

**Sri Lanka Telecom PLC**



**Interim Condensed Consolidated Financial Statements**

**For the six months ended**

**30 June 2020**

*(All amounts in LKR Millions )*

	Group		Company		Group		Company	
	Apr - Jun		Apr - Jun		Jan - Jun		Jan - Jun	
	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)
Revenue	21,959	21,249	12,763	12,679	44,098	42,578	25,253	24,919
Direct costs	(11,315)	(12,163)	(6,811)	(7,433)	(22,952)	(23,731)	(13,639)	(14,103)
<b>Gross Profit</b>	<b>10,644</b>	<b>9,086</b>	<b>5,952</b>	<b>5,246</b>	<b>21,146</b>	<b>18,847</b>	<b>11,614</b>	<b>10,816</b>
Sales and marketing cost	(2,092)	(2,438)	(775)	(915)	(4,788)	(4,771)	(2,033)	(1,703)
Administrative cost	(4,839)	(4,692)	(3,314)	(3,393)	(9,426)	(9,616)	(6,623)	(6,801)
<b>Operating profit</b>	<b>3,713</b>	<b>1,956</b>	<b>1,863</b>	<b>938</b>	<b>6,932</b>	<b>4,460</b>	<b>2,958</b>	<b>2,312</b>
Other income	206	186	299	255	468	253	643	415
Dividend Income	-	-	250	-	-	-	500	-
Interest expenses and finance cost	(843)	(397)	(482)	(155)	(1,369)	(606)	(632)	(295)
Foreign exchange (loss) /gain	(204)	(187)	(280)	(203)	(887)	(15)	(409)	(183)
Interest income	216	246	122	133	501	526	318	279
Share of profit from equity accounted investee	30	10	30	10	42	34	42	34
<b>Profit before tax</b>	<b>3,118</b>	<b>1,814</b>	<b>1,802</b>	<b>978</b>	<b>5,687</b>	<b>4,652</b>	<b>3,420</b>	<b>2,562</b>
Income tax expenses	(413)	(525)	(196)	(303)	(1,105)	(1,166)	(645)	(733)
<b>Profit for the Period</b>	<b>2,705</b>	<b>1,289</b>	<b>1,606</b>	<b>675</b>	<b>4,582</b>	<b>3,486</b>	<b>2,775</b>	<b>1,829</b>
<b>Other comprehensive income</b>								
Net movement in Cash flow hedges	115	90	115	90	206	235	206	235
Defined benefit plan actuarial gain	12	21	12	21	26	43	24	42
Tax on other comprehensive income	(4)	(5)	(4)	(5)	(8)	(11)	(7)	(11)
<b>Other comprehensive income for the period (net of tax)</b>	<b>123</b>	<b>106</b>	<b>123</b>	<b>106</b>	<b>224</b>	<b>267</b>	<b>223</b>	<b>266</b>
<b>Total Comprehensive Income for the Period</b>	<b>2,828</b>	<b>1,395</b>	<b>1,729</b>	<b>781</b>	<b>4,806</b>	<b>3,753</b>	<b>2,998</b>	<b>2,095</b>
<b>Profit Attributable to :</b>								
Owners of the company	2,705	1,288	1,606	675	4,582	3,485	2,775	1,829
Non-controlling interest	-	1	-	-	-	1	-	-
	<b>2,705</b>	<b>1,289</b>	<b>1,606</b>	<b>675</b>	<b>4,582</b>	<b>3,486</b>	<b>2,775</b>	<b>1,829</b>
<b>Total Comprehensive Income attributable to:</b>								
Owners of the company	2,828	1,394	1,729	781	4,806	3,752	2,998	2,095
Non-controlling interest	-	1	-	-	-	1	-	-
	<b>2,828</b>	<b>1,395</b>	<b>1,729</b>	<b>781</b>	<b>4,806</b>	<b>3,753</b>	<b>2,998</b>	<b>2,095</b>
Earnings per share								
Basic (Rs.)	<b>1.50</b>	<b>0.71</b>	<b>0.89</b>	<b>0.37</b>	<b>2.54</b>	<b>1.93</b>	<b>1.54</b>	<b>1.01</b>

(All amounts in LKR Millions )

	Group		Company	
	30 June 2020 (Reviewed)	31 Dec 2019 (Audited)	30 June 2020 (Reviewed)	31 Dec 2019 (Audited)
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	137,813	140,632	101,163	103,800
Right of use assets	9,934	10,372	358	513
Intangible assets and goodwill	8,199	7,416	2,378	1,151
Investments in subsidiaries	-	-	14,821	14,821
Investments in associates	96	54	96	54
Deferred tax assets	223	223	-	-
Contract assets	571	707	137	148
Other receivables	2,825	2,897	2,794	2,868
<b>Total Non-current Assets</b>	<b>159,661</b>	<b>162,301</b>	<b>121,747</b>	<b>123,355</b>
<b>Current Assets</b>				
Inventories	3,068	3,565	2,319	2,768
Trade and other receivables	36,288	33,021	24,090	20,865
Current tax receivables	548	852	548	852
Contract assets	739	711	89	87
Other investments	3,074	3,112	3,055	3,082
Cash and cash equivalents	9,342	5,457	1,486	645
<b>Total Current Assets</b>	<b>53,059</b>	<b>46,718</b>	<b>31,587</b>	<b>28,299</b>
<b>Total Assets</b>	<b>212,720</b>	<b>209,019</b>	<b>153,334</b>	<b>151,654</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Stated capital	18,049	18,049	18,049	18,049
Insurance reserve	967	917	967	917
Hedging reserve	(265)	(471)	(265)	(471)
Retained earnings	64,124	59,574	44,420	41,678
Equity attributable to equity share holders of the company	<b>82,875</b>	<b>78,069</b>	<b>63,171</b>	<b>60,173</b>
Non controlling Interest	98	98	-	-
<b>Total Equity</b>	<b>82,973</b>	<b>78,167</b>	<b>63,171</b>	<b>60,173</b>
<b>Non Current Liabilities</b>				
Borrowings	48,554	49,178	42,820	42,820
Lease liability	8,181	8,238	43	50
Contract liabilities	2,424	2,614	2,402	2,590
Deferred tax liabilities	7,844	7,499	7,830	7,485
Employee benefits	4,731	4,697	3,821	3,806
Trade and other payables	1,669	1,677	286	346
<b>Total Non Current Liabilities</b>	<b>73,403</b>	<b>73,903</b>	<b>57,202</b>	<b>57,097</b>
<b>Current Liabilities</b>				
Borrowings	11,712	12,498	8,920	9,650
Lease liability	2,444	2,511	341	494
Contract liabilities	3,306	3,451	698	734
Current tax liabilities	500	308	-	-
Trade and other payables	38,382	38,181	23,002	23,506
<b>Total Current Liabilities</b>	<b>56,344</b>	<b>56,949</b>	<b>32,961</b>	<b>34,384</b>
<b>Total Liabilities</b>	<b>129,747</b>	<b>130,852</b>	<b>90,163</b>	<b>91,481</b>
<b>Total Equity and Liabilities</b>	<b>212,720</b>	<b>209,019</b>	<b>153,334</b>	<b>151,654</b>

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

Signed

Sanjeeewa 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 11th August 2020.

**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 six months period ended 30 June 2020

*(All amounts in LKR Millions )*

Group	Attributable to owners of the Company						Total equity
	Stated capital	Insurance reserve	Hedging reserve	Retained earnings	Total	Non controlling interest	
<b>Balance as at 1 January 2019</b>	18,049	791	(672)	55,456	73,624	96	73,720
Non Controlling interest	-	-	-	-	-	2	2
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-
Net profit for the year	-	-	-	6,322	6,322	-	6,322
<b>Other comprehensive income/(expense)</b>	-	-	-	-	-	-	-
Net movement on cash flow hedges	-	-	201	-	201	-	201
Defined benefit plan actuarial (loss) , net of tax	-	-	-	(165)	(165)	-	(165)
<b>Total other comprehensive income/(expense) for the year</b>	-	-	201	(165)	36	-	36
<b>Total comprehensive income for the year</b>	-	-	201	6,157	6,358	-	6,358
<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	-	126	-	(126)	-	-	-
<b>Balance as at 31 December 2019</b>	<b>18,049</b>	<b>917</b>	<b>(471)</b>	<b>59,574</b>	<b>78,069</b>	<b>98</b>	<b>78,167</b>
Balance as at 1 January 2020	18,049	917	(471)	59,574	78,069	98	78,167
Non controlling interest	-	-	-	-	-	-	0
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-
Net profit for the period	-	-	-	4,582	4,582	-	4,582
<b>Other comprehensive income</b>	-	-	-	-	-	-	-
Net movement on cash flow hedges	-	-	206	-	206	-	206
Defined benefit plan actuarial gain, net of tax	-	-	-	18	18	-	18
<b>Total other comprehensive income for the period</b>	-	-	206	18	224	-	224
<b>Total comprehensive income for the period</b>	-	-	206	4,600	4,806	-	4,806
<b>Transactions with owners, recorded directly in equity</b>							
<b>Contribution by and distribution to owners</b>							
<b>Insurance reserve</b>							
Transferred to insurance reserve	-	50	-	(50)	-	-	-
<b>Balance as at 30 June 2020</b>	<b>18,049</b>	<b>967</b>	<b>(265)</b>	<b>64,124</b>	<b>82,875</b>	<b>98</b>	<b>82,973</b>

## 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 2020

*(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 2019</b>	<b>18,049</b>	<b>791</b>	<b>(672)</b>	<b>39,972</b>	<b>58,140</b>
<b>Total comprehensive income for the year</b>					
Net profit for the year	-	-	-	3,780	3,780
<b>Other comprehensive income/(expense)</b>					
Net movement on cash flow hedges			201		201
Defined benefit plan actuarial (loss), net of tax	-	-	-	(35)	(35)
<b>Total other comprehensive income/(expense) for the year</b>	<b>-</b>	<b>-</b>	<b>201</b>	<b>(35)</b>	<b>166</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>201</b>	<b>3,745</b>	<b>3,946</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	-	126	-	(126)	-
<b>Balance as at 31 December 2019</b>	<b>18,049</b>	<b>917</b>	<b>(471)</b>	<b>41,678</b>	<b>60,173</b>
Balance as at 1 January 2020	18,049	917	(471)	41,678	60,173
<b>Total comprehensive income for the period</b>					
Net profit for the period	-	-	-	2,775	2,775
<b>Other comprehensive income</b>					
Net movement on cash flow hedges	-	-	206	-	206
Defined benefit plan actuarial gain, net of tax				17	17
<b>Total other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>206</b>	<b>17</b>	<b>223</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>206</b>	<b>2,792</b>	<b>2,998</b>
<b>Transactions with owners, recorded directly in equity</b>					
<b>Contribution by and distribution to owners</b>					
<b>Insurance reserve</b>					
Transferred to insurance reserve	-	50	-	(50)	-
<b>Balance as at 30 June 2020</b>	<b>18,049</b>	<b>967</b>	<b>(265)</b>	<b>44,420</b>	<b>63,171</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	
	2020	2019	2020	2019
<b>Operating activities</b>				
Cash generated from operations	16,987	12,712	8,500	5,755
Interest received	491	533	308	286
Interest paid	(4,006)	(3,016)	(2,580)	(2,955)
Tax paid	(235)	(499)	-	(112)
Gratuity paid	(306)	(218)	(273)	(194)
<b>Net cash generated from operating activities</b>	<b>12,931</b>	<b>9,512</b>	<b>5,955</b>	<b>2,780</b>
<b>Cash flows from Investing activities</b>				
Acquisition of property, plant and equipment	(4,536)	(13,524)	(2,051)	(5,391)
Acquisition of intangible assets	(1,558)	(773)	(1,515)	(115)
Proceeds from disposal of property, plant and equipment	36	133	28	101
Proceeds /(Purchase) of short term investments	170	1,138	159	1,357
Investments in subsidiaries	-	-	-	(330)
<b>Net cash used in investing activities</b>	<b>(5,888)</b>	<b>(13,026)</b>	<b>(3,379)</b>	<b>(4,378)</b>
<b>Cash flows from Financing activities</b>				
Proceeds from borrowings	10,745	24,985	10,500	24,350
Cash payment for the principle portion of lease liability	(733)	-	(288)	-
Finance lease principal re-payments	(10)	(18)	-	(2)
Re-payment on borrowings	(12,235)	(17,584)	(11,018)	(16,835)
Dividend paid to equity share holders	-	(1,913)	-	(1,913)
<b>Net cash (used)/generated from financing activities</b>	<b>(2,233)</b>	<b>5,470</b>	<b>(806)</b>	<b>5,600</b>
<b>Increase in cash and cash equivalents</b>	<b>4,810</b>	<b>1,956</b>	<b>1,770</b>	<b>4,002</b>
<b>Movement in Cash and cash equivalents</b>				
Cash and cash equivalents at beginning of the year	1,718	4,629	(2,620)	(4,967)
<b>Increase in cash and cash equivalents</b>	<b>4,810</b>	<b>1,956</b>	<b>1,770</b>	<b>4,002</b>
<b>Cash and cash equivalents at 30 June (Note)</b>	<b>6,528</b>	<b>6,585</b>	<b>(850)</b>	<b>(965)</b>
<b>Note</b>				
Cash and cash equivalents	9,342	9,268	1,486	1,233
Bank overdraft	(2,814)	(2,683)	(2,336)	(2,198)
	<b>6,528</b>	<b>6,585</b>	<b>(850)</b>	<b>(965)</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 2020 and for the six months ended 30 June 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 11 August 2020.

## **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	
	30 June		30 June		30 June		30 June	
	2020	2019	2020	2019	2020	2019	2020	2019
External revenues	23,020	22,955	20,242	18,949	836	674	44,098	42,578
Inter- segment revenue	2,233	1,964	694	924	1,475	1,358	4,402	4,246
Reportable segment revenue	25,253	24,919	20,936	19,873	2,311	2,032	48,500	46,824
Reportable segment Profit before tax	3,420	2,562	2,770	2,263	-	(152)	6,190	4,673
Interest revenue	318	279	181	232	2	15	501	526
Interest expenses	(632)	(295)	(789)	(296)	(28)	(15)	(1,449)	(606)
Depreciation and Amortization	(7,108)	(6,119)	(4,049)	(3,626)	(62)	(30)	(11,219)	(9,775)

Revenues	30 June 2020	30 June 2019
Total revenue for reportable segments	46,189	44,792
Revenue for other segments	2,311	2,032
Reportable segment revenue	48,500	46,824
Elimination of inter- segment revenue	(4,402)	(4,246)
Consolidated revenue	<b>44,098</b>	<b>42,578</b>
Profit or loss		
Total profit or loss for reportable segments	6,190	4,825
Loss for other segments	-	(152)
Reportable segment profit before tax	6,190	4,673
Elimination of inter- segment profits	(503)	(21)
Consolidated profit before tax	<b>5,687</b>	<b>4,652</b>



## Assets &amp; Liabilities

	<b>30 June 2020</b>	<b>31 Dec 2019</b>
<b>Assets</b>		
Total assets for reportable segments	229,826	226,904
Assets for other segments	4,624	4,394
	234,450	231,298
Elimination of inter- segment assets	(21,730)	(22,279)
<b>Consolidated total assets</b>	<b>212,720</b>	<b>209,019</b>
<b>Liabilities</b>		
Total liabilities for reportable segments	133,321	135,238
Liabilities for other segments	3,494	3,226
	136,815	138,464
Elimination of inter- segment liabilities	(7,068)	(7,612)
<b>Consolidated total liabilities</b>	<b>129,747</b>	<b>130,852</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**

Sri Lanka has made a significant progress in combating the spread of Covid-19 outbreak which was announced as a pandemic by WHO in March 2020. Many countries across the globe are currently undertaking various measures to control the spread of the pandemic. The outbreak has caused significant changes in consumer behavior, operation of businesses and on communities at large. The challenges caused by the pandemic have demonstrated the critical importance of the telecommunication sector in keeping the businesses, governments and societies connected and operating.

Being the national telecommunication provider, SLT activated the Company's Business Continuity Plan (BCP) and appointed a Steering Committee to drive the BCP operations as an immediate response to the pandemic. SLT effected changes in operations, supply chain, workforce movements, investments and strategies in order to provide uninterrupted services to the nation. The telecommunication service has been categorized as an essential service by the Government of Sri Lanka

The financial impact to the Company due to the pandemic is summarized below;

**a). Impact to Earnings**

Adverse impact to the macro economy due to Covid-19 pandemic and restrictions for business operations of many companies during the early stages of the pandemic have caused pressure on revenues, growth plans and scheduled investments of SLT. In the short run, the Company experienced positive impact in areas such as Broadband, IPTV and Career Business services due to the surge in utilization in the residential sector, as well as in the business sector with the shift towards work from home arrangements in continuing the businesses. In addition, future opportunities are emerging with novel digital products and services.

SLT with its mobile arm, Mobitel (Pvt) Ltd has provided a multitude of bundled telecom packages at concessionary rates and free offers of data to certain customer segments to comfort the customers during the pandemic.

**b). Impact to Cash flows**

Low disposable income levels of customers caused a decrease in collections in early stages of the pandemic. However, the effective collection strategies of the Company has subsequently improved collections, normalizing the cash flows from collections for the period.

Regulatory instructions to refrain from disconnecting the unpaid subscribers, resulted in challenges in collecting the billed revenue. Nevertheless, the Government's decision on extending the due dates for the payment of some taxes and levies has eased off the situation in the short term. In order to mitigate the cash flow related challenges, the company has decided to limit capital expenditure only for the critical areas and to utilize procurement models with deferred payment plans.

**c). Impact from Exchange Rate Variation**

Some expenses of the Company are in foreign currencies. The impact of these expenses arising from the prevailing depreciation of the Rupee is being mitigated by timely actions to minimize such expenses or to renegotiate prices with suppliers.

**d). Impact to the Market Price**

The pandemic has adversely impacted the operations of global financial markets including the Colombo Stock Exchange (CSE). The Company experienced a drop in its share market price and trade volumes. However, the Company's share market price has recovered and the trade volumes are rising with the lifting of lockdown and higher activity of the CSE.

The Company has assessed the impact on property, plant and equipment and the 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 on financial results since the pandemic is 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 2020.

**VIII. Property Plant and equipment**

**(a) Acquisitions and disposals**

During the six months ended 30 June 2020, the Group acquired assets at a cost of Rs 5,606 Mn (six months ended 30 June 2019 - Rs.7,091 Mn).

Assets with a Rs. 2 Mn net book value were disposed during the six months ended 30 June 2020 (six months ended 30 June 2019 - Nil), resulting in a gain on disposal of Rs. 35 Mn (six months ended 30 June 2019: gain of Rs. 103 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 2020	31 Dec 2019	30 June 2020	31 Dec 2019
<b>Property plant and equipment</b>				
Approved but not contracted	36,966	5,250	36,966	5,250
Approved and contracted	13,794	15,491	9,113	9,744

**IX. Capital and reserve****(a) Stated Capital**

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

**X. Loans and Borrowings**

Material addition to loans and borrowing at Group level for the period under review:

Additions	Currency	Amount (Rs.Mn)
Bank loan – 30 June 2020	LKR	10,745

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

Repayments	Currency	Amount (Rs.Mn)
Bank loan – 30 June 2020	LKR	12,235

**XI. Contingencies**

- a) On 18<sup>th</sup> July 2017 Dialog Broad Band Network (Pvt) Limited ("DBN") filed a case against SLT regarding violation of Intellectual Property Rights in the Commercial High Court requiring SLT to disclose the source/party who revealed the Request for Proposal ("RFP") and to furnish the original under the provisions of Intellectual Property Act. Presently the discussions are ongoing to settle the cases between SLT and the Dialog Group, which includes SC Appeal 139/2018. Further meeting is scheduled between the parties in this regard for 18<sup>th</sup> August 2020.
- b) SC/FR/142/2019 - Dialog Axiata PLC ("Dialog") and Dialog Broad Band Network ("DBN") instituted Fundamental Rights Application against Telecommunication Regulatory Commission ("TRCSL"), regarding allocation of 70Mhz and 2600Mhz bands to SLT by TRCSL. Presently the discussions are ongoing to settle the cases between SLT and the Dialog Group, which includes SC/FR/142/2019. Further meeting is scheduled between the parties in this regard for 18<sup>th</sup> August 2020.

- c) SLT filed a write application No. CA/Writ/16/2020 in court of appeal on 21<sup>st</sup> January 2020, challenging the directive given by the Labour Commissioner to pay EPF for “Special Allowance” paid to ex-employee, N. Lokukaluge. Case is fixed for objections on 13<sup>th</sup> October 2020, Counter objections are scheduled on 13<sup>th</sup> November 2020 and argument is on 11<sup>th</sup> January 2021.

**XII. Related Parties**

Material related party transactions during the period under review:

Company	Nature of Transaction	Transaction Value (Rs. Mn)		Amount due (to)/ from related parties (Rs. Mn)	
		30 June 2020	30 June 2019	30 June 2020	31 Dec 2019
<b>Mobitel (Private) Limited</b>	Sale of goods and services	2,374	1,913	1,418	1,288
	Purchase of goods and services	694	964	(1,047)	(849)

**XIII. 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	
	30 June 2020	31 Dec. 2019	30 June 2020	31 Dec. 2019
Net asset value per share (Rs)	45.92	43.25	35.00	33.34
Debt/equity ratio - Number of times	0.86	0.93	0.83	0.88
Quick asset ratio - Number of times	0.89	0.76	0.89	0.74

	For the 6 months ended		For the 6 months ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Interest cover - Number of times	2.03	1.82	1.48	1.11

Market Value of Shares

Market Value of the Ordinary Shares of the Company (Rs)	3 Months to 30 June 2020	3 Months to 30 June 2019
-Highest	30.00	24.00
-Lowest	18.00	19.60
-Last traded price	28.90	22.90

Dividend Payment

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

**Share trading from 1 April to 30 June 2020**

	3 Months to 30 June 2020
-No of Transactions	870
-No of Shares Traded	343,178
-Value of Shares Traded (Rs)	9,094,566

## Investor Information Contd.....

## Progress of the utilization of funds raised via Debenture issue

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	Partly finance 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

<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 Bank of Ceylon A/C Ceybank Unit Trust.	18,692,403	1.04
5 Sri Lanka Insurance Corporation Ltd-Life Fund	17,713,735	0.98
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 Sampath Bank PLC /Mr D.K.L Chanadrasena	254,485	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 Sinharaja Hills Plantation Pvt Limited	107,491	0.01
16 Mr.Deraniyagala	100,000	0.01
17 Mrs.Edirisinghe	100,000	0.01
18 Mr Tanaka	100,000	0.01
19 Mr Weerasinghe	70,000	0.00
20 Mr Munasinghe	69,400	0.00
	<b>1,788,601,390</b>	<b>99.10</b>

- |  |                    |
|--|--------------------|
| 2) Percentage of public holding as at 30 June 2020   | 5.52%              |
| 3) Number of shareholders representing the public holding  | 12,461             |
| 4) Float adjusted Market Capitalization  | Rs.2,879,257,061/- |
| 5) Directors' Holding  | None               |
| 6) Chief Executive Officer's (CEO) including the spouse shareholding   | 3,689              |
| 7) Number of shares representing the Entity's stated capital 1,804,860,000 Ordinary shares issued at Rs.10/- per share |                    |