and business sectors, with the shift towards work from home arrangements in continuing the businesses. In addition, future opportunities are emerging with novel digital products and services.

(b) Impact to Cash flows

The effective collection strategies of the Company coupled with the need for continuous supply for telecommunication services which is required for effective execution of work from home and study from home concepts have improved collections over the period.

The Company controlled the capital expenditure and only undertook critical projects to manage the cash flows. Further, the utilization of debt moratoriums offered by the Government to defer the capital and interest payments of loans by a few months and the reduction in market interest rates during the second half of 2020 facilitated the management of cash flows of the Company.

(c) Impact from Exchange Rate Variation

The Company has fully settled all the foreign currency denominated loans as at the end of the financial year. Further, the Company entered into forward exchange contracts for imports to mitigate foreign exchange risk arising due to currency fluctuations.

(d) Impact to the Share Market Price

With the rebound from the pandemic, the Colombo Stock Exchange (“CSE”) has managed to offset the losses that incurred in 2020. The excess liquidity in the market due to interest rate reductions and moratoriums has been a key factor in the performance of CSE. Over the latter half of the year, the Company’s share market price has recovered and the trade volumes rose with the improved trading activities of the CSE.

(e) Impact on Property, Plant & Equipment

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

The Company will continue to take appropriate actions to mitigate any potential impact and will continue its contingency plans and risk management measures as the situation evolves. However, it is too early to reasonably estimate the impact of the pandemic on financial results since it has still not fully brought under control.

There were no other events or transactions that require disclosures or adjustments to the financial statements for the year ended 31 December 2020.

VIII. Property Plant and equipment**(a) Acquisitions and Disposals**

During the year ended 31 December 2020, the Group acquired assets at a cost of Rs 23,032 Mn (year ended 31 December 2019 - Rs.34,520 Mn).

Assets with Rs. 24 Mn. net book value were disposed during the year ended December 2020 (year ended 31 December 2019 – Rs 18 Mn), resulting in a gain on disposal of Rs. 69 Mn (year ended 31 December 2019: gain of Rs. 231 Mn), which was included in ‘Other Income’ in the Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(b) Capital commitments

	Group (Rs. Mn)		Company (Rs. Mn)	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Property plant and equipment				
Approved but not contracted	64,924	5,250	64,924	5,250
Approved and contracted	13,474	15,491	10,194	9,744

IX. Capital and Reserves

(a) Stated Capital

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

(b) Hedging Reserve

During the year the company settled its foreign currency denominated loans completely. As a result, the hedge instrument was expired due to the maturity of the contractual agreement.

X. Loans and Borrowings

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

Additions	Currency	Amount (Rs. Mn.)
Bank loan – 31 December 2020	LKR	17,905

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

Repayments	Currency	Amount (Rs. Mn.)
Bank loan – 31 December 2020	LKR	23,170

XI. Contingencies

(a) In February 2006, Global Electroteks Limited initiated legal action to claim damages of USD 12 Mn. from Sri Lanka Telecom PLC (“SLT”) for alleged unlawful disconnection of interconnection services. The Commercial High Court dismissed the application of Global Electroteks Limited in June 2020 and granted the Order in favour of SLT. Subsequently, Global Electroteks Limited has appealed to the Supreme Court against the Order.

(b) In June 2010, Directories Lanka Private Limited (“DLPL”) filed an appeal case against SLT against the dismissal of their claim for damages of LKR 250 Mn. for alleged unfair competition with regard to artwork on the cover page of the SLT directory. Since DLPL is under liquidation, the official receiver (liquidator) has been appointed and the case is fixed for support in January 2021.

(c) A consignment of CDMA equipment imported by SLT was detained in October 2008 by the Customs Authority. Subsequently, the equipment was cleared pending an inquiry based on a cash deposit and bank guarantee submitted by SLT. In October 2014, an Order was delivered which imposed a mitigated forfeiture of approximately LKR 1.82 Bn. on SLT. SLT filed a case in the Court of Appeal against the Order and an interim Order was issued by the Court in March 2016 to preclude respondents from enforcing the previous Order. In September 2020, the Court of Appeal gave a judgement in favor of SLT and the Order given by the Customs Authority was dismissed. However, the Customs Authority have appealed to the Supreme Court against the Order.

(d) Equipment valued at approximately USD 997,000 imported by SLT was detained by the Customs Authority in May 2009 but subsequently cleared in July 2009. The inquiry is pending and SLT is awaiting the decision of the Customs Department.

(e) 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, SLT filed an appeal to the Supreme Court against the Order and the case is fixed for support in March 2021.

XII. Related Parties

Material related party transactions during the year under review:

Company	Nature of Transaction	Transaction Value (Rs. Mn)		Amount due (to)/ from related parties (Rs. Mn)	
		31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Mobitel (Private) Limited	Sale of goods and services	4,756	4,001	1,324	1,288
	Purchase of goods and services	1,428	1,697	(1,060)	(849)

XIII. Tax Credits

As at 31 December 2019, the Company had tax credits amounting to Rs 1,289 Mn. that were available indefinitely for offsetting against future taxable profits of the company. The Company has recognized Rs. 615 Mn out of the said tax credits in the Interim Financial Statements for the year ended 31 December 2020 including setting off of the Turnover Tax liability amounting to Rs. 122 Mn.

XIV. Capitalization of Interest

As more fully described in the Note VII (b), the Company controlled the capital expenditure and only undertook critical projects to manage the cash flows. Thus the reduction in ongoing projects directly impacted the interest capitalized by the company during the year.

XV. Events after the Reporting date

No 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.

Investor Information

Ratios

	Group		Company	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Net asset value per share (Rs)	46.62	43.25	34.60	33.34
Debt/equity ratio - Number of times	0.77	0.93	0.77	0.88
Quick asset ratio - Number of times	0.93	0.76	0.90	0.74

	For the year ended		For the year ended	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Interest cover - Number of times	1.90	1.49	1.16	0.99

Market Value of Shares

Market Value of the Ordinary Shares of the Company (Rs)

	3 Months to 31 Dec 2020	3 Months to 31 Dec 2019
- Highest	34.80	34.50
- Lowest	29.00	28.10
- Last traded price	33.50	31.90

Dividend Payment

First and final dividend for the year 2019 - Rs 1.06 per share paid on 20 July 2020.

Share trading from 1 October to 31 December 2020

	3 Months to 31 Dec 2020
- No of Transactions	3,126
- No of Shares Traded	2,451,516
- Value of Shares Traded (Rs)	79,522,486

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
- 6.98%
- No trades during the Qtr 4, 2020

Sri Lanka Telecom PLC

Company Registration No. PQ 7

Interim Condensed Consolidated Financial Statements

Investor Information Contd.....

Progress of the utilization of funds raised via a debenture issuance

Objective Number	Objective As Per Prospectus	Amount Allocated As Per Prospectus In LKR	Proposed Date Of Utilization As Per Prospectus	Amount Allocated From Proceeds In LKR (A)	% Of Total Proceeds	Amounts Utilized In LKR (B)	% Of Utilization Against Allocation (B/A)	Clarification If Not Fully Utilized Including Where The Funds Are Invested (Eg. Whether Lent To Related Party)
1	Retire short term maturing and high interest paying debt	5,000,000,000	Not stated	5,000,000,000	71.43%	5,000,000,000	100%	Not applicable
2	Finance part of capital expenditure	2,000,000,000	Not stated	2,000,000,000	28.57%	2,000,000,000	100%	Not applicable

Sri Lanka Telecom PLC**Company Registration No. PQ 7****Interim Condensed Consolidated Financial Statements**

1) List of 20 Major Shareholders

Name & Address	Share Holding	Percentage %
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 Hatton National Bank PLC /Carlines Holding (Pvt) Limited	246,301	0.01
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 Sampath Bank PLC /Mr D.K.L Chanadrasena	150,000	0.01
16 Mr Weerasinghe	140,100	0.01
17 Hatton National Bank PLC /Almas Organization (Pvt) Limited	134,672	0.01
18 Mr Munasinghe	130,787	0.01
19 Mr.Razik	120,000	0.01
20 Sinharaja Hills Plantation Pvt Limited	107,491	0.01
	1,787,446,703	99.04

2) Percentage of public holding as at 31 December 2020 4.78%

3) Number of shareholders representing the public holding 12,651

4) Float adjusted market capitalization Rs.2,890,122,318

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.