

**Sri Lanka Telecom PLC**



**Interim Condensed Consolidated Financial Statements**

**For the Quarter ended**

**30 June 2021**

*(All amounts in LKR Millions )*

	Group		Company		Group		Company	
	Apr - Jun		Apr - Jun		Jan - Jun		Jan - Jun	
	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)
Revenue	25,288	21,959	14,795	12,763	49,946	44,098	28,965	25,253
Direct costs	(13,602)	(11,315)	(8,235)	(6,811)	(26,948)	(22,952)	(16,133)	(13,639)
<b>Gross Profit</b>	<b>11,686</b>	<b>10,644</b>	<b>6,560</b>	<b>5,952</b>	<b>22,998</b>	<b>21,146</b>	<b>12,832</b>	<b>11,614</b>
Sales and marketing costs	(2,740)	(2,092)	(1,317)	(775)	(5,526)	(4,788)	(2,707)	(2,033)
Administrative costs	(5,145)	(4,839)	(3,865)	(3,314)	(10,249)	(9,426)	(7,742)	(6,623)
<b>Operating profit</b>	<b>3,801</b>	<b>3,713</b>	<b>1,378</b>	<b>1,863</b>	<b>7,223</b>	<b>6,932</b>	<b>2,383</b>	<b>2,958</b>
Other income	55	206	189	299	283	468	527	643
Dividend Income	-	-	500	250	-	-	975	500
Interest expenses and finance cost	(785)	(843)	(489)	(482)	(1,631)	(1,369)	(1,018)	(632)
Foreign exchange (loss) / gain	(193)	(204)	(43)	(280)	(524)	(887)	161	(409)
Interest income	307	216	169	122	623	501	344	318
Share of profit from equity accounted investee	16	30	16	30	35	42	35	42
<b>Profit before tax</b>	<b>3,201</b>	<b>3,118</b>	<b>1,720</b>	<b>1,802</b>	<b>6,009</b>	<b>5,687</b>	<b>3,407</b>	<b>3,420</b>
Income tax expenses	605	(413)	868	(196)	(57)	(1,105)	539	(645)
<b>Profit for the Period</b>	<b>3,806</b>	<b>2,705</b>	<b>2,588</b>	<b>1,606</b>	<b>5,952</b>	<b>4,582</b>	<b>3,946</b>	<b>2,775</b>
<b>Other comprehensive income</b>								
Net movement in Cash flow hedges	4	115	-	115	54	206	-	206
Defined benefit plan actuarial (loss) / gain	(118)	12	(119)	12	(236)	26	(237)	24
Tax on other comprehensive income	(50)	(4)	(51)	(4)	(28)	(8)	(27)	(7)
<b>Other comprehensive income for the period (net of tax)</b>	<b>(164)</b>	<b>123</b>	<b>(170)</b>	<b>123</b>	<b>(210)</b>	<b>224</b>	<b>(264)</b>	<b>223</b>
<b>Total Comprehensive Income for the Period</b>	<b>3,642</b>	<b>2,828</b>	<b>2,418</b>	<b>1,729</b>	<b>5,742</b>	<b>4,806</b>	<b>3,682</b>	<b>2,998</b>
<b>Profit Attributable to :</b>								
Owners of the company	3,805	2,705	2,588	1,606	5,949	4,582	3,946	2,775
Non-controlling interest	1	-	-	-	3	-	-	-
	<b>3,806</b>	<b>2,705</b>	<b>2,588</b>	<b>1,606</b>	<b>5,952</b>	<b>4,582</b>	<b>3,946</b>	<b>2,775</b>
<b>Total Comprehensive Income attributable to:</b>								
Owners of the company	3,641	2,828	2,418	1,729	5,739	4,806	3,682	2,998
Non-controlling interest	1	-	-	-	3	-	-	-
	<b>3,642</b>	<b>2,828</b>	<b>2,418</b>	<b>1,729</b>	<b>5,742</b>	<b>4,806</b>	<b>3,682</b>	<b>2,998</b>
Earnings per share								
Basic (Rs.)	<b>2.11</b>	<b>1.50</b>	<b>1.43</b>	<b>0.89</b>	<b>3.30</b>	<b>2.54</b>	<b>2.19</b>	<b>1.54</b>

(All amounts in LKR Millions )

	Group		Company	
	30 Jun 2021 (Reviewed)	31 Dec 2020 (Audited)	30 Jun 2021 (Reviewed)	31 Dec 2020 (Audited)
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	139,167	137,208	102,713	100,269
Right-of-use assets	8,809	8,750	1,125	78
Intangible assets and goodwill	8,326	8,115	3,229	2,656
Investments in subsidiaries	-	-	14,821	14,821
Investments in associates	163	128	163	128
Deferred tax assets	154	185	-	-
Contract assets	624	560	182	155
Other receivables	2,679	2,748	2,661	2,732
<b>Total Non-current Assets</b>	<b>159,922</b>	<b>157,694</b>	<b>124,894</b>	<b>120,839</b>
<b>Current Assets</b>				
Inventories	2,629	3,367	1,826	2,634
Trade and other receivables	31,155	27,070	20,414	17,932
Current tax receivables	14	15	-	-
Contract assets	800	778	104	97
Other investments	6,535	3,666	6,514	3,646
Cash and cash equivalents	14,936	11,866	860	1,041
<b>Total Current Assets</b>	<b>56,069</b>	<b>46,762</b>	<b>29,718</b>	<b>25,350</b>
<b>Total Assets</b>	<b>215,991</b>	<b>204,456</b>	<b>154,612</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	1,044	1,044	1,044	1,044
Hedging reserve	79	30	-	-
Retained earnings	68,055	65,056	44,343	43,350
Equity attributable to equity share - holders of the company	<b>87,227</b>	<b>84,179</b>	<b>63,436</b>	<b>62,443</b>
Non controlling Interest	105	102	-	-
<b>Total Equity</b>	<b>87,332</b>	<b>84,281</b>	<b>63,436</b>	<b>62,443</b>
<b>Non Current Liabilities</b>				
Borrowings	44,387	45,684	40,315	40,860
Lease liability	7,476	7,377	706	27
Contract liabilities	897	660	897	660
Deferred income	1,754	1,832	1,754	1,832
Deferred tax liabilities	5,718	7,346	5,194	6,936
Employee benefits	5,557	5,204	4,680	4,358
Trade and other payables	8,535	5,371	7,131	3,955
<b>Total Non Current Liabilities</b>	<b>74,324</b>	<b>73,474</b>	<b>60,677</b>	<b>58,628</b>
<b>Current Liabilities</b>				
Borrowings	8,791	9,690	6,128	7,132
Lease liability	2,489	2,281	438	58
Contract liabilities	872	742	573	484
Deferred income	3,205	2,812	283	240
Current tax liabilities	1,828	560	1,302	73
Deferred tax liabilities	11	11	-	-
Trade and other payables	37,139	30,605	21,775	17,131
<b>Total Current Liabilities</b>	<b>54,335</b>	<b>46,701</b>	<b>30,499</b>	<b>25,118</b>
<b>Total Liabilities</b>	<b>128,659</b>	<b>120,175</b>	<b>91,176</b>	<b>83,746</b>
<b>Total Equity and Liabilities</b>	<b>215,991</b>	<b>204,456</b>	<b>154,612</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

Sanjeewa 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 02 August 2021.

Signed for and behalf of the Board.

Signed  
Rohan Fernando  
ChairmanSigned  
Lalith Seneviratne  
Director

Sri Lanka Telecom PLC  
Company Registration No. PQ 7  
Interim Condensed Consolidated Statement of Changes In Equity  
For the six months period ended 30 June 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	-	8,023
<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	-	-	-	-	-	3	3
<b>Total comprehensive income for period</b>							
Net profit for the period	-	-	-	5,952	5,952	-	5,952
<b>Other comprehensive income / (expense)</b>							
Net movement on cash flow hedges	-	-	49	-	49	-	49
Defined benefit plan actuarial loss, net of tax	-	-	-	(264)	(264)	-	(264)
<b>Total other comprehensive income / (expense) for period</b>	-	-	49	(264)	(215)	-	(215)
<b>Total comprehensive income for the period</b>	-	-	49	5,688	5,737	-	5,737
<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>Balance as at 30 June 2021</b>	<b>18,049</b>	<b>1,044</b>	<b>79</b>	<b>68,055</b>	<b>87,227</b>	<b>105</b>	<b>87,332</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	-	-	-	3,946	3,946
<b>Other comprehensive income / (expense)</b>					
Net movement on cash flow hedges	-	-	-	-	-
Defined benefit plan actuarial loss, net of tax	-	-	-	(264)	(264)
<b>Total other comprehensive income / (expense) for period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(264)</b>	<b>(264)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,682</b>	<b>3,682</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>Balance as at 30 June 2021</b>	<b>18,049</b>	<b>1,044</b>	<b>-</b>	<b>44,343</b>	<b>63,436</b>

Sri Lanka Telecom PLC

Company Registration No. PQ 7

Interim Condensed Consolidated Statement of Cash Flows

For the six months period ended 30 June

(All amounts in LKR Millions)

	GROUP		COMPANY	
	2021	2020	2021	2020
<b>Operating activities</b>				
Cash generated from operations	23,684	16,721	14,794	8,500
Interest received	622	491	343	308
Interest paid	(3,999)	(4,006)	(2,556)	(2,580)
Tax paid	(402)	(235)	-	-
Gratuity paid	(288)	(306)	(241)	(273)
<b>Net cash generated from operating activities</b>	<b>19,617</b>	<b>12,665</b>	<b>12,340</b>	<b>5,955</b>
<b>Cash flows from Investing activities</b>				
Acquisition of property, plant and equipment	(10,350)	(4,536)	(8,106)	(2,051)
Acquisition of intangible assets	(1,415)	(1,558)	(1,193)	(1,515)
Proceeds from disposal of property, plant and equipment	164	36	125	28
Proceeds / (Purchase) of short term investments	(2,717)	170	(2,716)	159
<b>Net cash used in investing activities</b>	<b>(14,318)</b>	<b>(5,888)</b>	<b>(11,890)</b>	<b>(3,379)</b>
<b>Cash flows from Financing activities</b>				
Proceeds from borrowings	779	10,745	750	10,500
Cash payment for the principle portion of lease liability	(938)	(733)	(308)	(288)
Finance lease principal re-payments	(3)	(10)	(3)	-
Re-payment on borrowings	(4,523)	(12,235)	(3,508)	(11,018)
Increase in deferred liability	3,236	266	3,225	-
Dividend paid to equity share holders	(2,689)	-	(2,689)	-
<b>Net cash (used) / generated from financing activities</b>	<b>(4,138)</b>	<b>(1,967)</b>	<b>(2,533)</b>	<b>(806)</b>
<b>Increase / (Decrease) in cash and cash equivalents</b>	<b>1,161</b>	<b>4,810</b>	<b>(2,083)</b>	<b>1,770</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>1,161</b>	<b>4,810</b>	<b>(2,083)</b>	<b>1,770</b>
<b>Cash and cash equivalents at 30 June (Note)</b>	<b>11,142</b>	<b>6,528</b>	<b>(2,495)</b>	<b>(850)</b>
<b>Note</b>				
Cash and cash equivalents	14,936	9,342	860	1,486
Bank overdraft	(3,794)	(2,814)	(3,355)	(2,336)
	<b>11,142</b>	<b>6,528</b>	<b>(2,495)</b>	<b>(850)</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 at 30 June 2021 and for the six months ended 30 June 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 at 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 02 August 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 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	
	30 June		30 June		30 June		30 June	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>External revenues</b>	26,528	23,020	22,484	20,242	934	836	49,946	44,098
<b>Inter- segment revenue</b>	2,437	2,233	684	694	2,223	1,475	5,344	4,402
<b>Reportable segment revenue</b>	28,965	25,253	23,168	20,936	3,157	2,311	55,290	48,500
<b>Reportable segment Profit before tax</b>	3,407	3,420	4,054	2,770	(278)	-	7,183	6,190
<b>Interest revenue</b>	344	318	278	181	1	2	623	501
<b>Interest expenses</b>	(1,018)	(632)	(630)	(789)	(55)	(28)	(1,703)	(1,449)
<b>Depreciation and Amortization</b>	(8,287)	(7,108)	(4,369)	(4,049)	(91)	(62)	(12,747)	(11,219)

Revenues	30 June 2021	30 June 2020
Total revenue for reportable segments	52,133	46,189
Revenue for other segments	3,157	2,311
Reportable segment revenue	55,290	48,500
Elimination of inter- segment revenue	(5,344)	(4,402)
Consolidated revenue	<b>49,946</b>	<b>44,098</b>
<b>Profit or loss</b>		
Total profit or loss for reportable segments	7,461	6,190
Profit for other segments	(278)	-
Reportable segment profit before tax	7,183	6,190
Elimination of inter- segment profits	(1,174)	(503)
Consolidated profit before tax	<b>6,009</b>	<b>5,687</b>



**Assets & Liabilities**

	<b>30 June 2021</b>	<b>31 Dec 2020</b>
<b>Assets</b>		
Total assets for reportable segments	232,096	220,163
Assets for other segments	4,942	4,870
	237,038	225,033
Elimination of inter - segment assets	(21,047)	(20,577)
<b>Consolidated total assets</b>	<b>215,991</b>	<b>204,456</b>
<b>Liabilities</b>		
Total liabilities for reportable segments	130,768	122,357
Liabilities for other segments	4,246	3,709
	135,014	126,066
Elimination of inter- segment liabilities	(6,355)	(5,891)
<b>Consolidated total liabilities</b>	<b>128,659</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 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. SLT created a fund to mitigate the cost of hospitalisation for SLT employees and their family members, and also established 6 transit centres for first contacts to convalesce. Further, SLT Group introduced online bill payment facility for the customers and maintained social distancing and safety regulations in customer points.

**(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. 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 the collections over the period. The Group restricted the capital expenditure only to critical projects, including the projects which extend our connections to rural areas too to narrow the digital divide in the Country, and the reduced market interest rates facilitated the management of cash flows of the Group.

**(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 an impact 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. 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 period ended 30 June 2021.

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

During the six months ended 30 June 2021, the Group acquired assets at a cost of Rs 12,021 Mn (six months ended 30 June 2020 - Rs.5,606 Mn).

Assets fully depreciated were disposed during the six months ended 30 June 2021 (six months ended 30 June 2020 written down value of Rs 2 Mn), resulting in a gain on disposal of Rs. 164 Mn (six months ended 30 June 2020 gain of Rs.36 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)	
	30 June 2021	31 Dec 2020	30 June 2021	31 Dec 2020
<b>Property plant and equipment</b>				
Approved but not contracted	121,734	64,924	121,734	64,924
Approved and contracted	21,646	13,474	17,718	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 – 30 June 2021	LKR	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 – 30 June 2021	LKR	4,523

**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) A consignment of CDMA equipment imported by SLT was detained in October 2008 by the Customs Authority. Subsequently the equipment were cleared pending the 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 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 Custom Authority has appealed to the Supreme Court against the order.

(c) Equipment valued at 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.

(d) 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 case was fixed for argument in September 2021.

**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>30 June 2021</b>	<b>30 June 2020</b>	<b>30 June 2021</b>	<b>31 Dec 2020</b>
<b>Mobitel (Private) Limited</b>	Sale of goods and services	2,523	2,374	1,533	1,324
	Purchase of goods and services	684	694	(1,187)	(1,060)

**XIII. Income Tax**

Adjustment was made to reverse the Deferred Tax Liability by Rs. 1,078 Mn due to enactment of corporate tax rate revision to 24% from 28%. As a result, tax expense for the first six months reduced by Rs. 1,078 Mn.

**XIV. Short Term Investments**

The amount of short-term investments which will get matured within the next 3 months are Rs. 5,583 Mn. This consists of fixed deposits which have a maturity period of more than 3 months from the date of acquisition.

**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.

**Sri Lanka Telecom PLC**

Company Registration No. PQ 7

**Interim Condensed Consolidated Financial Statements**

For the six months period ended 30 June 2021

**Investor Information**

**Ratios**

	Group		Company	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
Net asset value per share (Rs)	48.33	46.64	35.15	34.60
Debt/equity ratio - Number of times	0.72	0.77	0.75	0.77
Quick asset ratio - Number of times	0.98	0.93	0.91	0.90

	For the 3 months ended		For the 3 months ended	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
Interest cover - Number of times	3.12	2.03	2.41	1.48

**Market Value of Shares**

	3 Months to 30 Jun 2021	3 Months to 30 Jun 2020
<b>Market Value of the Ordinary Shares of the Company (Rs)</b>		
- Highest	36.50	30.00
- Lowest	32.00	18.00
- Last traded price	33.40	28.90

**Dividend Payment**

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

**Share trading from 1 April to June 2021**

	3 Months to 30 Jun 2021
- No of Transactions	1,843
- No of Shares Traded	738,705
- Value of Shares Traded (Rs)	25,024,503

**Debenture Information**

- |  |                                    |
|--|------------------------------------|
| - Interest yield as at date of last trade                    | - Not traded after initial issue   |
| - Yield to maturity of last trade done with trade date       | - Not traded after initial issue   |
| - Interest rate of comparable government security            | - 7.85%                            |
| - Market prices (ex-interest) for the current interim period | - No trades during the Qtr 2, 2021 |

**Sri Lanka Telecom PLC****Company Registration No. PQ 7****Interim Condensed Consolidated Financial Statements****For the six months period ended 30 June 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 The Incorporated Trustees of the Church of Ceylon	223,590	0.01
11 Bank of Ceylon No 1 Account	214,000	0.01
12 Hatton National Bank PLC /Almas Organization (Pvt) Limited	198,825	0.01
13 Pinnacle Trust (Pvt) Limited	183,984	0.01
14 Ceylon Biscuits Limited	161,825	0.01
15 Amana Bank PLC /Almas Organization (Pvt) Limited	155,955	0.01
16 Mr Samarasinghe	144,500	0.01
17 Mr Weerasinghe	140,100	0.01
18 Mr Munasinghe	130,787	0.01
19 Hatton National Bank PLC /Carlines Holdings (Pvt) Limited	111,726	0.01
20 Sinharaja Hills Plantation Pvt Limited	107,491	0.01
	<b>1,787,406,736</b>	<b>99.03</b>

2) Percentage of public holding as at 30 June 2021 4.78%

3) Number of shareholders representing the public holding 12,751

4) Float adjusted market capitalization Rs.2,883,089,102.20

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.