

**Sri Lanka Telecom PLC**



**Interim Condensed Consolidated Financial Statements**

**For the Quarter ended**

**30 September 2021**

*(All amounts in LKR Millions )*

	Group		Company		Group		Company	
	Jul - Sep		Jul - Sep		Jan - Sep		Jan - Sep	
	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)
Revenue	26,653	23,066	15,708	12,844	76,599	67,164	44,673	38,097
Direct costs	(14,861)	(13,465)	(9,271)	(7,343)	(41,809)	(36,417)	(25,404)	(20,982)
<b>Gross Profit</b>	<b>11,792</b>	<b>9,601</b>	<b>6,437</b>	<b>5,501</b>	<b>34,790</b>	<b>30,747</b>	<b>19,269</b>	<b>17,115</b>
Sales and marketing costs	(2,636)	(2,835)	(1,278)	(1,473)	(8,162)	(7,623)	(3,985)	(3,506)
Administrative costs	(5,150)	(4,006)	(4,037)	(3,398)	(15,399)	(13,432)	(11,779)	(10,021)
<b>Operating profit</b>	<b>4,006</b>	<b>2,760</b>	<b>1,122</b>	<b>630</b>	<b>11,229</b>	<b>9,692</b>	<b>3,505</b>	<b>3,588</b>
Other income	309	165	283	272	592	633	810	915
Dividend Income	-	-	264	250	-	-	1,239	750
Interest expenses and finance cost	(717)	(725)	(424)	(376)	(2,348)	(2,094)	(1,442)	(1,008)
Foreign exchange (loss) / gain	(5)	117	(14)	(17)	(529)	(770)	147	(426)
Interest income	370	270	195	160	993	771	539	478
Share of profit from equity accounted investee	34	18	34	18	69	60	69	60
<b>Profit before tax</b>	<b>3,997</b>	<b>2,605</b>	<b>1,460</b>	<b>937</b>	<b>10,006</b>	<b>8,292</b>	<b>4,867</b>	<b>4,357</b>
Income tax expenses	(764)	(438)	(304)	(203)	(821)	(1,543)	235	(848)
<b>Profit for the Period</b>	<b>3,233</b>	<b>2,167</b>	<b>1,156</b>	<b>734</b>	<b>9,185</b>	<b>6,749</b>	<b>5,102</b>	<b>3,509</b>
<b>Other comprehensive income</b>								
Net movement in Cash flow hedges	(54)	(25)	-	(25)	-	181	-	181
Defined benefit plan actuarial (loss) / gain	(118)	12	(118)	12	(354)	38	(355)	36
Tax on other comprehensive income	35	(2)	37	(2)	7	(10)	10	(9)
<b>Other comprehensive income for the period (net of tax)</b>	<b>(137)</b>	<b>(15)</b>	<b>(81)</b>	<b>(15)</b>	<b>(347)</b>	<b>209</b>	<b>(345)</b>	<b>208</b>
<b>Total Comprehensive Income for the Period</b>	<b>3,096</b>	<b>2,152</b>	<b>1,075</b>	<b>719</b>	<b>8,838</b>	<b>6,958</b>	<b>4,757</b>	<b>3,717</b>
<b>Profit Attributable to :</b>								
Owners of the company	3,231	2,165	1,156	734	9,180	6,747	5,102	3,509
Non-controlling interest	2	2	-	-	5	2	-	-
	<b>3,233</b>	<b>2,167</b>	<b>1,156</b>	<b>734</b>	<b>9,185</b>	<b>6,749</b>	<b>5,102</b>	<b>3,509</b>
<b>Total Comprehensive Income attributable to:</b>								
Owners of the company	3,094	2,150	1,075	719	8,833	6,956	4,757	3,717
Non-controlling interest	2	2	-	-	5	2	-	-
	<b>3,096</b>	<b>2,152</b>	<b>1,075</b>	<b>719</b>	<b>8,838</b>	<b>6,958</b>	<b>4,757</b>	<b>3,717</b>
Earnings per share								
Basic (Rs.)	<b>1.79</b>	<b>1.20</b>	<b>0.64</b>	<b>0.41</b>	<b>5.09</b>	<b>3.74</b>	<b>2.83</b>	<b>1.94</b>

(All amounts in LKR Millions )

	Group		Company	
	30 Sep 2021 (Reviewed)	31 Dec 2020 (Audited)	30 Sep 2021 (Reviewed)	31 Dec 2020 (Audited)
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	140,638	137,208	103,961	100,269
Right-of-use assets	8,470	8,750	965	78
Intangible assets and goodwill	7,914	8,115	3,068	2,656
Investments in subsidiaries	-	-	14,821	14,821
Investments in associates	198	128	198	128
Deferred tax assets	154	185	-	-
Contract assets	669	560	216	155
Other receivables	2,603	2,748	2,588	2,732
<b>Total Non-current Assets</b>	<b>160,646</b>	<b>157,694</b>	<b>125,817</b>	<b>120,839</b>
<b>Current Assets</b>				
Inventories	1,890	3,367	1,117	2,634
Trade and other receivables	32,128	27,070	22,068	17,932
Current tax receivables	14	15	-	-
Contract assets	812	778	120	97
Other investments	7,868	3,666	7,697	3,646
Cash and cash equivalents	17,417	11,866	893	1,041
<b>Total Current Assets</b>	<b>60,129</b>	<b>46,762</b>	<b>31,895</b>	<b>25,350</b>
<b>Total Assets</b>	<b>220,775</b>	<b>204,456</b>	<b>157,712</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	1,093	1,044	1,093	1,044
Hedging reserve	-	30	-	-
Retained earnings	71,156	65,056	45,369	43,350
Equity attributable to equity share - holders of the company	<b>90,298</b>	<b>84,179</b>	<b>64,511</b>	<b>62,443</b>
Non controlling Interest	107	102	-	-
<b>Total Equity</b>	<b>90,405</b>	<b>84,281</b>	<b>64,511</b>	<b>62,443</b>
<b>Non Current Liabilities</b>				
Borrowings	42,349	45,684	39,439	40,860
Lease liability	7,098	7,377	661	27
Contract liabilities	1,048	660	1,048	660
Deferred income	1,709	1,832	1,709	1,832
Deferred tax liabilities	5,634	7,346	4,924	6,936
Employee benefits	5,773	5,204	4,861	4,358
Trade and other payables	10,393	5,371	8,986	3,955
<b>Total Non Current Liabilities</b>	<b>74,004</b>	<b>73,474</b>	<b>61,628</b>	<b>58,628</b>
<b>Current Liabilities</b>				
Borrowings	8,296	9,690	5,761	7,132
Lease liability	2,469	2,281	326	58
Contract liabilities	974	742	630	484
Deferred income	3,571	2,812	495	240
Current tax liabilities	2,373	560	1,840	73
Deferred tax liabilities	11	11	-	-
Trade and other payables	38,672	30,605	22,521	17,131
<b>Total Current Liabilities</b>	<b>56,366</b>	<b>46,701</b>	<b>31,573</b>	<b>25,118</b>
<b>Total Liabilities</b>	<b>130,370</b>	<b>120,175</b>	<b>93,201</b>	<b>83,746</b>
<b>Total Equity and Liabilities</b>	<b>220,775</b>	<b>204,456</b>	<b>157,712</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 09 November 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 nine months period ended 30 September 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 period</b>							
Net profit for the year	-	-	-	7,881	7,881	-	7,881
<b>Other comprehensive income / (expense) for the period</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 period</b>	-	-	501	(359)	142	-	142
<b>Total comprehensive income for the period</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	-	-	-	-	-	5	5
<b>Total comprehensive income for period</b>							
Net profit for the period	-	-	-	9,185	9,185	-	9,185
<b>Other comprehensive income / (expense) for the period</b>							
Net movement on cash flow hedges	-	-	(30)	-	(30)	-	(30)
Defined benefit plan actuarial loss, net of tax	-	-	-	(347)	(347)	-	(347)
<b>Total other comprehensive income / (expense) for period</b>	-	-	(30)	(347)	(377)	-	(377)
<b>Total comprehensive income for the period</b>	-	-	(30)	8,838	8,808	-	8,808
<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	-	49	-	(49)	-	-	-
<b>Balance as at 30 September 2021</b>	<b>18,049</b>	<b>1,093</b>	<b>-</b>	<b>71,156</b>	<b>90,298</b>	<b>107</b>	<b>90,405</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 period</b>					
Net profit for the year	-	-	-	4,019	4,019
<b>Other comprehensive income / (expense) for the period</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 period</b>	<b>-</b>	<b>-</b>	<b>471</b>	<b>(307)</b>	<b>164</b>
<b>Total comprehensive income for the period</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	-	-	-	5,102	5,102
<b>Other comprehensive income / (expense) for the period</b>					
Net movement on cash flow hedges	-	-	-	-	-
Defined benefit plan actuarial loss, net of tax	-	-	-	(345)	(345)
<b>Total other comprehensive income / (expense) for period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(345)</b>	<b>(345)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,757</b>	<b>4,757</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	-	49	-	(49)	-
<b>Balance as at 30 September 2021</b>	<b>18,049</b>	<b>1,093</b>	<b>-</b>	<b>45,369</b>	<b>64,511</b>

Sri Lanka Telecom PLC

Company Registration No. PQ 7

Interim Condensed Consolidated Statement of Cash Flows

For the nine months period ended 30 September

(All amounts in LKR Millions )

	GROUP		COMPANY	
	2021	2020	2021	2020
<b>Operating activities</b>				
Cash generated from operations	36,504	29,715	20,909	16,633
Interest received	1,018	784	564	491
Interest paid	(5,691)	(5,835)	(3,561)	(3,730)
Tax paid	(670)	(487)	-	-
Gratuity paid	(393)	(525)	(340)	(379)
<b>Net cash generated from operating activities</b>	<b>30,768</b>	<b>23,652</b>	<b>17,572</b>	<b>13,015</b>
<b>Cash flows from Investing activities</b>				
Acquisition of property, plant and equipment	(16,627)	(9,424)	(12,607)	(5,099)
Acquisition of intangible assets	(1,566)	(2,302)	(1,333)	(2,192)
Proceeds from disposal of property, plant and equipment	263	90	195	82
Proceeds / (Purchase) of short term investments	(4,032)	(1,025)	(3,881)	(1,036)
<b>Net cash used in investing activities</b>	<b>(21,962)</b>	<b>(12,661)</b>	<b>(17,626)</b>	<b>(8,245)</b>
<b>Cash flows from Financing activities</b>				
Proceeds from borrowings	780	12,535	750	12,250
Cash payment for the principal portion of lease liability	(1,448)	(1,008)	(464)	(436)
Finance lease principal re-payments	(5)	(55)	(5)	(1)
Re-payment on borrowings	(6,456)	(16,771)	(4,414)	(14,508)
Increase in deferred liability	5,089	-	5,080	-
Dividend paid to equity share holders	(2,689)	(1,913)	(2,689)	(1,913)
<b>Net cash (used) / generated from financing activities</b>	<b>(4,729)</b>	<b>(7,212)</b>	<b>(1,742)</b>	<b>(4,608)</b>
<b>Increase / (Decrease) in cash and cash equivalents</b>	<b>4,077</b>	<b>3,779</b>	<b>(1,796)</b>	<b>162</b>
<b>Movement in Cash and cash equivalents</b>				
Cash and cash equivalents at the beginning of the year	9,981	1,718	(412)	(2,620)
<b>Increase / (Decrease) in cash and cash equivalents</b>	<b>4,077</b>	<b>3,779</b>	<b>(1,796)</b>	<b>162</b>
<b>Cash and cash equivalents at 30 September (Note)</b>	<b>14,058</b>	<b>5,497</b>	<b>(2,208)</b>	<b>(2,458)</b>
<b>Note</b>				
Cash and cash equivalents	17,417	9,529	893	798
Bank overdraft	(3,359)	(4,032)	(3,101)	(3,256)
	<b>14,058</b>	<b>5,497</b>	<b>(2,208)</b>	<b>(2,458)</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 30 September 2021 and for the nine months ended 30 September 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 09 November 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 Sep		30 Sep		30 Sep		30 Sep	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>External revenues</b>	40,907	34,847	34,081	30,985	1,611	1,332	76,599	67,164
<b>Inter- segment revenue</b>	3,766	3,250	1,150	1,031	3,230	2,602	8,146	6,883
<b>Reportable segment revenue</b>	44,673	38,097	35,231	32,016	4,841	3,934	84,745	74,047
<b>Reportable segment Profit before tax</b>	4,867	4,357	6,766	4,559	(232)	155	11,401	9,071
<b>Interest revenue</b>	539	478	450	289	4	4	993	771
<b>Interest expenses</b>	(1,442)	(1,008)	(950)	(1,158)	(64)	(43)	(2,456)	(2,209)
<b>Depreciation and Amortization</b>	(12,963)	(10,875)	(6,596)	(6,230)	(121)	(99)	(19,680)	(17,204)

<b>Revenues</b>	<b>30 Sep 2021</b>	<b>30 Sep 2020</b>
Total revenue for reportable segments	79,904	70,113
Revenue for other segments	4,841	3,934
Reportable segment revenue	84,745	74,047
Elimination of inter- segment revenue	(8,146)	(6,883)
<b>Consolidated revenue</b>	<b>76,599</b>	<b>67,164</b>
<b>Profit or loss</b>		
Total profit or loss for reportable segments	11,633	8,916
Profit for other segments	(232)	155
Reportable segment profit before tax	11,401	9,071
Elimination of inter- segment profits	(1,395)	(779)
<b>Consolidated profit before tax</b>	<b>10,006</b>	<b>8,292</b>



**Assets & Liabilities**

	<b>30 Sep 2021</b>	<b>31 Dec 2020</b>
<b>Assets</b>		
Total assets for reportable segments	236,579	220,163
Assets for other segments	5,491	4,870
	242,070	225,033
Elimination of inter - segment assets	(21,295)	(20,577)
<b>Consolidated total assets</b>	<b>220,775</b>	<b>204,456</b>
<b>Liabilities</b>		
Total liabilities for reportable segments	132,233	122,357
Liabilities for other segments	4,736	3,709
	136,969	126,066
Elimination of inter- segment liabilities	(6,599)	(5,891)
<b>Consolidated total liabilities</b>	<b>130,370</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 and provided home care service for SLT employees and their immediate family members. Further, SLT set up three intermediary quarantine centers in Poththude, Anuradhapura and Kataragama with a total bed capacity of approximately 60. SLT Group ensured customer service through digital platforms to minimize human contact 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 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 restricted capital expenditure to 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.

**(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 30 September 2021.

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

During the nine months ended 30 September 2021, the Group acquired assets at a cost of Rs 19,846 Mn (nine months ended 30 September 2020 - Rs.14,698 Mn).

(b) Assets with a written down value of Rs.11 Mn were disposed during the nine months ended 30 September 2021 (nine months ended 30 September 2020 written down value of Rs 14 Mn), resulting in a gain on disposal of Rs.263 Mn (nine months ended 30 September 2020 gain of Rs.90 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)	
	30 Sep 2021	31 Dec 2020	30 Sep 2021	31 Dec 2020
<b>Property plant and equipment</b>				
Approved but not contracted	62,048	64,924	59,239	64,924
Approved and contracted	37,876	13,474	28,760	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:

Additions	Currency	Amount (Rs. Mn.)
Bank loan – 30 Sep 2021	LKR	780

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

Repayments	Currency	Amount (Rs. Mn.)
Bank loan – 30 Sep 2021	LKR	6,456

**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 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 was 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. Next date for the hearing is 21<sup>st</sup> February 2022 support for leave.

(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. Case was fixed for hearing on 25<sup>th</sup> January 2022.

**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)	
		30 Sep 2021	30 Sep 2020	30 Sep 2021	31 Dec 2020
Mobitel (Private) Limited	Sale of goods and services	3,879	3,462	1,382	1,324
	Purchase of goods and services	991	1,031	(1,147)	(1,060)

**XIII. Short Term Investment**

The amount of short-term investment which will get matured within the next 3 months are Rs. 830 Mn. This consists of fixed deposits which have a maturity period of more than 3 months from the date of acquisition.

**XIV. 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 nine months period ended 30 September 2021**

**Investor Information**

**Ratios**

	Group		Company	
	30 Sep 2021	31 Dec 2020	30 Sep 2021	31 Dec 2020
Net asset value per share (Rs)	50.03	46.64	35.74	34.60
Debt/equity ratio - Number of times	0.67	0.77	0.72	0.77
Quick asset ratio - Number of times	1.03	0.93	0.97	0.90

	For the 9 months ended		For the 9 months ended	
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
Interest cover - Number of times	3.44	2.04	2.35	1.34

**Market Value of Shares**

Market Value of the Ordinary Shares of the Company (Rs)	3 Months to 30 Sep 2021	3 Months to 30 Sep 2020
- Highest	39.20	33.50
- Lowest	32.00	27.00
- Last traded price	37.00	32.70

**Dividend Payment**

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

**Share trading from 1 July to 30 September 2021**

	3 Months to 30 Sep 2021
- No of Transactions	2,736
- No of Shares Traded	2,864,425
- Value of Shares Traded (Rs)	102,427,605

**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            | - 9.50%                                |
| - Market prices (ex-interest) for the current interim period | - No trades during the Quarter 3, 2021 |

**Sri Lanka Telecom PLC****Company Registration No. PQ 7****Interim Condensed Consolidated Financial Statements****For the nine months period ended 30 September 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	1,138,410	0.06
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 Sinharaja Hills Plantation Pvt Limited	107,491	0.01
19 Mr.E.L.Karannagoda	102,576	0.01
20 Mr.D.S.Karalliedde	100,211	0.01
	<b>1,788,286,927</b>	<b>99.08</b>

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

3) Number of shareholders representing the public holding 12,598

4) Float adjusted market capitalization Rs.3,192,075,396

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.