



Annual Report  
**2023**

**WE ARE AN  
“APP” OF LIFE**



## We are an “App” of Life

The SLT-MOBITEL proposition is one that is inextricably interwoven with the lives of country and people. Our products, services and applications are an indispensable component of life across province and people. We value this position we enjoy and work constantly to evolve and advance our services, keeping pace with global trends that propel our industry.



# Contents

## Introduction

**3-12**

- 3 About Our Integrated Report
- 4 About Us
- 7 Driving a Smarter Sri Lanka
- 9 Financial Highlights
- 10 Performance Highlights
- 12 Our Group Structure

## Executive Statements

**13-18**

- 14 Group Chairman's Review
- 17 Chief Executive Officer's Review

## Business Context and Strategy

**19-31**

- 20 Business Model
- 22 Operating Context
- 25 Strategy
- 27 Materiality
- 28 Stakeholders

## Business

**32-48**

- 33 Finance
- 38 Our Infrastructure
- 42 Intellectual Resources

## Environment

**49-53**

## Social

**54-80**

- 55 Social
- 56 Customers
- 62 Portfolio Review
- 68 Our Global Brand
- 69 Employees
- 76 Partners and Suppliers
- 78 Community and Country

## Governance

**81-112**

- 82 Board of Directors
- 87 Executive Management
- 92 Corporate Governance
- 106 Report of the Board Audit Committee
- 109 Report of the Remuneration Committee
- 110 Report of the Nomination and Governance Committee
- 111 Report of the Related Party Transactions Review Committee
- 112 Enterprise Risk Management



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Sri Lanka Telecom PLC Annual Report 2023



## Financial Reports

**113-180**

- 115 Annual Report of the Board of Directors on the Affairs of the Company
- 120 Statement of Directors in Relation to their Responsibility for the Preparation of Financial Statements
- 121 Independent Auditors' Report
- 125 Statement of Profit or Loss and Other Comprehensive Income
- 126 Statement of Financial Position
- 128 Consolidated Statement of Changes in Equity – Group
- 129 Consolidated Statement of Changes in Equity – Company
- 130 Consolidated Statement of Cash Flows
- 131 Notes to the Financial Statements

## Supplementary

## Information

**181-198**

- 182 Ten Year Progress – Group
- 183 Investor Information
- 185 Portfolio of Lands
- 194 GRI Index
- 196 Abbreviations
- 197 Notice of Annual General Meeting

Enclosed Form of Proxy

Inner back cover Corporate Information

# About Our Integrated Report



The 11th Annual Integrated Report of Sri Lanka Telecom PLC (SLT) presents a balanced and comprehensive overview of the Company's performance for the fiscal year ended on 31 December 2023. This Report delves into the financial, environmental, social, and governance aspects of the Company, employing relevant and suitable metrics for a well-rounded discussion. It builds upon the groundwork laid in the previous Annual Report for the fiscal year concluded on 31 December 2022, accessible on [www.sltnbritel.lk](http://www.sltnbritel.lk).

## Reporting Framework

The preparation of this report aligns with regulatory policies, supplemented by the Company's voluntarily adopted framework and ethics, ensuring compliance and a thorough representation of its multifaceted performance.



### Regulatory

- Companies Act No. 07 of 2007
- Continuing listing requirements of CSE
- Financial Reporting Standards issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)



### Voluntary

- Integrated Reporting Framework published by International Integrated Reporting Council (IIRC)
- GRI Standards issued by the Global Reporting Initiative
- Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)

## Scope and Limits

This Report presents both financial and non-financial details concerning Sri Lanka Telecom PLC, which represents the parent company and its subsidiaries, also referred to as the "Group". Instances where only the parent company is mentioned is referred to as "SLT" or the "Company".

The SLT annual report delineates the Company's operations, performance, and financial position, aligning with the International Integrated Reporting (IR) Framework. While offering comprehensive insights into value creation strategies, including financial, social, and environmental aspects, it is imperative to acknowledge certain limitations. External factors, market volatility, and unforeseen events can impact projections. The report encourages stakeholders to interpret information judiciously, recognising the inherent uncertainties. SLT remains committed to transparency, accountability, and the International Integrated Reporting <IR> Framework, ensuring stakeholders receive a holistic view of the Company's value creation journey in the short, medium and long-terms, within the bounds of prevailing conditions.

## Assurance

Ernst & Young offers assurance on the Financial Statements, while assurance on non-financial information is provided by the Chief Executive Officer, and relevant management authorities.

## Forward Looking Statements

In adherence to regulatory requirements, our Annual Report contains forward-looking statements that reflect SLT's future expectations, projections, and plans. These statements involve inherent risks and uncertainties, and actual results may differ materially from those expressed or implied. Factors such as technological advancements, market dynamics, and regulatory changes can impact outcomes. SLT undertakes no obligation to update these forward-looking statements, providing a snapshot of our aspirations, but cautioning stakeholders to consider the inherent unpredictability of future events. The Company encourages readers to approach these statements with due

diligence, recognising the dynamic nature of the telecommunications industry and its susceptibility to various external factors.

## Precautionary Principles

Embracing the Precautionary Principle in our Annual Report, SLT underscores its commitment to environmental stewardship. Aligned with Principle 15 of the Rio Declaration on Environment and Development, our ESG initiatives prioritise responsible practices. By exercising caution in our operations, we proactively address potential environmental impacts. This commitment, outlined in our Annual Report, signifies our dedication to sustainable practices and the prudent management of environmental risks in line with international standards.

## Responsibility

The Senior Management at SLT has undertaken the preparation and review of the Integrated Annual Report for the fiscal year 2023. In addressing all pertinent matters up to the report's date, both the Board and the SLT Management recognise their duty to present an impartial perspective of the Company's performance in 2023. The Annual Report for 2023 is officially endorsed on behalf of the Board by:

### A K D D A Randara

Chairman

### V U Kumar

Audit Committee Chairman

### Janaka Abeysinghe

Chief Executive Officer



Feedback on this report can be directed to:

Mr Mahesh Athukorale  
Group Company Secretary  
Sri Lanka Telecom PLC  
Lotus Road,  
Colombo 01,  
Sri Lanka  
Tel: +94 11 239 9478  
Email: [mathukorale@slt.com.lk](mailto:mathukorale@slt.com.lk)

# About Us

In the dynamic telecommunications sector, Sri Lanka Telecom PLC (SLT) stands out as a trailblazer in innovation and connectivity, offering a wide range of communication solutions that transcend traditional boundaries. As the foremost National Information and Communication Technology (ICT) Solutions Provider in Sri Lanka, SLT delivers a broad spectrum of services encompassing fixed and mobile telephony, broadband, data services, Internet Protocol Television (IPTV), cloud computing, hosting services, and advanced networking solutions.

## Vision

All Sri Lankans seamlessly connected with world-class information, communication, and entertainment services

## Mission

Your trusted and proven partner for innovative and exciting communication experiences delivered with passion, quality, and commitment

## Customer Caring

We put our customers at the centre of everything we do

## Results Driven

We are committed to enhancing shareholder value

## Trustworthy

We are true to our promises

## Excellence

We are committed to exceptional performance

## Innovative

We continuously invent new opportunities through creative thinking

## Values

## Teamwork

We are one team with a common purpose to achieve common goals

## Responsive

We are ready to listen and act promptly

## Performance Overview



Over 65,000 km  
Fibre Network



LKR 106.4 Bn.  
Group Revenue



LKR 246.7 Bn.  
Total Assets

In the dynamic telecommunications sector, SLT stands out as a trailblazer in innovation and connectivity, offering a wide range of communication solutions that transcend traditional boundaries. As the foremost National Information and Communication Technology (ICT) solutions provider in Sri Lanka, SLT delivers a broad spectrum of services encompassing fixed and mobile telephony, broadband, data services, Internet Protocol Television (IPTV), cloud computing, hosting services, and advanced networking solutions. Sri Lanka Telecom PLC is not just a telecommunications entity we are pioneers of connectivity, propelling the country's digital evolution forward. With a storied legacy spanning generations, we have been instrumental in revolutionising communication in Sri Lanka. Starting from modest origins, we have grown into the premier telecommunications provider, delivering a comprehensive suite of services tailored to meet the diverse requirements of our clientele. Our unwavering dedication to innovation, dependability, and customer contentment has fostered trust and nurtured enduring partnerships across the entire nation. As we persist in pushing boundaries and embracing emerging technologies, our objective remains resolute: to empower individuals, businesses, and communities through seamless connectivity and unparalleled service.

Sri Lanka Telecom PLC has been recognised in Business Today's yearly TOP 40 rankings for its notable influence and impact in Sri Lanka's telecommunications industry, playing a key role in the country's digital transformation as a leading industry player. This recognition marks a noteworthy milestone for SLT as the only telecommunications provider within the Top 40 list, commended for its commitment to innovation and excellence.

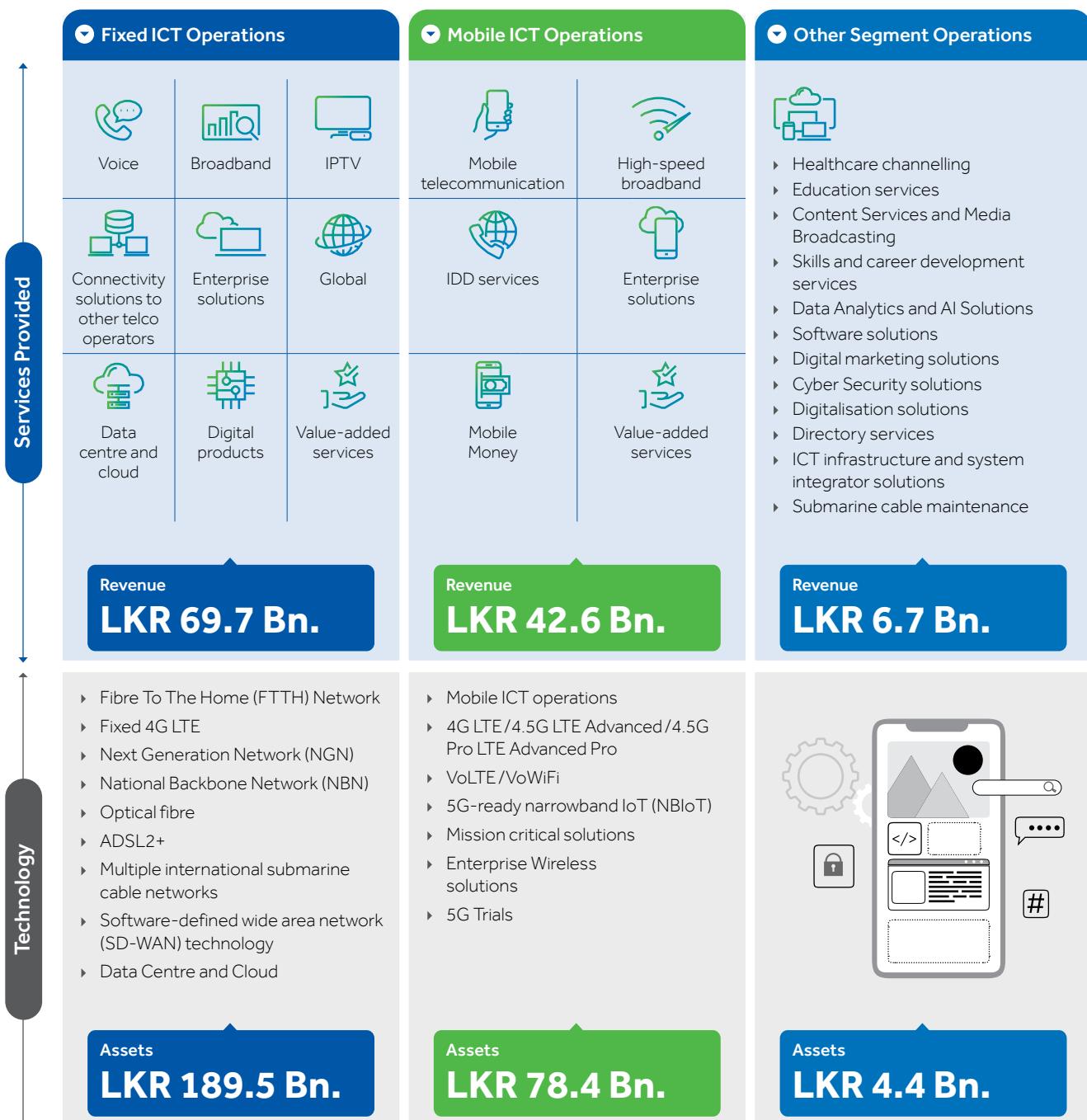
SLT secured its place this year as one of the "10 Most Admired Companies in Sri Lanka." This prestigious award acknowledges organisations for their exceptional performance in financial aspects as well as their commitment to sustainable value creation, ethical practices towards employees, customers, investors, and the community. Securing a place among the top companies in Sri Lanka this year as well highlights SLT's dedication to excellence and ethical business conduct.

This achievement serves as a significant milestone in the company's journey, showcasing its unwavering commitment to upholding high standards of corporate governance and responsible business practices.

The numerous awards received by SLT throughout the year are showcased on pages 46 and 47.

SLT has obtained various certifications in accordance with international standards. These certifications include ISO 14064:1:2018 for greenhouse gas emissions verification, ISO /IEC 22301:2019 for Business Continuity Management System, ISO 9001:2015 for Quality Management System (QMS) ensuring meeting customer, statutory, and regulatory standards, and ISO /IEC 27001:2013 for Information Security Management System (ISMS). Additionally, SLT has received certifications for its adherence to ISO 31000:2018 Risk Management guidelines, which serve as the foundation of its Enterprise Risk Management (ERM) framework. These certifications reflect SLT's commitment to excellence and adherence to international best practices in various aspects of its operations.

Throughout the fiscal year, SLT has continued its unwavering commitment to connecting lives and businesses, shaping the digital future of Sri Lanka. The report delves into the Company's strategic initiatives, highlighting advancements in technology, network infrastructure, and customer-centric services. As the telecommunications landscape undergoes dynamic shifts, SLT's dedication to fostering digital life style experiences to citizens remains steadfast. This Report serves as a testament to the Company's achievements, challenges overcome, and a roadmap for the future, reinforcing SLT's position as a trailblazer in the telecommunications sector, shaping the nation's digital narrative with foresight, resilience, and a commitment to excellence.



# Driving a Smarter Sri Lanka

## Unparalleled Reach

As the National Information and Communications Technology (ICT) solutions provider, SLT provides the backbone for island-wide connectivity and communications. Bolstering around 9 million subscribers for fixed mobile and ICT services, the Company's commitment also extends to empowering the telecommunications value-chain, and delivering innovative products and services that improve the lives of millions more.

Customers include individual and domestic consumers, enterprise customers ranging from SMEs to multinationals and large enterprises, essential services and public sector institutions, and other operators. In the field of entertainment, SLT's IPTV offering - PEOTV, has the largest library of High-Definition (HD) content in Sri Lanka and is the only provider of local free-to-air channels in HD aired through the PEOTV platform.

**More than 1.3 million  
fixed subscribers experiencing  
multiple services**

Ensuring that all Sri Lankans are seamlessly connected with world-class information, communication and entertainment services, is enshrined in our vision. At the heart of this commitment, is the extension and maintenance of Sri Lanka's robust communications infrastructure, and provision of vital access to digital products and services.

## National Backbone Network (NBN)

SLT's advanced fibre optic network serves as the backbone of Sri Lanka's digital communications and connectivity. Our fibre optic transport network extends almost 65,000 km and includes over 1.2 million FTTH ports across the entire island. This state-of-the-art network ensures high-speed, high-capacity, low-latency connectivity for millions of Sri Lankans.

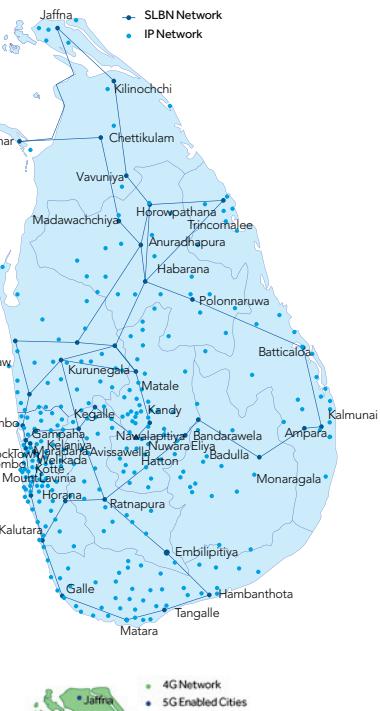
As the Nation's largest IP network, SLT's infrastructure encompasses multiple 100 Gbps backbone, metro rings, and further access rings. This robust network with over 500 high-capacity nodes for seamless connectivity and 4,500 service segregation nodes delivers intelligent IP transport services for various platforms. These support SLT's retail products (Broadband, PEOTV, 4G, and Wi-Fi) while also connecting government, enterprises, and other domestic and international segments.

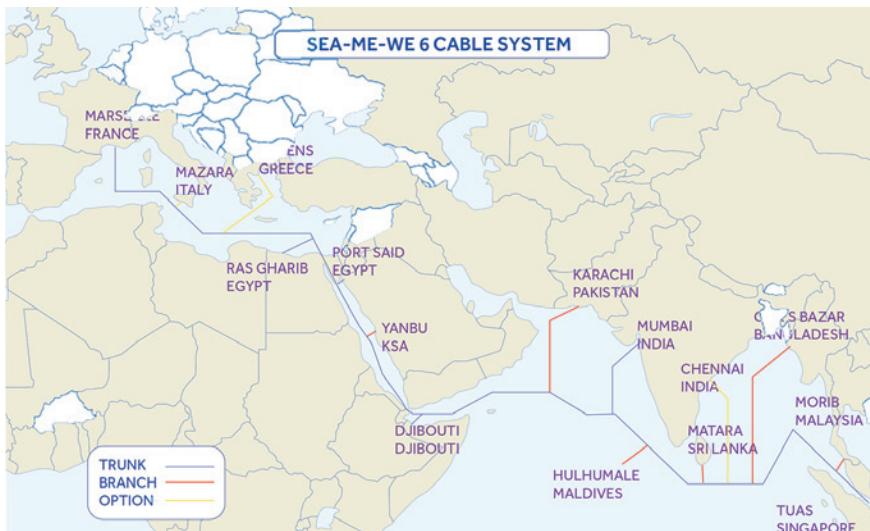
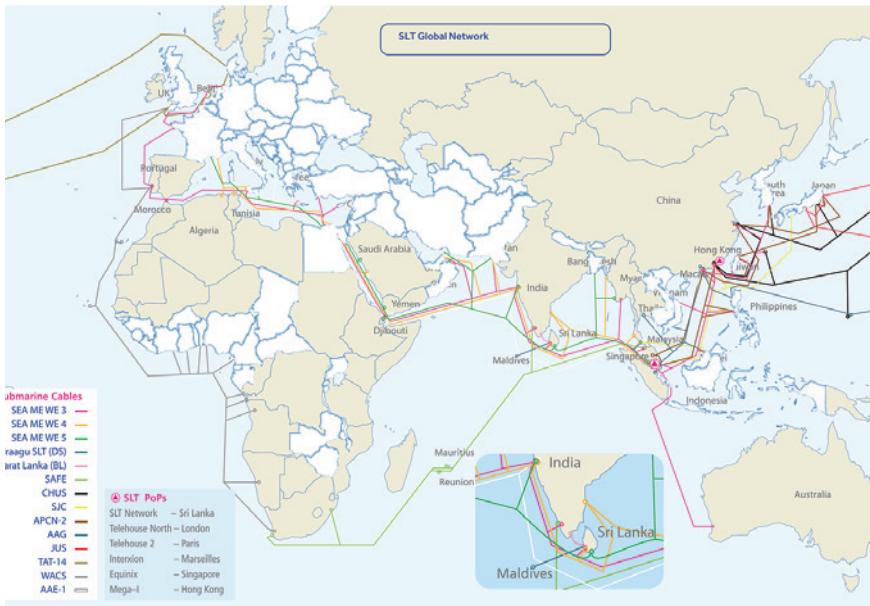
In today's interconnected world, reliability and security of the networks that undergird all digital and ICT functions, are paramount. Recognising the critical role of our network, we have incorporated comprehensive security like enabling an intelligent Automatically Switched Optical Network (ASON), and providing a 1+2 redundancy system to ensure reliable operation.

## Meeting Future Connectivity Needs

The world is constantly evolving, and as Sri Lanka embraces new technologies like artificial intelligence, Internet of Things (IoT), cloud computing, and upgrades to wireless cellular technology such as 5G, the need for robust, high-speed connectivity becomes critical. As a National digital enabler, SLT is geared to embrace opportunities and meet the varying needs of a rapidly changing environment.

SLT connects Sri Lanka to the world through five international submarine cable systems: SEA-ME-WE 3, SEA-ME-WE 4, SEA-ME-WE5, Bharat Lanka, and Dhiraagu-SLT. As the globalised work environment expands and service exports become a key driver of Sri Lanka's digital economy, we are outfitting our networks and infrastructure to meet the foreseen rise in communication and data needs. The potential for growth in the horizon is contingent upon the activation of capacity following the completion of the expansion of SEA-ME-WE 5. Similarly, a recent upgrade of SEA-ME-WE 4, with a capacity increase from 65Tb/s to 122Tb/s, positions the cable system to cater to increasing bandwidth demands.





The upcoming SEA-ME-WE 6 cable, slated for completion in 2025, has a planned landing point at SLT's Matara Cable Landing Station. This high-capacity network has a design capacity of 10x13 Tbps, of which SLT has secured a capacity of 6 Tbps – promising high-speed global connectivity and capacity for Sri Lanka's consumers, enterprises, and the economy in the years to come. Together with SLT's bolstered international backhaul capacity, this global platform creates a robust international

backbone, ensuring reliable and efficient data flow for Sri Lanka's digitalisation ambitions and roll-out of new technologies such as 5G.

SLT's network of state-of-the-art data centres and multi-cloud offerings will be crucial to enabling and meeting the rising demand for digital services across the Country. We will continue to partner with investors and others to pursue set-up of additional data centres and installation of additional capacity at our existing locations.

We employ proactive capacity planning by analysing historical data and actively aligning with government and regulator initiatives such as "Connect Sri Lanka", which sought to fulfil country-wide 4G and fibre broadband coverage. Following directives to phase out 3G and aggressively expand 4G coverage, we have continually expanded our capacity to match the direction of local demand. Where possible, we leverage Network Function Virtualization (NFVI) infrastructure to provide seamless integration without requirement for additional hardware.

### ➔ Emerging Technology and Opportunities

Emergence of 5G technology marks a revolutionary leap in connectivity. Its potential goes beyond faster data transfer to a world of applications that could transform the way we live, work, and interact. With auction of Sri Lanka's 5G spectrum on the horizon, SLT has embarked on pre-commercial trials of 5G on a trial license. Pilot projects were rolled out across five cities: Colombo, Kandy, Galle, Anuradhapura, and Jaffna. Enhanced mobile broadband and ultra-reliable low latency communications (URLLC) have already lent themselves to innovative pilot ventures, and our teams are preparing to explore potential opportunities for systemic change through a variety of 5G applications.

# Financial Highlights

	2023 LKR Mn.	2022 LKR Mn.	Change %
<b>Group</b>			
Revenue	<b>106,418</b>	107,710	(1.2)
- Fixed	<b>63,637</b>	61,701	3.1
- Mobile	<b>41,103</b>	43,494	(5.5)
- Others	<b>1,678</b>	2,515	(33.3)
EBITDA	<b>33,003</b>	40,759	(19.0)
Operating Profit	<b>4,102</b>	12,518	(67.2)
Profit/(loss) before Tax	<b>(2,651)</b>	10,588	(125.0)
Profit/(loss) after Tax	<b>(3,921)</b>	4,765	(182.3)
Earnings Per Share (LKR)	<b>(2.17)</b>	2.64	(182.6)
<b>Current Assets</b>			
Current receivables	<b>32,015</b>	32,533	(1.6)
Other investments, cash and cash equivalents	<b>12,494</b>	18,145	(31.1)
Other current assets	<b>5,770</b>	4,773	20.9
<b>Use of EBITDA</b>			
Profit/(loss) before Tax	<b>(2,651)</b>	10,588	(125.0)
Net interest cost	<b>9,607</b>	1,938	395.7
Depreciation and amortisation	<b>28,901</b>	28,241	2.3
EBITDA margin	<b>31%</b>	38%	(7.0)
<b>Company</b>			
Revenue	<b>69,711</b>	67,569	3.2
EBITDA	<b>23,614</b>	24,056	(1.8)
Operating Profit	<b>5,081</b>	5,957	(14.7)
Profit/(loss) before Tax	<b>(1,611)</b>	12,648	(112.7)
Profit/(loss) after Tax	<b>(1,132)</b>	8,463	(113.4)
Earnings Per Share (LKR)	<b>(0.63)</b>	4.69	(113.4)



# Performance Highlights

**LKR 106.4 Bn.**

Revenue

LKR 107.7 Bn. in 2022

**8,200+**

workforce strength (Group)

**LKR (2.17)**

Earnings per share

LKR 2.64 in 2022

**25%**

Female representation

25% in 2022

**LKR 158.1 Bn.**

Total Liabilities

LKR 148.1 Bn. in 2022

**LKR 246.7 Bn.**

Total Assets

LKR 240.6 Bn. in 2022

**230 new**

recruitments

629 in 2022

**22 hours**

of training per  
employee (average)

20 hours in 2022

**LKR 31.9 Bn.**

in taxes and levies paid to  
the Government

LKR 27.05 Bn. in 2022

**31%**

EBITDA margin

38% in 2022

**LKR 174.8 Bn.**

Value of Property, Plant,  
and Equipment (PPE)

LKR 164.9 Bn. in 2022

SLT's Akaza multi-cloud service reached **1,000 customers in 2023**

Deployed Sri Lanka's first VMware Cloud Foundation (VCF) and achieved **VMWare Cloud Verified Certification**

**400** new 4G LTE base stations

SLT-MOBITEL Operational HQ at Welikada awarded **Platinum Green rating**

Over **1.2 million FTTH Ports**

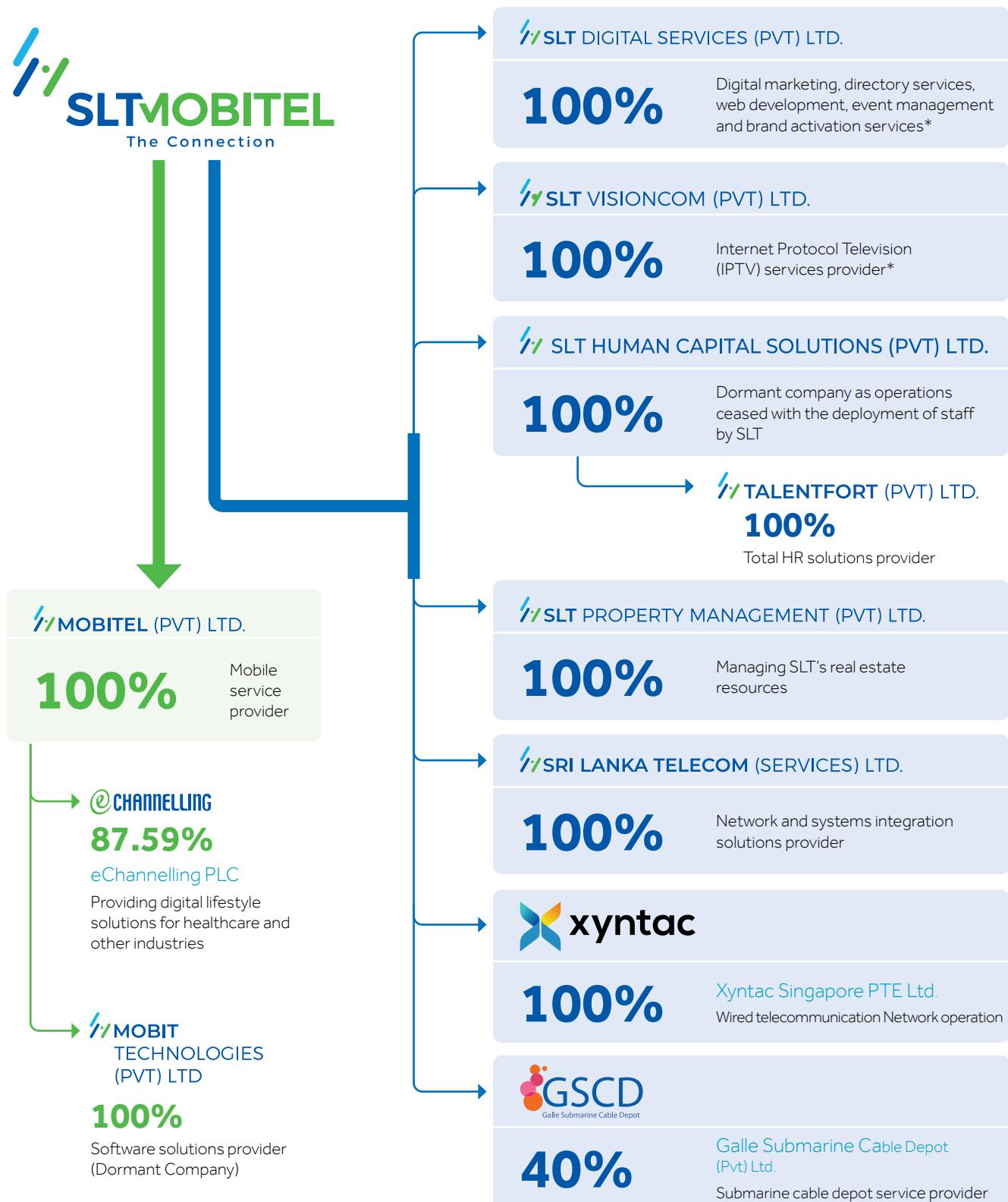
**SLT-MOBITEL reigns "Number One" for Telecom industry in Business Today TOP 40 ranking for 2022-2023**

**319 sites hosting solar systems by 2023** for SLT and Mobitel with plans to extend by 201 sites

**5G pilot projects** completed in five major cities

Launch of SLT's Executive Development Programme investing over **10,000 training hours for 100+ key executives**

# Our Group Structure



\*In terms of Section 242(2) of the Companies Act No. 07 of 2007, SLT Digital Services (Pvt) Ltd. and SLT Visioncom (Pvt) Ltd. were amalgamated with Sri Lanka Telecom (Services) Ltd. with effect from 1 April 2024.



# Executive Statements

## Group Chairman's Review

**Recognising the challenges ahead, we are determined to overcome them through decisive action: to improve performance, ensure sustainability of the enterprise, and create long-term value.**

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present Sri Lanka Telecom PLC's Annual Report for 2023. The year presented a complex operating environment, as the cumulative effects of economic stressors from current and previous years bore down on the industry, economy, and customers. Macroeconomic challenges facing the telecommunication industry impacted both demand and supply sides, pressuring the Group's topline and bottom line. Further, increase in taxation and electricity tariffs had a significant adverse impact on industry profitability.

### Subdued Group Performance

SLT group reported a Loss After Tax of LKR 3.9 Bn. as the Group experienced marginal revenue degrowth in the single digits. SLT recorded a loss of LKR 1.1 Bn., and Mobitel a loss of LKR 3.6 Bn. SLT's operations recorded a growth in revenue of 3.2% during the year, while Mobitel recorded a reduction in revenue of 5.7% YoY.

### A Transparent Review of Internal Challenges

While the ongoing economic crisis has undoubtedly impacted the entire telecommunications sector, some operators in the industry have navigated these challenges more effectively, achieving growth during this period. At the same time, despite long-standing structural challenges, the Group had managed to post profits and declare dividends in the previous years. Therefore, it is important to acknowledge that areas for improvement exist within the Group. These include enhancing

productivity, optimising operating costs to be on par with industry peers, improving structures and processes, and addressing potential leakages. It is also vital that we identify, analyse, and address the factors that contributed to the Group's loss during the year 2023.

Historically, two factors have contributed to the Group's performance: Firstly, Mobitel was efficient and contributed a significant portion of Group profits until 2021. Secondly, until recently, SLT had relied on sunken copper investments and therefore there was minimal capital investment on newer technologies like fibre network infrastructure including last-mile connections. While the copper network was inefficient, it generated sufficient revenue to cover costs in the past.

While these factors had contributed to creating a fragile profit for the Group in the past; a number of decisions taken in 2020 and thereafter, compounded by a series of untimely occurrences, eroded the Group's profit and contributed to the losses reported in 2023.



The Group's Technical Sub-Committee (TSC) and Audit Committee (AC) have diligently assessed the decisions and issues that led to losses experienced during the year, and set a course to correct them, which I will outline herewith.

## **1. Deficiencies in capital project execution:**

A review by the TSC revealed significant shortcomings in the execution of key capital expenditure projects, including Fibre-To-The-Home (FTTH), Fixed Wireless Access (FWA), Internet-Protocol-Television (IPTV) and Internet-Data-Centre (IDC). These projects suffered from cost overruns significantly exceeding initial projections; risks were not adequately assessed or factored into planning; excessive upfront capital expenditure was made without clear long-term return on investment strategies in place; and business cases relied on overly optimistic Terminal Value (TV) calculations to justify project returns - potentially inflating their viability.

These issues highlight the need for a more rigorous project management and risk assessment framework. The Group has taken steps to address these concerns: the Nomination and Governance Committee and Remuneration Committee of the Board assisted the CEO to create a new General Manager position, reporting to the CEO, whose primary responsibility is to ensure Return on Invested Capital (ROIC). The Group has also recruited suitable cadre, with international exposure, to fill the position. The Board has further designated the CEO and CFO as persons accountable for ensuring proper project appraisals, adherence to approved business cases, and regular proactive monitoring to keep the Board appraised.

## **2. Challenges with the Convergent Billing Project:**

The TSC also identified issues with the Group's single-sourced, technical-led, Convergent Billing project. This project was intended to streamline billing for bundled services. Often considered a Business Support System Transformation project in the industry, such a project is considered a strategic undertaking that has the potential to transform every part of the business and deliver value to customers and internal and external stakeholders.

However, TSC review has highlighted improper planning and deviation from industry best practices, which typically follow open tender processes and prioritise business needs. This has resulted in the Board recognising the project as high-risk. The Board is therefore actively monitoring the project.

## **3. Elevated costs through lack of CPE interoperability:**

The AC and Senior Tender Board (STB) identified a lack of interoperability between Customer Premises Equipment (CPE) used for FTTH, which resulted in exorbitant prices. In order to address this, the AC and STB directed management to address the issue, thereby fostering greater competition among CPE vendors. This initiative successfully reduced CPE costs by approximately 50%.

## **4. Cash flow challenges due to funding mismatch and dependence on post-paid**

The Group's prior practice of financing long-term projects through short-term borrowings, has resulted in cash flow issues. In addition, an over-reliance on post-paid customer billing cycles has slowed down cash flow.

Additionally, the prior practice of capitalising customer-specific connection costs (last-mile infrastructure) enabled recording of growth in terms of revenues and profits. Albeit, this practice placed a tremendous burden on cash flows, increased borrowings, and caused enormous churn where net growth of customers was severely affected.

## **5. Mobitel's profitability erosion and subscriber churn:**

Mobitel's historical contribution to SLT through dividends ceased in FY2022 and FY2023, coinciding with a significant decline in profitability. Profits of LKR 8 Bn. in 2021 turned into losses of LKR 120 Mn. in 2022 and LKR 3.7 Bn. in 2023. This deterioration was primarily driven by a customer base reduction exceeding 1.3 million over the same period. An investigative audit directed by the AC identified several causal factors for the excessive and unprecedented levels of churn contributing to the rapid subscriber base decline, which fell from 8.5 million to 7.2 million between 2022 and 2023.

Provision of defective Subscriber Identity Modules (SIM) batches by an identified supplier caused customer inconvenience, resulting in further churn and/or necessitating free SIM replacements at appreciable inconvenience to customers and increased overheads to Mobitel. As part of corrective action, Mobitel has ceased sourcing from this supplier and is pursuing necessary legal action.

Excessive Trade Incentives for customer acquisition significantly increased the Subscriber Acquisition Cost (SAC), which more than doubled compared to the previous year. This strategy, potentially driven by the need to replace defective SIMs, incentivised gross additions even through sale of new connections existing customers, further contributing to churn rates.

Taking immediate action to address these issues, from mid-2023 onward Mobitel implemented corrective measures in the trade incentive scheme that had severely burdened the company. In addition, the Board decided to not renew the Group Chief Executive Officer contract and to accept resignation of the Chief Executive Officer of Mobitel. Accordingly, the Board facilitated a merged-organisation structure for the Group with a single Chief Executive Officer (CEO) – appointing Mr. Janaka Abeysinghe to this position to lead the unified organisation. As part of the merged structure, Mobitel welcomed Mr. Sudharshana Geeganage as its new Chief Operating Officer (COO).

## **Marking a Turning Point in 2023: A Year of Restructure**

To navigate the ongoing challenges and ensure long-term success of the Group, the Board has focused on remedying urgent issues, addressing inefficiencies, optimising capital expenditure, and streamlining operations, as outlined above.

The significant concerns faced by the Group in 2023 also necessitated strategic course-correction and restructuring. In order to drive this shift, in January 2024, the Secretary to the Treasury replaced the six nominee Directors appointed on behalf of the Government of Sri Lanka. I am grateful to the Ministry of Finance and the Board of Sri Lanka Telecom PLC for placing their trust in me to take the helm as Chairman.

## Looking to 2024: A Year for Refocus and Consolidation

Embarking on this journey of transformation, we are committed to creating a more efficient, agile, and cost-effective organisation, which is well-positioned for future growth.

Following a comprehensive review by the Audit Committee, including benchmarking against regional best practices for multi-company governance, the Board adopted a strategic initiative to consolidate and streamline the Group structure. This involved establishing effective governance frameworks for all privately held subsidiaries, ensuring clear accountability and performance measurement. The streamlined structure was implemented in a phased approach and became fully operational in March 2024.

Optimising our operations, we are working to maximise efficiency across the Group. While staff cost-to-revenue ratios are currently higher than the industry average, the Board is committed to achieving sustainable and profitable growth while optimising operations to improve these metrics. A key element in this endeavour is fostering a vibrant performance culture across the Group. We are looking to our staff to provide exceptional customer experiences as a core focus, and will be creating necessary structures to enable performing staff to reap the benefits. To drive this cultural transformation, the Board, with the support of the Nomination and Governance Committee and Remuneration Committee, has appointed a new Chief People Officer with international experience. This dedicated leader will be responsible for implementing strategies to enhance staff productivity and build a culture of excellence across SLT.

We are also pleased to announce successful conclusion of litigation related to the Dialog-Airtel merger and Radio Access Network (RAN) sharing. This outcome was achieved through an equitable settlement agreement facilitated by the Telecommunications Regulatory Commission of Sri Lanka (TRCSL). We commend TRCSL's commitment to fairness and a just resolution for all parties involved. As a result of this agreement, Mobitel is expected to receive significant spectrum allocations from TRCSL. This includes 5MHz of additional Frequency Division Duplexing (FDD) spectrum in the sub-1GHz low band, and 25MHz of Time Division Duplexing (TDD) spectrum in the 2.3GHz mid band. This additional spectrum will empower Mobitel to deliver an enhanced data experience for its customers and contribute to Sri Lanka's digitalisation aspirations. Furthermore, the agreement addresses the long-standing issue of non-contiguous spectrum allocation, leading to improved spectral efficiency and cost savings for Mobitel's wireless business. The agreement also includes TRCSL's commitment to facilitate RAN sharing within the industry. This would unlock potential savings on infrastructure investments that will lessen the strain on foreign currency reserves and benefit the Group overall. This move will also allow for better network utilisation and increased capacity, ultimately benefiting customers through reduced costs and enhanced customer experience.

## Conclusion

In closing, I extend my gratitude to the former Board Directors who urgently and effectively addressed the challenges faced by the Group in 2023. I would also like to recognise the untiring efforts of our dedicated employees who went above and beyond in enabling the Group to withstand difficult circumstances. I also thank our shareholders, esteemed partners, and other stakeholders for their unwavering commitment and support. We recognise the challenges ahead, but I would like to reassure you that we are determined to overcome them. We are taking decisive action to improve performance, ensure sustainability of our enterprise, and create long-term value for our stakeholders. We appreciate your continued support as we continue to serve our country and people for a better and brighter future.

**A K D D Arandara**  
Group Chairman

## Chief Executive Officer's Review

**Despite challenges, I am immensely proud of the resilience demonstrated by the entire team at SLT.**

As we reflect on 2023 where countries and industries continued to face the pressures of a global slowdown, Sri Lanka's economic contraction was felt by all our stakeholders. The telecommunications sector had to contend with a multitude of challenges including rising costs, while responding to the needs of customers. These factors, combined with rising exchange and interest rates, created a complex business environment that impacted our operations and results.

Despite these headwinds, I am immensely proud of the resilience demonstrated by the entire team at SLT. From the technical staff maintaining and extending critical infrastructure, to our customer experience teams, we have remained committed to delivering an exceptional service to our customers.

### Navigating headwinds

Escalating costs, particularly the high increases in electricity tariffs in 2022 and again in 2023, coupled with a steep escalation in exchange rate significantly impacted our business. As a leading digital enabler for the nation, high energy cost and Annual Maintenance Costs (AMC) involved in managing and sustaining vital network infrastructure was a major issue to contend with, as we continued to build out our network, align with connectivity needs of customers, and pursue the roll-out of new and more advanced technologies.

These factors were compounded by the prevalent elevated interest rates and inflationary pressures on consumer disposable income, which led to a higher customer churn-rate compared to previous years.

While we saw a revenue increase of 3.2% YoY, operational costs rose by 6%. This resulted in a Group-level loss, with SLT incurring a loss of LKR 1.1 Bn. and Mobitel a loss of LKR 3.6 Bn. The Group Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA) also reflects these challenges.

Cost optimisation was a central focus during the year as we successfully managed internal costs where possible by maximising efficiencies and absorbing costs by adjusting the focus of our teams to include certain maintenance activities. While external factors like license fees, interest rates and energy prices remained beyond our direct control, consolidation of Annual Maintenance Costs (AMC), and continuing investment in profitable and revenue generating projects contributed to cost-effectiveness and cost-benefits that we could extend to our customers.

### Investing in our employees

The economic environment of the last two years brought multiple stressors for human resource management and talent retention for all Sri Lankan institutions. Combatting talent-flight across various professions, we implemented proactive initiatives to



reinforce SLT's employee value proposition and ultimately attract, retain, and groom suitable personnel. These measures prioritised review of policies, enriching the organisational culture and work experience, and strengthening career advancement pathways. Our commitment extended to leadership development, with the launch of SLT's Executive Development Programme in 2023, investing in over 10,000 training hours and providing an immersive training experience over for 100 key executives.

## Expanding our network and offering

While we remained committed to infrastructure investments to extend reach, better serve our customers, and position to meet Sri Lanka's growing digitalisation needs, network expansion slowed down in 2023. Our investments ranged from development of approximately 1.2 million FTTH ports and deployment of over 400 new 4G LTE base stations, expanding both wired and wireless networks across the country.

Supporting Sri Lanka's economic recovery, we continued to extend reliable, secure, and innovative products and services to businesses while supporting the digitalisation efforts of enterprises, SMEs, and a number of government institutions. Our enterprise segment saw continued growth in 2023, led by noteworthy revenue growth from the SME segment, and growth from large enterprise business. In line with SLT's strategy of driving a smarter Sri Lanka, and our continued focus on empowering Business Segments we debuted new cost-effective products and expanded our enterprise service offering. Recognising the challenges faced by our consumers in the aftermath of the economic crisis, we delivered a number of innovative products and options that increased flexibility, affordability, and convenience for a wide customer base.

SLT's wholesale business continues to facilitate connectivity demands of domestic and international telcos. We have also invested in capacity increases at data centres and upgraded and expanded the wired and wireless network infrastructure to accommodate growing demand, strengthening our domestic and international transport offering.

Additionally, our international business and presence remains strong with Xyntac establishing a footprint overseas and focusing on emerging opportunities unlocked by our international cable

infrastructure. We have invested in the SMW6 submarine cable, due to complete in 2025, securing capacity that will provide high-speed global connectivity for Sri Lanka's consumers, enterprises, and economy in the years to come.

Subsidiaries play a vital role in SLT's overall strategy. We continued to develop synergies across the Group, while improving standards and processes, increasing efficiency, and exploring options for consolidation and amalgamation. SLTS, our System Integration (SI) business, saw significant growth in the enterprise space, driven by our focus on digital transformation and buoyed by strong partnerships with banks and leading corporates.

## Transforming our business through innovation and sustainability

The global telecommunications sector continues to evolve and adapt to technological advancements and changing consumer demands. On par with these trends, SLT's digital and organisational transformation to a future-ready technology company is encapsulated in our strategy. In 2023, the Digital Transformation Division continued our digitalisation efforts, prioritised internal process improvement, and bolstered our capabilities in software development, integration, and frontier technologies. These undertakings culminated in establishment of SLT's dedicated Innovation Group in 2024, which includes an R&D lab, which is partnering with leading innovators and customers to pilot a range of internal and external initiatives.

Sustainability of our operations and long-term business model is a priority focus area that we strive to integrate into business practices. Exercising our commitment to environmental stewardship, we continued to pursue energy efficiency measures and expand our renewable energy generation. With solar systems now installed at 19 locations, and plans in place for solar PV at more than 200 additional sites with a total capacity of 6MW, we expect annual savings of approximately LKR 260 Mn. and emissions reduction of around 6,300 tCO<sub>2</sub>e. This commitment extends to our office facilities, as we are proud to announce that the SLT-MOBITEL Operational HQ in Welikada was awarded a prestigious Platinum green building rating.

## Looking to the future

Despite the challenges faced in 2023, we are resolutely optimistic about the future as Sri Lanka's economy is expected to return to growth in 2024 and evolution in the technological landscape indicates SLT is well-positioned to lead the way. The expected 5G spectrum allocation presents a significant opportunity to unlock the transformative potential of this next-generation 5G technology. We are confident our pre-commercial trial and pilot projects have equipped us with the knowledge and expertise to be a frontrunner in the 5G space, particularly for enterprise applications.

Our robust partner ecosystem, including engagement of leading technological innovators, will allow us to capitalise on emerging opportunities. Meeting the needs of Sri Lanka's evolving digital economy, we expect to be at the forefront of supporting and rolling out frontier technologies such as Artificial Intelligence (AI) and Machine Learning (ML), Big Data analytics, Internet of Things (IoT), and Robotic Process Automation (RPA). The strength, reliability, and safety of our foundational network infrastructure, provision of cloud connectivity and edge computing solutions, leveraging of network APIs, and innovative SD-WAN enterprise solutions will pave the way for a more connected, intelligent, and automated future.

## Acknowledgements

In closing, I would like to express my sincere gratitude to our dedicated employees, whose unwavering commitment and hard work were instrumental in navigating the complexities of the year. Our achievements would not have been possible without the significant contribution and guidance of our Board of Directors. I am also heartened by the continued patronage of our loyal customers. We are committed to exceeding your expectations and delivering the exceptional service you have come to expect. To our shareholders, thank you for the trust placed in SLT. We are steadfast in our efforts to create exceptional value and generate competitive and sustainable returns on your investment.

Finally, a heartfelt thank you to our esteemed partners, government counterparts, and industry regulator – the Telecommunications Regulatory Commission of Sri Lanka (TRCSL), who share our vision for a connected future, and spur our every success.

**Janaka R Abeysinghe**  
Chief Executive Officer

A collage of images in shades of blue and green. It includes a pilot in uniform looking at a map, a map of the world, a three-masted sailing ship on the water, and a globe. The overall theme is navigation and strategy.

# Business Context and Strategy

# Business Model

BUSINESS

ENVIRONMENT

SOCIAL

GOVERNANCE

## INPUTS

### Finance

Total Group equity capital LKR 88.6 Bn. (adequate to withstand any business downturns)

Good liquidity position with short-term investments

### Manufactured

Continuous investments in infrastructure

Investment in property plant and equipment LKR 33,845 Mn.

Fibre infrastructure 65,000 km

Access Nodes (MSANs) and Optical Line Terminals (OLTs)

Existing copper infrastructure

Wireless infrastructure base stations

05 International submarine cable systems

300+ Physical touchpoints across the Island

### Reductions in energy use through better management and energy saving

### Customers

Around 9 million subscribers

Customer Experience Management officers

### Employees

8,600+ dedicated workforce across the Group

Healthy industry relations

Talent development pipeline through SLT

Talent Development Centre (SLTTDC)

### Partners, Suppliers, Strategic Alliances

Strong dealer network

Robust global and local partner and supplier ecosystem

Strategic alliances and joint ventures

Unified brand image and service offering

Growing innovation platform

Certified systems and processes meeting international standards (ISO /IEC 22301:2019, ISO 9001: 2015, ISO /IEC 27001:2013, ISO 18295-1:2017)

## VALUE CREATION ACTIVITIES AND OUTPUTS



### Provision of comprehensive offering:

Entertainment (IPTV), enterprise and digital services (cloud computing and hosting services, networking solutions)



### Ongoing product development:

New product and solution development based on changing customer needs; providing greater flexibility, reliability, and cost-effectiveness



### Enhancement and extension of infrastructure, reach, and service:

Fibre speeds increased to 300mbps  
Expansion of data centres  
Migration from 3G to 4G/5G  
Bundled packages for different product lines  
Introduction of ipv6 handling larger No. of IPs  
New extended-reach products: Duthaya, ProConnect, and HitFlix.



### Integration of cutting-edge technology:

Contact centre moved to cloud  
Cloud services run on three platforms; VMWare, Microsoft Azure, Oracle Cloud

## OUTCOMES

### Stable financial results

No dividends proposed to be declared during the year

Group revenue  
LKR 106.4 Bn.

Group gross profit  
LKR 38.6 Bn.

### Reliable infrastructure and connectivity

Fibre network extended by 65,000 kms

LTE capacity expanded by 400 base stations

Expansive geographical reach

Provision of backbone services to other operators

### Environmental conservation

Reduced environmental footprint of services: Waste management best-practices, energy-saving and energy efficiency measures, ongoing shift to renewable energy.

Community environmental awareness raised

### Outstanding customer value

Services and offers catering to customer needs - convenience, flexibility, and reliability

Innovative solutions for enterprise customers - enabling management of mission-critical infrastructure and applications through data centres with reliability, security, and scalability

Expanding cloud services and offering enabling enterprises to increase agility, provide quick service deliveries, maximise cost-efficiency and ROI, and increased scalability

Thousands of customers utilising innovative healthcare solutions: eChannelling

Continually increasing value of customer digital financial transactions through mCash

Continued improvements in reliability, data-privacy, data-security, and cyber-security.

### Empowered employees

Improved employee, job satisfaction, career opportunities, and loyalty.

Strong pipeline of promotions filled internally

Local hiring for critical needs providing employment opportunities

Competitive and attractive remuneration and benefits to employees

22 average hours of training per employee

NVQ qualifications awarded to entry-level youth

Schools empowered through digitalisation programmes

Youth benefitted through targeted programmes

Selected schools across the Island supported through ESG initiatives

### Transforming organisation

Streamlining processes to improve efficiency and reduce manual work

Continued digitalisation

Leveraging synergies from SLT-MOBITEL unification

Mainstreaming innovation across functions and culture



### VMWare, Microsoft Azure, Oracle Cloud

VMware to launch Sri Lanka's first VMware Cloud Foundation (VCF) deployment and double VCF Cloud



### Exceptional employee value-proposition:

Diversity and inclusion in the workplace

Focus on career progression of staff

Introduction of Executive Development programme

Facilitating workforce adaptation to technological advantages and shifting market dynamics



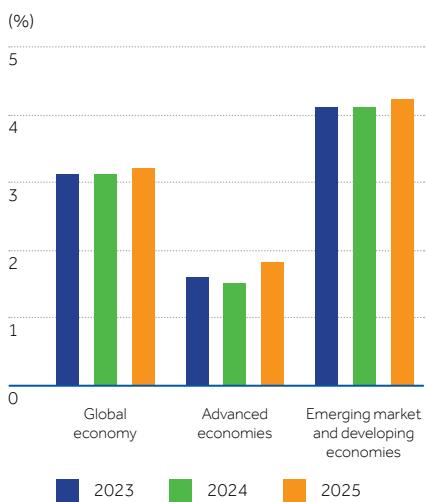
# Operating Context

Analysing the operational landscape of Sri Lanka Telecom PLC (SLT), we delve into the global economic scenario, the international telecommunications and technological landscape, and the socio-economic backdrop of Sri Lanka, coupled with anticipated growth in the upcoming year.

## The Global Economy

"Global GDP growth is projected to stay at 3.1% in 2024 and rise to 3.2% in 2025. Elevated Central Bank rates to fight inflation and a withdrawal of fiscal support amidst high debt weigh on economic activity. Inflation is falling faster than expected in most regions, amid unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8% in 2024 to 4.4% in 2025, with the 2025 forecast having been revised down," as stated by the International Monetary Fund (IMF).

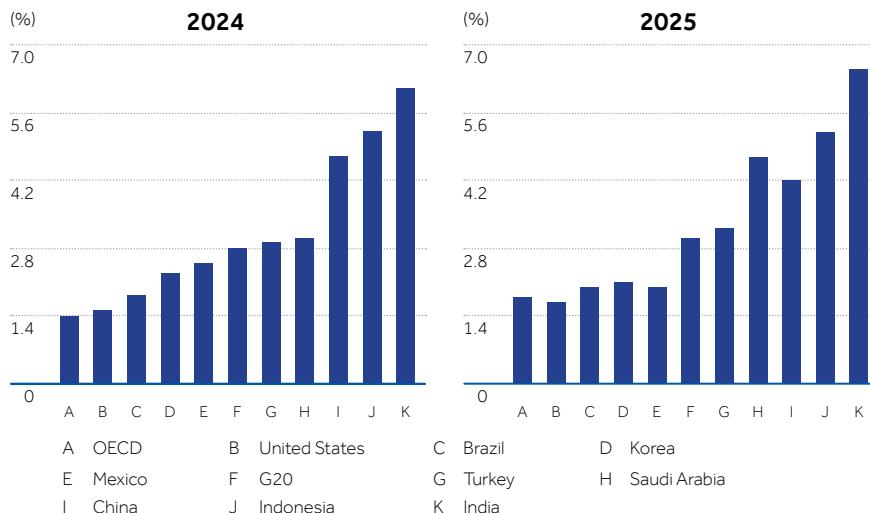
## Growth Projections



Contrastingly, the World Bank presents a sombre outlook for 2024, envisioning a third consecutive year of global GDP deceleration to 2.4%. This trajectory poses a threat to poverty reduction goals, potentially hindering efforts to uplift vulnerable populations.

As we approach the midpoint of a transformative decade, the global economy is on track to register the slowest half-decade of GDP growth in three decades, as reported by the World Bank's Global Economic Prospects report.

## GDP Growth Projections for 2024 and 2025



The OECD's latest Economic Outlook projects global GDP growth to reach a mild slowdown to 2.7% in 2024 and a slight improvement to 3.0% in 2025. Asia is expected to continue to account for the bulk of global growth in 2024/25, as it has in 2023.

## Impact of the Gaza Conflict

The impact of the conflict on worldwide commodity markets has been relatively contained, witnessing only a modest uptick of around 6% in oil prices. The World Bank reports that agricultural commodities, the majority of metals, and other commodities have displayed minimal fluctuations.

However, the situation might swiftly take a turn for the worse if other Middle Eastern nations decide to engage in the conflict. The potential blockage of the Suez Canal alone could result in a substantial 12% reduction in global trade. According to the most pessimistic forecasts, the outbreak of a direct war involving additional regional countries might elevate global inflation by 1.2% and reduce world GDP by 1%.

## Global Telecom Industry

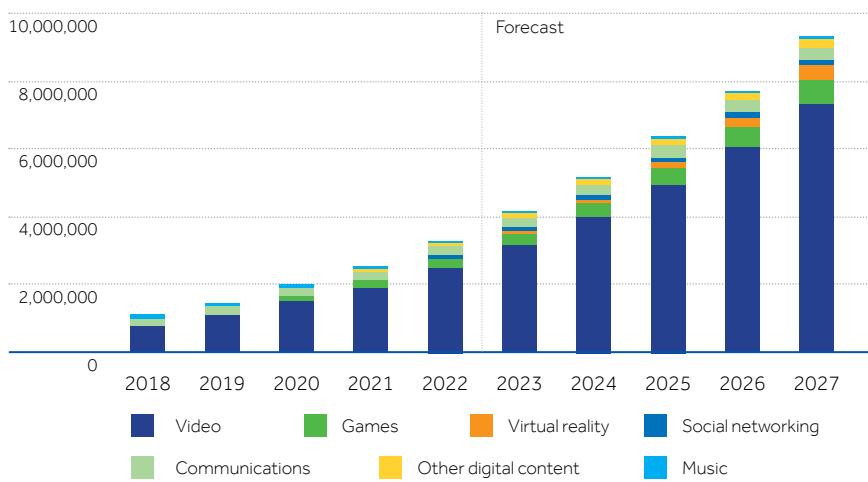
Research conducted by the McKinsey Global Institute reveals that the global telecommunications sector holds a substantial value of USD 1.5 Trn., contributing to 2.5% of the overall global Gross Domestic Product (GDP). The study further indicates that this sector is experiencing a robust annual growth rate of 5%, surpassing the pace of the global economy, with even greater opportunities in the future.

"Driven largely by video traffic, global data consumption over telecom networks will nearly triple, from 3.4 Mn. petabytes (PB) in 2022 to 9.7 Mn. PB in 2027. As the transition to 5G continues, and newer technological standards gain traction, telcos are projected to invest USD 342.1 Bn. in their networks in 2027 alone". These are among the key findings outlined in PricewaterhouseCoopers (PwC) first Global Telecom Outlook.

## A Massive Increase in Video Consumption will Drive Growth in Data

Global data consumption split by content category, 2018-2027

Data consumption (petabytes)



Data consumption associated with gaming is expected to rise at a 21% Compound Annual Growth Rate (CAGR) between 2022 and 2027, reflecting the continued shift towards online and cloud gaming. The projected CAGR of around 43% in virtual reality (VR) data over the five-year time frame will see its share of total data consumption reach 5% by 2027, driven by the growth of the metaverse. However, incomes for telecoms will not improve proportionately due to the commoditised nature of data, which doesn't allow for differentiating the offer. This holds true for telecom operators such as SLT as well.

### Impact of Artificial Intelligence (AI) on the Industry

The telecommunications industry stands at the epicentre of driving widespread adoption of advanced technologies, primarily propelled by mobile and 5G broadband services in the Internet of Things (IoT) era. Projections indicate that the global AI component in the telecommunications market is expected to reach USD 14.99 Bn. by 2027, up from USD 11.89 Bn. in 2020, with a remarkable CAGR of 42.6% during the period 2021-2027.

Artificial Intelligence (AI) will play a pivotal role in this transformative journey, influencing various aspects such as: network optimisation, automation of customer service, integration of virtual assistants, predictive maintenance, implementation of Robotic Process

Automation (RPA) for telecommunications companies, fraud prevention, and fostering revenue growth.

According to McKinsey Global, telcos could unlock growth and rejuvenation by wholeheartedly adopting extensive AI deployment and transitioning into organisations that are inherently AI-native. Recognising this imperative as non-negotiable, some telcos are increasing their investments in AI, scaling them up as the tangible business impact of this technology becomes evident.

Sri Lanka too can expect the implementation of such technologies in the near future, with SLT playing a crucial role in their rollout and adoption.

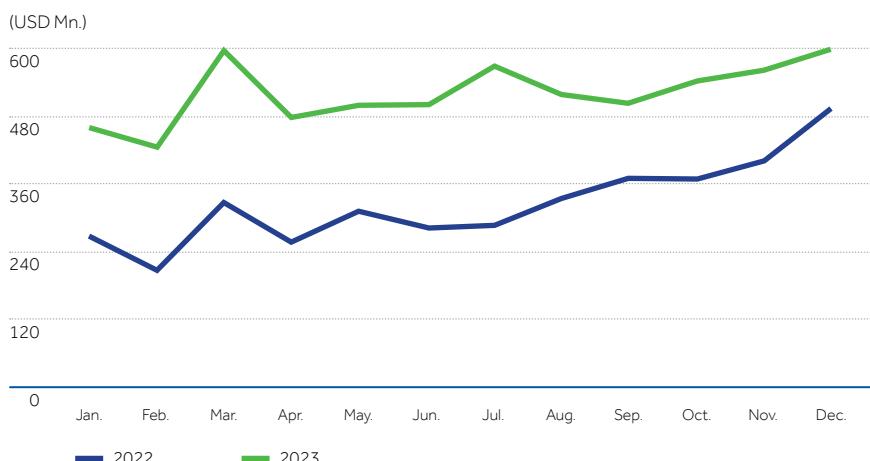
## Sri Lankan Economy

Sri Lanka's economy is expected to grow by 1.7% in 2024 after contracting by 3.8% in 2023, the World Bank said in its twice-a-year update, in January this year. Several indicators point to the realisation of this optimistic scenario.

### Improved Forex Situation

In December 2023, Sri Lanka's gross official reserves reached USD 4.4 Bn., as per official data. This increase was supported by loans from multilateral lenders, including the International Monetary Fund.

### Workers' Remittances – Inflows



In 2023, remittances to Sri Lanka through official channels increased by 5.7% to USD 5.97 Bn., up from USD 3.8 Bn. the previous year. This rise was facilitated by a better exchange rate following improved monetary policy. This marks the highest annual inflow from Sri Lankan expatriates since 2019.

Sri Lanka's tourism sector has experienced significant growth, with earnings exceeding USD 2 Bn. and the arrival of over 1.48 million visitors in 2023. This marks the highest revenue and visitor influx since 2019. Sri Lanka Tourism has set ambitious goals for 2024, aiming to attract 2.5 million tourists and generate USD 4.6 Bn. in revenue. Additionally, the long-term strategy aims to increase arrivals to 5 million and achieve revenue of USD 21.6 Bn. within five years.

### **Impact of VAT**

Many import restrictions of the past few years have been lifted, and foreign exchange is readily accessible. While the exchange rate remains elevated, there is room for improvement in the importation of communication devices by individuals, corporates, as well as the telecommunications industry. However, the Government's announcement of an increase in the value added tax (VAT) from 15% to 18% has resulted in corresponding increments in taxes on Mobile, Mobile Broadband, Fixed Broadband, Pay Television, and value-added services. This adjustment has the potential to affect revenue, particularly from users of more premium services.

While the worst days of inflation are over, increase in the value added tax (VAT) and the resultant rise in overall costs could drive inflation up to about 7% by January 2024, from 4% in December 2023 and 3.4% in November 2023.

### **Future Prospects**

In terms of industry outlook, the Sri Lanka telecommunications market revenue is expected to grow at a CAGR of 6.8% over the next five years. Most of the major telecom companies in the world are present in the country, making significant R&D investments consistently. Key telecom operators have completed 5G demonstrations and trials. Customers will slowly migrate from 3G and 4G networks to the 5G network, once it is implemented.

The impending arrival of the 5th Generation of mobile networks heralds a connectivity revolution, poised to assume a more significant role than its predecessors. As per the Ministry of Telecommunication and Digital Infrastructure's projections, the development of 5G technology alone has the potential to contribute up to 10% of Sri Lanka's total GDP by 2025, and generate over one million jobs. It could augment Sri Lanka's GDP from USD 8 Bn. to USD 20 Bn. by the year 2030.

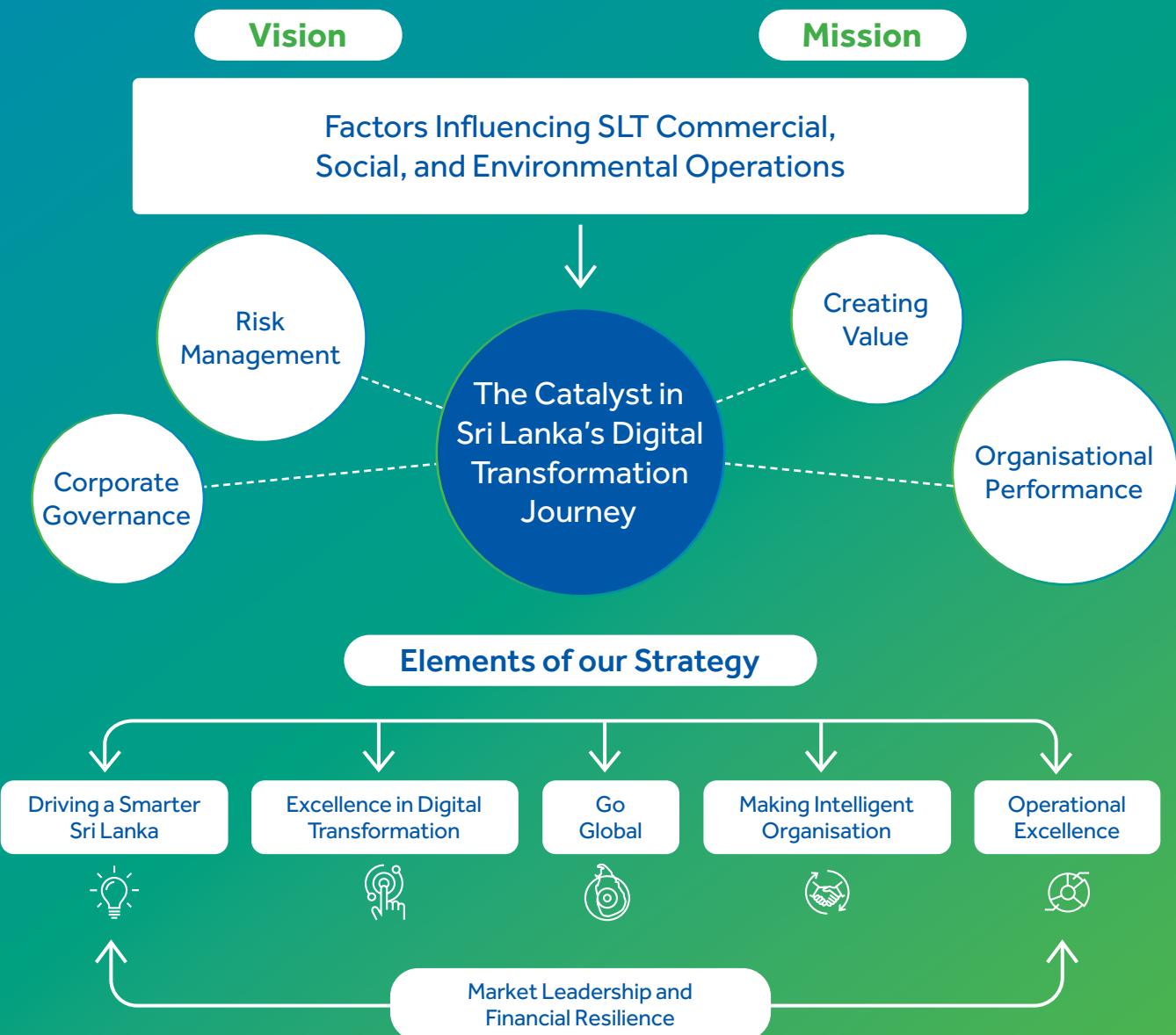
The proposed merger between Dialog and Airtel would create a combined entity with a significant advantage in spectrum ownership. The combined holding would represent a higher portion of the total spectrum allocated in the mobile industry. Industry analysts point to spectrum ownership as a key factor determining product quality and overall competitiveness; indicating the merger could grant immediate subscriber growth and a potential service and network quality edge.

During the year, the Company achieved a significant milestone by introducing the innovative hybrid model (SA+NSA) technology of 5G for the first time in Sri Lanka. With the deployment of 5G Standalone, SLT is positioned to support essential applications requiring Ultra-Reliable Low Latency Communication (URLLC) with enhanced latency, and enhance its capacity for Network Slicing, Robust Quality of Service (QoS) Assurance, Edge Computing, and various other cutting-edge functionalities.

Under the leadership of SLT, which straddles the fixed line and mobile spheres, and is fully geared to take the country towards the future, this could be the transformative scenario that awaits the telecommunications industry, as well as the Sri Lankan economy. The Company's diverse technological and human resources could pave the way for a revolution in telecommunications, reaping vast socio-economic benefits for the nation.

# Strategy

Our strategic focus on operational excellence, digital transformation, and customer-centric solutions underscores our commitment to delivering value to our stakeholders and positioning SLT for long-term success.



Pillar	Strategic Priorities	Achievements/Processes
 <b>Driving a Smarter Sri Lanka</b>	Enabling National digitalisation initiatives Expanding fibre coverage Expansion of Data centres and Cloud Infrastructure Providing access to underserved areas	Improving reach and access through infrastructure and service enhancements Supporting digital enablement of SMEs The country's largest DC rack space provider offering diverse services including co-location and latest cloud solutions Upgrading legacy wired and wireless networks through conversion to fibre and LTE broadband enabling internet, TV and voice services Helaviru Agro – Produce and Commodities and Trading Exchange Fazenda Smart Agro, an IoT and AI-based agriculture management platform
 <b>Excellence in Digital Transformation</b>	Organisational transformation to support digital evolution of customers and be enabler for Digital Economy Transform from a Telco to next gen Techco	Operational process and systems Automation Contact Centre automation and Digital Engagement Applications to Customer Expanding services through Robotic Process Automation (RPA)
 <b>Go Global</b>	Global network and service expansion a brand creation on Xyntac -The Global business Arm	Consortium Partner for SEA-ME-WE5 completed, and to proceed further capacity expansions Proposed SEA-ME-WE6 cable to be completed in 2024/25 Capacity expansion of SEA-ME-WE4 and SEA-ME-WE5 Xyntac establishing a foothold overseas with an office in Singapore
 <b>Making an Intelligent Organisation</b>	Prioritising retention of talent Optimising workforce by recruitments based on business criticality Developing skills essential for effective leadership	Multiple and Flexible Talent Acquisition Approaches Continuous Skill Building and multi talent workforce development through SLT-MOBITEL Nebula Institute of Technology
 <b>Operational Excellence</b>	Unification of operations Transform organisation to cloud-computing Upgrading field service	Increase in efficiency and realisation of synergies Data analytics and business intelligence SMART technicians and single technician field service

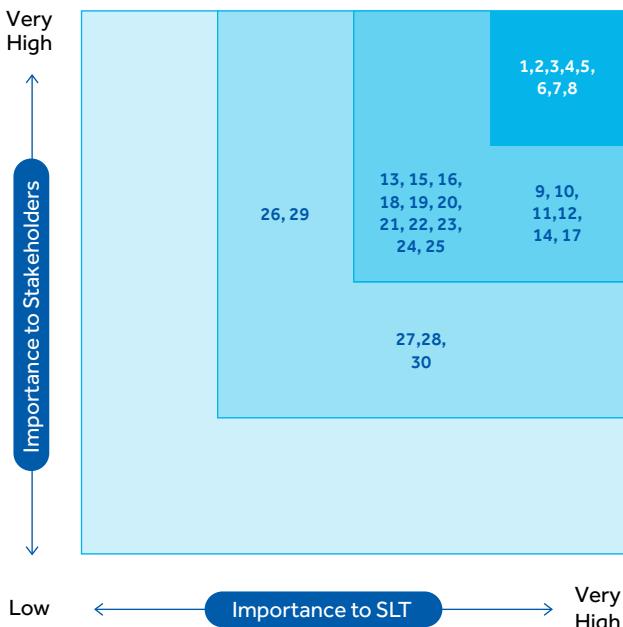
# Materiality

"Materiality" refers to the significance and relevance of matters that substantively affect an organisation's ability to create value over the short, medium and long-term.

Materiality extends beyond financial considerations to encompass various factors, including aspects such as Environmental, Social, and Governance (ESG). Determination of materiality involves an assessment of the impact an issue has on the organisation's ability to create and preserve value over time. This assessment considers both quantitative and qualitative factors, including financial metrics, operational impacts, and stakeholder interests, in order to provide a balanced and comprehensive view of the organisation's performance, risks, and opportunities.

Sri Lanka Telecom PLC (SLT) employs a meticulous and comprehensive approach in determining material issues, employing rigorous criteria integral to portraying an accurate depiction of the Company's operational landscape. Financial significance is methodically assessed through quantitative metrics, encompassing revenue streams, cost structures, and capital allocation, ensuring a precise evaluation of monetary impact on SLT's financial standing. Operational impact analysis delves into key performance indicators (KPIs), operational efficiencies, and technological infrastructure considerations to gauge the ramifications on day-to-day activities.

Relevance to stakeholders involves a sophisticated stakeholder mapping, integrating customer feedback, investor expectations, employee concerns, and compliance with regulatory bodies. Moreover, SLT incorporates a legal and regulatory compliance framework, tracking changes in telecommunications regulations, and aligning its reporting with industry standards.



SLT demonstrates robust adherence to internationally recognised ESG standards and frameworks. Committed to sustainable practices, SLT aligns its operations with recognised ESG benchmarks, fostering transparency and accountability. Relevant trends are analysed through competitive intelligence, and sustainability metrics are embedded to align the report with ESG benchmarks.

This determined and purposeful synthesis of technical inputs ensures that the annual report not only meets industry standards but also serves as a robust tool for stakeholders to make informed assessments of SLT's performance in the dynamic telecommunications sector.

A list of material matters for 2023 is given below:

No.	Topic	Importance to SLT	Importance to Stakeholders
1.	Financial and economic performance	Very high	Very high
2.	Employment	Very high	Very high
3.	Training and education	Very high	Very high
4.	Customer privacy	Very high	Very high
5.	Customer experience	Very high	Very high
6.	Work and lifestyle changes	Very high	Very high
7.	Purchasing power of consumers	Very high	Very high
8.	Macroeconomic conditions	Very high	Very high
9.	Indirect economic impacts	Very high	High
10.	Technology evolution	Very high	High
11.	Financial resilience	Very high	High
12.	Industry evolution in country	Very high	High
13.	Procurement practices	High	High
14.	Crisis management	Very high	High
15.	Anti-corruption	High	High
16.	Anti-competitive behaviour	High	High
17.	Energy	Very high	High
18.	Emissions	High	High
19.	Effluents and waste	High	High
20.	Environmental compliance	High	High
21.	Occupational health and safety	High	High
22.	Freedom of association and collective bargaining	High	High
23.	Socioeconomic compliance	High	High
24.	Community health and safety	High	High
25.	Digital infrastructure for education	High	High
26.	Diversity and equal opportunity	Medium	High
27.	Research and development	High	Medium
28.	Local community engagement	High	Medium
29.	Biodiversity	Medium	High
30.	Marketing and labelling	High	Medium

# Stakeholders

Stakeholders play a key role in sustaining and strengthening the ecosystem of Sri Lanka Telecom PLC. Maintaining a harmonious relationship with stakeholders enables the Company to stay responsive to market demands, regulatory changes, and technological advancements in the telecommunications industry. This collaborative synergy is essential for the sustained development and long-term success of the Company in the dynamic telecommunications landscape of the country. Stakeholders play a unique collaborative and supportive role in contributing towards the Company's growth and success.

SLT serves a diverse clientele, spanning individuals to sizable global enterprises. Specialised teams are assigned to oversee the requirements of these distinct segments, ensuring tailored responses to their specific needs.



## CUSTOMERS

As the primary stakeholders, customers are key drivers of revenue, innovation, and market relevance for SLT. Their preferences and feedback influence technological advancements and service enhancements, and innovations.

Interaction methodology	Interaction time frame	Stakeholder concerns	Our response
Customer satisfaction surveys	Daily, monthly, quarterly, and annually	Retail, SME, and Enterprise customer segments	To provide the best experience to all our customer segments while exceeding customer expectations.
Branches	Based on customer requirement	Availability of engagement teams, tools and services	Ensuring branch availability and quality service islandwide. Customer experience team helps to improve service with assistance of customer touchpoints.
Dealer network	Based on customer requirement	Availability of competent staff at dealer outlets	Bringing the service to the customer's doorstep
Customer visits	Regularly	Convenience and overall experience	Empowering customers through self-care portals
Value added services	Regularly	Innovative, efficient, and user friendly solutions, secure connectivity and digital platforms	Diversity of products to cater to varying customer needs; consumer, SME and enterprise
Data centres	Regularly	Reliable, flexible, and high performance data centres to cater the evolving business needs	Providing data centres and cloud infrastructure services, SD-WAN technology and IP VPN services and VPS services. Managing security. Helping clients minimise day-to-day operating issues and broaden business horizons.
Customer touchpoints	Regularly	Ensure the best service throughout the customer journey.	At every touchpoint, it has appointed Customer Experience Management Officers (CxEMOS), who are responsible for the best customer experience. They ensure the best customer service throughout the customer journey process.
Website, applications and social media platforms	Regularly	Convenience	Self-troubleshooting app for independent customers
Contact centre	Regularly (24-hour service)	Customer service facility to be available consistently	24x7 Contact centre providing voice, email, social media and automated services including Interactive Voice Response, and SMS services.
News letters Media Releases Magazines etc.	Regularly	Product, corporate and required information	Stakeholders and customer awareness



## EMPLOYEES

The dedicated employees, who rank among the top professionals in their respective fields, form the backbone of SLT's operations, contribute their expertise and effort, driving efficiency, customer service, and overall productivity.

Interactive methodologies	Interaction time frame	Stakeholder concerns	Our response
Meetings, emails and WhatsApp groups	As needed	Tending to work activities through national challenges such as the economic crisis	Distance working, Home to Field method for field operations employees
Employee events	Frequently	Maintaining a conducive environment	Maintaining job satisfaction and retention
Training programmes	As needed	Addressing competency gaps identified in employee assessments, and supporting skill and career development	Continuously develop and conduct training programmes through internal and external resources  We have delivered 136,670 hours of training in 2023, with an average 22 hours of training per employee
Inclusive management	Regularly	Promoting harmony and industrial peace, as well as the progression of the Organisation	Encouraging active participation and contributions from employees and trade unions  Updating policies and procedures pertaining to disciplinary matters and grievance handling
Health and safety programmes	Based on employee needs	Maintaining a healthy work-life balance	Offering a diverse range of services to cater to the health, safety and contentment of employees. These include facilitating medical payments and reimbursements, Conducting leisure activities, Offered eChanneling services, facilitating the <i>Agrahara</i> insurance scheme, Medical Centre at the head office, and the <i>Suwatha</i> health screening programme
Performance evaluations and one-on-one meetings	Annually	Fair remuneration  Recognition and rewards	Employing self-evaluations, transparency in evaluations, immediate supervisor evaluations, peer evaluations and reviews  Offering incentives to recognise and reward individuals for their performance



## INVESTORS

Investors and shareholders provide the financial backbone, injecting capital in anticipation of returns. Their financial backing enables SLT to make strategic investments, and expand its infrastructure, to stay ahead of competitors.

Interaction methodology	Interaction time frame	Stakeholder concerns	Our response
Quarterly results	Quarterly	Sustained growth in earnings	Earnings growth
Annual report	Annually	Dividends	Information to investors
Annual General Meeting		Declaration of dividends	Regular payment of dividends  Increase in share price
CSE disclosures	As needed	Regulatory compliance in disclosures  Timely disclosure of price sensitive information	Quarterly results and other information disclosed via the CSE, website and media
Media releases	Regularly	Provision of information of interest to stakeholders	Disclosure of important information that can be publicly disclosed on regular basis
Rating reviews	Annually	Stability and resilience of the organisation	Maintaining strong balance sheet and liquidity positions



## BUSINESS PARTNERS

Collaborations with business partners and suppliers bring in essential technologies and resources, fostering innovation and service quality. Strategic partnerships with industry and external organisations expand SLT's service offerings and market reach.

Interaction methodology	Interaction time frame	Stakeholder concerns	Our response
Dealer satisfaction surveys	Quarterly	Timely payment of dues	Ensuring timely payment of dues to vendors, dealers and other suppliers
Vendor satisfaction surveys	Annually	Fair business practices	Fair procurement practices are enforced by Tender Committees and at Board level
Supplier assessment surveys	Annually	Eligibility to bid for tenders	Assessing the suitability of suppliers with whom to register
Supplier post-performance assessment	On completion of major projects	Supplier performance	Supplier performance is rated and communicated to suppliers, particularly when there have been lapses to give them an opportunity to improve
Meetings	As needed	Address consequences of the economic crisis	SLT's supply chain management section undertakes initiatives to facilitate direct procurement from principal vendors and through principal suppliers, eliminating third parties in procurements
Communication of requirements			Obtaining regular feedback via dealers and take measure to improve communication
E-tenders and e-auctions		Opportunities for growth	Vendor awareness, review sessions, and post-evaluation reviews
Dealer awareness sessions	Monthly	Improve dealer and vendor performance	Reward programmes
Vendor awareness sessions	As and when required		
Vendor and supplier forum events	As required	Tackling and raising awareness of issues pertaining to suppliers	Increased communication with vendors and suppliers to iron out issues.



## GOVERNMENT AND REGULATORS

The Government and regulators in Sri Lanka act as custodians of the industry, setting standards, ensuring fair competition, and safeguarding consumer interests while shaping the regulatory environment.

Interaction methodology	Interaction time frame	Stakeholder concerns	Our response
Meetings with regulatory authorities such as the Telecommunications Regulatory Commission of Sri Lanka (TRCSL), Department of Treasury Operations, Information and Communication Technology Agency of Sri Lanka (ICTA), and Inland Revenue Department (IRD)	Regularly	Regulatory compliance Address challenges in the operating context and issues pertaining to the industry	Advocating changes to regulatory requirements in response to changing circumstances and needs. Strengthening compliance procedures. Investing in national telecommunications infrastructure Serving as a key partner in-government initiatives of national importance (e.g. linking 860 government institutions to the Lanka Government Network through ICTA) Contributing to developing the country's technology sector and regulatory issues pertaining to same.
Annual report	Annually	Communicating and verifying statutory requirements and communicating information	connecting Sri Lanka to global opportunities keeping relations with regulatory authorities. Collaborations with ministries and other government bodies to prioritise national digitalisation
Presentations	As required	Compliance with regulatory requirements and timely reporting Timely payment of taxes	Maintaining processes to ensure compliance with regulatory requirements Ensuring the timely remittance of taxes and levies collected



## COMMUNITY

Local communities living in and around SLT's infrastructure investments have a key stake in the Company's responsible and sustainable practices. They are important constituent partners in the Company's social involvement.

Interaction methodology	Interaction time frame	Stakeholder concerns	Our response
Network of branches	Regularly	Responsible business practices	Providing communication and digital needs considering the requirements of different customer groups e.g. Generation Z Ensuring affordability of services and recognition of special need groups Enhancing island-wide presence and coverage and ability of staff to cater to any special requirements of the area.
Social media and SLT website	Regularly	Engage and uplift communities	Disseminating information about SLT's achievements and its products and services and how best customers can access and utilise these products and services
Events	Annually Regularly As required	Development of ICT skills among Sri Lankan youth Stimulate the entrepreneurial interest in youth to resolve national challenges through inventions Uplift Sri Lanka's educational landscape	Conducting wide range of community events many of which are innovation-focused, such as; SLIOT challenge 2023, The "Embryo" initiative Sponsoring national technological events such as Techno & Infotel exhibitions Operating programmes to enhance academic development STEMUP, Skill Online, School entrepreneurship programmes

Sri Lanka Telecom PLC actively collaborates with stakeholders through various channels, fostering open communication and mutual understanding. Engaging in regular consultations, the Company seeks feedback to enhance its services. Investments in cutting-edge technologies demonstrate a commitment to meeting stakeholders' evolving needs. This inclusive approach aligns with the Company's dedication to sustainable development and reinforces its position as a leading telecommunications partner in Sri Lanka.



# Business

# Finance

## Financial and Economic Backdrop

The year under review was a challenging one for the telecommunication industry in general amidst a turbulent macro-economic environment in the country. Adverse impacts of the financial and economic crisis lingering from 2022 continued to be felt in 2023. With the steep depreciation of the Rupee in 2022 and soaring inflation, the industry had to cope with an unprecedented rise in costs. Customers were also severely affected with their purchasing power being squeezed.

The industry suffered a double whammy with reduced revenue and increased costs. Electricity is a major component of the industry's cost base; electricity costs increased more than double in several rounds of tariff escalations starting from 2H2022. Another significant cost element, viz. network/IP and IT infrastructure maintenance costs, also increased by around 80-100%, due to depreciation of the Rupee and inflation. In addition, transport costs also increased significantly. This is attributable to the 200 - 300% increase in fuel costs, and the increase in hiring costs caused by the import ban on vehicles. While these cost elements increased many-fold, revenues plummeted. Affordability of customers was severely affected by inflation on one hand and income tax rates doubling from 18% to 36% on the other. Telecommunication services, though important to customers, do not rank as high in their order of priorities as food, medicine or children's education.

Consequently, the SLT Group reported a downturn in its results for the year under review, recording a marginal degrowth in revenue of 1.2% YoY to LKR 106.4 Bn. and a loss after tax for the year of LKR 3.9 Bn. The total assets of the Group increased by 2.5% YoY to LKR 246.7 Bn. as at 31 December 2023.

Given below is a detailed analysis of how we nurtured our Financial Capital during the year under review, demonstrating resilience of the SLT Group to withstand challenging operating conditions.

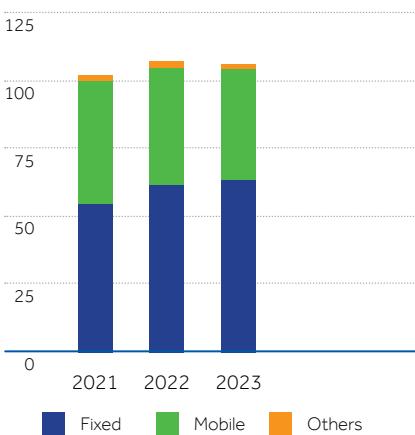
## Income Statement

### Revenue

Group revenue decreased by 1.2% YoY to LKR 106.4 Bn. in 2023 from LKR 107.7 Bn. in 2022. SLT company recorded a growth in revenue of 3.2% during the year primarily driven by growth in revenue from broadband, IPTV and expansion of enterprise and carrier domestic business. Full year impact of the tariff increase in the latter half of 2022 also made a positive contribution to revenue from broadband and IPTV services. Mobitel recorded a degrowth in revenue of 5.7% primarily due to decrease in the subscriber base resulting from increased subscriber churn and issues relating to affordability of subscribers.

### Revenue

(LKR Bn.)



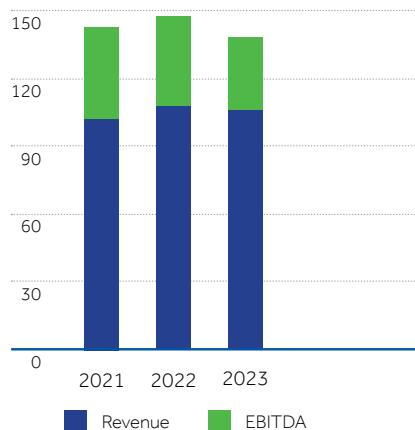
### Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)

Compounding impact of degrowth in Group revenue and increase in operating expenses, resulted in a drop in EBITDA by 19.1% in 2023, compared to 2022. The SLT Group implemented several initiatives to manage escalating costs which led to a reduction in staff costs and advertising and activation costs along with repair and maintenance costs also decreasing during the latter part of the year. However, these savings were outweighed by the fall in the top line and an increase in other costs and depreciation, driving overall losses. As a result, EBITDA margin of the SLT Group decreased from 37.1% in 2022, to 30.4% in 2023.

Fixed operations of the Group recorded an EBITDA of LKR 23.6 Bn. reflecting a decrease of 1.8% YoY. EBITDA margin dropped marginally from 35.6% in 2022 to 33.9% in 2023, driven by the increase in operating expenditure. EBITDA of mobile operations decreased by 47.7% to LKR 8.8 Bn. causing the EBITDA margin to substantially reduce to 20.7% in 2023, from 37.4% in 2022. This was due to the increase in electricity tariffs, impact of depreciation of the Rupee that increased expenses including annual maintenance costs and license fees, and repair and maintenance costs.

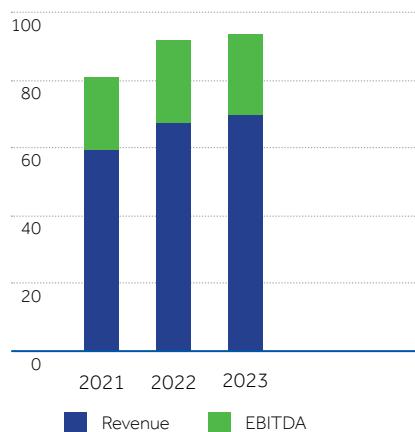
### Revenue and EBITDA

(LKR Bn.)

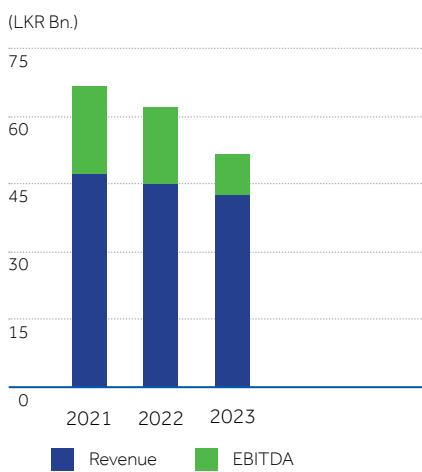


### Revenue and EBITDA – Fixed Operations

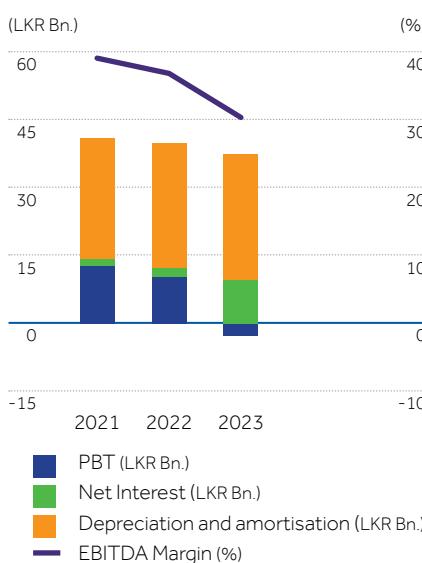
(LKR Bn.)



## Revenue and EBITDA – Mobile Operations



## Use of EBITDA

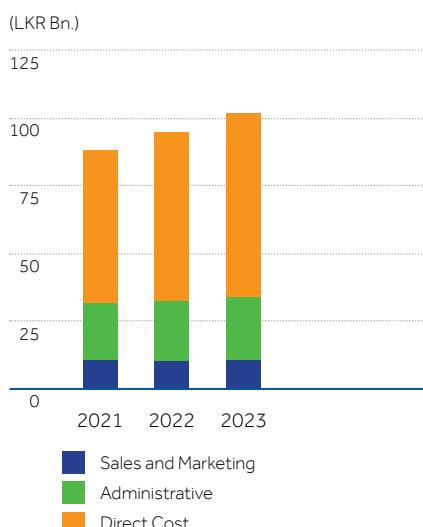


## Managing Costs

Several rounds of electricity tariff increases starting from second half of 2022 had a significant impact on the operating expenses. Transport costs too recorded a substantial increase as a result of increased fuel prices and import ban on vehicles. These factors negated the savings from cost containment initiatives taken during the year, resulting in the Group's operating costs increasing by 7.5%. Direct costs increased by 8.8%, primarily due to

inflationary pressures, rising energy costs and increasing annual maintenance cost. The overall cost increase of 7.5% combined with the degrowth in revenue of 1.2%, caused operating profit to decline by 67.2%, and the operating profit margin to decline to 3.9% in 2023, compared to 11.6% in 2022.

## Cost Analysis

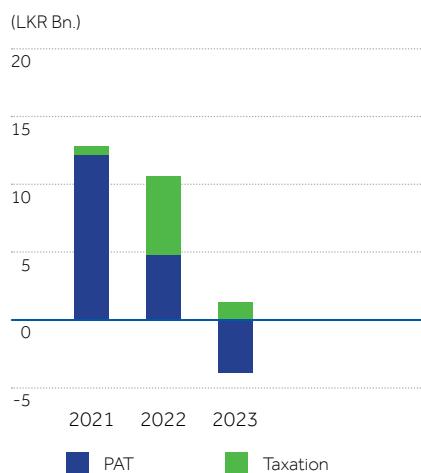


## Profit Before and After Tax

The Group recorded a loss before tax of LKR 2.7 Bn. in 2023 compared to the profit of LKR 10.6 Bn. in 2022, a 125% decrease, due to the degrowth in revenue, the increase in operating expenses and the substantial increase in interest expense, which was partly offset by the foreign exchange gain compared to the foreign exchange loss in the previous year and the growth in other income. An income tax provision of LKR 1.3 Bn. for the year caused the loss after tax of the Group to increase to LKR 3.9 Bn. for the year compared to the profit after tax of LKR 4.8 Bn., a 182.3% decrease.

The Group's fixed operations recorded a loss of LKR 1.1 Bn. in 2023 compared to the profit of LKR 8.5 Bn. in 2022 as a result of soaring interest expenses and escalating operating cost during the year. The Group's mobile operations recorded a loss of LKR 3.7 Bn. mainly due to revenue degrowth and increased operating expenses.

## Profit After Tax



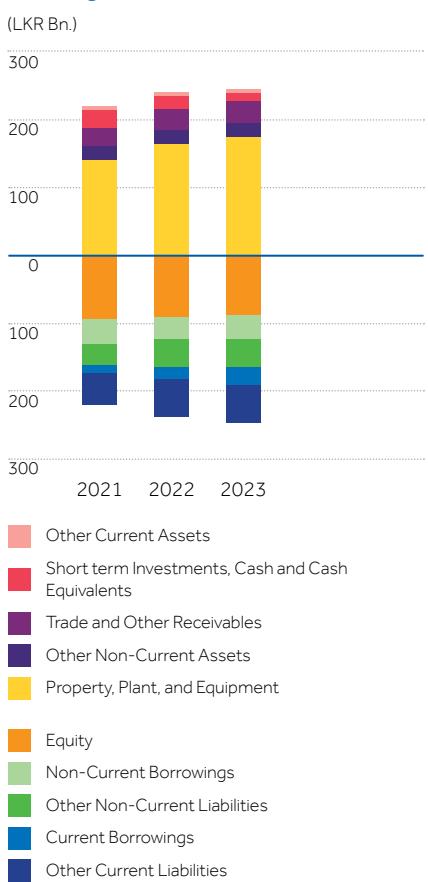
## Group PAT Movement



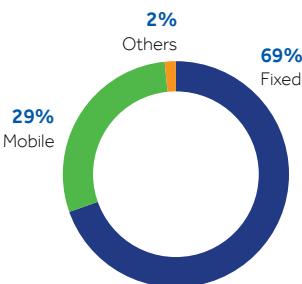
## Financial Position

SLT continued to make strategic investments in the continuation of the Fibre To The Home project, new global undersea cable SEA-ME-WE 6, and increase in bandwidth to enhance revenue generation capabilities.

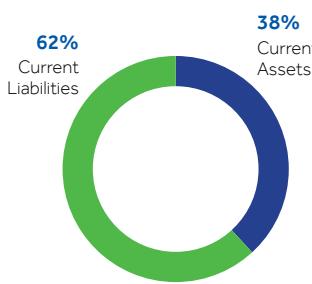
## Analysis of Total Assets and Funding



## Group Asset Base



## Current Assets to Current Liabilities



## Current Assets

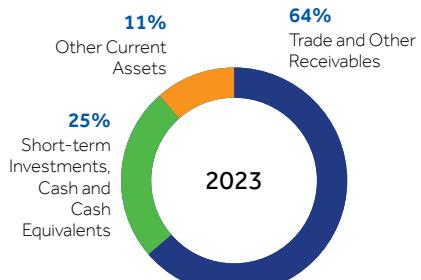
Trade and other receivables, which accounts for the largest component of current assets remained approximately around the same level of 2022 in absolute terms, but increased from 58.7% in 2022 to 63.7% in 2023 in proportion to total current assets due to a decrease in the latter from LKR 55.5 Bn. to LKR 50.3 Bn. during the year.

The Group's liquidity position in terms of short-term investments and cash and cash equivalents decreased to LKR 12.5 Bn. as at 31 December 2023 reflecting a decline of 31.1% compared to LKR 18.1 Bn. as at December 31, 2022. This was due to the utilisation of a portion of the liquid assets for funding strategic projects such as SEA-ME-WE 6 and FTTH. Other current assets amounted to 11.5% of the total current assets which included LKR 4.1 Bn. worth of inventories.

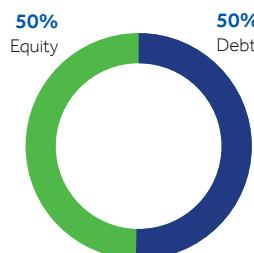
## Capital and Funding

Consequent to the loss incurred during the year, equity amounted to LKR 88.6 Bn. as at the end of the 2023 compared to LKR 92.5 Bn as at the end of the 2022 and accounted for 35.9% of all funding sources compared to 38.4% in 2022. As a result, shortfall in funding for the growth in PPE and intangible assets over and above the amounts drawn down from short-term investments and cash and cash equivalents as detailed above, had to be secured from borrowings and vendor financing. Accordingly, total borrowings of the Group increased by 34.9% from LKR 47.3 Bn. as at 31 December 2022 to LKR 63.8 Bn. as at 31 December 2023. Trade payables decreased by 16.0% to LKR 43.9 Bn. as at 31 December 2023. Other current and non-current liabilities amounted to 19.2% of total funding and included lease liabilities of LKR 6.2 Bn. and employee benefits of LKR 6.1 Bn. amongst others.

## Current Assets



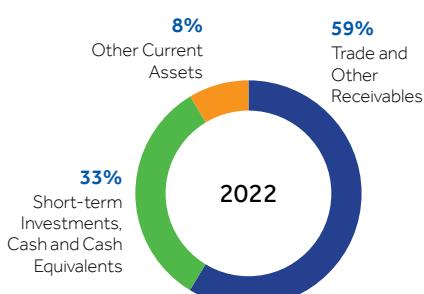
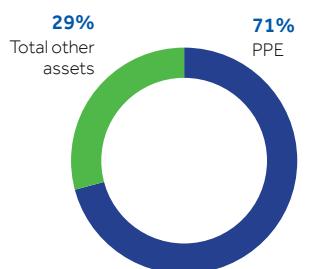
## Capital Structure



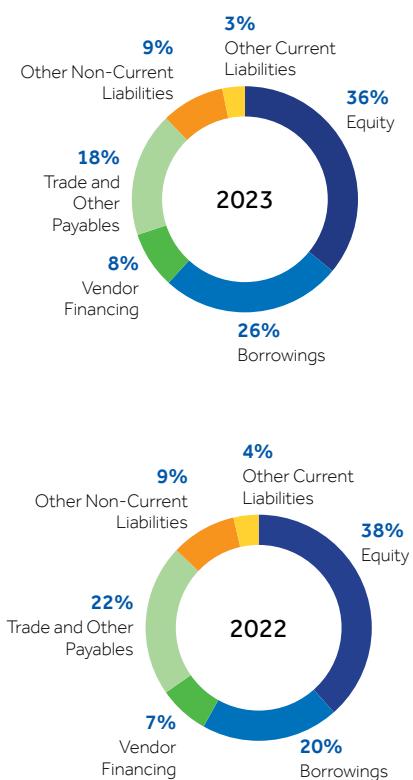
## Non-current Assets

Property, Plant and Equipment (PPE) accounts for the single largest component of the Group assets, amounting to 70.9% of Total Assets. The strategic investments referred to above caused the net book value of PPE of the Group to increase from LKR 164.9 Bn. as at 31 December 2022 to LKR 174.8 Bn. as at 31 December 2023. PPE and Right of Use Assets accounted for 91.9% of non-current assets as of the reporting date.

## PPE as a percentage of Total Assets



## Sources of Funding



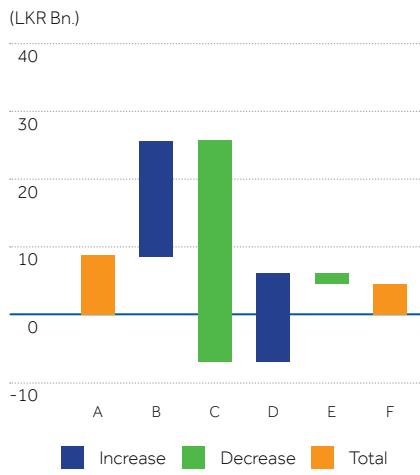
## Cashflows

The net cash flows generated from operations decreased by 40.4% to LKR 17.2 Bn. The main contributory factors for the decrease were the substantial increase in interest payments due to increase in interest rates, the amount of new borrowings and a decrease in trade and other payables. The cash outflow on investing activities amounted to LKR 32.7 Bn. in 2023 compared to LKR 40.8 Bn. in 2022 due to prioritising of capital expenditure (capex) in high yielding, short payback period investments such as fibre project to improve revenue. Despite the increasing gearing levels, it is imperative that the Group continues to invest in new technologies and capacity enhancements to support the Nation's increased dependency on telecommunication and digital products in every aspect of life. Net

cash generated from financing activities recorded a substantial increase and amounted to LKR 13.1 Bn. comprising of borrowings from financial institutions of LKR 28.2 Bn. which was partly offset by an increase in loan repayments by LKR 5.4 Bn. during the year.

Although there is a reduction during the year, the Group concluded the financial year with a favourable net cash and cash equivalents balance of LKR 5.1 Bn. compared to LKR 8.6 Bn. a year ago. Prudent management of financial resources and forex exposure helped the Group to record these results. The Group has sufficient liquid assets to meet its obligations and is poised for growth with enhanced value propositions for its stakeholders.

## Cashflow Movement

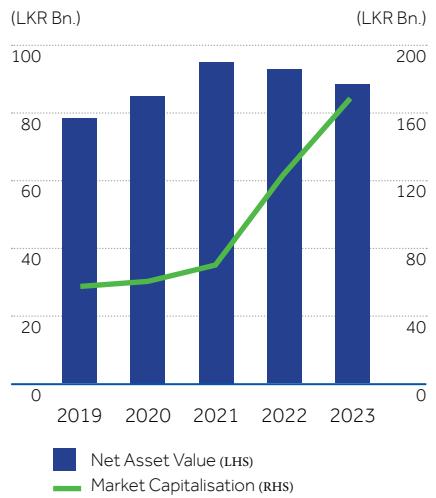


- A Cash and cash equivalents at the beginning of the year
- B Net cash generated from operating activities
- C Net cash used in investing activities
- D Net cash generated from financing activities
- E Effect on exchange fluctuation
- F Cash and cash equivalents at the end of the year

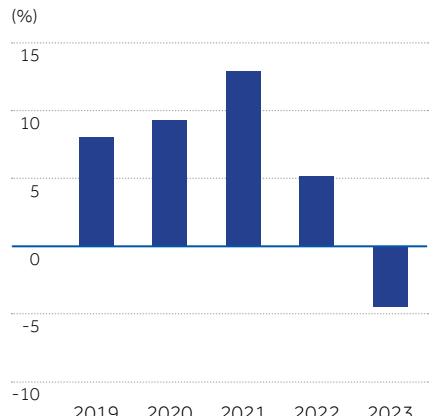
## Value to Investors

Investors have received sustained earnings growth from the SLT Group supported by the strength of its unified brand, market position, continued investments in cutting-edge technology, and capacity enhancements. Strong governance and a socially and environmentally responsible mindset have supported the Company's growth with the prudent balancing of stakeholder interests. The graphs below provide a summary of the value delivered to its investors.

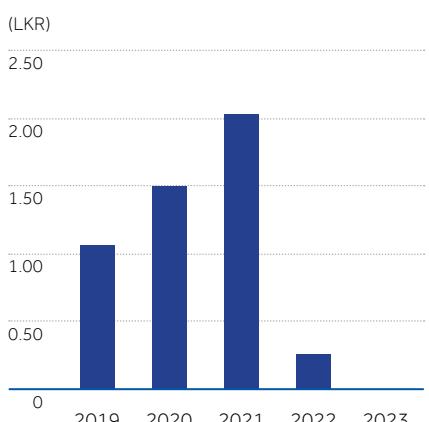
## Value Delivered



## Return on Equity (ROE)



## Dividend Per Share (DPS)



## Earnings Per Share (EPS)

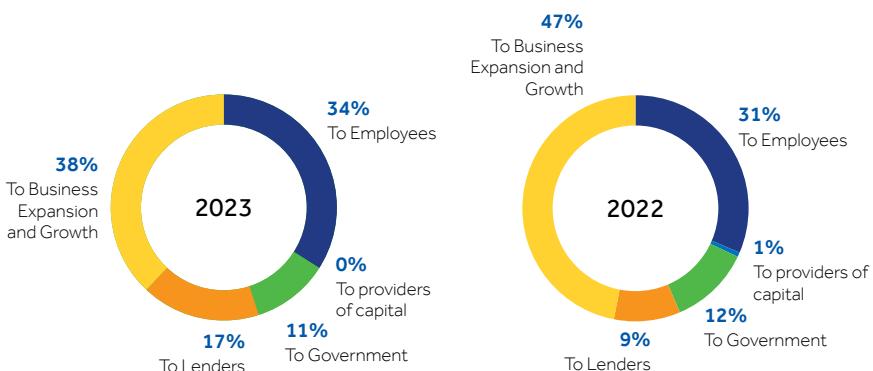


## Value Added Statement

Value Added Statement for the years 2022 and 2023

	2023		2022	
	LKR Mn.	%	LKR Mn.	%
<b>Revenue</b>	<b>106,418</b>		107,710	
Other Income	3,910		4,644	
	110,328		112,354	
Goods and services purchased from other sources	(45,081)		(42,984)	
<b>Value creation</b>	<b>65,247</b>		69,370	
<b>Distribution of value added</b>				
To employees; Salaries, wages and other benefits	22,277	34.14	21,784	31.40
To providers of capital: Dividends to shareholders	—		451	0.65
To Government: Taxes and regulatory fees	7,327	11.23	8,006	11.54
To lenders: Interest and related charges	10,663	16.34	6,574	9.48
To business expansion and growth:				
Depreciation	28,901	44.29	28,241	40.71
Retained income	(3,921)	(6.01)	4,314	6.22
	65,247	100	69,370	100

## Distribution of Value Added



## Looking to the Future

Given the need to invest in infrastructure on one hand and increasing level of gearing on the other, it is imperative that the Company exercises care and prioritise carefully when making capex investments, limiting it to essential enhancements. We intend to continue to concentrate on high return short-payback period investments. Some capex investments that are less urgent may have to be deferred to 2025 and 2026. A focus area will be the expansion of the fibre network, which will lead to increased revenues. Expansion of wireless will be a priority for Mobitel. Given the cost optimisation measures already implemented, large cost increases are not anticipated in 2024. Accordingly, we look forward to restore profitability in 2024, which will enable us to reward our stakeholders with substantial increments. We also plan to introduce new packages that will add value to our customers, which will enhance our profitability.

# Our Infrastructure

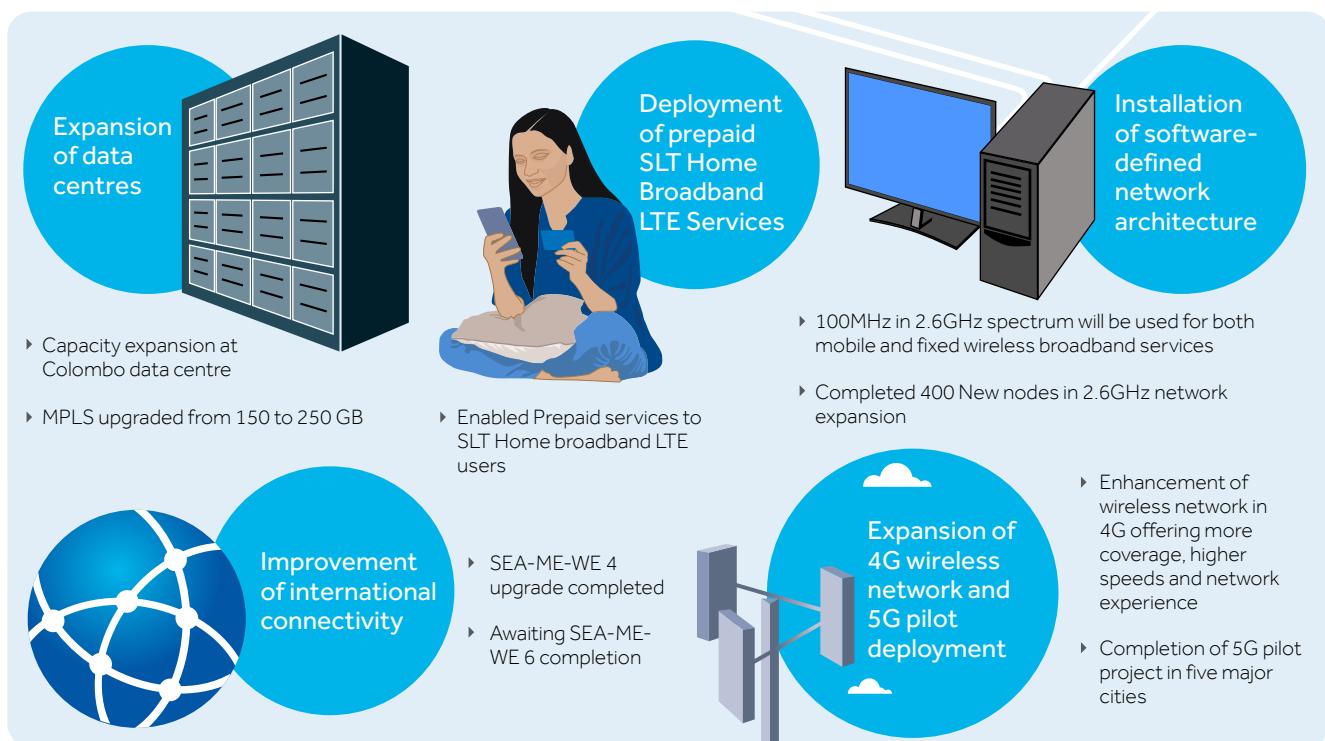
SLT's success relies on a robust foundation: its physical infrastructure. This includes an expansive communications network across the island; cutting edge data centres that are a complex nexus of physical and digital infrastructure; a diverse range of equipment and devices; and physical buildings such as offices, maintenance centres, training and experience centres, teleshops and other customer touch points. These assets are essential to the functioning of the telecommunications value-chain, and for delivering SLT's industry-leading offering to a wide customer base including domestic, enterprise, and wholesale customers.

Our assets and infrastructure stand out for their quality with a focus on reliability and performance. We ensure diligent partnerships, procurement, and sourcing from leading local and international brands to create a sturdy base for efficient service delivery.

SLT's infrastructural resources are strategically deployed to meet national and business goals aligned with the imperative to expand access to digital services across the Country. Our investments and

infrastructure expansion benefit Sri Lanka's development, strengthen the value-chain, and serve our customers to improve their digital lifestyle needs. They also foster economic growth, improve educational opportunities, and contribute to societal development as a whole; positioning SLT as a key driver in Sri Lanka's digital transformation journey.

## Managing, Maintaining, and Expanding Our Infrastructure



To meet growing demand in an increasingly digitalised world, we are constantly investing in expanding, maintaining, and better managing our critical infrastructure. Our Network Operations and Facilities Management Divisions play a key role. While managing the comprehensive network operations of the Group, these divisions also spearhead new initiatives, pilot projects, ongoing network planning and maintenance, and customer service fulfilment.

Consolidation of our operations and services has enabled SLT to optimise day-to-day maintenance, investments, and deployments leading to considerable cost and time savings. Continuous capability development of our teams and introduction of performance indicators and incentives have further improved efficiency of our infrastructure management and maintenance.

During the year 2023, our infrastructure investments focused on expansion of the network, consolidation of the Group's operational footprint, and investing in key projects that would enhance Sri Lanka's global connectivity and create new avenues for advancement of digitalisation ambitions.

Fuelled by the surge in mobile broadband usage, which took off during the pandemic, and is intensified by Sri Lanka's ongoing digital transformation; Mobitel prioritised its wireless network expansion for broadband throughout 2023. Mobitel invested over LKR 13.4 billion during the year for wireless network expansion.

This addressed the growing demand for high-speed data and focused on enhancing customer experience. Network upgrades over 530 sites significantly enhanced 4G capacity, resulting in a 40% traffic increase during the year. Further, Mobitel deployed over 180 new 4G sites across the island, extending broadband access to previously underserved areas and fostering a "connected life" for all Sri Lankans. Strategic expansion and investment in the high-bandwidth 2.6GHz 4G network footprint, by adding 400 new sites, also allowed for delivery of superior connectivity to customers.

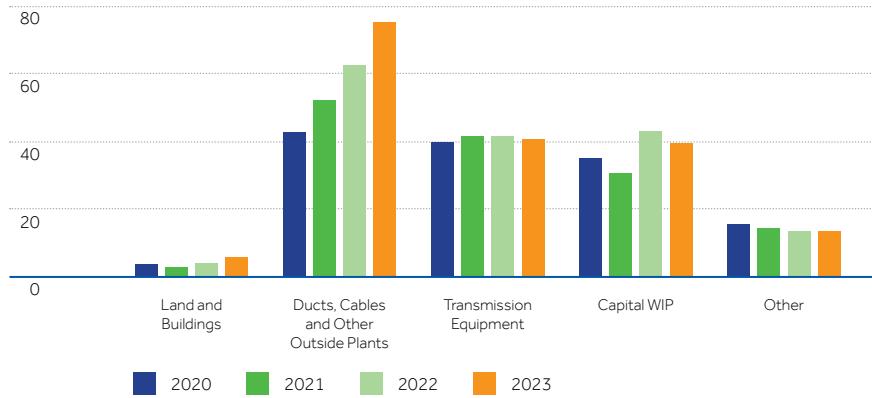
## Investment in Property, Plant, and Equipment (PPE)

	2020 (LKR Mn.)	2021 (LKR Mn.)	2022 (LKR Mn.)	2023 (LKR Mn.)
Land and Buildings	1,318	334	1,728	<b>2,107</b>
Ducts, cables and other outside plants	14,130	18,826	20,153	<b>23,518</b>
Transmission equipment	11,411	9,982	8,697	<b>8,251</b>
Capital WIP	13,352	24,963	43,874	<b>28,346</b>
Other	3,751	3,775	2,976	<b>3,586</b>

## Property, Plant, and Equipment – Group

(LKR Bn.)

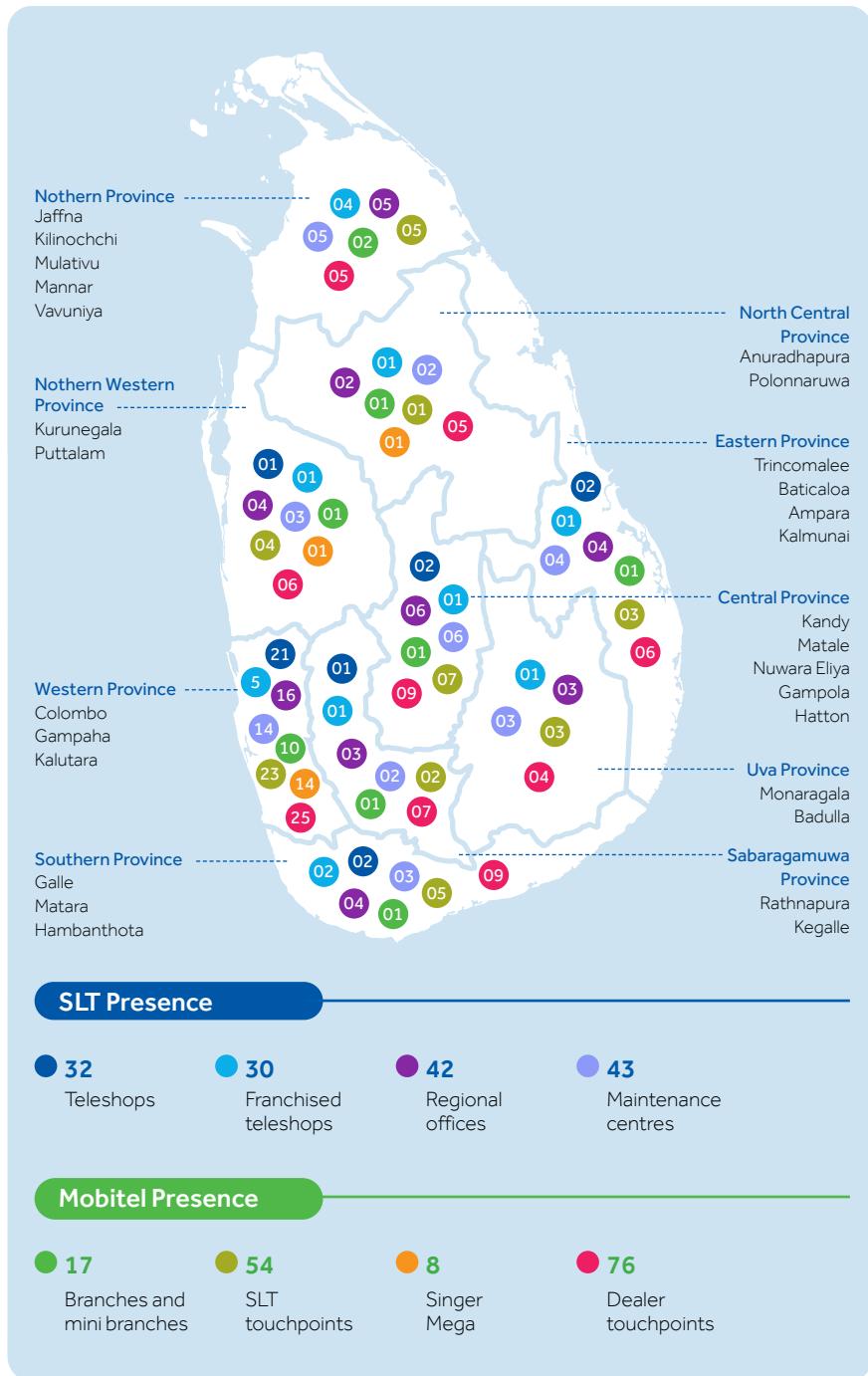
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## Physical Presence and Reach

SLT's footprint across the island includes an array of touchpoints that ensure customers have access to prompt and efficient services. As the national carrier tasked with ensuring digital access and connectivity, our efforts seek to bridge the gap between essential physical presence and customer-centric reach that empowers our customers and communities.

In 2023, we proudly unveiled SLT's new state-of-the-art Operational Headquarters in Welikada, Colombo. Stage I of the project delivered a five floors of the 9-storey building, constructed with a clear focus and commitment to sustainability. Designed with several green features and inclusion of cutting-edge technology, this operational headquarters is expected to result in significant long-term cost savings for the Group.



Further, SLT and Mobitel maintain over 4500 wireless network locations island wide offering mobile and Fixed Wireless Access (FWA) services to customers. Both companies are planning for a common wireless network deployment supporting both mobile and FWA services, to improve network efficiencies, asset utilisation and reduce costs. Furthermore, 5G trial network is deployed in 5 cities in the country using trial licenses issued by TRCSL for customers to experience 5G services. Customers with SLT or Mobitel connections and 5G-compatible devices can visit 5G trial zones to experience this new service.

Prepaid service was launched during the year for SLT 4G Home broadband users, which will give more flexibility, and more product offerings to customers.

We are planning to introduce enhancements to our network infrastructure by implementation of the Network Functions Virtualisation Infrastructure (NFVI) platform. With partial implementation now in place, we are significantly more prepared to introduce new services, offer on-demand capacity as needed, enhance flexibility and customisation options, and elevate the overall customer experience. Making improvements to our critical backbone – the transport network, we have undertaken efforts to upgrade the network through a software-defined, cloud-based solution that would enable automatic route optimisation amongst other benefits.

## Data Centre Infrastructure

As Sri Lanka's economy undergoes digital transformation and advances in digital and communications infrastructure, the demand for data storage, processing, cloud computing, and virtualisation is on the rise. This growth is fuelled by developments in Edge Computing, Artificial Intelligence (AI), Hyperscalers, and the emergence of cloud computing: leading to an increased need for data centers. In response to these trends, SLT has made a strategic decision to expand its data center infrastructure. Our investments in data centers play a crucial role in Sri Lanka's journey towards fostering digitally-enabled enterprises and nurturing the service-export sector.

## Network Infrastructure

Our installed network infrastructure comprises a total core network, extensive transport and access network, international network, and a control network that includes switching facilities.

The section on Driving a Smarter Sri Lanka (page 7), details the extent and expansion of our National Backbone Network (NBN), and SLT's consortium partnerships for international submarine cable infrastructure that connects Sri Lanka to the rest of the world.

SLT currently operates five data centers, with our Tier III data center in Pitipana being purpose-built to meet the highest global standards for uptime, security, and environmental responsibility. This facility holds certifications such as Uptime Tier Certification, Green Gold certification, ISO 27001, and ISO 9001. Our Data Centre Networks are designed based on Software Defined Network (SDN) architectures and are equipped with cutting-edge technologies. Interconnected with high-speed links, our data centers are engineered to offer advanced Disaster Avoidance (DA) and Disaster Recovery (DR) solutions. These facilities consistently maintain high availability ratings that align with global standards.

Furthermore, SLT's data center infrastructure boasts the largest rack space in the country and seamless global integration through international undersea cables. This strategic focus on expanding and enhancing our data center capabilities underscores our commitment to providing secure, reliable, and efficient data storage and processing solutions to support the evolving digital landscape in Sri Lanka.

In 2023, we increased capacity at our Colombo data centre enhanced network performance by boosting the Multiprotocol Label Switching (MPLS) network within data centres to 200 gigabytes; and streamlined operations by implementing upgrades to software-defined network architecture.

### Protecting our Networks from Cyber Threats and Data Breaches

To protect our network infrastructure and safeguard critical information against cyber threats and potential data breaches, we have implemented a comprehensive set of security protocols that adhere to the rigorous guidelines of ISO 27001 (Information Security Management System), complemented by a Business Continuity Management System in line with ISO 22301 standards.

Our robust security strategy is based on a defense-in-depth framework and a zero-trust model, ensuring comprehensive protection across all networks, systems, and platforms. This is achieved through the deployment of advanced industry level security tools and the enforcement of well-defined internal policies and operational procedures.

Next Generation Firewalls, strategically positioned at our data centers, serve as the first defense against unauthorised access or any malicious traffic. To further secure sensitive data and ensure operational platforms remain accessible only to verified individuals, we have implemented a Privileged Access Management (PAM) system, which incorporates two-factor authentication and is supported by strict physical access controls. Additionally, we have implemented Endpoint Detection and Response (EDR) to safeguard our endpoints and servers. A Network Detection and Response (NDR) system has also been implemented to efficiently detect any anomalies in network traffic.

Our commitment to cybersecurity is strengthened by SLT's 24/7 Next-Gen Cybersecurity Operations Center, which is equipped with a sophisticated Security Information and Event Management (SIEM) system. This facility offers enhanced detection and monitoring capabilities, enabling us to rapidly identify and respond to security incidents in real time across all operational domains.

Additionally, our Business Continuity Management system defines clear protocols for responding to cyberattacks, aiming to minimise impact and ensure the continuation of operations, guided by the expertise of our Cyber Security Incident Response Team (CSIRT).



### Looking to the Future

- For 2024, the Group has earmarked significant resources for energy management initiatives. The focus is on implementing solar power systems and exploring the potential of wind energy in Sri Lanka's Northern and Eastern regions. This two-pronged approach aims to reduce the environmental footprint of our operations while securing reliable, renewable energy sources for the future.
- Having piloted 5G technology in five of Sri Lanka's largest cities, we will continue to implement 5G projects and initiatives with the launch of commercial 5G services.
- From the perspective of security, we are looking to gradually transition some of our infrastructure to unmanned stations by leveraging CCTV and AI-driven solutions.
- Expanding our Fibre-to-the-Home (FTTH) network and 4G network, we have planned to provide superior service to our customers through wired and wireless technology. This network expansion will also cater to the requirements of other telecommunication operators and the wholesale and enterprise segments.
- Building on the demonstrated success of our ongoing Proof of Concept (POC) project, we are exploring a transition to a Network Function Virtualised (NFV) environment that would simplify management, improve reliability, and deliver significant operational efficiency gains.
- Working to ensure seamless access and lower latency between our data centres, we are prioritising high-speed links with a capacity of 100 GBps. This focus directly addresses customer preferences for faster and more reliable services. In addition, preparing for potential demand increase, we are pursuing partnerships to expand SLT's data centre in Pitipana. Upcoming completion of the SEA-ME-WE 6 submarine cable, coupled with SLT's existing landing station infrastructure in Colombo, Mt Lavinia, and Matara; promises new opportunities to attract international hyperscalers while routing traffic to our data centres and networks.

# Intellectual Resources

## Brand Unification and Brand Building

The integration of SLT and Mobitel operations leading to organisational alignment and the rebranding of the unified entity as "SLT- MOBITEL", has been strengthened by combining the positive reputation of both entities into a single, strong brand focused on digitalisation. This was a process which commenced in 2021, and has now reached fruition. This has been a journey and a learning process the full benefits of which were reaped in 2023.

From an organisational standpoint, the merger has led to vastly improved financial resources, operational efficiencies, cost reductions, and enhanced investments in infrastructure and innovation. Despite many challenges stemming from the operating environment, SLT-MOBITEL has maintained its Brand Equity Index – Fixed broadband in the 70+ range. The Brand Equity Index – Fixed line has held its position as the leader in this category.

This has delivered significant benefits including convenience and cost savings for individual consumers through bundled service offerings and streamlined billing processes. They can now enjoy innovative products and services incorporating the latest technologies, improved service quality, expanded coverage, and enhanced brand experience, resulting in increased satisfaction and loyalty. Corporate and SME customers now benefit from integrated communication solutions, fostering efficiency and productivity.

## Towards becoming a Tech Company

With a broader service portfolio and enhanced capabilities, we are now better positioned to innovate, invest in advanced technologies, and compete effectively in the dynamic telecommunications market, ultimately delivering greater value to customers and stakeholders. Following this successful unification, we have begun gradually transitioning from Telco towards more techco-oriented solutions to meet the demands of all stakeholders.

Telecommunication companies now face competition from tech giants such as Google, Amazon Web Services (AWS), and Facebook, media conglomerates, and start-ups, compelling them to redefine their roles in the market. This journey from Telco to Techco involves embracing personalised services, digitalisation, innovation, and diversification, all underpinned by seamless connectivity. The journey from Telco to Techco is not a mere change of services; it is a strategic imperative for telecommunications companies to ensure their survival and thrive in the digital era. This transformative path offers multiple benefits: including a robust competitive edge and diversified revenue streams. SLT's Digital Transformation programme takes a structured approach to achieve the Techco transformation within the company.

One of the key strengths of SLT lies in Artificial Intelligence (AI) for which we have embarked on projects where we deployed Extract Transform and Load (ETL) to extract information from multiple data sources. The completion of this project in November 2023 signifies a significant milestone in enhancing data management capabilities. In addition, we are in the process of upgrading one of the key projects of SLT, a billing consolidation project. This would upgrade the existing systems of retail billing, interconnect billing and the mediation system to the latest version.

## Operating Licence

In a highly competitive, albeit highly regulated, industry SLT continued to be in the forefront as the licensed National Information and Communications Technology solutions provider of Sri Lanka. SLT obtained the license from Telecommunications Regulatory Commission of Sri Lanka (TRCSL), which was renewed in 2023. With the unification of the two companies unified licensing is expected on finalising of the process by TRCSL. The financial statements give the value of the operating licenses as LKR 1.6 Bn. and LKR 1.44 Bn. for SLT and Mobitel respectively. However, the intrinsic relative value of the two licenses is much more heavily weighted towards SLT Group.

Licenses held by the SLT Group:

- Fixed Operator License issued by TRCSL
- Mobile Operator License issued by TRCSL
- Broadcasting License to provide Internet Protocol Television (IPTV) service issued by Ministry of Mass Media
- Direct to Home (DTH) Satellite Broadcasting License issued by TRCSL
- Satellite Television Broadcasting License issued by Ministry of Mass Media
- License for Spectrum issued by TRCSL
- Vendor License issued by TRCSL

## Spearheading Innovation

We have innovatively developed numerous IoT applications. These applications are actively marketed to customers through the enterprise route. Additionally, our portfolio includes the successful delivery of a call-centre solution, a queue management solution, and workflow solutions. Notably, our call centre solution is currently operational at prominent organisations such as the Ceylon Electricity Board, National Water Supplies and Drainage Board, and the Sri Lanka Insurance Corporation Limited.

We have identified specific processes for simplification and modernisation, as part of a Group-wide initiative to enhance operational efficiency. Notably, our strides in digitalisation have propelled us to a paperless operation, surpassing the 75% mark. This encompasses the digital management of documents through our Document Management System (DMS) and the handling of Enterprise Resource Planning (ERP) digitally. These advancements mark a significant transition towards streamlined and contemporary operational practices.

In a landmark event, SLT has launched its long-awaited VMWare Double Cloud Service, VCL. This is an innovative step that has made SLT a key player in the cloud revolution. This introduces a dual cloud architecture that leverages the features of two cloud environments.

## The Embryo

SLT has launched a multichannel innovation pipeline, "The Embryo" to build cutting-edge digital solutions to upgrade the technological level of the nation. This initiative has been mounted in collaboration with a number of diverse partners including academia, industry, integrators, and entrepreneurs whose skills and knowledge have been meshed synergistically with those of the Group. The solutions to be developed will span agriculture, health, education, environment, and tourism, and will leverage diverse state-of-the-art technologies. "The Embryo" initiative will be driven through three main pillars, namely Intrapreneurship Studio, the Entrepreneurship Studio, and the Venture Capital Studio.

Fazenda Smart Agriculture solution developed by The Embryo received a merit award in NBQSA 2023 in Agriculture category in industrial sector and Silver award in National Project Management Excellence 2023 for best managed project in Agriculture and Livestock development sector. Further, the AI and ML solution - Racoon-AI received Gold in National Project Management Excellence Awards 2023 for best managed project in Robotics and Artificial Intelligence sector.



## Focusing on Digital Transformation

SLT follows a multifaceted digital transformation strategy. We commenced our transformation journey by performing an AS-IS study by evaluating existing people, processes, and technologies emphasising innovation, and instilling a culture of progress. Customer-centricity is paramount, manifesting in initiatives to expedite service delivery and automate tasks. Strategic investments are made to upgrade software and hardware, aligning them with cutting-edge technologies.

Internal data analytics aid in optimising operations, while external sources such as market trend data and social media provide valuable insights.

Agile methodologies enable us to swiftly adapt to market dynamics. Collaboration across departments is encouraged, fostering an environment of continuous learning to meet technological demands. Regular assessments and stakeholder

feedback drive our adjustments, ensuring sustained progress in our journey of digital transformation. This approach positions SLT as a forward-thinking telecom company responsive to both internal and external evolution.

## Summary of New Products and Features Introduced

Consumer Products	SME & Enterprise
Midnight thriller - Free data for all broadband customers from 12am to 7am every day.	<b>SME</b>
Increasing Fibre download speed to 300 Mbps.	<b>Hosting, Cloud and Security Services</b>
Introducing LTE prepaid home broadband packages and add-ons	Hosting Cub
Premium Gaming Bundles to MySLT App & Portal	<b>Internet and Network Infrastructure Solution</b>
Annual Credit Card Plans for Fibre Bundled Services	Dataone
7 Days 7 Apps - Youth add-on	Bizlife
Detailed Daily Usage Breakdown for enhancing customer experience	<b>Enterprise</b>
"Happy Day" - Unlimited Internet for a selected day within the year.	<b>Akaza Multicloud</b>
Trio Series consists of Broadband, PEOTV and Voice in one bundle.	Cloud Manage Services
Broadband Freedom for copper customers	Microsoft Defender
HitFlix – Streaming channel hosted in AppleTV, ROKUTV, FireTV, IOS and Android	<b>Digital Services</b>
Duthaya-An application created to uberize the 100+ services	AkazaERP
"Ananthaya Insurance cover" with the partnership with Ceylinco insurance	AkazaHR
"Unlimited Voice package" to SLT Mobitel Home customers	<b>Voice and Collaboration</b>
	3CX Contact Centre Solution
Product Modifications	
Fibre Flash unlimited packages to enhance customer experience.	
Enabling Data Add-ons for Freedom Packages	
Broadband Data Balance Change During Suspend and Resume	
Meet Recurrent Bundle	

## Consolidation of Data Centres

In response to the increased costs stemming from currency devaluation, we are implementing measures to reduce overall expenses. One significant step involves consolidating the data resources of SLT and Mobitel in the data centre. This strategic move aims to minimise our footprint and concurrently achieve cost reductions.

## Measuring Our Digital Maturity

We carried out a comprehensive analysis of the current status (AS-IS Study) of our Company based on the TMForum's (Tele-Management Forum) Digital Maturity Model (DMM) to ascertain the current digital maturity level of the Organisation. This study was done assessing the organisation under six main dimensions – Customer, Strategy, Technology, Operations,

Data and People and Culture based on the sub-dimensions and criteria set forth by TMForum's DMM model. Additionally, we ascertained the required internal advancements through distinct sub-programmes and projects tied to digital transformation activities.

Measuring outcomes in both quantitative and qualitative terms allows us to track progress, ensuring alignment with targets at various timeframes. This systematic approach, rooted in the TM Forum framework, provides a structured method for evaluating our digital transformation success and fostering continuous improvement. The blueprint for implementation has been finalised, and we will be taking the measures required to put it into action.

Further, we have established a digital transformation core team and Steering Committee headed by the CEO and respective Chief Officers from SLT and

Mobitel. We have also established six centre of excellence teams, with the aim of providing expertise and guidance to improve digital maturity across the six dimensions.

## The Roadmap for Progress

Based on the current maturity level scores assessed in the AS-IS study, we derived a target Digital Maturity Score, that aligns with our Strategic Objectives of Transforming SLT and Mobitel from Telco to Techco. In order to achieve these strategic objectives, we developed our Strategic Blueprint formulating five sub-programmes under our DT programme.

30 Projects were defined under the 5 sub-programmes to drive our Digital Transformation Journey. This transition and greater digital maturity would increase our competitiveness, enable SLT and Mobitel to be more responsive to market needs, while maximising on opportunities stemming from Sri Lanka's digital economy

drive. The sub-programmes include customer centricity, achieving operational excellence, becoming data driven, employee empowerment and digital enablement to achieve business agility, and innovative and future-proof technology enablement. Successful implementation of these projects and achievement of connected KPIs would help the Group achieve our overarching business goals.

In a fast-moving and technologically evolving industry our human resources need to be honed to meet not only the challenges that are present, but those that are to come. Our staff needs to be trained not only on technological aspects but also on market and business aspects. We also need to recruit, retain, and nurture the best talent. The numerous awards we have won (refer pages 46 and 47), are a tribute to our diverse strengths and achievements.

## Benefits of Digital Transformation for Customers

With the envisaged digital transformation, customers can look forward to vastly improved service delivery, as we are expanding our offerings in various ways. Access to our services can be facilitated through digital channels like the MySLT app, Selfcare portal and ChatBot etc. An example is the online PDH portal, allowing customers to log in and verify the availability of a fibre-to-the-home (FTTH) connection. If accessible, customers can make payments and proceed with the connection. This portal is undergoing enhancements to accommodate our upcoming 180,000 new connection programme scheduled for next year, ensuring a streamlined and efficient process for users.

## Tacit knowledge

SLT Group's comprehensive strategy, which includes nurturing internal talent, conducting dynamic workshops, and facilitating knowledge-sharing sessions, reflects a dedication to utilising and leveraging the extensive experience and tacit knowledge within the Organisation. This approach drives the Company's progress, fostering a culture of ongoing learning and innovation that underpins achievements.

### Tacit Knowledge Initiatives

- Enabling staff members to obtain professional qualifications and join professional bodies related to their job function.
- Continuation of the Executive Development Program (EDP)
- Offering internship opportunities and industrial exposure to undergraduates and students of leading universities, tertiary colleges, professional bodies, and recognised institutes.
- Encourage ex-SLT employees to work as resource persons in SLTMobitel Nebula Institute of Technology.
- SLT employees working as resource persons in various Talent Development Exercises.

Social responsibility is deeply ingrained in SLT's culture, with employees actively engaging in community initiatives and charitable endeavours. This genuine commitment to making a positive impact reflects the Company's ethos and values.

## Partnerships and Sponsorships for Knowledge Building

### Sponsorship of IESL Technological Exhibition

Sri Lanka Telecom PLC (SLT) took on the role of the principal sponsor for the IESL Techno Exhibition 2023. This exhibition brought together industry professionals and innovators, to explore the latest technologies, exchange ideas, possible innovations, and drive progress in their respective fields. It was organised by The Institution of Engineers Sri Lanka (IESL). The exhibition's theme, "Engineering for Regaining the Economy", is closely aligned with our role in growth and prosperity of the Sri Lankan economy.

### Sponsorship of CIPM International Research Symposium

Sri Lanka Telecom (PLC) SLT sponsored the 7th CIPM International Research Symposium for the third consecutive year in 2023. This year's the Symposium was held as a physical-virtual hybrid event, and its theme was "Transforming the Future of Work". The Symposium gave scholars, professionals, and students an opportunity, local and foreign, and from various specialities to come together. It provided a forum for HR practitioner and researchers to exchange views and provide insights to each other.

## Partnering with STEMUP

The Company took a major step in promoting STEM education by linking up with the STEMUP Educational Foundation. This partnership is aimed at promoting STEM learning across the country and promoting a more advanced, technologically driven economy.

## Corporate Culture

The corporate culture has to be aligned with the fast-paced nature of the business and the industry, and SLT's evolution towards becoming a technology company.

At SLT, the corporate culture has organically evolved to embody a unique blend of ethics, humane values, innovation, continuous learning, and social responsibility. This evolution is evident in the Company's emphasis on teamwork, dedication, loyalty, and inclusivity, which have naturally emerged from the collective efforts and experiences of employees. Cross-functional collaboration is ingrained in the Company's DNA, facilitating seamless cooperation across departments to achieve shared objectives. With the unification of the companies there has been a further need to breakdown legacy silos and work jointly.

The culture of innovation at SLT has flourished through a practice of experimentation and exploration, where employees are empowered to think creatively and take calculated risks. Continuous learning is a personal ethos embraced by employees seeking to enhance their skills and knowledge. In turn, the Company provides the necessary financial, material and human resources to enable individuals to achieve their full potential.

## Awards and Recognitions



### Awards received during 2023 – SLT

1. Business Today TOP 40 rankings for the year 2022-2023
2. Annual Green Building Award Ceremony 2023 – Platinum rating (SLT-MOBITEL Operational HQ Building – Welikada)
3. TAGS Awards 2023  
Gold Award – Telecommunication and Technology Sector
4. CMA Excellence in Integrated Reporting Awards 2023.
  - (i) The "Best Integrated Report – Telecommunication Sector"
  - (ii) Overall "Merit Award".
5. BestWeb.LK 2023  
Merit from "Best eCommerce Website" Category – ([www.eteleshop.slt.lk](http://www.eteleshop.slt.lk))
6. National Project Management Excellence Awards 2023
  - (i) Gold Winner – Academic/Education and/or Research Sector
  - (ii) Gold Winner – Telecommunications Sector
  - (iii) Gold Winner – Robotics and Artificial Intelligence
  - (iv) Runner Up – Government Sector
  - (v) Runner Up – Agriculture and Livestock Development Sector
7. Pearson BTEC Higher Education Forum 2023
  - (i) SLT Training Centre received the title "Emerging Centre BTEC Level 5 HNs, BTEC Level 3 and TVEC Recognition"
  - (ii) Bronze award – Top Performing Centre (SLT Training Centre)
8. TM Forum Digital Transformation World (DTW23-Ignite) conference.  
"Best Moonshot Catalyst Award" – The winner of Best Innovation & Future Techco
9. Best Corporate Citizens Awards 2023  
Winner – Sector Award "Other"



#### 10. National Business Excellence Awards 2023

- i. Runner Up – Infrastructure and Utilities Sector
- ii. Runner Up – Excellence in Local Market Reach
- iii. Merit Award – Extra Large Category
- iv. Merit Award – Excellence in Corporate Governance

#### 11. SAFA Best Presented Annual Report

Awards, Integrated Reporting Awards and SAARC Anniversary Awards for Corporate Governance Disclosure 2022  
Silver Award – Communication and Information Technology Sector

#### 12. Great HR Quiz 2023

Runners Up – IT /Software /Telecom /BPO Sector

#### 13. AICPA & CIMA Top Employer 2023

Ranked No. 19

#### 14. National ICT Awards NBQSA 2023

Merit Award – Agriculture in Industrial Category

#### 15. Techno Awards Night 2023

Gold Award – "Stall with the Best Display of Engineering Services"

#### Awards received during 2023 – Mobitel

1. Asian Fintech Academy (AFTA) Awards.  
"Outstanding Innovations in Digital Payments and Collections in Sri Lanka" (Mobitel – mCash)
2. Sri Lanka Institute of Marketing (SLIM) Brand Excellence Awards 2023  
"Online brand of the year – Gold Award" (eChannelling)
3. TAGS Awards 2023  
Bronze Award – Service Sector Category (eChannelling)
4. Best Management Practices Company Awards 2023  
Winner – Software Development /Healthcare Service Provider Category (eChannelling)

## Certifications

The range of certifications obtained and maintained by the Group is a testament to the Group's dedication to constantly evolve and improve processes and services to meet the highest international standards.

### SLT

- ISO /IEC 22301:2019 – Business Continuity Management System (BCMS).
- ISO 9001: 2015 – Quality Management System (QMS) Certification, (for meeting customer, statutory, and regulatory requirements)
- ISO /IEC 27001:2013 – Information Security Management System (ISMS) certification
- ISO 14064-1:2018 – Greenhouse Gas Emissions verification certifications for 2018, 2019 and 2020 from the Sri Lanka Standards Institution

### Mobitel

- ISO 18295-1:2017 – Quality standards for its Customer Contact Centre Operations



### Looking to the Future

Our upcoming initiatives will align with the Digital Transformation Blueprint. Among the identified projects, a key focus is prioritising the automation of Field Service Operations. We have also incorporated our Geographic Information System (GIS) for effective spatial data management.

Furthermore, introduction of Intelligent Customer Management (ICM) for Field Service Automation involves the integration of advanced technologies to elevate the management of customer interactions, service requests, and overall customer experience. These enhancements have the potential to greatly improve the service we provide to customers.



# Environment

# Environment

The Environment, Social, and Governance (ESG) strategy of Sri Lanka Telecom PLC (SLT) is built upon three fundamental pillars: nature, education, and health, all of which are closely aligned with the 17 United Nations' Sustainable Development Goals (UN SDGs). Our ESG policies are woven around these internationally recognised goals, ensuring a holistic approach to environmental and social sustainability, as well as responsible governance and business practices. Under the Environment pillar of the ESG strategy, we have established three distinct sub-pillars: energy management, waste management, and environmental preservation. Oversight of progress in these key areas is carried out by dedicated cross-functional committees comprising Senior Management personnel.

## Management Approach

SLT has adopted a comprehensive management approach to ensure environmental sustainability across all operations, personnel, and relationships, by integrating environmental considerations into strategic planning and decision-making processes and setting clear goals and

targets for sustainability. The Company has invested in technology and infrastructure to reduce its carbon footprint and minimise environmental impact.

The Company also educates and empowers its personnel through training and awareness programmes, fostering a culture of environmental responsibility throughout the Organisation. Additionally, SLT collaborates with suppliers, partners, and stakeholders to promote sustainable practices across the entire supply chain. By prioritising environmental sustainability at every level, SLT has consistently demonstrated its commitment to protecting the environment while delivering telecommunications services responsibly and ethically.

Sri Lanka Telecom PLC aims to adopt the ISO 50001:2018 standard to align with the nation's energy management policy. Additionally, we anticipate attaining ISO 14001 Environmental Management System Certification by Q2 2024.

The Company prioritises adoption of renewable energy sources and implements energy-efficient technologies to minimise

energy consumption and carbon emissions. Waste management initiatives include reducing waste generation, implementing recycling programmes, and ensuring proper disposal methods to mitigate environmental impact. Environmental preservation efforts include conserving natural habitats, biodiversity, and ecosystems, and actively participating in reforestation efforts.

## Energy Policy

SLT is committed to providing the best possible communication and entertainment services to its customers and ensuring its employees have a conducive working environment while at the same time fulfilling its corporate social responsibilities.

To align with the above goals SLT is committed to using ISO 50001:2018 as a guiding framework for its energy management system SLT is committed to using energy in the most efficient, cost-effective, and environmentally responsible manner. The Company is thus meshing its own financial goals with its social responsibility.



We will continually improve our energy management by:

- Educating employees to increase their environmental consciousness
- Managing energy consumption and carbon emissions responsibly, especially by adopting energy efficient technologies and selecting the most environmentally-friendly sources of energy where possible
- Making efficient energy management a consideration in all decision-making processes
- Reviewing energy policy objectives and targets periodically and increasing awareness among stakeholders
- Conducting energy audits and taking timely and effective corrective action
- Educating business partners and drawing them into contributing to effective energy usage
- Inculcating awareness of the importance of energy conservation among SLT-employee-families so that it will become a lifestyle choice
- Expanding energy management culture to SLT subsidiaries.

This policy is applicable to all SLT business units and their employees.

## Energy Management

The management of energy usage is monitored by cross-functional committees. Most of SLT's energy consumption comes from network operations and not from the EUI of their buildings, which are designed with energy-efficient features such as solar panels, natural lighting, and insulation to reduce electricity consumption and carbon emissions. By prioritising sustainable infrastructure, SLT not only lowers operational costs but also minimises its environmental impact.

Going beyond token initiatives in conservation, SLT has consistently demonstrated its commitment to the environment and natural resources through a number of initiatives. The Company has invested in eco-friendly technologies to reduce its carbon footprint, using energy-

efficient infrastructure and renewable energy sources, including energy-efficient lighting and air conditioning.

Installing solar panels to generate power is a significant step forward, especially considering our high energy consumption, and reliance on the national electricity grid to meet our needs. Expanding this initiative across our island-wide infrastructure will enhance our energy self-reliance, reduce energy costs which are currently very high, and bolster our environmental credentials to a considerable extent. Energy usage has been minimised by energy efficient equipment such as efficient air conditioners, lamps, switch mode rectifiers and inverters. Implementation of LED bulbs has resulted in savings of around 600MWh annually. SLT introduced energy-efficient inverter type air conditioners resulting in an energy saving of around 550MWh. Reduction of energy consumption during the year 2023 is 10% compared to 2022. Solar systems were installed at 19 sites up to 2023 and 30 sites are planned for 2024 under OPEX model without capital expenditure. Further approval was granted to install solar panels in 201 sites which will have an energy saving of around 10%.

Expenditure on grid-based energy comprises a significant aspect of SLT's cost structure, while also exposing it to the vagaries of the seasonality of hydro-power, in addition to frequent power outages.

## Mobitel Initiatives

The past two years have seen a dramatic rise in annual network energy costs, with costs escalating by 135%, when compared to 2021. This surge is primarily driven by large increases in electricity and fuel tariffs. Resulting in energy becoming the single largest cost factor within our network operations. To address this challenge and ensure business resilience, we are prioritising the deployment of renewable energy solutions. This strategic shift aims to reduce dependence on commercially purchased power and fossil fuels; leading to significant reductions in cost and emissions, which in turn would contribute to the sustainability of our operations.

To address rising energy costs and reduce our overall environmental footprint, Mobitel continues to develop renewable energy capacity. Phase 1 of a solar power deployment initiative successfully equipped 300 network sites with solar solutions, adding 1748kW of renewable energy capacity. This translates to 3% of our total network energy needs now being met from clean and renewable energy sources. The transition to renewable energy sources is a crucial step towards reducing SLT's carbon emissions and achieving our long-term goal of net-zero by 2050. Coincidentally, this shift has also contributed to increased network availability, as addition of alternative power sources has enhanced network resilience during power outages, driving progress towards a more self-sustainable network.

## Energy Efficiency Measures

Minimising energy wastage such as prevention of air-conditioning leakages, shutting down idle equipment, replacement of inefficient equipment, load shifting, turning off equipment (computers, lamps, air-conditioners etc.) when not in use, are the main energy saving measures taken during the year. In addition, consolidation of equipment and power systems to form common equipment rooms to utilise energy efficiently and effectively.

Energy week was conducted throughout the Company to raise awareness amongst staff while providing hands-on experience for network teams. Throughout Energy Week, we held daily quiz programmes and an art competition for employees' children. Winners were awarded prizes to encourage participation in energy-saving activities.

## Progress in Carbon Neutrality

Since obtaining its initial Carbon Assessment ISO Standard in 2018, SLT has consistently tracked emissions, implemented eco-friendly practices, and strived to diminish its carbon footprint. The Company is following a clearly-defined strategy and roadmap towards achieving carbon-neutrality by 2040, which is ahead of the national goal of 2050.

## Waste Management Strategies

A comprehensive waste management policy, practices and conservation initiatives form an important aspect of SLT's commitment to environmental sustainability. Implementing waste management strategies, including recycling programmes and responsible, eco-friendly disposal methods, forms a crucial part of our environmental stewardship. Given our use of high-tech products with a high e-waste component, we have adopted a number of measures towards their responsible disposal, adhering to relevant environmental regulations and standards set forth by the Government, as well as international norms.

Our recycling initiatives for e-waste materials consists of their segregation and processing for reuse or proper disposal. SLT promotes the reuse and refurbishment of electronic devices that are still functional or repairable and has established programmes for collecting, refurbishing, and redistributing used electronics to extend their lifespan and reduce the demand for new products. SLT promotes awareness among its employees and stakeholders regarding the importance of e-waste management and encourages them to participate in recycling programmes. Moreover, the Company collaborates with certified e-waste management partners who specialise in the proper handling and disposal of electronic waste to ensure that electronics are recycled in an environmentally responsible manner, with components separated and recycled or properly disposed of according to regulations. To safeguard sensitive information, SLT prioritises secure data wiping or destruction procedures when disposing of electronic devices. This ensures all personal or confidential data is completely removed before disposal.

SLT strives to reduce, reuse, and recycle paper waste, food waste, and e-waste across all operations, contributing towards a circular economy. This is an economic model that aims to minimise waste and maximise resource efficiency by keeping products, materials, and resources in use for as long as possible.

The Company reduces paper waste by promoting digitalisation, encouraging electronic communication and documentation, in addition to paper recycling programme, reduction in food waste is ensured by segregation of such material. E-waste is minimised by implementing sustainable procurement practices, choosing durable and upgradable equipment, and extending the lifespan of electronic devices through proper maintenance. Functional electronic equipment, including end-of-life equipment and equipment from clients' premises, are refurbished and redeployed giving them a second life.

Our waste reduction and waste disposal processes have been certified by Central Environmental Authority. We have established our own copper recycling plant to facilitate the recycling of copper cables which can be sold to suppliers for their material value. During 2023, 26,500 Kgs of copper was recovered in the recycling process. Such recycling helps conserve the cost of mining and produced new copper, while generating employment opportunities. The disposal of materials and equipment along the same lines is carried out by Mobitel as well.

## ISO 14001: Environmental Management System Certification

ISO 14001 is an internationally recognised standard for environmental management systems (EMS) that helps organisations establish and implement an effective approach to managing their environmental responsibilities. SLT is in the process of obtaining ISO 14001 by Q2 2024.

The primary goal of ISO 14001 is to help organisations improve their environmental performance by identifying and managing their environmental aspects and impacts more effectively. This can lead to reduced resource consumption, waste generation, and emissions.

To ensure all operational and administrative activities comply with ISO 14001:2015 requirements, SLT has established, documented, and implemented a robust Environmental Management System (EMS) with specific objectives.

By establishing a system of processes, strategies, and procedures that direct performance toward environmental objectives and targets, the EMS is intended to help SLT address both compliance and environmental imperatives. The ISO 14001:2015 standard places a strong emphasis on system performance improvement, and it is anticipated that SLT's environmental performance will increase as a result. SLT believes that sound environmental management is a key component of its overall management responsibility.

The EMS applies to all operations including purchasing, designing and construction of new buildings and renovations, marketing, sales, waste disposal, and all other administrative functions.

In Sri Lanka's telecommunications sector, ISO 14001 certification could provide a competitive edge. Customers who prioritise environmentally responsible companies might be more inclined to choose Sri Lanka Telecom over competitors without such certification.

## "SLT-MOBITEL Operational HQ Building – Welikada" was awarded Platinum rating at the 12th Annual Green Building Awards Ceremony 2023



This building is mainly designed to be used for the operational purpose of the Sri Lanka Telecom Group at Welikada, Colombo premises with facilities to accommodate 1,000 people under one roof. This building is designed with state-of-the-art aesthetics and advanced technology, the building features cutting-edge amenities including 5G zone, rainwater harvesting, green energy, power and cooling systems, wastewater treatment, energy rated glass facade, energy rated electrical fittings, lifts, air conditioners etc.

This building consists of nine (09) stories with Ground floor basement and roof top. Indoor spaces have been designed to create a collaborative environment with an open office concept reflecting the natural environment. The total usable space for phase one of the building is 104,000 Sq.ft.

The SLT Welikada Office Building includes good practices that facilitate the reduction of waste generated by building occupants that are hauled to and disposed of in landfills. The usual practices provide an easily accessible area that serves the entire building and is dedicated to the separation, collection and storage of materials for recycling, including paper, corrugated cardboard, glass, plastics, metals, etc. To reduce potable water consumption, treated wastewater is used for irrigation. Further, selected native plants are incorporated in landscaping to reduce water demand. All vegetation within the facade of the building is contained in troughs and completely irrigated using treated wastewater through an efficient drip irrigation system.

## Preservation of the Ecosystem

In order to reverse the alarming trend of environmental degradation and habitat-loss, SLT is actively engaged in tree planting and conservation projects to preserve biodiversity and restore ecosystems in selected areas across the country. By participating in reforestation efforts and supporting habitat conservation initiatives, these efforts not only contribute to environmental preservation, but also help offset the Company's ecological footprint, fostering a more balanced relationship between business operations and the natural environment.

The ecosystem preservation initiative of SLT has been focused mainly on the tree planting programme, carried out in collaboration with corporates, NGOs, government organisations and local communities. We strongly believe that

tree planting is crucial for environmental health, combatting soil erosion, and offering habitat for wildlife. Planting trees also enhances air quality, beautifies landscapes, and contributes to human well-being. These initiatives enhance the environment through improved forestation, fostering natural carbon sequestering, aiding greenhouse gas reduction, and promoting biodiversity. Additionally, they raise awareness of environmental conservation among nearby communities, fostering a deeper understanding of ecological stewardship. To date, the Company has planted 2,000 trees Island-wide.

## Engaging with Stakeholders

SLT recognises the importance of environmental education and awareness in fostering a culture of sustainability. Through various campaigns, workshops, and partnerships with environmental organisations, the Company promotes environmental consciousness among its employees, customers, and the wider community. Raising awareness about environmental issues and advocating for sustainable practices enables SLT to empower stakeholders to make informed decisions, and take collective action towards environmental protection.

Sri Lanka Telecom collaborates across its entire supply chain to achieve environmental sustainability by implementing the iSupplier online platform, carrying out various initiatives and fostering partnerships with suppliers, vendors, and other stakeholders. This includes sourcing materials and products from reputed international suppliers who demonstrate commitment to sustainable practices and environmental responsibility. Raising awareness about environmental issues and best practices for sustainability among supply chain partners helps ensure that everyone understands their role in achieving environmental goals.

## Driving Sustainability Among Employees

SLT drives sustainability among employees through comprehensive initiatives encompassing education, training on sustainable practices, energy efficiency, and waste reduction. SLT fosters a culture of sustainability by integrating green principles into everyday operations, from energy-efficient office spaces to eco-friendly procurement policies. Recognition and incentives are also offered to employees who demonstrate outstanding commitment to sustainability. Additionally, SLT empowers employees to propose and implement their own sustainability projects, encouraging innovation and ownership in creating a greener workplace.



### Looking to the Future

The SLT management approved a 6MW PV Solar project in 2023. The total project cost of approximately LKR 1 Bn. will be invested by the suppliers. The project is in progress and completion is anticipated within two years.

Expected results from the project are:

- Approximately LKR 263 Mn. savings in annual electricity bills
- Reduction in carbon footprint amounting to approximately 6,300 MT.



**Social**

# Social

## SLT Social Ecosystem



### EMPLOYEES

Our employees are the driving force behind SLT's position as a pioneer in Sri Lanka's telecommunications value chain. Continuous investment in their capability, development, and well-being ensure they are engaged and motivated to deliver our exceptional value proposition to customers, partners, community, and the Country.

Pages 69 to 75 describes the strength of the Company's human capital and our approach to HRM.



### CUSTOMERS

SLT's offering benefits a wide customer-base ranging from individuals and households, to commercial enterprises, civil service, and other service providers in the value chain. As a front-runner in the telecom sector, our services also extend beyond Sri Lanka's borders – to global carriers and international customers.

Pages 56 to 61 details our customer value-proposition, the extent of our products and services, and efforts to deliver outstanding customer experience.



### PARTNERS AND SUPPLIERS

In a dynamic and rapidly evolving IT and communication ecosystem, collaboration with global innovators and local partners unlocks synergies across the value chain and ultimately enhances value delivered to customers.

Pages 76 and 77 details our relationship with business partners and suppliers, and explores how sharing of expertise and resources creates value for stakeholders.



### COMMUNITY AND COUNTRY

As Sri Lanka's National Information and Communication Technology (ICT) solutions provider, we understand the transformative power of our services. We focus our efforts on the Nation's development and improving the way people communicate, create, and access services. Our efforts are positively impacting the lives of millions of Sri Lankans every single day.

Pages 78 to 80 summarises our direct initiatives and projects, induced impact, and indirect value created for country and society.

# Customers

Our primary customers are broadly divided into two segments: The Consumer segment, encompassing individual customers and the local market; and the Enterprise segment, involving commercial entities ranging from large enterprises, medium enterprises, small and micro entities to governmental institutions international clients, other operators, and global carriers. SLT holds the distinction of a relatively stronger position in the enterprise sector, with enterprise business contributing a larger share of revenue to our topline.

As the National Information and Communication Technology (ICT) solutions provider, we strive to extend our services to customers across the country, and make our offerings available to all market segments. Our depth and breadth of solutions and services offered and nationwide spread of customer touchpoints, enable customers to obtain requisite services through one channel, and one platform. From a customer perspective, the unification allows our customers to access a comprehensive suite of services, including fixed and mobile connectivity, from a single provider through a unified interface.

## Our Customer Value Proposition

- National Information and Communication Technology (ICT) solutions provider
- Superior service experience and assurance
- Dedicated Customer Experience Officers and contact centre
- Wide variety and reach of customer touchpoints
- Differentiated offering developed based on customer insights
- Long-term customer relationships and loyalty programme
- Extensive nationwide fibre backbone and last-mile connectivity

## Enterprises

We deliver robust, customised solutions for enterprises of all sizes. Built on our strong foundation of a secure and reliable network, furthered through in-depth understanding of customer needs and industry developments, and driven by a commitment to delivering innovative industry-leading solutions.

### Enterprise Offering

- Networking
- Akaza multi cloud
- Digital services
- Data centre services
- Internet connectivity
- Cybersecurity
- Voice and collaboration
- Enterprise IoT
- Managed services

In 2023, the segment saw continued growth led by strong revenue growth from the SME, large and medium enterprise business. The success of our enterprise solutions have extended their reach, with entire sectors of Sri Lanka's economy coming to depend on SLT for seamless connectivity and communication across their operations.

Sri Lanka's plantation sector is a key contributor to exports, and provides employment to thousands across the island. According to the International Labour Organisation (ILO) and the Employers' Federation of Ceylon, smallholders still cultivate around 60% of the total tea land and account for over 70% of the country's tea production.

Sri Lanka's plantation sector has a significant representation of smallholders and SMEs. Our partnership with Itecho to support digitalisation of the plantation sector is a key initiative that would empower these enterprises and support their business success and continuity.

Innovating in the agritech space, SLT partnerships contributed to roll-out of the iHarvest digitalisation platform for the plantation sector. iHarvest will provide a cloud-based solution to digitalise field activity and operations, enabling enterprises to better facilitate field and estate management with greater transparency and better data-driven decision-making. Leveraging SLT Enterprise cloud services, iHarvest will be hosted on Akaza-Multi Cloud and made available to a wide range of Enterprise and SME customers.

Beyond VPNs, internet connectivity, data centre solutions, leased lines, and specific application services, our cloud services continue to empower businesses with the agility and adaptability to scale, grow, and adjust to new ways of working in a competitive business environment.

At a time where enterprises are favouring flexibility, reliability, and cost-effectiveness, we have embraced innovative and revolutionary solutions beyond the traditional offering of telecommunications service providers. With forward-looking investments in data centres made since 2020, and forging of new partnerships with global technology leaders, we now stand as a comprehensive multi-cloud service provider offering four different cloud options. Additionally, we have expanded our services to include contact centre solutions through a partnership with Avaya, upgrading our system to a cloud-based platform.

## Cloud computing in the information-age

- In a landmark achievement, SLT Enterprise's Akaza multi-cloud service reached 1,000 customers in 2023, marking the success of our cloud offering
- SLT Enterprise partners with VMware to launch Sri Lanka's first VMware Cloud Foundation (VCF) deployment and double VCF Cloud
- "Unlock the power of Cloud-Native Application" – an awareness session organised with a panel of Cloud experts. This session aimed to assist customers in navigating the cloud-related transformations through insightful discussions and meaningful exchanges.

Building on these accomplishment, we launched the highly anticipated VMware Double Cloud Service in March 2023. Incorporating dual-cloud architecture that capitalises on the strengths of two distinct cloud environments; this innovative approach delivers the scale and agility of public cloud with the security and performance of private cloud infrastructure. It provides enterprises with unprecedented flexibility, redundancy, and adaptability.

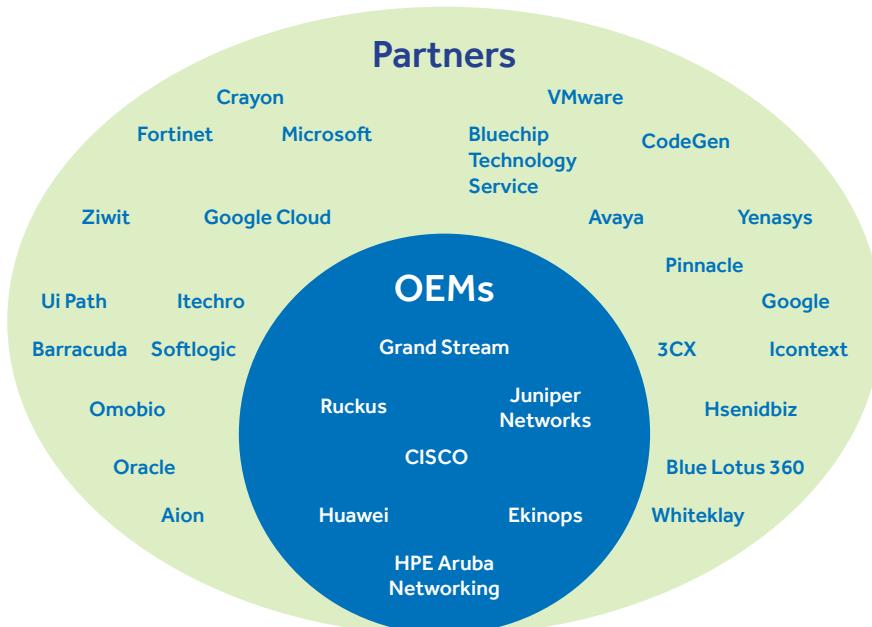


In addition, VCL carries the prestigious VM Ware Cloud Verified Certification, achieved in 2023. SLT is the first service provider in Sri Lanka to obtain the certification with VCF deployment; displaying our commitment to meeting the highest industry standards for reliability, security, and performance. It positions SLT's offering as a trusted and certified solution within the VM Ware ecosystem.

We organised a customer awareness event titled "Unlock the Power of Cloud-Native Applications", bringing together a panel of cloud experts, key medium and large enterprises, and government customers. The event explored the capabilities of SLT's latest cloud offering and the potential for VCF to address customer challenges.

In 2023, SLT also partnered with Google Cloud to roll out use of Google Workspace communication and collaboration applications including Gmail, Chat, Meet, Calendar, Drive, Docs, Sheets, and more to make the digital transition and transformation easier for SMEs. Integration and adoption of Google Workspace promises a host of efficiency improvements, while promoting hybrid work, and expanding collaboration across enterprise teams.

## Enterprise's Robust Partner Ecosystem



In 2023, we engaged with a number of innovative partners to widen our offering to enterprises. A new strategic partnership between our Digital Service Business and Surge Global is set to empower our marketing and software solutions offered to businesses to manage their digital ecosystems. Using localised knowledge and global best practices, the partnership promises to help enterprises set up and run ROI-driven campaigns, and take a data-driven approach to digital presence and initiatives.

## Delivering Value to Micro, Small, and Medium Enterprises (MSMEs)

Supporting digital enablement and empowerment of MSMEs is a strategic imperative under the Company's strategic pillar of Driving a Smarter Sri Lanka. Our cost-effective enterprise solutions have enabled thousands of Sri Lankan MSMEs to take advantage of digital transformation opportunities, streamline their processes, and evolve their business models to meet changing market needs.

## Specialised Offering for MSMEs

	Unified communication solutions	Hosting, cloud and security solutions	Digital products	Entertainment and education solutions	Internet and network infrastructure and solutions
Suite of existing products and solutions	Vobox Univo Biztune	Kaspersky Endpoint Security POS & Restaurant Management (Cloud POS)	SLT Bizchat Traverse SLT Checkin (PMS) SLT Lynked	PEO TV Biz eSiphala	LTE Flash Packages School BB
New products		Hosting cub Cubkit			Bizlife Dataone

In 2023, the introduction of new products expanded our suite of offerings, bringing added value to our range of products and services for MSMEs.

### ➡ BizLife, SLTM DataOne, and Hosting Cub

SLT's Biz Life packages provide a comprehensive and affordable all-in-one solution to businesses looking to develop and grow. While meeting voice and data needs of small businesses, the package also incorporates other ICT needs such as heightened security, in an affordable, efficient, trouble-free package. DataOne provides bulk data facilities for all the operations or divisions of a business enterprise, whilst the Hosting Cub facility enables shared and VPS hosting services based on a Company's requirements. Together, these packages provide MSMEs with customised solutions to launch their digital presence.

SLT's product and service offering to MSMEs is strengthened by a wide network of solutions and sales dealerships that ensure accessibility of cutting-edge technology and increase customer convenience by providing one-stop business solutions to customers.

Fulfilling our role as a national service provider committed to developing the MSME sector, we collaborate with local technology partners to stimulate and protect the ever-growing technology ecosystem. Long-standing partnerships with business chambers, government agencies and ministries, and other

institutions serving the MSME segment allow us to continue raising awareness, tune products and services, and roll-out initiatives that add value to Sri Lanka's growing micro, small, and medium enterprise sector. Hosting, sponsoring, or participating in key events such as the SME National Campaign 2023, Techno 2023 Exhibition, CSSL National IT Conference, and Infotel 2023 Exhibition were all strategic efforts aimed at engaging MSME business owners and developing the sector.

### SME Solution Dealerships

- Finco Technologies (Pvt) Ltd.
- Advanced Network Technologies
- Fentons Ltd.
- Metropolitan Technologies (Pvt) Ltd.
- Vista Solutions (Pvt) Ltd.
- Genius Engineering (Pvt) Ltd.
- Unique Network (Pvt) Ltd.
- SALA Enterprises
- Sri Lanka Telecom Digital Services
- Glowmax Private Limited
- Lexicon Tech (Pvt) Ltd.
- PWJ Lanka
- Sri Lanka Telecom Services Ltd
- Bartleet Electronics (Pvt) Ltd.
- Ceylon innovations
- VS information systems
- Adeona Technologies (Pvt) Ltd.
- Finetech Consultancy (Pvt) Ltd.
- Upeka Trading (Pvt) Ltd.
- Eimsky (Pvt) Ltd.
- ITED Biz (Pvt) Ltd.

### ➡ Highlights from 2023

- Conducted 17 SME Customer Forums across the island. Customer forums are organised to create and extend networks within the local business community, improve awareness and adoption of digital technologies, support digitalisation through SLT's products and services, strengthen business relationships with partners, and enhance overall customer experience.
- Organised sectoral events for SMEs in the tourism, industrial, and state sectors.
- Supported the SME Connect Platform empowering women entrepreneurs, and engaged with ICTA's Suhuruliya Programme focused on empowerment of women through ICT.
- Partnered with Creative Isle to launch a virtual interactive marketplace for MSME entrepreneurs leveraging digital platforms to take their products and services to a wider local and global audience.
- Partnered with CAN Market to facilitate business development opportunities and improve market access for MSMEs.
- Worked with District Secretariats, Chambers of Commerce, Health Services, District Digital Transformation Committees and other civil service entities to enable dissemination of digital technologies at the grassroots level.

- Engaged with the University of Kelaniya to foster entrepreneurship among undergraduates, encourage innovation, support business ideas, and provide internship opportunities.
- Established partnerships with the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) SME Task Force, and the National Enterprise Development Authority (NEDA) to collaborate on regional projects to help SMEs grow through capacity building, digital dissemination, and financial literacy development.

## Consumers

SLT's consumer business centres primarily on provision of fibre-based broadband, mobile products, entertainment products, and fixed-line services to individuals and households across the island. Maintaining a presence across the country enables the creation and maintenance of enduring relationships with our customers, which is one of our key differentiators. Our extensive network of touchpoints also provides a robust platform for customer acquisition and customer service.

### Consumer offering

- Fixed and mobile voice and data connectivity
- Bouquet of IPTV channels on PEOTV
- Value added services (VAS)
- Smart services
  - Smart home, networking, and premises solutions
  - Smart storage

Our unified touchpoints include localised regional teams and a strong network of dealer channels that contribute to sales and revenue. In the fixed-line business, external dealers make a significant contribution to the total revenue, while the mobile business relies heavily on strong connections with dealer channels, which play a crucial role in sales from the consumer business.

## Strategic Approach to Drive Segmental Growth

### Fixed-line

Aligned with a transformative trend across the globe where fibre-optics have spurred massive leaps in communication, fibre has grown to become the primary offering in our fixed-line business. Delivery of fibre to the home (FTTH) is an integral component of our vision for a smarter Sri Lanka and one of the central pillars of our growth strategy because of its remarkable bandwidth and speed. These elements make it a quintessential component of current and future consumer habits and lifestyles that are data-intensive and dependent on reliable, low-latency, high-speed connectivity.

Despite having initially invested in laying an advanced fibre-optic based backbone network, additional capital expenditure (capex) was necessary for last-mile infrastructure to homes. Operational teams pioneered a proactive catchment-area concept to align further infrastructure investments to lay fibre loops in areas with the highest customer potential. Coupled with intensive campaigns to maximise customer acquisition while minimising line distances, the proactive strategy resulted in a minimal capex investment for line drawing and pole installation. Based on the success of these campaigns, we executed similar programmes in major locations with ample loops and potential households, surpassing the set fibre target by over 100%.

For consumers who are not connected to fibre, SLT's 4G LTE Home Broadband service offers a reliable and convenient solution. We provide attractive packages and data bundles to suit a variety of customer needs, prioritising convenience and flexibility. Additionally, customers can avail themselves of plug-and-play premise equipment that is simple to set up; allowing connection in minutes.

Sri Lanka's economic crisis and worsened economic conditions of consumers and households, led to a notable increase in customer churn or dropping out post-October 2022, worsening in the first quarter of 2023 due to new tax hikes. Comparatively high cost to customers was the primary driver for this churn. In light of these challenges, we made strategic

efforts to enhance the sales process and implement more stringent measures based on Key Performance Indicators (KPIs) that ensured new sales exhibited specific characteristics, which would minimise the likelihood of customer churn. This process involved a detailed and measured approach that evaluated each milestone of customer acquisition, including assessing the effectiveness of campaigns, validating sales orders, and confirming collection of documentation and initial payments.

### Mobile

We employed a multi-pronged strategy to strengthen our customer base, beginning with leveraging synergies between our fixed-line and mobile business. Attractive packages and bundled services with value proposition surpassing market offerings coupled with incentivised cross-selling in areas with strong fibre presence led to positive outcomes. Retaining a focus on attracting new customers, while pursuing further cross-selling, we worked to tap youth through family packages that cater to the particular needs of households that were existing fibre customers. Simultaneously we re-strategised our operations in mid-2023, bolstering the partner network with a sustainable incentivisation programme, to alleviate the Company's financial burden and contribute to stabilising the mobile business.

### Entertainment

PEOTV offerings were enriched with True HD Content to enhance the viewer experience throughout the year with multiple live sporting events offered FoC as a value-add to the entire customers base. The Event TV Channel portfolio was increased to offer more airtime to locally produced content from schools, universities and other communities.

Additionally, competitive packages were introduced to penetrate the North and East pay-TV market and this initiative was a successful measure taken to increase new connections from the North and East.

The "On The Go Entertainment experience" was enhanced by extending content to the mobile screen, targeting the mobile customer segment to enrich their mobile TV experience with multiple events and content offered at affordable prices.

## Customer Experience

Our specialised Customer Experience Team, together with SLT Management and all staff members across our touchpoints, provides a superior service experience to customers. Our efforts to enhance customer experience are enshrined in our strategy, with internal digitalisation efforts resulting in significant improvements to customers and the overall customer journey.

We have a group of Customer Experience Management Officers (CxEMOS) responsible for customer experience based at each touchpoint. They provide coordination for all staff members with Head Office Staff and other touchpoint owners to resolve customer issues as swiftly as possible. The team includes representatives from all internal stakeholder groups serving the SLT fixed line and mobile services. With continuous monthly training and review programmes, strong engagement activities, and annual conventions; we are committed to not only equipping our customer service teams, but also ensuring we listen and incorporate their knowledge of the pulse of customers.

Alongside digitalisation efforts, we deployed a number of tools, such as Wi-Finder, which enable our teams and technical staff to install broadband routers at appropriate locations that have the strongest possible connectivity. Additionally, a Fibre-to-the-Home (FTTH) tool is used to validate the quality of fibre connections. Analysis of customer behaviour and continuous assessment through a 360° customer-view mobile app have also enriched our ability to serve customers.

### Customer experience highlights in 2023

- SLT celebrated Customer Service Week 2023 by showering customers with exciting offers including bonus data bundles, discounts on devices, and special mCash benefits. The week-long celebration catered to both new and long-term customers, with a variety benefits for mobile and fixed-line users.

- mAgent initiative launched at Group level - providing a unique, low-cost, area-based frontline service deployed to assist customers across Sri Lanka. The initiative onboarded and trained freelancers, enabling them to work as mAgents. SLT's fixed and mobile customers calling 1717 could be connected to an mAgent in their area to access services with regard to new connectivity, device purchases, network diagnostics, and more. Mobilised mAgents could even attend via in-person visits to the premise when required.
- Silent Soldiers' Night, a special forum organised by the Customer Experience Management Team, brought together the Company's customer service officers to reward and value their service.

### Boosting Speed and Convenience

We prioritised customer experience by increasing fibre download speeds to 300 Mbps in all general packages; making browsing, streaming, and downloads faster than ever. Flexibility is ensured through a variety of packages to choose from, including standard free packages, anytime packages, unlimited flash packages and unlimited packages. Similarly, data add-ons allow customers to choose based on their needs, such as work and learn, entertainment, gaming, streaming, and messaging.

To provide greater convenience, we expanded our sales network through a network of dealers. This allows customers to access services closer to home. For high-end users, we introduced blazing-fast 1 Gbps packages, catering to those who demand the ultimate internet experience.

### Tailored Offerings and Flexibility

Recognising diverse customer needs, we launched a variety of exciting offers including Happy Days where customers can enjoy unlimited internet access on designated days for a truly carefree online experience. Customers could also avail themselves of annual payment discounts, when paying up-front for a year of service. At the same time, to ensure flexibility, we also ensured customers had the option to employ instalment-payment plans to spread the cost of their connection.

Combined or bundled packages were another feature that enabled our customers to obtain a customised combination of voice, TV, and internet services in a convenient and cost-effective package.

SLT's innovative digital products and solutions described on pages 79 to 80, benefit customers and the wider community.

### Enhanced Home Connectivity

Catering to the proliferation of smart devices and the growing data and connectivity needs of our customers, we empowered customers to optimise their home Wi-Fi experience. Our Wi-Fi tending and mesh solutions work to ensure seamless connectivity throughout a home, allowing customers to enjoy reliable and uninterrupted connectivity across devices and locations.

### Contact Centre

As connectivity and communications become ever more critical to individuals and businesses, SLT's contact centre continues to play a vital role in providing immediate, urgent, and essential support to our customers. To meet customer expectations, the contact center prioritises customer convenience by offering always-on service capabilities through digital channels. Continuous advancements in automation are paving the way for AI-based customer service in the coming years.

#### Contact Centre Availability



24/7 Customer service



Automated service channels with zero-queue time



Social media responsiveness within 15 minutes



Email response as a nearly real time service



The contact centre provides seamless support across various communication channels; including automated and digitally-enabled self-help services through Interactive Voice Response (IVR); agent-assisted support where necessary; formal email responses (primarily for enterprise customers); SMS services; and active responsive engagement on social media platforms.

#### → Frequently Queried Concerns

- Fault reporting
- Bill enquiries
- Complaints reporting and resolution
- Data usage and management
- Package and VAS modification and management
- eChannelling services
- Ticket booking
- Directory and information access

SLT's contact centre also extends its reach through proactive outbound services via voice calls providing customers with payment reminders, awareness on self-service options and digital channels for engagement, and fulfilling "Book a Call" requests made by customers.

#### Contact Centre Interaction Highlights 2023



Daily average call volume

**30,000 - 35,000**



Monthly average emails

**6,000**



Monthly average successful social media interactions

**10,000**



Monthly average SMS interactions

**2,400**



Monthly average outbound calls

**55,000**

#### Customer Satisfaction

Continuous customer satisfaction is vital to assure the future of our business. We conduct daily, monthly, and quarterly customer satisfaction surveys to listen to the voice of our customers and annual surveys to derive insights on customer satisfaction through Customer Satisfaction Index (CSI) and Net Promoter Score (NPS), First Time Resolution Index and Time to Resolve Index. These surveys cover all customer segments, regions, and touchpoints. Our efforts contributed to SLT recording an improvement in customer satisfaction indices during the year.

#### Service Assurance

SLT has focused on reducing the number of faults reported, by effecting improvements to the access network, conducting quality improvements in customer premises equipment (service fulfilment), and conducting regular health checks of active network elements. Service assurance is further improved through the employment of multi-skilled workers in SLT's field operations.

SLT's contact centre plays a vital role in providing support services to all customers, by enabling access via various channels, mainly for fault reporting, bill inquiries and complaints, data (GB) requirements, and package modifications as inbound requests. Customers also reach out to the contact centre to obtain eChannelling, rail ticketing services, and for directory information. The contact centre serves customers mainly via an automated and digital platform, with the provision of obtaining agent assisted service upon customer request.

#### Cybersecurity

This year, cybersecurity was given greater prominence, in response to continuously increasing global threats and the surge in customer adoption of digital interactions and transactions, leading to increased vulnerabilities.

In alignment with global cybersecurity trends and addressing the unique needs within Sri Lanka, we have established a 24/7 Security Operation Centre and introduced a Security Operation Centre as a Service (SOCaaS) in January 2024. Our adherence to ISO 27001 Information Security

Management System across all operations and platforms ensures the highest security standards for our infrastructure and services. We empower our customers to implement tailored cybersecurity solutions, including network and application security. Additionally, to enhance their security posture, we offer customers the opportunity to conduct application and penetration testing, enabling a thorough assessment of their security, risk, and vulnerability levels.

SLT has further increased its efforts to educate and protect its clientele by hosting security seminars and conducting security awareness sessions for government entities and corporate customers.

These initiatives are designed to elevate awareness and ensure that our clients are well-informed about potential security risks. Upholding our commitment to safeguarding our customers' information, SLT considers the security of customer information as our utmost priority, actively assisting them in bolstering their cybersecurity defenses.

#### Customer Loyalty

SLT focuses on building a long-term relationship with existing customers, aimed at maintaining its customer base, minimising churn, and enhancing revenue growth, by delivering excellent service and enhancing customer convenience throughout all stages of the customer journey. To achieve this, various loyalty programme initiatives have been introduced to recognise long-term customers.

The Customer for Life programme is in place to enhance loyalty and provide updates on new product and service offerings directly to the customer. The service assurance priority also caters to Platinum customers, attending to faults and trouble tickets raised by them. In addition to the CRM system that includes a loyalty module, SLT's points-based loyalty system helps to identify customer loyalty and the value of customers.

The insurance scheme for SME customers, in partnership with Ceylinco Insurance, provides a safety net at times of difficulty for customers. We are in the process of deploying technologies such as data analytics to drive customer service forward.

# Portfolio Review

## SRI LANKA TELECOM (SERVICES) LTD.

Sri Lanka Telecom Services Ltd. is a public limited liability company that has grown to become a powerhouse of expertise, combining three Strategic Business Units (SBUs) under one roof: SLT Services, PEOTV Business, and Digital Service Business. Each SBU offers distinct value propositions and business models, catering to diverse client needs.

As detailed in Note 36 of the Notes to the Financial Statements: in line with decisions made by the Board of Directors on 13 and 20 February 2024, SLT Digital Services (Private) Limited and SLT VisionCom (Private) Limited were effectively amalgamated with Sri Lanka Telecom (Services) Limited from 01 April 2024. This

strategic move aims to streamline operations and enhance efficiency within the organisation.

### SLT Services

#### OSP, ICT System Integration & Solutions Business

SLT-Services OSP and ICT business portfolio covers two major functions: Providing telecommunication outside plant development and maintenance services and providing complete ICT solutions for the corporate and government sectors.

The Out-Side Plant (OSP) Unit within SLT Services handles project delivery for fibre, copper, and other infrastructure development; primarily for Sri Lanka Telecom PLC (SLT). Additionally, they provide maintenance services for the existing services and deliver new connections.

The ICT Solutions unit within SLT Services caters to a broad client base, including SLT Group companies, government entities, other telecom operators, and various companies across Sri Lanka. Their comprehensive service portfolio encompasses turnkey projects, managed services, software products (both proprietary and custom-developed), and information security solutions. A testament to their capabilities is deployment of a self-developed banking software platform for a major government development bank with a nationwide reach of 750 branches.

### Key Achievements and Milestones

A range of innovative products have been introduced by SLT Services addressing the evolving needs of its clientele. As an ICT solutions provider, we deliver a broad spectrum of individualised solutions meeting customers' requirements. We are a major player in providing in-building IP networking, communication, surveillance and other related ELV solutions in partnership with the major construction companies in the country. As part of our key offerings, we have enhanced our capabilities for large scale Tier Certified data centre development. Our software solutions serve several Government institutions and companies running our Enterprise Resource Planning (ERP) and bespoke solutions, which we have developed in-house. SLTS banking platform is one of our flagship software products which is being continuously developed for new features and capabilities. Our banking platform currently serves one of the largest government community development banks with countrywide coverage. We have a strong focus on the information security domain as well. This year, we have been successful in delivering solutions for certain key state-owned universities as well as a large installation for SLT.

During the course of this year, our ICT solutions arm achieved a significant milestone, winning the project for electrical and data centre infrastructure development for the SEA-ME-WE-6 international optical

fibre submarine cable landing station of SLT PLC located at Matara.

This project involves developing the total Electrical System, Generators, UPS system, Data Center cooling system, Extra Low Voltage (ELV) network, building management, CCTV, Access Control, Solar Energy System and the related data hall infrastructure for the cable landing station.

### Overall Strategy and Related Initiatives

In pursuance of our vision to be the strongest and most trusted National Information and Communication Technology (ICT) solutions provider with a complete portfolio of offerings, our strategy is to build our brand, and position ourselves as a trustworthy, responsive, and highly innovative organisation offering maximum local value addition for our all solution offerings. We enjoy a significant position of strength in the market, and are growing fast in the ICT domain. We have achieved considerable success in delivering on our strategy, in addition to surpassing revenue and profit targets for the year.

### Enabling Customers to Navigate the Challenging Operational Environment

Our customers seek us out for highly specific and specialised projects, which are delivered on time, meeting all technical specifications, and output requirements.

We take complete responsibility for the entire scope of turnkey projects – from planning and design, right up to delivery and commissioning.

The last few years have been the most challenging, due to the prevailing socio-economic conditions, high inflation, and depreciation of the Sri Lankan currency, leading to cost escalations, and stiff competition to win limited projects in the market. Despite this challenging environment, we have sustained the Company, and grown it to a sizable extent while also making profits, which is a commendable achievement. Within the telco domain, we are exploring certain foreign development projects to extend our footprint further afield. We also collaborate with foreign companies as the ICT solutions contractor for large local projects.

We expect 2024 to be more promising as industries are opening-up, costs coming down, demand improving, and more opportunities arising for our SBUs.

## Ensuring Reliability and Efficiency in the Face of Evolving Technology

We consider technological advancements as an advantage rather than a challenge, as we see new opportunities emerging with new technology for which we adapt, leveraging quickly our talent pool with direction from progressive leadership. We have the requisite talent in the form of our own certified engineers, who are also specially trained to adopt the latest technologies and bring cutting-edge solutions to our customers. Further, we partner with key technology providers, who are global brands, to deliver our solutions. We identify the best possible products having great future potential that we should carry, and offer them as part of our solutions, which helps us win against competitive offerings.

## Fostering a Culture of Innovation

Our focus on innovation spans the provision of new technology to the market as well as in the software domain, in addition to working on new product development. This provides us with a distinctive edge in terms of adding value and earning profits. However, we are hampered by the dearth of human resources in related domains, which has emerged as a major challenge

that we are facing right now. Innovation is also facilitated by our partnerships with numerous local and foreign technology partners, who represent leading brands catering to particular solutions or domains.

Constant engagement with customers and feedback from our own staff and agents, helps us obtain in-depth knowledge of customer needs, which in turn enables us to improve our services, as well as engage in innovations where required.

## Focus on Sustainability of our Solutions

Sustainability remains one of our key areas of focus, especially in terms of solutions we offer, which are scalable, adaptable, customisable and sustainable in the long-term. We also ensure that these solutions are cost-effective at the outset and over their lifetime while requiring minimal maintenance.

To assure our own Company of its long-term sustainability, the Management is highly detail-oriented, which includes a meticulous analysis of performance, future cash flows and profitability, with forward-facing plans being made accordingly.

## Training and Development for our Staff

We recruit our staff members from leading local and international universities and educational institutes using a stringent hiring process to ensure a proper technological and cultural fit with our Organisation. While our staff are highly qualified in their respective domains, we provide proper training based on project requirements, in addition to internal training programmes where we engage our own experts, as well as resource personnel from technology partners. Certification from technology partners is a prerequisite in this domain, which is carried out regularly.

Having such qualified and motivated staff, as well as the rich legacy and resources of SLT helps us keep abreast of the latest technological advances, which empowers us to be true to our vision of being the strongest and most trusted National Information and Communication Technology (ICT) solutions provider.

## Digital Service Business

Our Digital Service Business focuses on two service lines: Marketing Services and Digital Engagement Solutions, utilising combined expertise and leveraging synergies to offer clients bespoke, best-in-class solutions. The business follows a technology-driven business strategy, positioning us as a leader in the ever-evolving marketing and technological landscape and ensuring we can meet the challenges and opportunities presented by the latest advancements.

**Marketing Services** – This pillar consists of Advertising and Marketing – which covers advertising (outdoor and online), branding (interior and exterior), creative content, animation, 2D/3D video production, motion graphics, as well email, SMS and IVR campaigns and promotions, in addition to information listing platforms, SEO content development and advanced local search engines.

**Digital Engagement** – This pillar covers digital marketing options, software, and digital platform. While directory platform was a one-way information driven business, we are in the process of converting it into an interactive, transactional platform, which can help engagement and loyalty building.

## Outstanding Performance and Significant Achievements

During 2023, we were able to collect LKR 618 Mn. for the year, which is a significant achievement when considering the fact that we had only made the shift quite recently from our previous engagement in directory publishing.

As part of our new initiatives for the year, we have shifted to certain digital products such as a platform for school attendance and notification systems with the potential to scale up to more areas in the future. This will be offered free of charge, with the only payment being for the message notification charges for notifying parents.

We have also made considerable progress in developing our own digital marketplace in the form of an e-commerce platform, which would aggregate sellers and connect buyers across Sri Lanka, in handling a multitude of products across a number of categories, and targeting various demographics.

As part of our digital platforms services, we have recently built an e-commerce platform for a client engaged in the hardware business, selling over 10,000 products /stock keeping units (SKUs). This marks our most recent and largest foray into e-commerce. Most of our customer-base, which numbers over 3,000 SMEs and other ventures in various fields, are planning to transition their businesses to online platforms, giving us considerable scope to extend our footprint into the online domain.

### **Helping Stakeholders Excel in a Challenging Environment**

Our stakeholders are mainly in the B2B sector, specifically SME businesses, in addition to government institutions, and retail organisations who have benefited in taking their businesses to the next level through the next-generation technological solutions we provide. We intend on taking this further, by reaching out and providing similar solutions to existing clients who have already been with us for a long period and part of our directory information business and advertising domain.

Since a number of traditional businesses are likely to be taken over by their children who are more tech-savvy, we are moving towards providing them with specific and accurate information to help them navigate the complexities and challenges of the next generation in enterprise-building. For this segment, we have introduced digital marketing, advertising and software solutions to improve their businesses, in addition to software and tools such as Workflow Management System (WMS), E-Voucher System, Invoice Management System, Fleet Management system etc. which will help the next generation be a part of our roadmap to success.

### **Focusing on Niche Markets**

Our current business directory functions as a national business directory, providing information on a wide range of private sector and government institutions, as well as products, brands, and various other categories. We have taken this a step further by identifying niche categories, around which a market and ecosystem can be built, connecting a wide variety of relevant stakeholders. One such niche

relates to "weddings as an industry" in which we have been engaged for a long period. Another industry is tourism which will benefit our country's economy by generating employment opportunities and earning foreign exchange. The third niche we have identified is the automobile sector, which connects a number of automobile industry products, services and events.

Building an ecosystem around a niche market involves tailoring products and services to address the specific needs of that segment while fostering partnerships with complementary businesses. By identifying unique characteristics and preferences, our Digital Service Business can establish community platforms, and provide value added services to further enhance customer engagement and loyalty.

### **Innovation and Research in Developing New Offerings**

This is one of the areas that we want to focus on, as forming international partnerships will be immensely helpful in terms of research and development, which will help us penetrate the global market. While insights from the SLT Research Centre will help us customise our solutions to the local market, the experience and technologies of global players can be a game-changer in maximising our potential.

We have entered into a number of partnerships, which include a global software company, and growth marketing company to work with their product portfolio within the Sri Lankan context. We have also signed up with another technical partner, which helped us launch the school attendance notification system. While we do have our internal development team, we are quite open to the idea of collaborative models involving global players who are leaders in their respective domains.

Whatever solution we provide, be it software, web development or ecommerce the cybersecurity aspect needs to be considered as a priority concern. While engaged in hosting, cloud solutions, or data centre solutions, we rely on the SLT network, as well as the SLT data centre, which is among the most secure and certified data centres in the country. When working with global players, we rely

on Amazon and other reliable reputed organisations who offer the best in cybersecurity.

### **Supporting Small and Medium Enterprises to Leverage Digital Tools**

This is one of the key areas that our Digital Service Business is engaged in at present, since we have sizable traditional businesses as part of our client portfolio. To take them to the next level, we carry out a meticulous analysis of their business and introduce them to our digital tools which are best-suited for their specific needs. For instance, in the case of brick and mortar operations, we first establish their online digital presence by using various means such as websites, ecommerce applications, online directories, virtual shops, and social media profile pages which will help bring online traffic to their business. As the next step, we offer digital marketing, social media campaigns, and search engine optimisation, in addition to blending their online and offline campaigns for maximum mileage. Introducing such solutions through our product portfolio also helps traditional businesses to embrace digital transformation.

By synergising our Group capabilities, we help clients in terms of connectivity and other data solutions by offering fibre and PEOTV as per their needs. We also facilitate their transition to automation. A case in point is a pilot site of our client's fleet management solution involving IoT applications which help the client to monitor and manage their vehicle fleet more efficiently.

We also provide clients with required software development solutions such as workflow management systems. These were especially helpful during the pandemic period when the workflow of employees working from home had to be managed effectively. Once we onboard such clients, we go on to propose relationship tools to manage staff and build loyalty.

With our available resources, as well as highly competent personnel, we look forward to the coming year with confidence, and the resolve to advance our frontiers to new, uncharted territories.

## Services Portfolio

### MARKETING SERVICES

#### Advertising & Marketing

Advertising (Outdoor & Online)  
Branding (Interior & Exterior)  
Creative Content  
Animations  
2D/3D Production  
Motion Graphics  
Search Engine Marketing (SEM)  
Email, SMS, IVR Campaigns

#### Promotions & Market Activations

Online & Physical Campaigns  
Virtual & Physical Conferences  
Virtual & Physical Exhibitions  
Customer Forums

#### Listing Platforms & SEO Content

Local Listings  
SEO-Friendly Content  
SEO Optimisation  
Web Banner Advertising  
Search Engine Ranking  
True Local Search Option



### DIGITAL ENGAGEMENT SOLUTIONS

#### Digital Marketing & content

Digital Marketing  
SEO Audit & SEO Strategy  
Social Media, Campaigns & Web Optimisation  
Analytics  
Creative UI/UX  
Motion Graphics

#### Software Solutions

Web Development  
E-Commerce Solutions  
MSME Software

#### Online Directories

Business Information Platform  
Automobile Sector  
Tourism Sector  
Wedding Industry  
Hotel Suppliers ++

#### Digital Platform

Marketplace

## PEOTV Business

Our PEOTV Business follows an ambitious goal of becoming Sri Lanka's largest video content hub. To this end, we work to aggregate, develop, store, and distribute content across various streaming platforms. We deliver content through two main channels: PEOTV (IPTV), a subscription-based service with wired connectivity, and PEO MOBILE (OTT), alongside other emerging OTT platforms.

SLT's PEOTV offering is subscription-based, and offers several advantages over traditional television media like antenna-based or Direct-to-Home (DTH). The wired connection enables interactive features like time-shifting, rewinding, and video-on-demand, significantly enhancing the customer viewing experience.

### Focusing on Elevating Customer Experience

Our strategic emphasis remains on PEOTV, recognising the growing importance customers place on the quality of their viewing experience. This is best achieved through unparalleled high-definition (HD) picture quality delivered via the SLT fibre connection. Currently, PEOTV boasts the most extensive HD Content selection, including Local Free to Air channels in HD, most of which are exclusive to PEOTV. Aligning with global trends such as the rise of OTT and Entertainment On Demand, we aim to offer a diverse entertainment portfolio. Securing multiple Content rights for IPTV, OTT, and ad insertion throughout the year, particularly for major sporting events, has bolstered customer loyalty and revenue generation. To gauge customer satisfaction and integrate feedback for service enhancement, we have established a dedicated Customer Experience Management Team to collect customer input. Additionally, we conduct independent customer satisfaction surveys. Utilising the feedback received, we conduct internal analyses with cross-functional teams to gain insights into customer preferences, tailor or develop products, and establish pricing structures that ensure affordability.

We also produce proprietary content distributed through our "Charana TV" channel, accessible on PEOTV, PEO MOBILE, cable TV platforms, and YouTube. Our original children's content, "Sootikka," comprising animated music and the novel initiative on animated storybooks for kids, is tailored for PEOTV, PEO MOBILE, and other digital platforms, aiming to generate supplementary revenue. Furthermore, we have successfully developed and launched an enhanced IPTV platform, laying the foundation for the implementation of cutting-edge features that will significantly elevate the overall customer experience.

### Significant Achievements

During this period, PEOTV has achieved a commendable growth in revenue of 14%, while carefully optimising our operational costs which are sensitive to fluctuations of foreign exchange.

Our most significant achievement this year was the successful launch of our open standard Android-based, feature-rich Set-Top Box (STB), which has transformed conventional televisions into smart TVs, offering users an enhanced viewing experience. The open platform of our STB allows users to access a wide range of content and services from various providers. With the capability to receive software updates, our STBs enable customers to enjoy new features and enhancements over time, ensuring the device remains current and relevant.

The introduction of STBs has not only expanded our revenue streams but also enabled us to offer additional services such as premium content subscriptions, app downloads, and value-added services. Despite operational dependencies sensitive to forex fluctuations, our PEOTV Business has achieved commendable revenue growth by optimising our common operational processes.

In 2023, Charana TV significantly increased its reach and popularity by introducing innovative programming concepts. Our channel's dedication to showcasing diverse musical talent was recognised at the prestigious 29th Sumathi Awards, where "Kavi Dahayata Gee Dahayak" was awarded the Best Musical Programme of the Year. Charana TV's programs have garnered numerous accolades, nominations, and placements throughout the year.

## Training and Development

To ensure our staff remains at the forefront of industry advancements, we provide comprehensive training and development opportunities in product development, creativity, technology, and content. Our commitment to continuous learning is exemplified by ongoing technical training programmes that lead to certification for our employees.

## Partnerships and Collaborations to Enhance Service Offerings

Our Company has established long-standing and mutually advantageous partnerships in both content and technology with prominent local and international entities. Furthermore, we have fostered close collaborations with proficient Sri Lankan content developers who face challenges due to limited resources, infrastructure, and licensing for operating a Free-To-Air (FTA) channel. In response to this issue, we have extended our support by offering them access to PEOTV as a platform. This platform serves as the single largest platform for non-FTA channels, providing a showcase for the talents and capabilities of these independent content creators.

## Product and Marketing Services

The "Event TV" channel portfolio was enhanced and "PEO Sports" new channel line-up was initiated to facilitate multiple live events with more airtime offered to locally produced content from schools, universities and other communities, whilst streaming international sporting events simultaneously through a single platform, received positive comments from majority of the customer base.

Competitive packages were introduced to penetrate the North and East pay-TV market as a successful measure to increase new connections.

Constant marketing focus was placed on promoting TV programming trends and titles showcased on both IPTV and OTT Platforms to enhance subscriptions and stickiness. Regional activations, sales trainings, digital promotions, SEO initiatives, user engagement via creative content creation are some of the key contributors for our success in the year 2023.



### Looking to the Future

We are focused on expanding our market presence in the fibre sector through PEOTV. Additionally, we have partnered with our sister company, Mobitel, to deliver popular and in-demand content to our mobile customer base, enhancing customer retention by offering affordable entertainment options on mobile devices. Our collaboration with global partners allows us to stay ahead of evolving market trends and technological advancements, providing our staff with opportunities to attend overseas conferences and enhance their knowledge base.

By participating in various global programmes and staying abreast of technological developments, we maintain a competitive edge in the industry. While our traditional delivery method has been cable-based, we are transitioning towards wireless solutions, particularly for enterprise clients and select hotels equipped with PEOTV wireless services. We are working towards offering wireless options to other customers, although wired connectivity currently offers a superior viewing experience.

In the near future, we are preparing to launch PEOTV services on 4G LTE, extending television services to the SLT wireless customer base. Recognising the importance of affordability, especially in light of economic conditions, we are committed to addressing this concern to ensure our services remain accessible to all customers.

# Our Global Brand



Xyntac, the global unit of Sri Lanka Telecom, is a dynamic digital communications ecosystem that offers carrier-grade connectivity and cutting-edge digital solutions to a worldwide clientele. Xyntac's ISP Service has achieved recognition as one of the top 50 Global Internet Service Providers and is the first telecommunications company in Sri Lanka to be featured among the leading global ISP entities. To meet the escalating capacity demands of its international customers, Xyntac has expanded its submarine cable network significantly. This network includes consortium cables such as SEA-ME-WE 3, SEA-ME-WE 4, SEA-ME-WE 5, and the upcoming SEA-ME-WE 6 (anticipated in 2026), as well as private cables extending to Maldives and India, and partner cables spanning the globe. Xyntac's International Points of Presence (POPs) in the USA, Europe, and Asia facilitate rapid service deployment worldwide, with plans in progress to extend its reach to other global regions. By supporting the connectivity needs of major global Over-The-Top (OTT) companies, Xyntac has integrated itself into the global supply chain. The company prioritises system and network reliability, ensuring high network uptime, implementing industry-leading security measures, providing round-the-clock expert engineering support, and offering industry-specific Service Level Agreements (SLAs).

## Xyntac Service Portfolio

### Voice Services

Xyntac provides a range of international voice services, including Wholesale Voice and Free Phone Services (ITFS), leveraging over 120 direct partnerships to offer cost-effective, high-quality terminations.

### Connectivity Services

Xyntac provides secure connectivity services, including IPLC, IEPL, L2VPN, and L3VPN, to empower businesses with straightforward, secure, and scalable global network solutions. These services are crafted to offer dependable point-to-point and multipoint interconnections, facilitating efficient voice, data, and multimedia communication with the following features.

- Extensive global coverage
- Support multiple QoS profiles
- Optimum redundancy
- Guaranteed speed, security & availability
- Service level agreements
- 24/7 customer service

### Internet Services

Xyntac provides a range of international voice services, including Wholesale Voice and Free Phone Services (ITFS), leveraging over 120 direct partnerships to offer cost-effective, high-quality terminations.

### Cloud Services

Xyntac plays a pivotal role in driving the digital transformation of multinational corporations by leveraging multi-cloud platforms in collaboration with industry-leading virtualization providers like VMware, Microsoft, and Oracle. Through this partnership, Xyntac offers a range of services including virtual data centers (VDCs), disaster recovery solutions, disaster avoidance services, backup and storage services, load balancing, and managed services, all backed by a commitment to ensuring guaranteed uptime.

### Managed Services

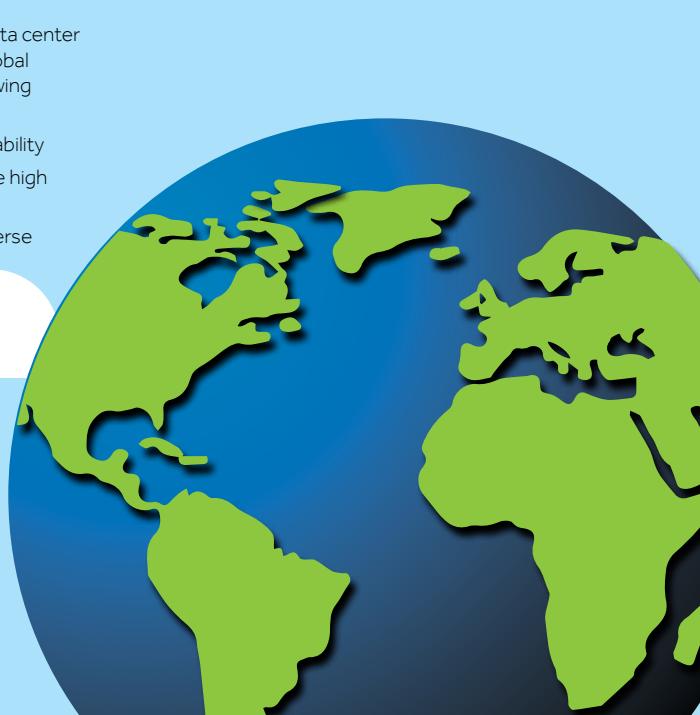
Xyntac offers comprehensive managed services encompassing solution design, implementation, maintenance, monitoring, expansions, and related upgrades. Through these services, Xyntac assumes responsibility for managing the IT requirements of clients, allowing customers to concentrate on their core business activities. Key services provided include:

- Managed firewall
- Managed security
- Managed infrastructure
- 24x7 live support with a skilled engineering team, guaranteed service levels, and network uptime, and guaranteed restoration time

### Co-location Services

Xyntac operates a Tier III certified data center that offers colocation services to global enterprises, equipped with the following features:

- High security, scalability, and availability
- Advanced technologies to achieve high power usage effectiveness
- Customised services to meet diverse business requirements
  - Caging facility
  - Access control
  - Surveillance
  - Working area facility
- Industry-specific SLAs and guaranteed network uptime
- Green Gold Certified Data Centre
- Meet Me Room facility
- 24x7 monitoring and customer support



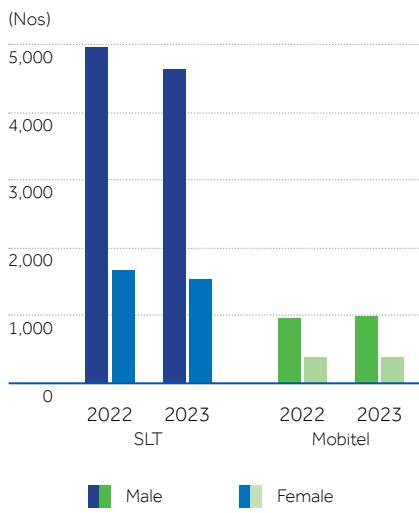
# Employees

The SLT Group takes pride in cultivating the engagement and commitment of its over 8,200 staff members by embracing continuous training, clearly defined career pathways, personalised relations, and a collaborative culture. Exposure to cutting-edge technology empowers employees to tackle industry challenges head-on while transparent communication channels foster a sense of belonging and engagement helping the Company to maintain its unassailable position at the helm of Sri Lanka's telecommunications industry.

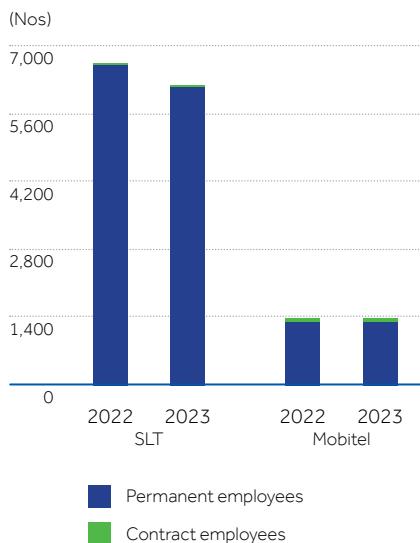
## Employees by Gender and Grade

Grade	SLT			Mobitel		
	Male	Female	Total	Male	Female	Total
Senior Management	63	10	73	95	13	108
Middle Management	89	17	106	251	85	336
Executive	442	316	758	607	312	919
Non-executive	4,059	1,227	5,286	42	1	43
<b>Total</b>	<b>4,653</b>	<b>1,570</b>	<b>6,223</b>	<b>995</b>	<b>411</b>	<b>1,406</b>

## Employees by Gender



## Employees by Category



SLT and Mobitel have embraced a unified organisation structure, aligning with the brand unification of SLT-MOBITEL to streamline business and operational functions at the Group level. This move aims to enhance cohesion across the SLT Group, accelerating the achievement of goals, with improved efficiency, closer engagement and reduced costs. The unified structure outlines the grouping of business and operational units, fostering enhanced working arrangements within SLT and Mobitel.

## Strategic Approach to Managing People

SLT proactively tackles operational challenges while ensuring that employees are aligned with the Company's vision, fostering a smooth transition. By prioritising impactful people management practices, the Company enhances employee engagement while also strengthening its competitive edge in the dynamic industry landscape.

The HR strategy at SLT is centred on serving our customers through a talented workforce, facilitating the workforce's adaptation to the latest technological advancements, shifting market dynamics, and emerging business paradigms. We prioritise attracting, retaining, and nurturing skilled talent. Our commitment to employee welfare includes offering competitive benefits, job security, and adherence to labour laws.

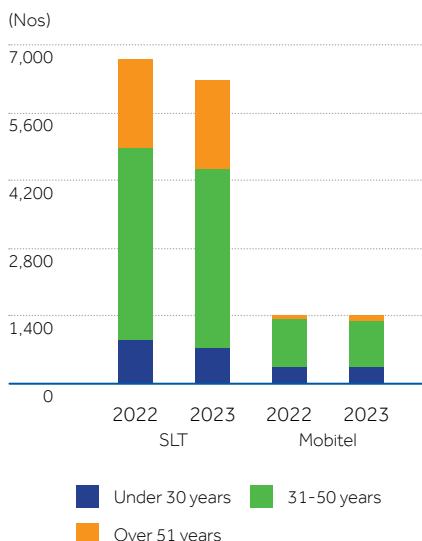
We champion diversity, inclusivity, and equity in the workplace, fostering an environment conducive to employee engagement and organisational success. We also ensure equal opportunities in recruitment and promotion, by formulating an effective performance appraisal system, and providing avenues for continuous skill enhancement and career progression. Recent simplifications and improvements to the performance management system reflect our emphasis on a performance-driven culture, with individual performance linked to bonuses, salary increments, and promotional opportunities.

The Company has enhanced employee experience and work-life balance through various initiatives including hybrid working, Home to Field (H2F), and working at the nearest location. Additionally, the Company has implemented monitoring tools, provided handheld devices for fault management, and introduced a Document Management System (DMS) for a paperless office environment, with tablets deployed at customer centres.

We have also instituted the following steps in furtherance of our HR strategies:

- Implemented Staff Rearrangement Committee (SRC).
- Introduced dual-role work arrangement.
- Deployment of existing staff at contact centre during peak hours on over time basis after normal working hours.
- Deployment of existing staff on assignment basis for critical vacancies.
- Smart Technician Programme.
- Smart Sales Person Programme.

## Employees by Age



The retirement age has been extended to 60 years, which helps us retain our highly trained workforce, while also taking into account the changing demographic shifts in the country's population.

Employee perception survey carried out for 2023 has found further opportunities for improvement in HR, which are currently being addressed.

## Important Initiatives Launched During the Year

In a strategic move towards fostering future leadership, Sri Lanka Telecom PLC unveiled its pioneering Executive Development Programme in 2023. With a vision to nurture adept leaders within the Company, this initiative was designed to fortify the competencies of handpicked executives, positioning them as the torchbearers of tomorrow.

The inaugural phase of this transformative programme saw the selection of 100 executives from diverse echelons of the Organisation. These individuals embarked on an immersive journey through a comprehensive training series, crafted to augment their proficiencies across multifaceted domains.

The programme delved deeply into refining essential skills imperative for effective leadership and delivered over 10,000 training hours.

## Talent Development Centres

We have introduced programmes extending beyond the Company. The SLT Talent Development Centre has introduced two fresh degree programmes: the BEng in Robotics and Artificial Intelligence, and the BSc in Data Science, in partnership with the University of Hertfordshire, UK. The programmes are meticulously crafted to meet the growing demand for expertise in these fields.

Our Development Centre has been authorised to function as an assessment body, granting National Vocational Qualifications (NVQ) Level 4 through the Recognition of Prior Learning (RPL) for occupational fields such as Telecommunication Technician, Telecommunication Tower Technician, Sales Assistant, Contact Centre Officers, Satellite TV, and Broadband Technician of the telecommunication industry. We have initiated the NVQ certification assessment process and are in the midst of evaluating our employees. This has enabled provision of NVQ4 qualification for 304 employees during the year.

## Achievements



- SLT Talent Development Centre has received approval from Pearson, UK, to serve as an accredited centre for conducting Pearson PTE examinations.
- Published a case paper titled "Developing Competency Assessment and Development Framework for Staff Engaged in Sales at Sri Lanka Telecom PLC" at the 7th CIPM International Research Symposium 2023. This publication showcases the SLT Talent Development Division's dedication to enhancing the skills and capabilities of the sales workforce at SLT.
- The SLT Talent Development Centre has received prestigious accolades, being recognised as the "Emerging Centre of the Year 2022" and achieving the "Top Performing Centre 2022 – Bronze Award" during the Pearson BTEC Higher Education Forum 2023.
- SLT Talent Development Centre was recognised as the recipient of the "Best Managed Project in Academic Education" award at the National Project Management Excellence Conference and Awards 2023. This accolade acknowledges the Centre's outstanding implementation of new infrastructure developments aimed at facilitating futuristic educational programmes.

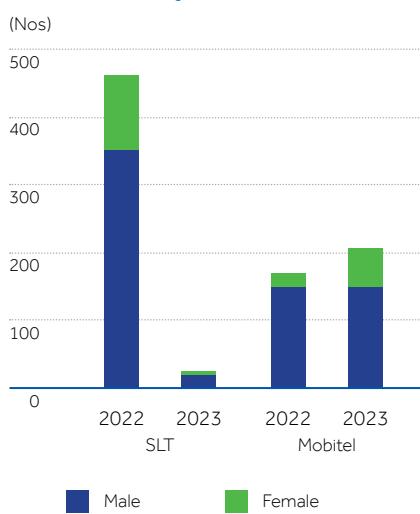
Additionally, we have implemented various enhancements across our operations, HR functions, and automation of HR processes. Currently, we have achieved approximately 80% coverage of all our processes, with plans for further progress in 2024. Furthermore, we have embarked on additional policy development and benchmarking exercises, including a review of our HR policies. These initiatives are vital as we strive to equip our Organisation with futuristic capabilities to meet the evolving competency requirements of the future.

We are focused on benchmarking with leading telecommunications organisations both domestically and internationally. Board approval has been secured for this pivotal project, scheduled to begin in 2024. This initiative will involve establishing cadre levels to align with upgraded work methodologies. Furthermore, the adoption of new products and technologies will be tailored to suit the Organisation's context. This stage will involve defining the organisational structure, considering the unified organisational context. Crucially, we can establish a competency framework for our personnel, ensuring that we evolve into a customer-centric Organisation.

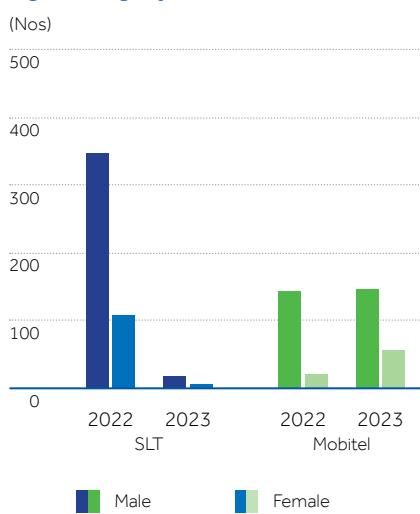
## Attracting the Best Talent Based on Future Needs

In terms of the younger demographic, we, along with other telecommunications companies and various industries in Sri Lanka, encounter a common challenge: attracting top talent. This demographic seems to prioritise flexibility, including remote work, hybrid arrangements, and project-based gig opportunities. Consequently, we are adapting to these preferences and are actively enhancing our flexible work arrangements to better engage with the new generation of talent. However, it remains a significant challenge to recruit and retain top talent, as a considerable number of qualified individuals are opting to leave Sri Lanka.

### Recruitment by Gender



### Age Category



### Recruitment by Region for SLT Staff

Location	2023	2022
Western	<b>25</b>	380
Central	<b>0</b>	10
Southern	<b>0</b>	10
Eastern	<b>0</b>	10
Sabaragamuwa	<b>0</b>	10
North Central	<b>0</b>	12
North Western	<b>0</b>	10
Uva	<b>0</b>	10
Northern	<b>0</b>	8
<b>Total</b>	<b>25</b>	460

Further, in the backdrop of higher rate of brain drain in the country, we are evaluating new areas for attracting top talent. We are, also structuring the levels of talent that we want to attract, evaluating current and future needs. We need to optimise our talent to meet emerging needs, especially in terms of applications, solutions and software. The hiring of consultants would help us look at potential hires in terms of the skill set, rather than qualification.

## Retaining Staff through Rewards and Recognition

Employees at SLT are regularly acknowledged through a variety of rewards and recognition programmes. These include the Call-Center Star Award and the Champions of the Month initiative. Each month, outstanding employees are commended in various categories such as RTOM (Regional Telecom Office Manager) of the month, OPMC (Outside Plant Maintenance Centre) Manager of the Month, REBM (Regional Enterprise Business Manager) of the month, Engineer SA&SF (Service Assurance and Service Fulfilment) of the Month, Network Engineer of the Month, Sales Manager of the Month, and Channel Manager of the month. These accolades celebrate excellence across different roles and departments within the Organisation.

SLT's employee engagement process encompasses various activities including biannual sales team faceoffs, religious events, club memberships, CSR initiatives, participation in sports events such as the SLT Games, and interactive seminar sessions. These initiatives aim to foster a sense of community, promote teamwork, and enhance employee satisfaction within the Organisation. Through a diverse range of engagement opportunities, SLT encourages active participation and collaboration among its employees, contributing to a positive work environment and overall organisational success.

## Years of Service

Years of service	SLT		Mobitel	
	2023	2022	2023	2022
Less than 5 years	2,522	2,624	578	603
5-10 years	786	819	233	167
10-20 years	884	981	514	549
20-30 years	1,436	1,561	76	79
Above 30 years	595	678	5	–

## Equitable Pathways for Career Progression

We take immense pride in our technical prowess within the industry, boasting some of the finest telecom experts in Sri Lanka across SLT, Mobitel, and associated subsidiaries. However, attracting top talent presents challenges due to the differing mindset of younger professionals towards legacy organisations like ours. While we strive to promote from within to leverage our Organisation's expertise, particularly in areas such as the fibre network and nationwide infrastructure which are unique to us, recruiting externally can be challenging. Consequently, internal promotions are often prioritised, although we occasionally seek external candidates, particularly in non-engineering roles. Our selection process is meticulously structured and ingrained within the Organisation for every promotion and recruitment. These standards are periodically enhanced, ensuring transparency throughout the selection and promotion processes. Therefore, necessary revisions have been initiated for a new Staff Recruitment & Promotion Scheme (SRPS) that can meet our above requirement.

Given below are details of the performance management and career progression of staff.

- Made significant changes in the appraisal rating scale
- Implementation of performance calibration process

Objective of performance calibration is to enhance fairness and accuracy of the performance management process.

When the annual performance assessment is carried out, a calibration committee engages with the process at two levels in the organisation.

- a. Chief Officer level for calibration of General Manager and Deputy General Manager level
- b. General Manager level calibration for rest of the organisation below them
- Implementation of Expert Path and People Manager Path

We embarked on clarifying career progression paths for our employees in two distinct directions.

- a. Expert Path: Employees with deep understanding and proficiency in technical aspects of their respective functions can progress their career in this path.
- b. People Manager Path: This is for employees who are willing to take their career on a tract where the responsibility of managing people increases.

## Maintaining Enduring Relations with Staff Members

CEO's Circular No: 50/2023 on "Establishing industrial harmony through Committee for Inclusive Management (CIM)" was published in July 2023 with the view of improving the employee-employer relationship within SLT.

The Committee for Inclusive Management (CIM) proactively address grievances or concerns among our workforce before they escalate. This entails engaging with over 20 trade unions, within Sri Lanka Telecom alone, to discuss their most urgent issues at the CIM, where resolutions are sought.

Trade unions can easily raise their issues/ demands/concerns as well as share their ideas and proposals on Company growth initiatives etc. to a single point of contact so that such matters can be followed up and receive the responses from the correct stakeholder at CIM meetings. Similarly, management also can make their suggestions, explain and update the trade unions properly at the same forum. Also, it allows the Management to share important information, decisions, and organisational updates with employee representatives in a transparent and timely manner.

The intended aims of the Committee for Inclusive Management (CIM) also includes several objectives: improving two-way communication, promoting employee engagement, resolving workplace issues, influencing decision-making, enhancing employee satisfaction, and boosting organisational performance. Additionally, the CIM aims for early identification of issues, fostering collaborative problem-solving, and increasing organisational flexibility. These objectives collectively support the CIM's mission to create a more inclusive and effective management approach within the Organisation.

## Grievance Handling and Whistle Blowing

The Grievance Handling Committee has been established for the expeditious settlement of employee grievances while ensuring the creation and sustenance of a healthy employer-employee relationship. The Committee will have oversight responsibilities, duties, and authority with respect to the grievances received from employees.

The Grievance Handling Committee meets at least once a month and at least three members shall be present in a meeting. The Committee considers only individual grievances of employees raised individually by the concerned aggrieved party. The final settlement of any grievance shall be made within a reasonable period (not exceeding one month) after the recommendations are submitted to the CEO by the Grievance Committee.

Additionally, we introduced a whistle-blowing policy last year, a first for our Organisation, enabling individuals to anonymously report concerns or complaints through designated channels.

Whistleblowing procedure provides safe channels for Whistleblowers to report concerns about, suspected serious misconduct of SLT employees or any breach or suspected breach of law or regulation or conflicts of interest that may adversely affect the company, the company's customers, shareholders, employees, investors or the public at large and to come forward and express such genuine concerns without fear of punishment or unfair treatment.

A Panel comprising four members, who are completely independent of SLT Group has been appointed to the Whistleblowing Unit to conduct preliminary investigations into any reported incidents (complaints). The Unit is required to carry out a preliminary investigation into the reported incident and identify whether there is a *prima-facie* case to proceed further with an internal audit / forensic audit or investigation and submit a report to the Audit Committee, which will direct the Chief Internal Auditor and the CEO to take appropriate action.

The management will put in place a process to ensure that there will be no retaliation or victimisation against whistleblowers. The management expects all whistleblowers to use this mechanism to raise genuine concerns in a responsible manner in order to ensure its effectiveness.

Furthermore, we have enhanced both the grievance procedure and the Code of Conduct. Certain processes are being redesigned and redeployed, considering our status as a unified organisation.

The merger necessitated the establishment of uniform standards and practices. Instituting a common competency framework will facilitate fairer decision-making regarding promotions, assessments, and recruitment processes. This framework will encompass leadership qualities, technical proficiencies, and standard procedures. Additionally, we are in the process of formalising a code of conduct, with process mapping already underway.

Additional measures taken with regard to furthering the interests of staff members include:

- Automation of many paper-based processes
- Implemented SLT-MOBITEL combined organisational structure
- Introduction of SLT Group Whistleblowing procedure
- Introduction of SLT Group Code of Conduct and Disciplinary Procedure
- Re-designing of Regional Telecom Office (RTO) structure
- Flexible duty off time for non-executives and transport assistance

#### Given below are details pertaining to training conducted by Mobitel



Average number of training hours provided per employee

**11.36**

Investment on training and development for 2023



Total local training

**LKR 22.9 Mn.**



Total foreign training

**LKR 81.6 Mn.**



#### Given below are details pertaining to training conducted by SLT

Average number of training hours provided per employee

**22**

Investment on training and development for 2023



Total local training

**LKR 49 Mn.**



Total foreign training

**LKR 79.3 Mn.**

## Continued Focus on Training and Development

During the year, we launched numerous initiatives, resulting in an average of 22 hours of training per employee. Currently, we are actively engaged in rolling out the SMART Technician and SMART Sales Officer programmes. Within 2023, we have been able to develop 539 SMART Technicians and 55 SMART Sales Officers.

### Key Training Programmes Conducted by SLT during the year

Training programme	No of participants	Hours
Grooming and Etiquette Training for Smart Technicians	588	3,528
Supervisory Skills Development Programme for Sales Staff	146	5,028
Manager as a Leader	29	870
Supervisory Skills Development Programme for Executives	40	1,200
Project Management Professional	30	900
Seven Habits by Franklin Covey	68	816
Problem Solving & Design Thinking	18	220
JASTECA Management Development Programme	10	300
Office 365 User Training	2,232	5,681
Red Hat Certified Engineer (RHCE) Training	25	2,800
Docker & Kubernetes	21	756

### Key Training Programmes Conducted by Mobitel during the year

Key training programmes conducted	Number of participants	Involve external personnel or institutions
Executive Development Programme	30	Yes
Sales Training for Contact Centre	46	Yes
Microservice Application Development	30	Yes
Python Training Programme for Engineering employees	75	Yes
Java Training for QA/BA teams	10	Yes
The software development training "Spring Boot Related Technologies"	48	Yes

### Average Hours of Training by Gender

	SLT		Mobitel	
	2023	2022	2023	2022
Male	<b>19.68</b>	19.52	<b>17.75</b>	13.33
Female	<b>25.75</b>	20.78	<b>16.67</b>	11.32

### Average Hours of Training by Employment Category

	SLT		Mobitel	
	2023	2022	2023	2022
Senior Management	<b>22.22</b>	14.8	<b>13.08</b>	11.81
Middle Management	<b>28.43</b>	27.4	<b>19.40</b>	7.62
Executive	<b>20.15</b>	18	<b>18.05</b>	9.82

## Ensuring Health and Safety of Employees

Ensuring the health and safety of employees is paramount for maintaining productivity, morale, and overall well-being. It fosters a positive work environment, reduces absenteeism, minimises accidents, and enhances employee retention. Moreover, it reflects the Company's commitment to ethical and legal responsibilities, ultimately contributing to business success.

The Company continues to ensure the health and safety of employees as follows:

- Relevant procedures were developed for the established Health & Safety Management System
  - Risk Management Process
  - Incident Management Procedure
  - Other procedures such as consultation and participation, management review, performance review
- Steering Committee was established and a steering committee meeting was held to review the progress of health and safety initiatives
- Several health and safety audits were carried out at SLT HQ, Welikada and other regional premises
- Improvement to the established health and safety management system and the application was submitted to SLSI for certification with reference to ISO /IEC 45001:2018
- Employee health screening programme conducted every year to assess employees' health – SLT Suwatha Programme
- Medical benefit scheme which provides financial assistance for medical expenses
- Agrahara Insurance Scheme, financial assistance for medical expenses
- Arranging counselling programmes as and when required for employees
- Programmes arranged for physical fitness
- Expenses on treatments for critical illness

## The Process of Managing Changes within the Organisation

As we implement organisational changes, particularly in people management, we encounter the need to further convince the value of the change. This resistance stems from management advocacy for change and staff acknowledgement of its importance in navigating the evolving technological landscape. Currently, we are addressing operational issues and aligning employees with our chosen direction, which has been a positive process overall, albeit with expected challenges. We have laid the groundwork for impactful people management changes and plan to fully execute these plans in the coming year.

## Maternity Leave

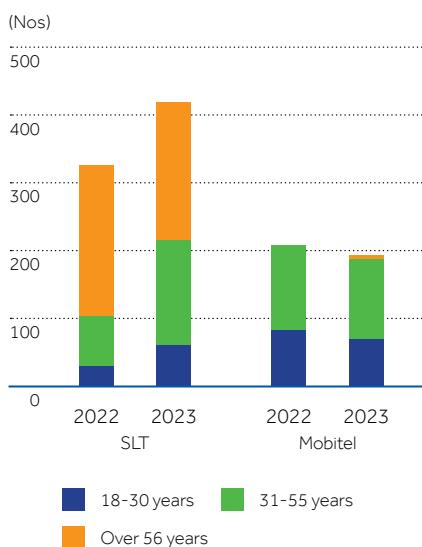
### Employees who took Maternity Leave

	SLT			Mobitel		
	2023	2022	2021	2023	2022	2021
Number of employees	55	60	67	14	31	25

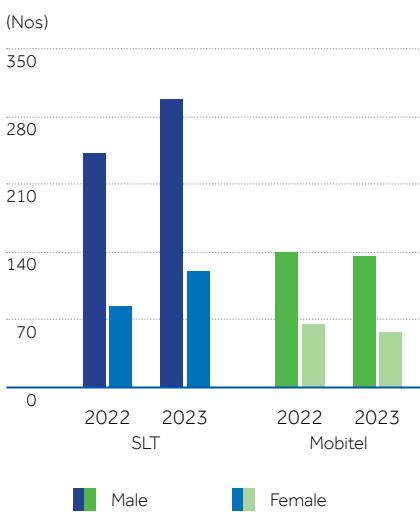
## Employee Turnover

During the year, 420 employees left the Company due to resignations and retirements.

### Turnover by Age



### Turnover by Gender



# Partners and Suppliers

The telecommunications landscape is a complex web of interconnected services. In today's dynamic market, our business success hinges on effective collaboration. As such, prioritising long-term strategic partnerships with key suppliers and business partners is a strategy that continues to hold forth for SLT.

Our partnerships with global and local players contributes to achieving business goals and objectives, including positioning us to deliver cost-effective solutions that cater to the diverse needs of our customer segments. Partnerships also foster innovation, enabling development of groundbreaking solutions that spread benefits to a wider group. By contributing to developing a robust network of partners, we remain committed to strengthening Sri Lanka's digital and telecommunication ecosystem, and ensuring a seamless and efficient flow of services to end-users.

In 2023, SLT became a service provider to join the Oracle PartnerNetwork (OPN). This achievement would enable the Company to offer enhanced enterprise application development, cloud integration, and application management services to clients. Access to Oracle products like Exadata, Database Appliance, Oracle VM, Oracle Enterprise Manager, Oracle SQL Developer, and Oracle Solaris 11 would empower clients with reliable licenced software to run critical workloads on a scalable and secure cloud infrastructure.

## Supplier Relationships

We employ diverse strategies to efficiently manage relationships with suppliers, ensuring a cost-effective and seamless procurement process, along with the timely delivery of contracts and products, adhering to global standards and SLAs. Our achievement of necessary cost-efficiencies and economies of scale in purchases can be primarily attributed to our practice of negotiating as a group, instead of individual entities negotiating independently. Notably,

we have consolidated annual maintenance Contract (AMC), particularly in IT investments. Adoption of a unified licensing model and consolidated AMC negotiations, provides us with strengthened negotiating power, enhanced pricing, and other benefits that we can extend to customers.

Updates to our procurement approval process, has continued to bring positive results through faster tender processes for our suppliers. The Company's global price benchmarking exercise, for frequently procured items, has succeeded in maximising price and term benefits while strengthening our direct relationships with suppliers.

In our commitment to consistently achieve Service Level Agreements (SLAs), we emphasise the importance of effective measurement and monitoring. Whether it is SLAs or Key Performance Indicators (KPIs), we advocate for a robust monitoring mechanism. To facilitate this, we are in the process of developing specific dashboards that allow us to monitor various stages of processes, such as procurement, payment, and inventory management, including the reaching of economic order levels and the timing for triggering the next order. The implementation of these dashboards equips decision-makers with accurate data crucial for business success.

## Strengthening the Supply Chain

SLT's suppliers play a vital role in delivering the technology and resources that keep Sri Lanka connected. From network management to facilities management, our operational divisions, Procurement Department, and Group companies all collaborate extensively with a wide range of partners. Throughout our engagements, we prioritise building strong, collaborative relationships that would bolster the telecommunications supply chain.

SLT has implemented a comprehensive supplier management programme for the Group that includes a rigorous selection process, continuous investment in the capabilities of suppliers, and transparent communications and engagement.

- Suppliers are evaluated and ranked based on a well-defined set of criteria encompassing quality, reliability, innovation, sustainability practices, and competitive pricing. This ensures we partner with reliable and forward-thinking companies – in Sri Lanka and overseas.
- Supplier development entails training programmes, awareness forums, and other knowledge-sharing and collaborative problem-solving opportunities.
- Open tenders and proactive communication, keeps suppliers informed of future needs; allowing for better planning, reduced risks, greater efficiency, and mutual benefits for parties involved.

## Partnerships, Alliances, and External Associations

SLT has built a network of partnerships with local and international business entities and other service providers. The relationships built with the Government, enterprise customers and domestic operators are considered mutually beneficial and continue to contribute towards SLT's mission of innovating for the future.

Partnerships include those with national institutes to facilitate the growth of Micro and SME business segments and undertake initiatives relating to stakeholder engagement, professional and industry networks, market traction, solution modelling, and joint offers. These include:

- The National Enterprise Development Authority
- The National Chamber of Exporters
- The Small Enterprise Development Authority
- CA SME Task Force
- ICT Agency of Sri Lanka

## Partner-of-choice for projects and development

SLT continued to lead the field in providing data, communications, and digital services to leading development projects across the Country. Our sought-

after products, reliable services, and strong partner-relationships make us a valuable collaborator for large-scale residential, mixed-use, and commercial projects.

Company/Developer	Project Name
► Global Leasing Limited	► Ocean Breeze Apartment
► JPKL Constructions (Pvt) Ltd	► Adria Condo Aston Residencies
► Capitol Towers LTD	► Capitol Twinpeaks
► Messenger Property Developers (Pvt) Ltd	► Messenger Crown
► Monarch Regency (Pvt) Ltd	► Monarch Regency
► Monolith Life (Pvt) Ltd	► Monolith Classic 1
► Mulberry Holdings (Pvt) Ltd	► Mulberry Residencies
► Bricks Developers (Pvt) Ltd	► Thurstan 42
► Ceylex Enclave (Pvt) Ltd	► Proposed Mix Development for Ceylex Enclave (Pvt) Ltd
► Royal Property Holdings (Pvt) Ltd	► Royal Tower
► Summerland Sixty Four (Pvt)Ltd	► Summer Sixty Four
► Urban Development Authority	► For Affordable Housing Projects
► The Pearl Residencies Lanka Company (PVT) Ltd	► The Pearl Residencies
► Bliss Property Developers (Pvt) Ltd	► Wimbledon Garden



# Community and Country

As the National Information and Communication Technology (ICT) solutions provider our business is intrinsically linked to the digital and communication needs of the nation. We capitalise on our position to create value for millions of Sri Lankans by ensuring our products, services, and initiatives actively contribute to the development of the country and its communities.

Our ESG initiatives are founded on the theme of "Sabandiyawe Sathkaraya" (Respecting the Nation), and align with the United Nations Sustainable Development Goals (UN SDGs). They represent the Company's strong commitment to Environmental, Social, and Governance (ESG) principles. These activities focus on three key pillars: Nature, Education, and Healthcare. We also embrace our responsibility towards connecting, enabling, and uplifting community activities in the realms of sports, culture, and entertainment; through a fourth pillar providing sponsorships to community institutions, events, and activities.

As part of our community development initiatives, and supporting Sri Lanka's national vision of bridging the digital divide, Mobitel brought connectivity to over 150 families in Meeyagala, a remote village in the Monaragala District. As the sole connectivity provider in the area, our efforts created essential access to cutting-edge voice and broadband solutions, transforming daily life for residents. In line with the Group's focus on education, the initiative also empowered the village with a donated library and computer lab; equipping hundreds of students with necessary tools to connect to the digital world.

Nature	Education	Health	Sponsorships
 <b>13 CLIMATE ACTION</b>  <b>15 LIFE ON LAND</b>	 <b>4 QUALITY EDUCATION</b>	 <b>3 GOOD HEALTH AND WELL-BEING</b>	
SLT Green Initiatives Tree planting Online awareness Emissions assessment Waste management	Empowering Smart Education Hackathon Book donations Smart classrooms Infrastructure investment Skill development programmes	Health and Wealth for Society Equipment donations Digital inclusion	Community Engagement Entertainment Cultural and religious events Exhibitions and other social gatherings

**Empowering National Endeavours**  
Alongside targeted ESG initiatives, and product offers and promotions, our engaged presence at key events has the potential to extend SLT's positive impact to thousands more Sri Lankans. During the course of the year 2023, we were proud to sponsor, participate in, and attend a number of events including the National IT Conference - NITC 2023, INFOTEL 2023 ICT Exhibition, the Techno 2023 Engineering and Technology Exhibition; South Asia Network Operators Group (SANOG) Conference, DevFest Sri Lanka 2023, IESL Robo Games 2023, International Book Fair 2023, and the #ConnectSL interactive forum.

Our support for key professions and sectors of the economy included sponsorship of the National Project Conference & Excellence Awards (NPME) 2023, the Global CEO Forum (Sri Lanka), CIPM National HR Conference 2023, CMA National

Management Accounting Conference 2023 and the "Prathiba Abhisheka" Women Entrepreneur Awards 2023 organised by the Women's Chamber of Industry & Commerce (WCIC) Sri Lanka.

Long-term partnerships with Gamerlk continued to support the hosting of inter-university and mercantile e-sports Championships, giving youth a dynamic platform to demonstrate skills, determination, sportsmanship, and professionalism in e-sports.

In addition, our connectivity and digital solutions for the Asia Pacific Advanced Network (APAN56) Conference, supported knowledge-sharing and collaboration on cloud technologies, IoT, IPv, security, AI, driven networks and routing.

SLT also rolled-out industry-leading 5G trial technology to power the 86th Nuwara Eliya Golf Club (NEGC) Championship; introducing immersive real-time sports broadcasting.

### SLIoT Challenge: Industry 4.0

The annual IoT competition organised by the Department of Computer Science & Engineering, University of Moratuwa in collaboration with The Institution of Engineers Sri Lanka (IESL), is powered by SLT. The event's 2023 iteration was themed Industry 4.0, representing the transformative potential of the "fourth industrial revolution" fuelled by advancements in digital technologies, automation, and data exchange. The SLIoT Challenge provided an engaging and rewarding platform for students and undergraduates to showcase innovative ideas and troubleshoot smart solutions incorporating IoT technology.

### Day of Code 2023

SLT and STEMUP Educational Foundation partnered to host the "Day of Code 2023", with the aim of encouraging interest in and advancement of computer science education among Sri Lankan students and educators. This is the second consecutive year the event was organised, in line with the Computer Science Education Week (CSEdWeek) held in December 2023.

## Environment and Education

Alongside efforts to reduce the environmental footprint of our operations, the Company is involved in raising awareness and promoting better environmental practices through our ESG initiatives. As part of the "*Rata Pura Husmai Pohorai Waga Karamu*" initiative, which aims to improve air quality, reduce emissions, and promote healthier soil, we carried out tree planting and book donation programmes at several schools across the island. The projects initiated renovations of school libraries, donated a variety of books, and enabled planting of tree saplings. The project is expected to benefit over 2,000 students by enriching their knowledge and inculcating the habit of reading.

Our efforts to support STEM education and foster innovation are strengthened by collaborations with leading institutions and secondary and tertiary education providers. With the long-term goal of equipping and future-proofing an empowered Sri Lankan workforce, we are also contributing to creating a pipeline of talent for the Country's technology sector.

In 2023, we partnered with the STEMUP Educational Foundation to empower student entrepreneurship through STEM education. The initiative conducted an enlightening "Hour of Code" workshop, made contributions via the "*Sithak Athnam Pothak Denna*" book donation programme, repaired and re-equipped school computer labs, and promoted environmental awareness through tree-planting projects.

### CoderDojo

Focused on younger students, aged eight to sixteen, SLT and STEMUP Educational Foundation founded the CoderDojo skill development programme to drive STEM learning opportunities and coding, while promoting critical thinking, creativity, and analytical skills. Now in its second year, the programme is conducted at three Nebula Institute of Technology centres and fifteen public libraries across the Island; continuing to spark the interest of hundreds of youth. In the long-term, efforts like these are contributing to close the Nation's ICT skill-gap and usher in a technologically advanced, digital economy.

### Empowering Technopreneurs – mSpace Code Blast

Hackathons are key events organised around the globe to ignite the developer community, foster innovation, and develop solutions to real-world problems. In 2023, Mobitel organised the National Hackathon - mSpace Code Blast, which was held on the mSpace platform. The event provided a unique opportunity for coders and non-coders alike to collaborate, promoted entrepreneurial spirit, and empowered youth with support to transform their ideas into viable business solutions.

## Health

SLT stepped up to address the critical shortage of essential drugs in state-run hospitals. A contribution of LKR 8 Mn. worth of medications across eight provinces was aimed at ensuring patients have access to necessary treatments, including anaesthetics, medications for hypertension, antibiotics, and other life-saving drugs.

As part of our commitment to support the healthcare sector and better health for Sri Lankans, SLT Group donated vital medicines and essentials goods to the Apeksha Hospital in Maharagama, to commemorate International Women's Day. In another milestone, the Group's eChannelling platform launched an innovative Eco Channelling service. This service personalises medicine delivery by offering doorstep distribution, powered by the Group's newly launched mAgent network.

### Promoting a Digital Sri Lanka

- Communications Infrastructure (National Backbone Network), Smart government
- eSports, eChannelling, FinTech (mCash), online ticketing,
- Educational services, learning platforms
- School digitalisation services
- Directory services
- National Backbone Offerings
- Government Service Digitalisation Solutions

Our core business extends beyond the products and services SLT offers. Promoting digitalisation and improving the way Sri Lankans live, work, and experience life isn't just a business strategy; it is an ethical imperative. Many of our efforts serve as catalysts for the Country's digital transformation, transforming or revolutionising entire sectors.

On the ground-level, we are involved in maintaining, upgrading, and extending the communications infrastructure that undergirds most all of our digital communications. Our advanced fibre-optic National Backbone Network (NBN) serves as the primary backbone behind Sri Lanka's ICT infrastructure.

Beyond this, we are involved in pursuing the goal of Smart, digitally-enabled government services – through the Lanka Government Network (LGN) and other initiatives that are making civil services more efficient while improving access, usability, and convenience for millions of Sri Lankans.

Whether it is increasing convenience through digitalisation for the health sector, through eChannelling; advancing mobile-money and digital financial transactions, through mCash; or changing the way Sri Lankans book tickets, find and access services, or monetise their skills; SLT is re-engineering essential services that are quickly becoming part and parcel of our daily lives.

#### Duthaya

Recognising the growing demand for affordable, customised assistance in a fast-paced world, SLT launched the "Duthaya" app. The application provides an online and mobile marketplace that seeks to bridge the gap between people and services, by connecting users to freelancers who can support them with a variety of everyday tasks. The app already supports over 100 applications ranging from paperwork, deliveries, banking, government or business services. It would be of particular use to busy professionals and expatriates looking for efficient completion of services on their behalf.

#### Fazenda Smart-Agro Solution

SLT is pioneering a digital solution that integrates IoT and AI technology to support Sri Lanka's agriculture sector. The solution empowers farmers with real-time data on their crops, allowing them to make informed choices for plantation management and fertiliser application. Developed by The Embryo, SLT Group's pioneering Research and Development initiative, Fazenda Smart Agriculture solution is now being piloted at multiple locations including a pilot project at the University of Peradeniya and commercial pilots in a few locations. As a next step, SLT is partnering with agronomists and technical experts to scale and develop the smart-farming solution for large-scale farms.

Recognised for its contribution to agriculture innovation, the solution received a merit award, in the Agriculture category – Industrial Sector, at the National ICT Awards NBQSA 2023. It also received a silver award for Best Managed Project in the Agriculture and Livestock Development Sector, at the National Project Management Excellence (NPME) Awards 2023. Fazenda's AI and ML solution – Racoon-AI, received Gold for Best Managed project in the Robotics and Artificial Intelligence sector.

Entertainment is another major area in which we are creating change. Our eSports platform and related initiatives and partnerships for the eSports sector continue to provide thousands of hours of entertainment, while creating opportunities for Sri Lankans to engage in eSports at a professional level. Meanwhile, we are going beyond our own entertainment offering to create and promote new channels that will reach an even wider audience.

#### HitFlix

In 2023, we launched HitFlix – a premier channel streaming curated Sri Lankan content, available on AppleTV, ROKUTV, FireTV, IOS and Android. HitFlix hosts a vast library of Sri Lankan movies, TV shows, anime, and documentaries; developed in partnership with leading content providers and channel owners. This ground-breaking initiative aims to bring the richness of Sri Lankan culture, content, and entertainment to expatriates worldwide and captivate the interest of international audiences seeking authentic Sri Lankan experiences.

In the field of education, we are at the forefront of developing and rolling out school digitalisation services through our Digital Service Business; continuing a foray into e-learning on digital platforms, such as eSiphal; and delivering other educational services to enterprise partners.

#### Sri Lanka's First 3D Music Video

Mobitel, in collaboration with music legends, Marians, redefined the horizons of Sri Lanka's music industry with the launch of the country's first-ever 3D music video - "Tharunai Thaama." Launched to mark the Marians' 35th anniversary, the video leverages state-of-the-art VFX and rendering techniques, bringing the song to life through a captivating 3D experience..



# Governance

# Board of Directors



## Mr A K D D D Arandara

Chairman/Non-Independent Director

### Date of Appointment

01 February 2024

### Directorships in subsidiaries/associate Companies

Chairman/Director of eChannelling PLC, Mobitel (Pvt) Ltd., Sri Lanka Telecom (Services) Ltd., SLT Human Capital Solutions (Pvt) Ltd. SLT Property Management (Pvt) Ltd. and Director Galle Submarine Cable Depot (Pvt) Ltd. and Mobit Technologies (Pvt) Ltd.

### Board Subcommittee memberships

Member of the Nominations and Governance Committee and Remuneration Committee

### Skills and Experience

Mr Arandara, currently serves as the Additional Director General of the Department of Legal Affairs. He has joined the public service in 2000 and has served as the Senior Assistant Secretary of the Ministry of Justice and Director General of the Consumer Affairs Authority.

He has held the position of Board member of the Postgraduate Institute of Medicine, Sri Lanka Independent Television Network, Prima Ceylon and Sri Lanka Ayurvedic Corporation.

Mr Arandara is a lawyer with 25 years' experience in the legal profession.

### Other Appointments

Director of Sri Lankan Airlines, Sri Lankan Catering, Sino Lanka and Sahasya Co. Ltd



## Mr Chan Chee Beng

Non-Independent Director

### Date of Appointment

05 June 2008

### Directorships in subsidiaries

Director of Mobitel (Pvt) Ltd. and SLT Property Management (Pvt) Ltd.

### Board Subcommittee memberships

Chairman of the Remuneration Committee and Member of the Nominations and Governance Committee

### Skills & Experience

Mr Chan counts over 40 years of experience in investment banking, general and financial management and accounting. He has worked at Ernst & Young and Morgan Grenfell & Co. Ltd., prior to joining the Usaha Tegas Sdn Bhd (UTSB) Group in 1992 as Head of Corporate Finance.

He holds an Honours Degree in Economics and Accounting from the University of Newcastle-upon-Tyne, United Kingdom and is a Fellow of the Institute of Chartered Accountants of England and Wales.

### Other Appointments

Director of Global Communication Services Holdings Ltd. Maxis Communications Berhad, Binariang GSM Sdn Bhd, UTB Management Sdn Bhd, Pan Malaysian Sweeps Sdn Bhd, BGSM Management Sdn Bhd, BGSM Equity Holdings Sdn Bhd, True Happiness Capital Sdn Bhd, Ace Pursuit Sdn Bhd, and Yu Cai Foundation



## Mr Lawrence Paratz

Independent Director

### Date of Appointment

26 May 2010

### Directorships in subsidiaries/associate Companies

Director of eChannelling PLC, Mobitel (Pvt) Ltd., SLT Property Management (Pvt) Ltd., Sri Lanka Telecom (Services) Ltd., Galle Submarine Cable Depot (Pvt) Ltd. and Mobit Technologies (Pvt) Ltd.

### Board Subcommittee memberships

Member of the Remuneration Committee and Senior Tender Board.

### Skills & Experience

Mr Lawrence Paratz holds an MSc (Telecommunication Systems) with Distinction, and was awarded the Philips prize from Essex University, and an M Eng Sc from the University of Queensland.

He is a Fellow of Engineers Australia (FIEAust) and an alumnus of the Stanford University Executive Development Programme. He also holds Bachelor's degrees in science and engineering (Honours). In 2011, he was elected as a Fellow of the Australian Academy of Technological Sciences and Engineering (ATSE).

Mr Paratz has more than 40 years of experience in all facets of the telecommunication including mobile, fixed, broadband, satellite and international networks both domestic, and international. This includes capital and infrastructure development, operations, sales, customer service and regulatory issues. As a Director and Chief Executive of Acacia Australia Pty Ltd., he was responsible for development of an integrated proposal for delivery of national broadband communication for Australia.



### **Mr V U Kumar**

Independent Director

#### **Date of Appointment**

02 July 2021

#### **Directorships in subsidiaries**

Director of Mobitel (Pvt) Ltd.

#### **Board Subcommittee memberships**

Chairman of the Audit Committee and Nominations & Governance Committee Member of the Senior Tender Board and Related Party Transactions Review Committee

#### **Skills & Experience**

Mr Kumar has been with PricewaterhouseCoopers for nearly 36 years. He has led and worked on some of the most challenging and complex assignments, both in Malaysia and globally, working with multinational and blue-chip national clients in audit, business advisory, mergers and acquisitions, valuations, privatisations, Initial Public Offerings (IPOs) and cross-border transactions.

#### **Other Appointments**

Director of Bumi Armada Berhad (Malaysia), Senandung Semalam Sdn Bhd (Malaysia), Venus Edition Sdn Bhd (Malaysia), VU Advisory Services Sdn Bhd (Malaysia), Maxis Berhad (Malaysia), Aphrodite Island Sdn Bhd (Malaysia), South Asia Communications Private Ltd. (India), Sukuk Investments (Pvt) Ltd. (Sri Lanka) Deep Blue Investments (Pvt) Ltd. (Sri Lanka) Pulau Mutiara (Pvt) Ltd. (Sri Lanka)

He has served as a Director of Maxis Communication Berhad, Chairman of the Technology Committee of the Board, as a Director of Vernet Pty Ltd., a Company providing ultra-high-speed Broadband to Universities and Research Establishments in Australia, and a former Senior Executive of Telstra Corporation. He is also an Advisor to major companies in the Australian Telecommunication market.

Mr Paratz has had executive responsibility for multi-billion-dollar programmes and integrations including network transformations and deployments across multiple technologies, with extensive experience in international, metropolitan and regional and rural communications. He previously served as a member of the Board of the Australian Government's Internet Assistance Programme.

He has been an invited speaker at the Australian Health Informatics Conference, and the Australian Academy of Technological Sciences and Engineering.

He was formerly Chairman of the On-Trac@ Peter Mac Adolescent and Young Adult Cancer Programme and has been involved in a number of initiatives in e-health.

#### **Other Appointments**

Director of Razorback Pty Ltd., Ultima Development Pty Ltd., Paratz Group of Companies and Real Thing Entertainment Pty Ltd., and associated subsidiaries.

**Mr Suren Amarasekera**

Independent Director

**Date of Appointment**

8 December 2022.

**Directorships in subsidiaries**

Director, Mobitel (Pvt) Ltd.

**Board Subcommittee memberships**

Chairman of the Related Party Transactions Review Committee and Technology Subcommittee. Member of the Audit Committee.

**Skills & Experience**

Mr Amarasekera has expertise in the telecom industry spanning 29 years. He has been associated with globally renowned telcos: Singapore Telecommunications Ltd. [SingTel] in Singapore and Sri Lanka; Sri Lanka Telecom's Mobitel; Maxis Berhad in Malaysia; Aircel Limited in India, and Ncell Axiata in Nepal. Suren's strong cultural adaptation skills have been greatly honed with in-depth multi-market work exposure gained during multi-year stints in Singapore, Sri Lanka, Malaysia, India and Nepal.

He has provided advisory services in ICT and digital transformation (Tactile Internet, 5G/6G and SuperApps) since 2020. During 2017-2019, he was the Strategic Projects Director, South Asia Region with the Axiata Group Berhad. Mr Amarasekera was appointed MD/CEO of Ncell Axiata in July 2017. He widened Ncell's market leadership and led the digital transformation that further elevated the Company's position with USD 575 Mn. annual turnover and an EBITDA margin of 60%.

From 2014 -2017, Mr Amarasekera served as the Chief Enterprise Officer of Aircel Limited with responsibility for 4G LTE Services, Enterprise, Wholesale and Carrier Businesses and notably facilitated the sale of 20 MHz of Aircel's 4G spectrum in eight circles for approx. USD 600 Mn. as a debt-reduction mechanism.

Mr Amarasekera served as EVP and Joint COO of Maxis Berhad, Malaysia from 2011-2013

**Dr K A S Keeragala**

Independent Director

**Date of Appointment**

01 February 2024

**Directorships in subsidiaries**

Director of Sri Lanka Telecom (Services) Ltd.

**Board Subcommittee memberships**

Member of the Senior Tender Board, and Remuneration Committee

**Skills & Experience**

Dr Keeragala is a distinguished Special Grade Officer of the Sri Lanka Administrative Service with over 34 years of experience in the public service. His career, extending from Divisional administration to Provincial and Central Government levels, showcases his expertise in administration, education, health, and project management. Notably, he has served as Secretary in the State Ministry of National Policies and Economics Affairs and the State Ministry of Finance, significantly influencing National Policies, Economic Affairs and Fiscal and Financial management.

Among his versatile roles, he has served as Executive Chairman of the Sri Lanka Insurance Corporation Ltd. and Chairman of the National Youth Corps, demonstrating strategic leadership and a commitment to organisational excellence. His career also includes responsible positions within the Ministry of Health, Ministry of Finance, Ministry of National Policies & Economic Affairs, Ministry of Youth Affairs, Project Management, and Southern Development, and he has been a pivotal figure in steering initiatives for youth development and SME business development, vocational training, and human resource development across a variety of sectors.



### **Professor Kithsiri Liyanage**

Independent Director

#### **Date of Appointment**

01 February 2024

#### **Directorships in subsidiaries**

Director of Mobitel (Pvt) Ltd.

#### **Board Committee memberships**

Member of the Technology Subcommittee

#### **Skills & Experience**

Prof Kithsiri Liyanage currently serves as a senior professor in the Department of Electrical and Electronic Engineering at the University of Peradeniya, where he has been a faculty member for over 25 years. Prior to this, he has held academic positions at the University of Tokyo, University of Washington and University of Peradeniya.

During his time as a faculty member in the Faculty of Engineering at the University of Peradeniya, he has been involved in several national-level roles, including serving as the Secretary to the Ministry of National Policies, Economic Affairs Child Youth and Cultural Affairs, as well as holding positions such as Chairman of PUCSL, Chairman of Engineering Service Board, and Member of the NSCC. He has also participated in numerous national committees and policy forums. Moreover, he has held visiting positions at the University of Tokyo, Japan, Oulu University, Finland, and Meijo University, Japan. Additionally, he has served as the Dean of the Faculty of Engineering at the University of Ruhuna and the Dean of the Faculty of Graduate Studies at SLUT. He has also held several other positions, including Director of the Information Technology Center and Director of the Computing Centre of the Faculty of Engineering, as well as Head of the Electrical and Electronic Engineering Department at the University of Peradeniya. Furthermore, he has served as a member of the Board of Directors of the MILODA Academy of Financial Studies.

He obtained his BScEng (Hons) in Electrical and Electronic Engineering from the University of Peradeniya, Sri Lanka in 1983, and his MEng. and Dr Eng. degrees in Electrical Engineering from the University of Tokyo, Japan in 1988 and 1991, respectively. He is a fellow of Institute of Engineers Sri Lanka, Senior Member of IEEE, USA, and a Chartered Engineer.

#### **Other Appointments**

Director, Lanka Industrial Estates Limited

### **Dr Isuru Dasanayake**

Independent Director

#### **Date of Appointment**

01 February 2024

#### **Directorships in subsidiaries**

Director of e-Channeling PLC and Mobitel (Pvt) Ltd.

#### **Board Committee memberships**

Member of the Technology Subcommittee

#### **Skills & Experience**

Dr Dasanayake possess a PhD in Electrical Engineering from the Washington University in St Louis with research experience in control systems and optimisation. He also holds an MSc degree from the same university and a BScEng Electrical and Electronic Engineering degree from the University of Peradeniya.

He is a senior lecturer attached to the Department of Electrical and Electronic Engineering of the University of Peradeniya and has over 12 years of experience in both foreign and local industries.

He has penned numerous journal and conference publications pertaining to engineering.

#### **Other Appointments**

Director, Information and Communication Technology Agency of Sri Lanka.

**Mr Chatura Mohottigedara**

Non-Independent Director

**Date of Appointment**

01 February 2024

**Directorships in subsidiaries**

Director of Mobitel (Pvt) Ltd.

**Board Subcommittee memberships**

Chairman of the Senior Tender Board and a member of the Audit Committee and Related Party Transactions Review Committee

**Skills & Experience**

Mr Mohottigedara is a member of the Sri Lanka Administrative Services with over 20 years of working experience in the General Treasury in the fields of Revenue Administration, Management Services, Public Enterprises, Cabinet Affairs and HRM. Presently he is a Senior Assistant Secretary of the Cabinet and Parliament Affairs of the General Treasury.

Mr Mohottigedara holds a BSc in Science from the University of Peradeniya, an MSc in Geography (Development and Planning) from the Faculty of Social Science of the University of Kelaniya, Postgraduate Diploma on Human Resource Management from the PGDHRM of the University of Kelaniya, Master of Human Resource Management from the Faculty of Commerce and Management, University of Kelaniya and with the professional qualifications of AMCIPM from the Chartered Institute of Personnel Management and FCPM from the Institute of Chartered Professional Managers.

Prior to this appointment, he held several senior positions in the Department of Management Services, Department of Customs, and the Ministry of Finance.

**Other Appointments**

Director, Westcoast Power (Private) Ltd.

**Mr Dinesh Vidanapathirana**

Independent Director

**Date of Appointment**

01 February 2024

**Directorships in subsidiaries**

Director of eChannelling Plc, Mobitel (Pvt) Ltd., and SLT Human Capital Solution (Pvt) Ltd.

**Board Subcommittee memberships**

Member of the Audit Committee Related Party Transactions Review Committee, and Nominations &amp; Governance Committees.

**Skills & Experience**

Mr Vidanapathirana is an Attorney-At-Law of the Supreme Court of Sri Lanka and counts 15 years of practice at the Bar as a counsel and instructing attorney. He currently serves as the head of Vidanapathirana Associates. He commands an extensive practice in the Supreme Court, other Appellate Courts, the Commercial High Court and District Court mainly in the areas of Commercial Law, Construction Law, Civil Law, Administrative Law, and Human Rights. He is an expert on Sri Lankan as well as International Laws. He acts in International Jurisdictions at the highest level as well as in Sri Lanka. He also possesses Commercial Arbitration expertise.

**Other Appointments**

Director, National Lotteries Board.

**Mr Mahesh Athukorale**

Group Company Secretary

**Date of Appointment**

01 November 2014

**Skills & Experience**

Appointed in November 2014 as the Company Secretary. His career spanning over 28 years, he has more than 20 years of experience in the SLT Group and over eight years in the mercantile and financial sectors. Mr Mahesh Athukorale is an Attorney-at-Law. He holds an MBA from the University of Colombo and a bachelor's degree in Law from the Open University of Sri Lanka. He is an Associate Member of the Chartered Governance Institute of the United Kingdom. He also functions as Company Secretary for Board Subcommittees and subsidiaries of SLT Group.

# Executive Management



**Mr Janaka R Abeysinghe**

Chief Executive Officer

Driven by an interest in advancing technologies and accommodating the growing needs of consumers and enterprises Mr Janaka Abeysinghe, is the Chief Executive Officer of the SLT Group, oversees the strategic direction, operations, and overall performance of the organisation, ensuring its continued growth and success in the telecommunications industry.

Mr Abeysinghe began his career at SLT in 1991 having graduated from the University of Moratuwa, where he received First Class Honors degree in Electronic and Telecommunications Engineering. A keen tech enthusiast, He believes that to be successful in the race for digital innovation; strengthening digital skills, rolling out digital tools, and accelerating new product development in a collaborative environment is essential. He realises the importance of new opportunities for bundled service offerings, Innovative solutions and enhanced flexibility in purchasing and consuming services to enable business agility; and brings extensive insight and a keen eagerness towards his vision in his role as Chief Executive Officer.

Prior to taking up the mantle of CEO, Mr Abeysinghe, served as the Chief Enterprise and Wholesales Officer, leading the Enterprise and Wholesale business of SLT that provides integrated voice and data solutions to Enterprises, and Government Institutions. He previously held the position of General Manager Enterprise & International Sales and has extensive experience in the areas of Enterprise Digital Services, Enterprise Communications Solutions, Data Communications, Business Development, Domestic & International Switching Operations and Global Wholesale Voice & Data Business.

A Fulbright Scholar, he earned a Masters' Degree in Electrical & Computer Engineering from the University of Kansas, USA and is a Chartered Engineer, a member of the Institution of Engineers Sri Lanka, and a member of the Computer Society of Sri Lanka. Mr Abeysinghe has also served on the Board of the Sri Lanka Institute of Nanotechnology (SLINTEC) as a Non-Executive Director.



**Mr Prabhath Ambegoda**

Chief Operating Officer – SLT

Mr Prabhath Ambegoda currently holds the position of Chief Operating Officer of the Sri Lanka Telecom PLC. Current portfolio spans Corporate Strategy, Networks, Projects, Regional Operations, Telecommunications Regulations, Tariff, Program Management, Risk Management, Quality Assurance, Information Security, Supply Chain Management, Legal, Revenue Assurance, Fraud Management and Business Continuity Management of the Group.

He joined Sri Lanka Telecom in 1991 as an Engineer, after graduation counts over 33 years of multi-disciplinary experience in the telecommunication industry, in the field of Engineering, Human Resource while been instrumental in new Business Development, Innovation and Transformation programmes at various stages. He has held multiple leadership roles in his career with more than 22 years of experience in Corporate Management of telecommunication.

During his career, he has gained extensive industry related knowledge and trainings from National & International Academia in number of countries. Further, he has undergone several certificate courses in other disciplines in Corporate Financial, Accounting, Marketing, Secretariat services and General Management. He was a trainer of Commonwealth Telecommunication Organisation (CTO) programmes.

Mr Ambegoda is a Chartered engineer by his profession, holds BSc(Eng.) Honours degree from University of Peradeniya specialising in the field of Electrical and Electronics Engineering. He is a Fellow member of Institution of Engineers in Sri Lanka (IESL) and holds Master of Business Administration degree from Anglia Ruskin University of UK.



**Mr Sudharshana Geeganage**

Chief Operating Officer – Mobitel

Mr Sudharshana Geeganage is the Chief Operating Officer of Mobitel (Pvt) Ltd since May 2023. He serves as a policy group Member for GSMA APAC. He also served as a director and audit committee member of eChannelling PLC from September 2016 to March 2024, the first and the largest e-Health Service Provider in the country.

Mr Geeganage counts over 28 years of corporate experience and possesses a unique blend of expertise spanning across Management Consultancy, Investment and Development Banking, Finance, Economics, and Strategy. He commenced his career in telecommunications at Mobitel in 2003 and held multiple senior management positions in the Company.

Prior to assuming the role of COO – Mobitel, he performed duties as Chief Financial Officer of Mobitel holding key responsibilities in Finance and Corporate Strategy functions. He played a pivotal role in the development of Mobitel's growth strategy that paved the way for Mobitel to become one of the most formidable telecommunications companies in Sri Lanka. He was involved in driving pioneering initiatives that made communication available and affordable to all of Sri Lanka. Before joining Mobitel, Mr Sudharshana enjoyed an initial career stint in management consultancy and in investment and development banking.

Mr Geeganage is a Stanford LEAD Distinguished Scholar and holds a Bachelor of Engineering degree from the University of Moratuwa and a Master of Economics from the University of Colombo. He is a Fellow of Chartered Institute of Management Accountants' UK and is a Chartered Financial Analyst.


**Mr Prabhath Dahanayake**

Chief Marketing Officer

With a career spanning over 30 years at Sri Lanka Telecom, Mr Prabhath Dahanayake's multidisciplinary exposure in the fields of engineering, project management, business, and marketing position him as an invaluable resource in this dynamic time in the Organisation's journey.

During his tenure at SLT, he has held an illustrious variety of Senior Management positions at the telecom giant, including but not limited to over a decade's worth of marketing experience, as well as Head of Province and General Manager – Product Development and Management.

He has been instrumental in driving the Company's broadband-led new services development, as well as the crucial repositioning of SLT's flagship products and services. His role as Group's Chief Marketing Officer stations him on an ideal platform to revolutionise Sri Lanka Telecom's strategy and marketing vision. Mr Dahanayake pioneered the establishment of a special innovation laboratory dedicated to the research and development of the Internet of Things (IoT) at the University of Moratuwa. He has also made a remarkable contribution to the development of the country's eSports sector by providing the necessary technical solutions needed to engage in eSports at a professional level.

Currently he leads the entire spectrum of mobile and fixed wireless sales, overseeing strategic direction and operational execution, as well as driving the retail, SME, Enterprise and international fixed and mobile product development and management.

A Chartered Engineer with a BSc degree in Engineering in Electronics and Telecommunications from the University of Moratuwa, he completed a Master's degree in Business Administration with core studies at the University of Ruhuna.


**Mr Sanjeeva Samaranayake**

Chief Financial Officer

Mr Sanjeeva Samaranayake is the Chief Financial Officer of Sri Lanka Telecom PLC and counts over 25 years of management experience, holding senior positions in reputed manufacturing, trading, and service organisations in Sri Lanka and overseas. He is a Fellow Member of the Chartered Institute of Management Accountants (UK) and of the Institute of Certified Management Accountants of Sri Lanka. He holds an MBA from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura and a Bachelor of Commerce degree from the University of Colombo. He followed an Advanced Management Programme (AMP) conducted by the Kellogg Business School in USA and a Mergers and Acquisitions Course conducted by the Chicago Booth, University of Chicago, USA.

He joined Sri Lanka Telecom PLC as the Group Chief Financial Officer in September 2018. Prior to joining SLT, he served as the Group Chief Financial Officer of a blue-chip company in Sri Lanka.

He held many senior positions of the Ceylon Chamber of Commerce, Import Section for several years. He was awarded the prestigious "Platinum Honours Award" by the Postgraduate Institute of Management Alumni in 2010 and the "Diamond Service Award" for the "Most Outstanding Business Leader of the Year" jointly by the Ceylon Chamber of Commerce and the Postgraduate Institute of Management Alumni in 2016.


**Mr R M P S Samarajeewa**

Chief Innovation Officer

Mr Mangala Samarajeewa joined SLT in 1997 and holds a BSc (Eng.) in Electronics and Telecommunications from the University of Moratuwa, Sri Lanka and holds Master of Business Administration (MBA). He is a Chartered Engineer and corporate member of The Institution of Engineers Sri Lanka. With 27 years of work experience in various capacities, he has strong managerial and technical skills to provide leadership to SLT's Network Group.

As a professional in the telecommunication industry, he has participated in many overseas trainings, seminars, and various forums organised by international training institutions, top ranking telecommunication service providers, and reputed telecommunication equipment vendors. As Chief Network Officer he has overseen the entire network operation and planning of SLT including transport and access, Global transmission network operations and projects, network services, data centre and cloud services, Power and AC, Service Operations.

Presently he holds the position of Chief Innovation Officer, he has proven excellence in management of technology and programme management as a senior manager. His major achievements are leading the implementation of National Broadband Network (i-Sri Lanka Programme), Lanka Government Network (LGN) and the SEA-ME-WE-5,6 Submarine Cable System. He has overseen the operations of the Field Services Projects Unit in SLT for fast deployment of the network in the Northern and Eastern Provinces of Sri Lanka and also held a range of positions in operations and maintenance of the SLT network at regional level. He has also sponsored the National fiberisation Programme and initiated the accelerated fiber network development programme.



**Mr Tilak Gamalath**  
Chief Technology Officer

Mr Tilak Gamalath joined SLT in 1992. He holds a BSc (Eng.) Honors degree in Electronics and Electrical Engineering from University of Peradeniya, Sri Lanka. He is a Chartered Engineer of The Institution of Engineers of Sri Lanka and is a member of IET (UK) and obtained Chartered IT Professional from BCS (UK).

He has over 31 years vast experience as a professional in IT and telecommunication industry. His experience counts to 8 years in International Switching and 23 years in Information Technology. During his career in SLT, he held the positions of DGM/System Administration, GM/Systems, GM/System Development and Network, GM/IT Infrastructure, Chief Information Officer and Chief Information and Digital Officer. In the present role as Chief Technology Officer, he is responsible and accountable for the IT development of the group, maintaining and assuring the IT infrastructure operations, enabling, and assuring the readiness for future technology adaptations, supporting and facilitating to service and product innovations functions. He oversees the Digital Transformation of the group and also responsible for fostering innovation funnel across the Organisation. As a professional in the telecommunication and IT industry, he has participated in many overseas trainings, seminars and various forums organised by International Training Institutions and top ranking IT service providers. He has pioneered in introducing IT Disaster Recovery, IT data center constructions, Infrastructure Consolidation and Virtualisation, Data Analytics, Robotic Process Automation, and he has contributed into introducing multiple IT applications with in-house developments to optimise the IT costs. He has extensive experience in IT project management and delivery of successful project completions.



**Mr Lakmal Jayasinghe**  
Chief Business Officer – Enterprise Business

Mr Lakmal Jayasinghe joined SLT in 2001 following various roles in recognised organisations. In his present role, he leads the Enterprise and Wholesale Business of the Group that provides integrated fixed and mobile voice and data solutions to SMEs, Large Enterprises, Government Institutions, Domestic Telco Operators, Global Wholesale Carriers and Global Enterprise. In addition to his current role at SLT he holds the position of CEO at Xyntac Singapore Pte Ltd, a fully owned subsidiary of SLT incorporated to handle Global Business.

In his career at SLT spanning for 23 years, he has held a number of senior positions, including Chief Enterprise and Wholesale Officer, General Manager Government Business, General Manager Sales Metro and Region 2, Deputy General Manager Enterprise Sales Large Business, Deputy General Manager Training and Development. He has extensive experience in the areas of Enterprise and Government Sales, Enterprise Communications Solutions, Business Development, Training and Development, Consumer and SME Sales Operation and Regional Sales Management.

He holds a Master's degree in Business Administration (MBA) from the University of Colombo and a BSc Honors degree in Electronics and Telecommunications Engineering from the University of Moratuwa, Sri Lanka. He is a Chartered Engineer, a member of The Institution of Engineers Sri Lanka.



**Mr Imantha Wijekoon**  
Chief Business Officer – Consumer Business

Mr Imantha Wijekoon is a Chartered Engineer with a degree in Electronics and Telecommunications Engineering from the University of Moratuwa. In addition, he holds an MBA from the Postgraduate Institute of Management, University of Sri Jayawardenepura. In his career at SLT spanning over 28 years he has gained extensive exposure in the fields of Regional Operations, Project Management and Consumer and SME sales operations. He has undergone telecommunication operation and business-related trainings in several foreign countries. Swedish International Development Cooperation Agency (Sida) of Sweden, LG Cables and Machinery Ltd. of South Korea, Korea Telecom of South Korea, and AOTS of Japan are few such institutes to mention. He has also participated in many international and local conferences and workshops. Next Generation Networks, Fixed Mobile Convergence, CRM Change Management, Telecommunication Business Simulation, Value Driven Marketing, Total Telecom Congress and World Mobile Congress are several such events.

Mr Wijekoon counts for over 12 years of experience in the consumer sales segment. In his professional carrier at SLT he has held the senior positions of Head of Province, Deputy Head of Regions, General Manager Customer Service, Regional General Manager, Chief Sales Officer, Chief Regional Business Officer and Chief Business Officer (Consumer Business). From November 2019 January 2024 he served as a Non-executive Director of Sri Lanka Telecom (Services)Ltd.

**Ms Sonali Wijekoon**

Chief Legal Officer

By profession Ms Sonali Wijekoon is an Attorney-at-Law and Notary Public, with Master's degree from the University of Colombo.

She has held the position of Group Chief Legal Officer of the Company with effect from 2021. Currently she is in charge of Legal and Regulatory Matters of Sri Lanka Telecom PLC, Mobitel (Pvt) Ltd. and other Group of Companies. Legal matters performed under her supervision, and control includes litigation on diverse matters, international and local commercial contracts, Intellectual Property Right matters, conveyancing and other corporate legal matters.

Her experience in the field of Law counts over 35 years, out of which 31 years of service has been in Sri Lanka Telecom, Legal Division. Her previous experience in the banking sector and a short spell at the Private Bar has been contributory factors, for effective handling of diverse legal matters for SLT.

**Mr Saman Abeysekara**

Chief Administrative Officer

Mr Saman Abeysekara is a Chartered Engineer with a degree in Electrical and Electronics Engineering from the University of Peradeniya. He is a fellow member of The Institute of Engineers Sri Lanka.

He has 29 years of vast experience in Sri Lanka Telecom and other recognised institutions holding many key positions. Prior to joining SLT, he held senior positions in several companies in Sri Lanka. He has undergone telecommunication operations and business related training in several foreign countries.

He joined SLT in 1998 as an Engineer and served in the capacity of Project Manager of the Rural Telecommunication Development Project, Regional Telecommunication Manager, Provincial Deputy General Manager, Regional General Manager and Deputy Chief Regional Operating Officer, Chief Asset, Property and Security Management Officer and Chief Operating Officer/Chief Asset Monetisation and Sustainable Energy Officer of SLT.

He has wide experience in the telecommunication industry, including areas such as Project Management, Regional Operation and Maintenance, Customer Service, Consumer and SME Sales Operation, Property Development, Facility Management and Security Management.

**Mr Jeewapadma Sandagomi**

Chief Officer – Supply Chain Management

Mr Jeewapadma Sandagomi is the Chief Officer for Supply Chain Management and counts over 24 years of professional experience in both public and private enterprises. During nearly two decades long tenure at Mobitel, he has been leading different roles and responsibilities at Mobitel, including IT Strategy, Information Security, Project Management, Revenue Assurance and Enterprise Risk Management and Procurement.

Mr Sandagomi is a Chartered Engineer of The Institution of Engineers Sri Lanka, and holds an MBA in Management of Technology, and BSc Engineering degree from University of Moratuwa, Sri Lanka. Further, he holds, CISA (Certified Information Systems Auditor), CISSP (Certified Information Systems Security Professional), PMP (Project Management Professional) and CMA-Aus (Certified Management Accountant – Australia) credentials as well.

During his tenure at Mobitel, he was instrumental in setting up new policy frameworks, process digitalisation's and leading multiple key IT transformation projects successfully. Further, Sandagomi has extended his voluntary contribution as a resource person at multiple forums related to cybersecurity and ICT domain. The Computer Society of Sri Lanka (CSSL) recognised Sandagomi with the prestigious "CISO of the year" award at the National ICT awards ceremony held in year 2021.



### **Dr Chandana Wijayanama**

Chief People Officer

Dr Chandana Wijayanama is the Chief People Officer of the group. He is an experienced HR and IT professional with a progressive career spanning over 25 years in Human Resources and Information Technology. He has worked in IT Services, Telecommunication, Port & Shipping, and Manufacturing sectors in Sri Lanka and overseas.

He holds a Doctor of Business Administration degree from the University of Kelaniya and a Master's degree in computer engineering and networks from National University of Lviv Polytechnic, Lviv, Ukraine. Further, he has completed Executive Education Programmes in IMD – Switzerland, INSEAD – Singapore and in London Business School – UK and an Academic Programme in Griffith University – Australia. Additionally, he holds a National Diploma in HRM from the Chartered Institute of Personal Management, Sri Lanka.

Dr Wijayanama serves as the Senior Vice President of the Association of HR Professionals in Sri Lanka and Working Committee Member of National HR Development Council of Sri Lanka.

He joined SLT as Chief People Officer on 01 December 2023. Prior to joining SLT, he served as the Organisation and HR Director in a reputed global manufacturing company. Previously, he worked as General Manager HR, Regional Director HR (based in Hong Kong) and Head of University Relations (based in Zurich, Switzerland). Further, he has extensive experiences as SAP HR Project Manager (based in Bangkok, Thailand), Manager Information Systems, Manager Network Administration and Systems Engineer in several reputed companies located in locally and internationally.

### **Mr Karuppiyah Jegatheshwaran**

Chief officer – Forensics & Compliance  
Chief Internal Auditor (Covering up)

Mr Karuppiyah Jegatheshwaran is an accomplished professional with over 20 years of experience in area of Internal Audit, Forensic, and Risk and Controls. Currently serving as the Chief Officer – Forensic & Compliance since October 2023, he also holds the cover-up position of Group Chief Internal Auditor.

Throughout his career, Mr Karuppiyah has demonstrated leadership and proficiency in various roles across multiple industries. Before joining SLT, he held key positions such as Director of Finance, Director of Advisory Services, Director, along with other leadership roles in different organisations.

Mr Karuppiyah's global outlook is reflected in his international exposure, having worked in diverse countries such as the Maldives, India, Malaysia, and Vietnam.

He holds an MBA in Finance from Anglia Ruskin University – UK, is a certified fraud examiner, and is a certified member of the Institute of Certified Forensic Investigation Professionals. His commitment to professional development and industry excellence is evident through his role as one of the founding members of the Sri Lanka Chapter of the Association of Certified Fraud Examiners (ACFE). Additionally, he has served as a Board member of the Sri Lanka Chapter of ACFE.

### **Mr Mahinda Samarasinha**

Chief Network Officer

Mr Mahinda Samarasinha is the Chief Network Officer of SLTMobitel Group and counts over 32 years of experience in numerous areas in the field of telecommunication. Immediately after graduation, he joined SLT in 1992 as a Network Planning Engineer and gained experience in the areas of transmission and switching planning. Subsequently, he held several senior positions in Tariff, Interconnection, Domestic Wholesale Business, Global Business and Product Management before being appointed as Chief Network Officer.

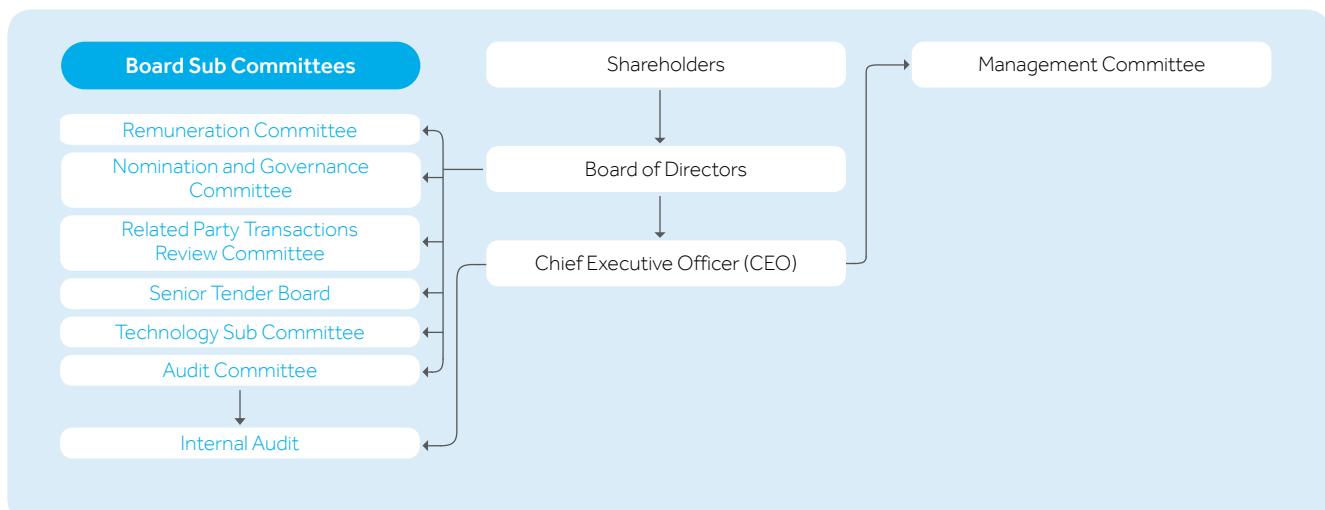
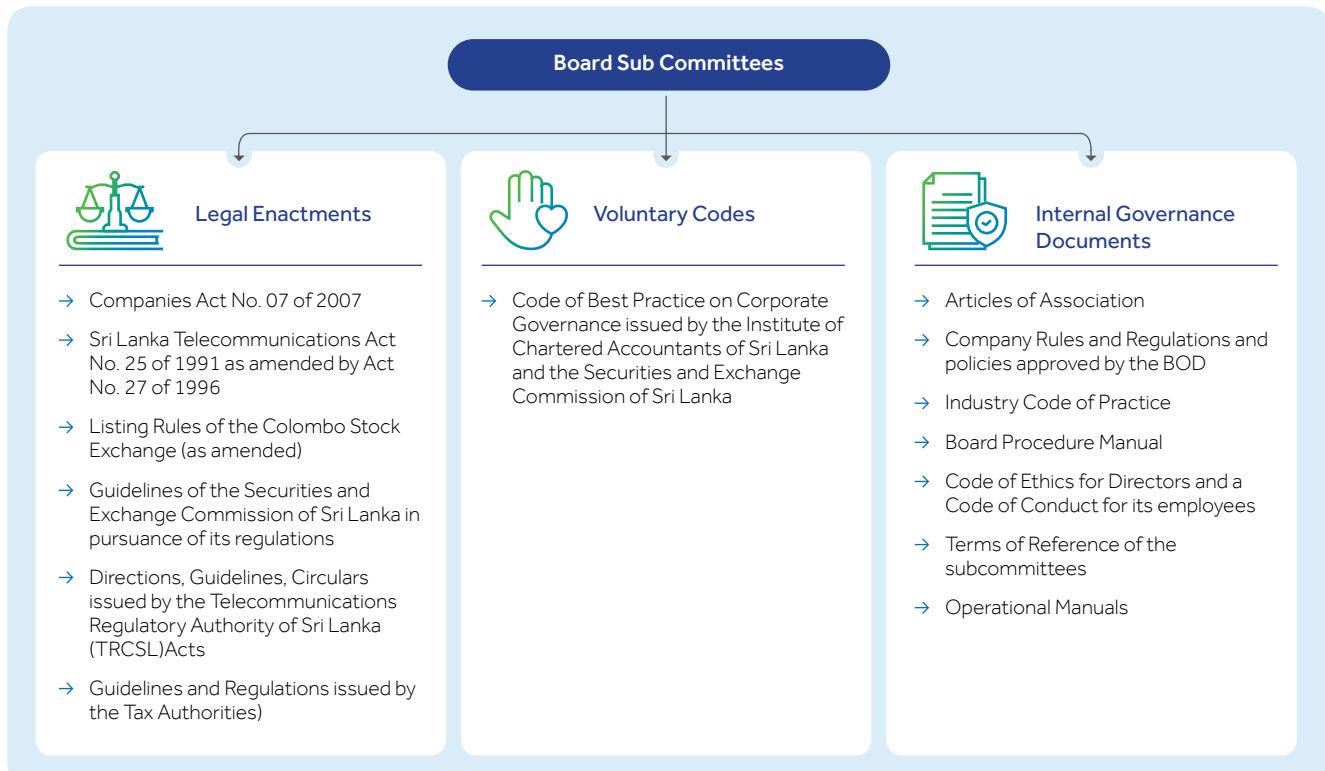
Mr Samarasinha, pioneered and was instrumental in shaping the wholesale business in Sri Lanka Telecom. He broke new ground by introducing a separate Global Brand "Xyntac" in line with the Go-Global Strategy of SLT. Under his leadership, SLT was able to establish its MPLS network presence in Singapore, France, and the USA.

He was a core member who was involved in converting Mobitel network from its legacy Analog system to Digital GSM system in 2003-2004.

He holds a Bachelor of Science (Engineering) Honours degree in Electronics and Telecommunication from the University of Moratuwa, Sri Lanka, and is a Chartered Engineer at The Institution of Engineers Sri Lanka.

# Corporate Governance

The Board of Sri Lanka Telecom PLC (SLT) is actively engaged in SLT's ongoing transformation. Strong corporate governance with the Board's strategic and independent oversight, enables SLT to execute effectively and responsibly on its strategy while promoting transparency and maintaining high ethical standards. the Company is focused on enhancing long-term value creation for all stakeholders without compromising on integrity, social obligations, environment and regulatory compliances.



## Board of Directors

SLT is guided by the Board of Directors, well-balanced in terms of their expertise and extensive knowledge of the industry and business landscape, which empowers the Company to uphold as the National Information and Communication Technology (ICT) solutions provider. Regular Board meetings are held to fulfil the responsibilities of the Board of Directors as stated on page 96.

## Selection of the Board

As outlined in SLT's Articles of Association (AoA), the Board of Directors holds the authority to address vacancies within the Board and appoint additional Directors, subject to their re-election at the subsequent Annual General Meeting (AGM).

Government of Sri Lanka, represented by the Secretary to the Treasury and Global Telecommunication Holdings N.V. as the major shareholders, recommends candidates to the Board. Subsequently, the Board based on the recommendation of the Nominations & Governance Committee appoints these candidates to fill vacancies, as stipulated by the AoA. The selection process considers various factors, including their expertise, business acumen, financial comprehension, judgement, diversity, leadership, accomplishments, and industry experience.

Upon appointment, Directors receive a comprehensive Board induction pack, which provides them with an in-depth understanding of the Company's nature, operations, industry landscape and fostering connections with its stakeholders in addition to the briefing on strategic and business plans by the Management

Board members are appointed with the aim of achieving a balanced composition, ensuring adequate financial expertise, as outlined in their Board profiles spanning pages 82 to 86. Notably, two Board members possess professional qualifications in finance or accounting bodies, with requisite experience.

Time-tested processes are in place to assist Directors in fulfilling their responsibilities.

- All Directors are provided with precise, pertinent, timely, lucid, and impartial information to align with Company directives.
- Directors are expected to apply unbiased, independent judgement on all issues presented to the Board.
- The Company Secretary serves as the primary liaison for information exchange between the Board, Directors, committees, and key executives.
- The CEO along with Chief Officers and Division Heads, present their proposals to the Board and address any queries for clarification as requested.
- All Board papers are accessible electronically, aligning with SLT's sustainability goals, facilitating remote participation in meetings by Board members.
- All Board papers are distributed at least one week before Board meetings for thorough review and clarification.
- The Annual Board Calendar, outlining the year's tasks and functions for the Board and its committees, is finalised in consultation with all Directors ahead of a new year.

The Board is composed of ten (10) Non-Executive Directors ensuring a well-rounded and robust mix of expertise, with adequate numbers to express and support their viewpoints. This structure aligns with both Section 9.8 of the Listing Rules and the provisions outlined in SLT's AoA, reflecting the Company's commitment to effective governance and strategic leadership.

### Role of the Board

- Providing leadership and direction to the Company.
- Ensuring proper governance, ethics and regulatory compliance, while seeking professional guidance where necessary.
- Ensuring SLT is managed in a professional and appropriate manner towards achieving its strategic objectives.
- Selecting, monitoring, evaluating, and compensating members of the Senior Management.
- Formulating and implementing a proper succession planning process.
- Reviewing and approving significant corporate actions based on their viability.
- Assessing and monitoring the implementation of strategic plans by the Management.
- Reviewing and approving the Company's annual business plan, budgets, and operating plan.
- Measuring and monitoring corporate performance, evaluating results, and comparing them with the strategic plans and other long-term goals.
- Assessing the Company's financial controls and reporting systems.
- Reviewing and approving the Company's Financial Statements and financial reporting.
- Reviewing the Company's legal compliance programmes and procedures.
- Overseeing the Company's management of enterprise risk.

### Board Balance

07 Independent Non-Executive Directors

03 Non-Independent Non-Executive Directors

## Board Subcommittees

SLT's governance framework is enhanced through the establishment of Board subcommittees, meeting both regulatory mandates and bolstering oversight of business functions and assisting the Board of Directors for effective decision-making. Each committee operates with clear goals, objectives and under formal Terms of Reference, with members selected for their expertise in relevant fields. Regular meetings are held to discuss matters within their scope, and findings and suggestions are routinely communicated to the Board.

The subcommittees are tasked with liaising with Senior Management, where the Chairmen and Members convene with the Corporate Executive Team members as necessary. They collaborate to discuss and formulate proposals concerning the Company's strategy and significant operational issues.

Given below are the main subcommittees, their role, members and attendance at meetings during the year under review.

### Audit Committee (AC)

The Audit Committee (AC) supports the Board in overseeing and monitoring financial reporting, risk management, revenue assurance functions, internal controls and compliances. Detailed information on the Committee's policies, practices, and focus areas can be found in the AC Report on pages 106 to 108 of the Annual Report.

Meetings are held at least four times a year, as well as additional sessions when requested by the Committee Chairman. Please refer to page 96 for details on meetings held during the year and attendance records.

Comprising of Non-Executive Directors, the AC ensures a majority of independent members.

The following individuals served as members during the year 2023:

Mr Mohan Weerakoon, PC – Chairman  
Mr V U Kumar – Appointed Chairman w.e.f. 02 October 2023  
Mr Suren Amarasekera  
Mr K A Vimalenthirarajah  
Mr Chathura Mohottigedara and Mr Dinesh Vidanapathiran were appointed to the

AC with effect from 02 February 2024 in place of Mr Mohan Weerakoon and Mr K A Vimalenthirarajah who tendered their resignation from the Board on 30 January 2024.

Accordingly, the current membership of the AC is as follows:

Mr V U Kumar, Chairman  
Mr Chathura Mohottigedara,  
Mr Suren Amarasekera  
Mr Dinesh Vidanapathiran

The CEO, CFO, Chief Officer Forensics & Compliance (CO-FC) and other senior officers attend the meetings by invitation. The CO-FC reports directly to the AC.

### Remuneration Committee (RC)

In compliance with the revised rules on Corporate Governance introduced by the CSE, the Remuneration and Nominations Committee (R & NC) was split into two committees namely Remuneration Committee (RC) and Nomination and Governance Committee (NGC) to address specific goals and objectives coming under the two committees.

RC offers support and guidance on the Company's policy regarding fees for Non-Executive Directors and remuneration for the CEO, subsidiary CEOs/COOs, and Senior Management. Additionally, the RC assists the Board of Directors in determining other payments to the staff of SLT and its subsidiaries including the payment of bonus and incentives etc.

The Committee convenes a minimum of four meetings annually, with additional sessions scheduled as necessary by the Committee Chairman. Please refer to page 96 for details on meetings held during the year and attendance records.

RC functions as the Group RC for SLT and its subsidiaries.

The RC comprises Non-Executive Directors, majority of whom are independent.

The members of the Committee during the year 2023 were:

Mr Chan Chee Beng – Chairman  
Mr Lawrence Paratz  
Mr Rohan Fernando

Mr Reyaz Mihular was appointed as a member of the committee in place of Mr Rohan Fernando on 21 August 2023.

Mr A K D D D Arandara was appointed as a member of the Committee on 02 February 2024 in place of Mr Reyaz Mihular who tendered his resignation from the Board on 29 January 2024.

The current members of the Committee are:

Mr Chan Chee Beng – Chairman  
Mr Lawrence Paratz  
Mr A K D D D Arandara

The CEO and CPO attend meetings by invitation, as and when required by the Committee.

### Nomination and Governance Committee (NGC)

In line with the revised CSE Listing Rules, the NGC was formed in 2023.

The NGC comprise of Non-Executive Directors majority of whom are independent.

The members of the committee during the year 2023 were:

Mr Ranjith Rubasinghe-Chairman  
Mr V U Kumar  
Mr Chan Chee Beng  
Mr Reyaz Mihular

Mr A K D D Arandara was appointed as a member of the committee in place of Mr Reyaz Mihular who tendered his resignations from the Board on 29 January 2024. Mr Dinesh Vidanapathiran was appointed as a member of the committee on 27 March 2024.

Accordingly, the current members of the Committee are:

Mr V U Kumar – Chairman  
Mr Chan Chee Beng  
Mr A K D D D Arandara  
Mr Dinesh Vidanapathiran,

NGC is responsible for various activities including nominating, selecting, and recommending Non-Executive Directors, Chief Executive Officer (CEO), and key senior officers. It also oversees succession planning for the CEO and Senior Management, and reviews the

composition of the Board, particularly focusing on diversity of background, skills, and experience.

Evaluation of Directors' independence is an essential part of the director nomination process. As a part of this evaluation, the Committee reviews the Directors' professional engagements and conflicts of interest, related party transactions and other commitments that could jeopardise a Director's independence.

The Committee also annually reviews the Director's election and re-election and recommends to the Board for their consideration and recommendation to shareholder for approval.

The NGC's duties and responsibilities are defined in the Committee Terms of Reference (TOR) and a summary of these is available in the NGC Committee Report.

### **Related Party Transactions Review Committee (RPTRC)**

The Related Party Transactions Review Committee (RPTRC) is established to safeguard shareholders' interests during related party transactions, promote corporate transparency, and ensure fair dealings between SLT, its subsidiaries, and other related parties.

Disclosure of related party relationships with subsidiaries is provided in the Notes to the Financial Statements. Based on the results of such procedures, no material transactions took place, and no such commitments or conflicts of interest were identified in 2023. Nonetheless, the Board believes these transactions are exempted under specified exceptions in the Listing Rules.

The Committee convenes a minimum of four meetings annually. Please refer to page 96 for details on meetings held during the year and attendance records.

During the year 2023, the RPTRC comprised predominantly of Non-Executive Directors, with a majority being independent, the Committee's Chairman is an Independent Director.

The members of the Committee are:

Mr Suren Amarasekera – Chairman  
Mr Mohan Weerakoon, PC  
Mr K A Vimalenthirarajah  
Mr V U Kumar

Mr Chathura Mohottigedera and Mr Dinesh Vidanapathiran were appointed as members of RPTRC w.e.f. 2 February 2024 in place of Mr Mohan Weerakoon and Mr K A Vimalenthirarajah who tendered their resignation with effect from 30 January 2024.

The current members of the committee are:  
Mr Suren Amarasekara – Chairman  
Mr V U Kumar  
Mr Chathura Mohottigedera  
Mr Dinesh Vidanapathiran

### **Technology Subcommittee (TSC)**

The TSC comprises a team of experts with relevant proficiency constituted to constantly evaluate business opportunities through technological advancements and ensure that the current platforms support the Company's business objectives and strategies.

The TSC primarily focuses on the following:

- Formulating effective strategies to enhance business efficiencies.
- Staying abreast of technological advancements in the telecommunications industry by developing technical staff and implementing more efficient delivery systems.
- Reviewing current processes against SLT's objectives and vision, and introducing innovations to improve efficiencies.
- Assessing performance evaluation methods, technology, human resources, and skill development plans, and ensuring their effective implementation.
- The Committee meets as and when required. Refer to page 96 for meetings held during the year and attendance.

The members of the Committee for 2023 were:

Mr Lawrence Paratz – Chairman  
Mr Ranjith Rubasinghe (appointed w.e.f. 2 October 2023)  
Mr Lalith Seneviratne (up to 2 October 2023)  
Mr Lawrence Paratz was replaced by Mr Suren Amarasekera w.e.f. 2 October 2023.  
Mr Ranjith Rubasinghe ceased to be a member of the Committee consequent to his resignation from the Board effective 29 January 2024.

Prof Kithsiri Liyanage and Dr Isuru Dassanayake were appointed as members of the Committee w.e.f. 2 February 2024.

Accordingly, the current membership of the TSC is as follows;

Mr Suren Amarasekera – Chairman  
Prof Kithsiri Liyanage  
Dr Isuru Dassanayake

The CEO and members of the Senior Management of SLT and Mobitel attend meetings of the TSC as continual members in order to identify and optimise organisational synergies. The CEOs of subsidiary companies are also invited to attend meetings, whenever necessary.

### **Senior Tender Board (STB)**

The STB, a pre-approved structured function established by the Board, ensures the maintenance of appropriate controls and governance over procurement activities within the Company. Specifically, the STB is responsible for reviewing and approving procurements ranging from LKR 100 Mn. to LKR 350 Mn., while the Board of Directors oversees amounts exceeding LKR 350 Mn., and the Junior Tender Board handles amounts below LKR 100 Mn.

The STB meets prior to every Board meeting. Refer to page 96 for meetings held during the year and attendance.

The STB comprises Non-Executive Directors.

The members of the Committee for 2023 were:

Mr K A Vimalenthirarajah – Chairman  
Mr Mohan Weerakoon  
Mr V U Kumar  
Mr Suren Amarasekera

Mr Vimalenthirarajah and Mr Weerakoon ceased to be members of STB consequent to their resignations from the Board on 30 January 2024. Dr K A S Keeragala and Mr Chathura Mohottigedara were appointed to the STB w.e.f. 20 February 2024 and STB has elected Mr Mohottigedara as the Chairman of the Committee.

Accordingly, the current membership of the STB is as follows:

Mr Chathura Mohottigedara, Chairman  
Mr V U Kumar  
Mr Suren Amarasekera  
Dr K A S Keeragala

The CEO and the CFO are appointed to the Committee by the Board to review the Company's procurement needs.

### **Frequency of Board meetings and participation of Directors.**

Seven regular Board meetings were held during the year 2023 with the active participation of Directors. Additionally, seven special meetings were also held during the year to address urgent and important issues.

The quorum required to constitute a Board meetings is half of the maximum number of Directors provided in the AoA of SLT. The quorum required in this manner was maintained from commencement to the conclusion of proceedings of Board meetings held during the year.

Directors actively participated, shared their views and made valuable contributions at Board proceedings. Resolutions by circulation were restricted to matters of routine nature and/or for urgent business

requirements with the prior clearance received from the Chairman of the Board. The circular resolutions passed, were confirmed/ratified at the subsequent immediate regular Board meeting.

Agenda along with the connected papers/reports were circulated to the Directors electronically by uploading them to the Board meetings application System, "BoardPAC" and accessed by the Directors from their application devices.

Attendance at Board and subcommittee meetings during the year 2023

Board Member	Status	Board	AC	R&NC	RC	N&GC	TSC	STB	RPTRC
Mr Reyaz Mihular - Chairman) (Appointed w.e.f. 30 March 2023)	INED	13/13		1/5	0/1	0/1			
Mr Chan Chee Beng	NED	14/14		5/5	1/1	1/1			
Mr Lawrence Micahel Paratz	INED	14/14		5/5	1/1		5/6	1/6	
Mr Rohan Fernando	INED	12/14		4/5					
Mr Lalith Seneviratne	NED	14/14				6/6	1/6		
Mr Mohan Weerakoon, PC	INED	14/14	7/9				5/6	4/4	
Mr Ranjith Rubasinghe	INED	14/14			1/1	1/6			
Mr V U Kumar	INED	12/14	9/9			0/1	4/6	4/4	
Mr K A Vimalenthirarajah	NED	12/14	8/9				6/6	4/4	
Mr Suren Amarasekera	INED	14/14	9/9			1/6	5/6	4/4	

INED – Independent Non-Executive Director

NED – Non-Executive Director

### **Indemnities to Directors and Liability Insurance Cover**

The Company's AoA provides for indemnity to be extended to Directors up to the extent allowed by law for liabilities arising from the performance of their duties in their capacity as Directors of the Company. However, this indemnity does not apply if a Director is found to have acted fraudulently or dishonestly. Throughout the year, the Company has upheld Directors' and Officers' Liability Insurance coverage.

including travelling and accommodation incurred by overseas Directors in attending the Board and subcommittee meetings are reimbursed by the Company.

### **Remuneration of Non-Executive Directors**

The RC evaluates and suggests remuneration for Non-Executive Directors, subject to Board approval. Compensation for Non-Executive Directors includes fees for attending Board and subcommittee meetings. Details of the total Directors' fees for the fiscal year ended 31 December 2023 are provided in Note 7 of the Financial Statements. In addition, all other expenses

### **Role of the Chairman and Chief Executive Officer**

The distinction between strategic and operational matters is clearly delineated by the division of duties between the Chairman and the Chief Executive Officer (CEO). As a non-executive role, the Chairman of SLT's Board primarily focuses on strategic affairs, ensuring adherence to Board procedures and facilitating active participation of all members during meetings.

The CEO assumes responsibility for the day-to-day management of the business and provides guidance to the executive team. Additionally, the CEO oversees the implementation of the Company's strategic and operational plans. Regular meetings between the Chairman and CEO are held to address issues concerning the Company's performance, operational affairs, human resources and matters concerning industrial relations.

### **CEO Performance Evaluation**

The Board assesses the CEO's performance each year against pre-established performance criteria, which were mutually agreed upon at the beginning of the year by the NGC and the Board. The evaluation of the CEO's performance and determination of compensation are based on this assessment and are collectively agreed upon by both parties.

### **The Company Secretary**

The Company Secretary reports directly to the Board and is accessible to individual Directors regarding Board procedures. In addition to assisting the Chairman with delivery of the agenda, especially in planning the annual cycle of Board and Board Committee meetings, the Company Secretary ensures timely provision of detailed information to Board members. While providing guidance to Directors on Board procedures and corporate governance matters, the Company Secretary also serves as the Secretary to all Board subcommittees.

Being qualified as an Attorney-at-Law and an Associate Member of the Chartered Governance Institute, United Kingdom, the Company Secretary has been designated as the person responsible for shareholder communication, acting under the guidance of the CEO.

The appointment or removal of the Company Secretary is a matter for the Board as a whole.

## Remuneration of Senior Management

The remuneration framework and policies are structured to assess employees' work performance in alignment with the Company's objectives and strategies. As such, suitable corporate and individual performance metrics are established, considering medium and long-term goals, as well as year-end performance assessments. Competitive compensation packages are provided to attract and retain highly skilled and talented individuals.

The CEO of SLT serves as the leader of the Management team and is consequently compensated as a member of Senior Management. The RC proposes the salary package for the CEO, ensuring it reflects the qualifications and experience, for approval by the Board.

## Corporate Ethics

SLT has compiled a comprehensive Code of Conduct, applicable not only to its employees but also to third parties engaged with the Company. This Code outlines principles that uphold the highest standards of personal and corporate integrity in interactions with SLT, competitors, customers, suppliers, and the community. By adhering to the processes and standards outlined in the Code, investor confidence is bolstered, and decision-making is steered towards the Company's best interests.

Covering various aspects such as equal opportunity employment, workplace safety, business ethics, asset protection, data security, and conflict of interest, the Code is accessible on SLT's internal website. Clear policies and standards are outlined to provide employees with guidance in their daily responsibilities.

## Financial Acumen, Internal Control and Risk Management

The existing internal control framework is established through the integration of the risk management framework, financial control measures, internal audits, and supporting policies. SLT's internal control structure is designed to enhance operational efficiency and alignment with the Company's strategic objectives. Moreover, it ensures the provision of accurate, dependable, comprehensive, and timely financial reporting and management information for stakeholders. Rooted in ethical values, the framework operates under principles of sound corporate governance and risk management solutions.

SLT employs systematic risk management strategies to develop the efficiency and control of business operations, as well as their profitability and continuity.

## Related Party Transactions and Material Contracts

The Board of Directors adheres to regulations outlined by the CSE regarding related party transactions to mitigate potential conflicts of interest. To reinforce corporate transparency and ensure equitable dealings between SLT and its subsidiaries, a RPTRC has been established under the purview of the Board of Directors. SLT maintains related party relationships with its subsidiaries, as disclosed in Note 33 of the Financial Statements. The Board perceives these transactions to be exempted per exceptions specified in the Code of Best Practices on related party transactions issued by the CSE, deeming them recurring and customary in the Company's regular operations.

SLT and its subsidiaries have not entered into any significant contracts involving the interests of the CEO, Directors, controlling shareholders, Secretary to the Treasury, or Global Telecommunication Holdings N.V.

## Major Transactions

In compliance with Section 185 of the Companies Act, the Board of Directors informs shareholders concerning all proposed corporate transactions, providing comprehensive details regarding any material aspects relevant to SLT. Notably, SLT did not engage in any major transactions during the year 2023.

## Whistle-Blowing Policy

SLT has established an effective Whistle-blower programme to protect the integrity and reputation of the Company, augment its framework of internal controls and provide a channel for employees to report inappropriate activity and ethical concerns of which they may be aware. Employees are educated and encouraged to raise any concerns affecting compliance culture of SLT through the whistle-blowing mechanism. The Whistle-blower Committee comprises of three independent members selected from various professions and expertise outside the Company. The matters reported are diligently investigated and recommended to the Audit Committee of SLT for appropriate action to be taken. The Company is committed to Whistle-blower protection and maintaining confidentiality.

## Communications with Shareholders and Annual General Meetings

The AGM is used for constructive engagement with investors, and all shareholders are encouraged to participate. Chairpersons of subcommittees are present at the AGM specifically to answer any queries from shareholders.

The Company is in compliance with the requirements stipulated under Regulation 9 of the Listing Rules of the CSE as amended from time to time and as applicable with regard to Corporate Governance.

## Statement of Compliance under the Rules of CSE on Corporate Governance

Rule No.	Corporate Governance Rule	Compliance Status	Details
9.2.1	<p>Listed entities shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the entity on its website:</p> <ul style="list-style-type: none"> <li>(a) Policy on the matters relating to the Board of Directors</li> <li>(b) Policy on Board Committees</li> <li>(c) Policy on Corporate Governance, Nominations and Re-election</li> <li>(d) Policy on Remuneration</li> <li>(e) Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities</li> <li>(f) Policy on Risk Management and Internal Controls</li> <li>(g) Policy on Relations with Shareholders and Investors</li> <li>(h) Policy on Environmental, Social and Governance Sustainability</li> <li>(i) Policy on Control and Management of Company Assets and Shareholder Investments</li> <li>(j) Policy on Corporate Disclosures</li> <li>(k) Policy on Whistle-blowing</li> <li>(l) Policy on Anti-Bribery and Corruption</li> </ul>	Policies which are not in place are being drafted	The Company will take steps to establish the policies which are not in place on or before 1 October 2024 and disclose the fact of existence of such policies on the website.
9.2.2	Any waivers from compliance with the Internal Code of Business Conduct and Ethics or exemptions granted by the listed entity shall be fully disclosed in the Annual Report.	Not applicable	The Management will be alerted to identify such matters and disclose them when necessary.
9.2.3	<p>Listed entities must disclose in their Annual Report:</p> <ul style="list-style-type: none"> <li>(i) the list of policies that are in place in conformity Rule 9.2.1 above, with reference to its website.</li> <li>(ii) details pertaining to any changes to policies adopted by the listed entities in compliance with Rule 9.2 above.</li> </ul>	Policies will be available on or before 1 October 2024	The list of policies referred in section 9.2 shall be included in the Annual Reports for the year 2025.
9.2.4	Listed entities shall make available all such policies to shareholders upon a written request being made for any such Policy.		The Company Secretary will be assigned to provide policies to shareholders upon a written request being made for any such policy.
9.3.1	<p>Listed entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include;</p> <ul style="list-style-type: none"> <li>(a) Nominations and Governance Committee</li> <li>(b) Remuneration Committee</li> <li>(c) Audit Committee</li> <li>(d) Related Party Transactions Review Committee</li> </ul>	Complied with Complied with Complied with Complied with	Please refer page 110 of this Report. Please refer page 109 of this Report. Please refer page 106 of this Report. Please refer page 111 of this Report.
9.3.2	Listed entities shall comply with the composition, responsibilities and disclosures required in respect of the above Board committees as set out in these Rules.	Complied with	Please refer to Sections 9.11, 9.12, 9.13 and 9.14 below.

Rule No.	Corporate Governance Rule	Compliance Status	Details
9.3.3	The Chairperson of the Board of Directors of the listed entity shall not be the Chairperson of the Board committees referred to in Rule 9.3.1 above.	Complied with	<p>The Chairman of the Company Mr A K D D D Arandara is not the Chairman of any subcommittees.</p> <p>Former Chairpersons, namely, Mr Rohan Fernando and Mr Reyaz Mihular have also not chaired any subcommittees.</p>
9.4.1	<p>Listed entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC.</p> <ul style="list-style-type: none"> <li>(a) The number of shares in respect of which proxy appointments have been validly made;</li> <li>(b) The number of votes in favour of the resolution</li> <li>(c) The number of votes against the resolution; and</li> <li>(d) The number of shares in respect of which the vote was directed to be abstained</li> </ul>	Complied with	<p>The Company Secretary maintains the records of the said information along with the meeting minutes of the shareholders.</p>
9.4.2	<p>Communication and relations with shareholders and investors:</p> <ul style="list-style-type: none"> <li>(a) Listed entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity.</li> <li>(b) Listed entities shall disclose the contact person for such communication.</li> <li>(c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders, and such process shall be disclosed by the Entity in the Annual Report and the website of the Entity</li> <li>(d) Listed entities that intend to conduct any shareholder meetings through virtual or hybrid means shall comply with the Guidelines issued by the Exchange in relation to same and published on the website of the Exchange.</li> </ul>	Complied with	<p>The management will take steps to establish the Company policy on effective communication and relations with shareholders on or before 1 October 2024 and disclose the existence of the same in the Annual Report and the website.</p>
9.5.1	<p>Listed entities must establish and maintain a formal policy for their Board of Directors, which includes:</p> <ul style="list-style-type: none"> <li>(a) Recognise the need for a balance of representation between Executive and Non-Executive Directors and cover at minimum Board composition, the roles and functions of the Chairperson and Chief Executive Officer or equivalent position (hereinafter commonly referred to as the CEO), Board balance and procedures for the appraisal of Board performance and the appraisal of the CEO.</li> <li>(b) Where a listed entity decides to combine the role of the Chairperson and CEO. <ul style="list-style-type: none"> <li>(i) set out the rational for combining such positions; and,</li> <li>(ii) require the Board Charter of the listed entity to contain terms of reference/functions of the Senior Independent Director (SID) and the powers of the SID, which should be equivalent to that of the Chairperson in the instance of a conflict of interest.</li> <li>(iii) set out the measures implemented to safeguard the interests of the SID.</li> </ul> </li> </ul>	Complied with	<p>The Articles of Association will also be amended at the forthcoming AGM to facilitate the shareholder meeting through virtual or hybrid means.</p> <p>The Company Secretary will take the steps to establish a formal policy in this regard and ensure that address the criterias stipulated in Section 9.5.1</p>

Rule No.	Corporate Governance Rule	Compliance Status	Details
	<p>(c) Require diversity in Board composition for Board effectiveness in terms of a range of experience, skills, competencies, age, gender, industry requirements and importance of objective selection of Directors.</p> <p>(d) Stipulate the maximum number of Directors with the rationale for the same.</p> <p>(e) Specify the frequency of Board meetings, having regard to the requirements under the Listing Rules.</p> <p>(f) Provide mechanisms for ensuring that Directors are kept abreast of the Listing Rules and ongoing compliance and/or non-compliance by the Listed Entity with obligations arising under such Rules.</p> <p>(g) Specify the minimum number of meetings, in numbers and percentage, that a Director must attend, in order to ensure consistent attendance at Board meetings and to avoid being deemed to vacate such position.</p> <p>(h) Provide requirements relating to trading in securities of the Listed Entity and its listed group companies and disclosure of such requirements.</p> <p>(i) Specify the maximum number of directorships in Listed Entities that may be held by Directors.</p> <p>(j) Recognise the right to participate at meetings of the Board and Board committees by audio visual means and for such participation to be taken into account when deciding on the quorum.</p>		
9.5.2	Listed entities shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.		The entity confirms the compliance of section 9.5.1 in the Annual Report for the year ended 31 December 2024.
9.6.1	The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below.	Complied with	<p>The Chairperson of the Company is a Non-Executive Director.</p> <p>The functions of Chairperson and CEO are clearly separated to ensure balance of power and authority.</p>
9.6.2	A Listed Entity that is unable to comply with Rule 9.6.1 above shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an immediate Market Announcement from the date of non-compliance (if such date falls subsequent to the implementation of these Rules).	Not applicable	
9.6.3	The requirement for a SID	Not applicable	The functions of Chairperson and CEO are clearly separated.

Rule No.	Corporate Governance Rule	Compliance Status	Details
9.7.1	The listed entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules:  In evaluating fitness and propriety of the persons referred in these Rules, listed entities shall utilise the "Fit and Proper Assessment Criteria".		The Company will conduct a Fit and Proper Assessment for all Directors, as stipulated in Section 9.7.3.
9.7.2	Listed entities shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made.		Nomination and Governance Committee will conduct the Fit and Proper Assessment of the Directors at least once a year for existing Directors and keeps records of the same.
9.7.4	Listed entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them has continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.		Declarations will be obtained from all the Directors of the Company and CEO annually.
9.7.5	Disclosures in the Annual Report of listed entities in their Annual Report.		Relevant disclosures will be made on the Annual Report of the Company for the financial year ending 2024
9.8.1	The Board of Directors of a listed entity shall, at a minimum, consist of five (05) Directors.	Complied with	The total number of Directors was ten (10) as at 31 December 2023.
9.8.2	Minimum Number of Independent Directors	Complied with	The total number of Independent Directors was seven (7) as at 31 December 2023.
9.8.5	The Board of Directors of listed entities shall require:  (a) Require each Independent Director to annually submit a signed and dated declaration of their "independence" or "non-independence" using the specified criteria and format in Appendix 9A.  (b) Annually assess the "independence" or "non-independence" of each Independent Director based on their declaration and other available information, listing the names of "independent" Directors in the Annual Report.  (c) If the Board finds that the independence of an Independent Director is compromised according to the criteria in Rule 9.8.3, it should immediately issue a market announcement regarding this determination.	Complied with  Complied with  Not applicable	All the Independent Directors have submitted the signed declaration of their independence to the Board.  Required disclosures are mentioned in the Annual Report.  The entity will take necessary actions to issue a market announcement, if the Board finds that the independence of an Independent Director is compromised.
	If a listed entity provides for the appointment of alternate Directors, it shall be required to comply with the following requirements and such requirements shall also be incorporated into the Articles of Association of the Entity:  (a) Alternate Directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment.  (b) If an Alternate Director is appointed for a Non-Executive Director such an alternate should not be an executive of the Listed Entity.	Not applicable	The provisions are not applicable as there are no alternate Directors appointed.  However, the resolution to amend the AoA has been included in the Agenda for the AGM.

Rule No.	Corporate Governance Rule	Compliance Status	Details
	<p>(c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence specified in these Rules and the Listed Entity shall satisfy the requirements relating to the minimum number of Independent Directors specified in these Rules. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such an appointment is made.</p> <p>(d) The Listed Entity shall make an immediate market announcement regarding the appointment of an Alternate Director. Such market announcement shall include the following:</p> <ul style="list-style-type: none"> <li>(i) The exceptional circumstances leading to such appointment.</li> <li>(ii) The information on the capacity in which such Alternate Director is appointed, i.e. whether as an Executive, Non-Executive or Independent Director;</li> <li>(iii) The time period for which he/she is appointed, which shall not exceed one (1) year from the date of appointment; and,</li> <li>(iv) A statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity.</li> </ul> <p>(e) The attendance of any Alternate Director at any meeting, including a Board Committee meeting shall be counted for the purpose of quorum.</p>		
9.10.1	Listed entities shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Entity shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 above.		The policy on the maximum number of directorships its Directors are permitted to hold will be disclosed in the Annual Report for 2024.
9.10.2	Listed entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following:	Complied with	At the time of appointment of a new director to the board, the relevant market announcements are made in accordance with section 9.10.2 also such appointments are reviewed by the Nominations and Governance Committee.
9.10.3	Listed entities shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.	Complied with	Relevant disclosures will be made if any changes in the composition of the board or any changes in the capacity of directorship arise.

Rule No.	Corporate Governance Rule	Compliance Status	Details
9.10.4	<p>Listed entities shall also disclose the following in relation to the Directors in the Annual Report:</p> <ul style="list-style-type: none"> <li>(a) name, qualifications and brief profile;</li> <li>(b) the nature of his/her expertise in relevant functional areas;</li> <li>(c) whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity;</li> <li>(d) whether Executive, Non-Executive and/or independent Director;</li> <li>(e) the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel indicating whether such companies are listed or unlisted Companies and whether such Director functions in an executive or non-executive capacity, provided that where he/she holds directorships in companies within a Group of which the Listed Entity is a part, their names (if not listed) need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies;</li> <li>(f) number of Board meetings of the Listed Entity attended during the year;</li> <li>(g) names of Board Committees in which the Director serves as Chairperson or a member;</li> <li>(h) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member; and,</li> <li>(i) The terms of reference and powers of the SID (where applicable).</li> </ul>	Complied with	<p>Please refer pages 82 to 86 of this report for the profiles of the Board of Directors.</p> <p>Please refer to the page 96 for the number of Board meetings attended by the Board of Directors during the year.</p> <p>Please refer to the pages below for the details of attendance of Committee Meetings.</p> <ul style="list-style-type: none"> <li>(i) Pages 106 to 108 of this report for Audit Committee report.</li> <li>(ii) Page 111 of this report for Related Party Transactions Review Committee report.</li> <li>(iii) Page 110 of this report for Nominations and Governance Committee report.</li> <li>(iv) Page 109 of this report for Remuneration Committee report.</li> </ul>
9.11.1	Listed entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules.	Complied with	The company made necessary arrangements to establish a "Nominations and Governance" Committee.
9.11.2	Listed entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.		Please refer page 111 of this report.
9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied with	The Terms of Reference of the Committee has been approved by the Board.
9.11.4	<p>Composition of the Committee</p> <p>1 The members of the Nominations and Governance Committee shall;</p> <ul style="list-style-type: none"> <li>(a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity.</li> <li>(b) It should not comprise of Executive Directors of the Listed Entity.</li> </ul> <p>2 An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors.</p> <p>3 The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Entity.</p>	Complied with	<p>As per section 9.11.4 the committee comprised of four (04) Directors, out of which two (02) members are Independent Directors of the Entity. Chairperson of the Nominations and Governance Committee is an Independent Non-Executive Director.</p> <p>Please refer from page 111 of this report.</p>

Rule No.	Corporate Governance Rule	Compliance Status	Details
9.11.5	Functions of the Nomination and Governance Committee	Complied with	Please refer to page 111 of this report.
9.11.6	Disclosures in Annual Report	Complied with	
9.12.2	Listed entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules.	Complied with	Procedure for developing policy on remuneration of Executive Directors, Non-Executive Directors and the CEO as stipulated in section 9.12.
9.12.6	<p>Composition</p> <p>1 The members of the Remuneration Committee shall;</p> <p>(a) comprise a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity.</p> <p>(b) not comprise of Executive Directors of the Listed Entity.</p> <p>2 An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.</p>	Complied with	<p>The Remuneration Committee consists of four members, out of whom two Directors are independent.</p> <p>The Company will take steps to appoint an independent director as the Chairperson of RC on or before 01 October 2024 and disclose the same in the 2024 Annual Report.</p> <p>Please refer to page 109 of this report.</p>
9.12.7	<p>Functions</p> <p>1 The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations.</p> <p>2 The Remuneration Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO.</p>	Complied with	<p>Please refer to the Remuneration Committee Report on page 109 of this report.</p>
9.12.8	<p>Disclosure in Annual Report</p> <p>The Annual Report should set out the following:</p> <p>(a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the parent company's Remuneration Committee in the case of a group company);</p> <p>(b) A statement regarding the remuneration policy; and,</p> <p>(c) The aggregate remuneration of the Executive and Non-Executive Directors.</p>	Complied with	<p>Please refer to the Remuneration Committee Report on page 109 of this report.</p>
9.13	Audit Committee		
9.13.1	Where Listed entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules.	Complied with	The entity assigned the audit committee the task of performing the audit and risk functions as set out in Section 9.13.4.
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties.	Complied with	Please refer to the Audit Committee Report from pages 106 to 108 of this report.

Rule No.	Corporate Governance Rule	Compliance Status	Details
9.13.3	Composition		
	1 The members of the Audit Committee shall;	Complied with	Audit Committee consists of four Non-Executive Directors three of whom are Independent.
	(a) comprise of a minimum of three (03) directors of the Listed Entity, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors.		Please refer the Corporate Governance Report on pages 92 to 97 and the Report of the Audit Committee on pages 106 to 108.
	(b) not comprise of Executive Directors of the Listed Entity.		
	2 The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors.		
	3 The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market.		
	4 If both, the Parent Company and the subsidiary are 'Listed entities', the Audit Committee of the Parent Company may function as the Audit Committee of the subsidiary		
	5 An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.		
	6 Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation.		
	7 The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body. Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.		Chairperson of the Audit Committee is a Chartered Accountants with a vast knowledge on Financial reporting and compliance.
9.13.4	Functions of the Audit Committee	Complied with	Please refer to the Audit Committee Report from pages 106 to 108 of this report.
9.13.5	Disclosures in Annual Report	Complied with	
9.14.1	Listed entities shall have a Related Party Transactions Review Committee (RPT) that conforms to the requirements set out in Rule 9.14 of these Rules.	Complied with	Please refer to the Related Party Transaction Review Committee Report from Page 111 of this report.
9.14.2	Composition		
	1 The Related Party Transactions Review Committee (RPT) shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include executive directors, at the option of the Listed Entity. An Independent Director shall be appointed as the Chairperson of the Committee.	Complied with	Related Party Transactions Review Committee consists of four non-executive Directors three of whom are Independent.
9.14.7	Disclosures		The committee will make relevant disclosures as per section 9.14.7.
9.14.8	Disclosures in the Annual Report		Please refer to the Note 33 in Page 176 of this report.

# Report of the Board Audit Committee

The report outlines how the Committee discharged its responsibilities during the year in relation to financial and other reporting, risk management and internal control, the internal audit functions and our relationship and interaction with the External Auditor.

The Committee supported the Board in assessing the integrity of the Group's financial reporting and emerging risks facing the Group, particularly in the context of the current macroeconomic conditions of the Country. This included reviewing the Group's risk management and internal control systems and overseeing the operation of the internal audit function.

## Membership of Committee

During the year the Committee comprised three Independent Non-Executive Directors and one Non-independent Non-Executive Director; Mr Mohan Weerakoon, PC, Mr V U Kumar, Mr Suren Amarasekera and Mr K A Vimalenthirarajah respectively and was chaired by Mr Mohan Weerakoon, PC.

Consequent to the restructuring of the Board of SLT Mr Mohan Weerakoon, PC and Mr Vimalenthirarajah, ceased to be members of the Committee upon their resignation from the Board on 30 January 2024.

On behalf of the Committee, I would like to place on record the Committee's appreciation for the services rendered by Mr Mohan Weerakoon, PC and Mr Vimalenthirarajah during their tenure as Chairman and member of the Committee.

The Board having considered the recommendation of Nomination and Governance Committee, appointed Mr Chathura Mohottigedara and Mr Dinesh Vidanapathiran as members of the Committee in place of the outgoing Directors thereby majority of the members of the Committee are independent Directors.

The current composition of the membership of the Committee is;

Mr V U Kumar, Chairman  
Mr Suren Amarasekera  
Mr Chathura Mohottigedara  
Mr Dinesh Vidanapathiran

Mr V U Kumar is a member of the Institute of Chartered Accountants in England and Wales and Corporate Finance Institute of Chartered Accountants of England and Wales, a Chartered Accountant of the Malaysian Institute of Accountants, and a former senior partner of PricewaterhouseCoopers SEAPEN. The Board is satisfied that the current members of the Audit Committee are competent in financial matters and have a good mix of skills, expertise and experience in commercial matters, telecommunications, finance and audit.

## Roles and Responsibilities

The main roles and responsibilities of the Committee, which reflects the Code of Best Practice on Corporate Governance, published by The Institute of Chartered Accountants of Sri Lanka and the Guidance on Audit Committee, are set out in its written Terms of Reference which are available from the SLT's website [www.slt.lk](http://www.slt.lk) or upon request.

Primary responsibilities of the Audit Committee

- Oversight of the integrity of the Financial Statements of the Group and the Company
- Review of its quarterly, and annual Financial Statements followed by recommendation for the approval of the Board
- Oversight of risk management and internal control systems and processes
- Oversight of its compliance with legal and regulatory requirements

- Oversight of the External Auditors' independence and recommendation of their fees for the approval of the Board
- Review of the effectiveness of the internal audit functions and its resources
- Review the whistle-blowing report submitted by the Whistle-blower Committee appointed by the Board of Directors

## Financial Reporting

The Committee's oversight of financial reporting is to ensure the accuracy, completeness and timeliness in the Management's reporting of interim and annual financial results of the Group and its subsidiaries.

The financial and management reporting of SLT comprises monthly, quarterly and annual financial and management reports including the reporting of actual results against the budget, targets, key performance indicators and forecasts.

The Committee reviews these financial and management reports on a regular basis and directs the management on the strategies, plans and action required to improve the effectiveness of controls and performance of the Group and its subsidiaries.

## External Auditors

The Audit Committee is primary responsible for overseeing the relationship with, and performance of, the External Auditor. This includes making recommendations to the Board on the appointment, reappointment and removal of the external auditor, assessing their independence and effectiveness and approving the audit fee.

During the year, the Committee met with the External Auditor without management present to discuss any issues that may have arisen during the audit of the Group's Consolidated Financial Statements of 2023.

## Independence and Provision of Non-Audit Services

The Committee is responsible for ensuring that the External Auditor is independent.

E&Y confirmed to the Audit Committee that they are independent within the meaning of Section 163, subsection 3(a) of the Companies Act No. 07 of 2007. The audit lead engagement partner for the financial year ended 31 December 2023 is Ms Gayathri Manathunga, Client Servicing Partner/E&Y who was appointed in 2023 following the rotation of the previous partner.

A formal policy governing the provision of non-audit services by the External Auditor is in place. This policy is in accordance with best practices and takes into account the relevant ethical guidance for Auditors. This policy is designed to safeguard the objectivity and independence of the External Auditor and to prevent the provision of services which could result in a potential conflict of auditor independence.

The Committee, having considered all of the above, concluded that the Group's External Auditor is independent.

The Committee recommended to the Board that E&Y should continue in office as the Auditor to the Group in respect of the year ending 31 December 2024. The Audit Committee approved the remuneration of the External Auditor, details of which are set out in Note 7 to the Consolidated Financial Statements.

## Internal Audit and Compliance

The Audit Committee is responsible for monitoring and reviewing the operation and effectiveness of the Group Internal Audit function and compliances including forensic practices in order to protect SLT's assets, data and its reputation while ensuring it operates within the boundaries of legal and industry regulations.

The Committee believes that forensic and compliance play critical roles in safeguarding the Organisation's integrity and security. The Committee appointed a Chief Officer – Forensic and Compliance to lead the Internal Audit, Forensic and Compliance Group reporting to the Audit Committee.

To fulfil these duties and responsibilities the Committee:

- reviewed and approved the Group Internal Audit Plan for the year 2023;
- considered and were satisfied that the competencies, experience and level of resources within the internal audit team were adequate to achieve the proposed plan;
- considered the role and effectiveness of internal audit in the overall context of the Group's risk management framework and was satisfied that the function has appropriate standing within the Group;
- received updates from the Group Internal Audit Division on the principal findings from the work of internal audit and Management's actions to remediate issues identified.
- it also conducts investigations at the request of Senior Management, Committee or the Board of Directors.

## Risk Management

The enterprise risk management (ERM) process been developed across the SLT Mobitel Group supporting organisations to identify, evaluate, and manage risks at the enterprise level. SLT has implemented an enterprise risk management framework under main three categories strategic, external, and internal risks of the Group, which includes risk maps indicating its level of probability and the impact of risks on the business. The risk profiles of each risk identify the risk category, risk owner and the Committee reviews the adequacy. The risk management function in identifying and assessing key risks, and in working with the management to mitigate these risks through appropriate and timely action.

## Revenue Assurance and Fraud Management

The key objective of the revenue assurance function and fraud management function is to minimise revenue leakages and frauds penetrated by internal or external parties.

RA Division monitors the existing systems in place and evaluates the avenues for revenue loss and corrective actions taken to avoid possible revenue loss to the Company. The detections are achieved by both manual and automated means. Typical detection activities include comparison, investigation and auditing of information

and processes. The aim is to find the root cause behind detected errors and deviations.

Correction is the set of activities and processes employed to minimise errors identified by the RA Detection. Typically, some information or configuration needs to be added, edited or removed from a system, process or procedure in order to correct the detected anomaly. The process of correction of a root cause could involve modifications or enhancements of information, processes, systems, technology or organisation.

Prevention is the process of performing an activity in order to prevent anomalies that would be found using RA Detection.

The Committee reviews the findings and recommendations of these functions and ensures that appropriate and timely action is taken by the management to minimise revenue leakages and frauds.

## Committee Meetings

The Committee met nine times during the year and attendance at these meetings is outlined on page 96.

Typically, the Chief Executive Officer, the Chief Financial Officer, the Group Company Secretary, and the Chief Officer- Forensic and Compliance, as well as representatives of the External Auditor are invited to attend meetings of the Committee. At the invitation of the committee. When required, other key executives and Senior Management are invited to attend to present and provide deeper insight on various topics as are required by the Committee to discharge its duties.

After each Committee meeting, the Chairman of the Committee reports to the Board on the key issues which have been discussed.

The agenda of the Committee meetings comprised the following four recurrent items:

- External audit (for the quarter, half-year and full year Financial Statements)
- Internal audit (as per the audit plan)
- Risk management
- Revenue assurance and fraud management

Key matters considered during the meetings held during the year are:

### February 2023

- Reviewed internal audit findings, recommendations and management action presented by the GIAD with the management.
- Reviewed the interim Financial Statements for the period ended 31 December 2022.
- Reviewed and approved the revised internal audit plan for 2023.
- Reviewed interim audit observation report submitted by E&Y for the period ended 31 December 2022

### July 2023

- Reviewed internal audit findings, recommendations and management action presented by the GIAD with the management.
- Reviewed the key enterprise risks and progress of mitigating action by management.
- Reviewed the proposal from Tax Consultants on optimisation of tax of SLT Group and recommended to appoint BDO Partners, Chartered Accountants to engage with the assignment.
- Reviewed the Group Compliance and Regulatory report

### March 2023

- Reviewed and recommended for the approval of the Board the audited Financial Statements for the year ended 31 December 2022.
- Reviewed the audit observation report by E&Y on the audited Financial Statements for the year ended 31 December 2022.
- Reviewed and recommended for the approval of the Board the Audit Fee for 2023.

### May 2023

- Detailed review on the competitive risk as part of regular risk management update
- Reviewed the key enterprise risks and progress of mitigating action by management.
- Reviewed the revenue assurance findings, recommendations, and management action.
- Reviewed the interim Financial Statements made up to 31 March 2023 and the E&Y's findings and observations on their audit.
- Reviewed the management letter for 2022.
- Reviewed the Group Compliance report and the AC recommended to appoint a compliance officer to ensure that the Company has complied with all statutory and regulatory requirements and disclosures are duly done.
- Reviewed internal audit findings, recommendations and management action presented by the GIAD with the management

### 10 November 2023

- Detailed review on the competitive risk as part of regular Risk Management update
- Reviewed the revenue assurance findings, recommendations, and management action.
- Reviewed the interim financial statements made up to 30 September 2023 and the E&Y's findings and observations on their audit.
- Reviewed the Group Forensic, Compliance and Regulatory report.
- Chief Officer Forensic and Compliance presented the procedure manual and fraud risk assessment.
- Reviewed internal audit findings, recommendations and management action presented by the GIAD with the management

### 24 November 2023

Reviewed the reports on special audits done by BDO Partners, Chartered Accountants as directed by the Board of Directors

On behalf of the Group Audit Committee

**V U Kumar**

Chairman of the Audit Committee

15 April 2024

### September 2023

- Reviewed internal audit findings, recommendations and management action presented by the GIAD with the management.
- Reviewed the key enterprise risks and progress of mitigating action by management.
- Reviewed the revenue assurance findings, recommendations, and management action.
- Reviewed the proposal on amalgamation of three fully owned subsidiaries of SLT

# Report of the Remuneration Committee

The Committee function as the Group Remuneration Committee ("RC"). The RC comprised of its Chairman, Mr Chan Chee Beng (Non-Independent Director) and its Committee members, namely Mr Lawrence Paratz and Mr A K D D Arandara (Non-Independent Director) appointed on 02 February 2024 in place of Mr Rohan Fernando whose membership ceased due to resignation from the Board on 30 January 2024. Dr K A S Keeragal was appointed to the Committee on 27 March 2024 as an additional member thereby the half of the members of the Committee are independent Directors.

In 2023, the RC performed its duties as per best practices and good corporate governance and executed tasks as assigned by the Board of Directors.

The Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Chief People's Officer ("CPO") and External Advisers are invited to attend for all, or any part of the meeting as required.

The Company Secretary functions as the Secretary of the Committee.

## Role and Responsibilities

The principal tasks of the Committee include;

- Recommending to the Board on formulation of proposals in respect of the remuneration policy of Non-Executive Directors, Executive Director, Chief Executive Officer of SLT and its subsidiaries and Executive Management of SLT.
- Review and recommending annual bonus payments and annual salary increments for all employees of SLT Group.

The CEOs of respective companies are fully consulted on remuneration proposals.

The Committee operates within agreed terms of reference and is committed to ensuring that remuneration arrangements align-reward with performance.

## Remuneration Policy

The remuneration policy is designed to reward, motivate and retain the Company's executive team, with market competitive remuneration and benefits, to support the continued success of the business and creation of shareholder value.

The remuneration packages which are linked to individual performances are aligned with the Company's short-term and long-term strategy. The Committee endeavours to maintain remuneration levels that are sufficient to attract and retain members of the Senior Management team.

All Non-Executive Directors including the Chairman receive a fee for serving on the Board and Board committees based on their attendance at meetings. They do not receive any performance related incentive payments.

## CEO and Senior Management's Remuneration

The main elements of the remuneration package for the CEO and Senior Management are basic salary, benefits, and performance related annual bonus. Payment of an annual bonus depends on achievement of operating profit targets and personal goals. The salary of the CEO and the Senior Management are reviewed annually in January having regard to the year-on-year inflation of the Country, the organisational performance and the individual performance.

Details of the overall Directors' remuneration charged to the Group Income Statement is shown in Note 7 on page 151.

The Directors have no beneficial interests in any of the Group's subsidiary undertakings.

The Committee held six meetings during the year. A summary of its activities is given below.

- Reviewed and recommended the implementation of a unified organisation structure to be effective from 01 January 2023, in order to enhance operational and business efficiencies under a Group Structure.
- Reviewed and recommended for the approval of the Board the annual salary increment and the bonus for the staff of SLT and its subsidiaries for the year 2023 based on individual performance and achievement of the Companies KPIs.

On behalf of the  
Remuneration Committee

**Chan Chee Beng**  
Chairman

15 April 2024

# Report of the Nomination and Governance Committee

## Role and Responsibilities

The Nomination and Governance Committee ("NGC") was established in October 2023 in compliance with the revised Listing Rules of the CSE. The Committee seeks to ensure an orderly succession of candidates for Directors, the Company Secretary and Senior Executives and oversees corporate governance matters for the Group.

The principal tasks of the Committee include:

1. Exercise general oversight with respect to the governance of the Board of Directors.
2. Monitor the balance of skills, knowledge, experience and diversity on the Board and the succession plans for the Senior Management of the Company.
3. Review the qualifications and skills of the candidates and recommend to the Board of Directors proposed nominees for appointment to the Board and Board Committees.
4. Evaluate and recommend to the Board corporate governance practices applicable to the Company.
5. Review the career and development plans for the Company's most senior members of management with a view to ensuring that there is an adequate talent pool.
6. Appraise the framework for assessment of CEO's performance.
7. Oversees the subsidiary governance framework and regulatory control environment.

The Committee operates within agreed Terms of Reference (TOR).

## The Membership

The NGC comprised of its Chairman, Mr V U Kumar (Independent Director) since 02 October 2023 and its Committee members, namely Mr Chan Chee Beng, Mr A K D D Arandara (Non-Independent Directors) and Dr K A S Keeragala (Independent Director) Mr Arandara and Dr Keeragala were appointed to NGC on 01 February 2024 and 27 March 2024 respectively consequent to the resignations of Mr Ranjith Rubasinghe and Mr Reyaz Mihular.

The composition of the Committee meet the independence standards of the CSE corporate governance listing requirements.

The Committee function as the Group NGC. The Chief Executive Officer ("CEO"), Chief People's Officer ("CPO") and External Advisers are invited to attend for all, or any part of the meeting as required. In 2023, the NGC performed its duties as per best practices and good corporate governance and executed tasks as assigned by the Board of Directors.

The Company Secretary functions as the Secretary of the Committee.

## Meetings and Attendance

The Committee met once in 2023 after the formation of the NGC. Prior to the formation of NGC all responsibilities relating to identification, selection and nomination of Directors to the Board and the Board Subcommittees were dealt under the Remuneration and Nomination Committee.

## Activities during the Year

2023 Committee spent significant time to monitor the composition and skills of the Board and Board Subcommittee.

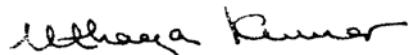
During the year, it supported the Board in the selection of the new Chief Peoples Officer (CPO), Chief Officer Forensic and Compliance (CO-FC) with the support of the Audit Committee and the selection of Chief Operating Officer for Mobitel (Pvt) Ltd.

Regular updates were provided to the Board at each Board meetings by the Chairman of the Committee.

The Committee also reviewed the executive team's succession planning, considered the implications of the revised listing rules on Corporate Governance introduced in October 2023 and made recommendations to the Board on the composition of the Board Subcommittee.

The Committee will continue to focus on ensuring that the Board's composition is strong and diverse and to promote best governance practices in the boardroom and throughout the Company.

On behalf of the  
**Nomination and Governance Committee**



**V U Kumar**  
Chairman

15 April 2024

# Report of the Related Party Transactions Review Committee

## Objective

The objective of the Committee is to constitute and maintain a committee to provide assistance to the Board in fulfilling its oversight responsibility relating to review of all Related Party Transactions (RPTs) in compliance with the Code on Related Party Transactions, as issued by the Securities and Exchange Commission of Sri Lanka (The Code) and with the Listing Rules of the Colombo Stock Exchange (CSE) and for formulation, revision and approval of policies on RPTs; and conduct of any investigation required to fulfill its responsibilities on RPTs.

## Composition

The Committee currently comprises three independent non-Executive Directors and one non-independent non-Executive Director namely, Mr Suren Amarasekera, Chairman, Mr V U Kumar, Mr Dinesh Vidanapathirana and Mr Chathura Mohottigedara respectively. Mr Vidanapathirana and Mr Mohottigedara were appointed as members of the Committee on 02 February 2024 in place of Mr K A Vimalenthirarajah and Mr Mohan Weerakoon, PC whose membership ceased subsequent to their resignation from the Board of SLT. In compliance with the requirements of the Listing Rules of the CSE, the Chairman of the Committee is an independent Director. The Company Secretary functions as the Secretary of the Committee.

## Meetings of the Committee

The Committee had four meetings during the financial year 2023 and the attendance at these meetings is showed in the Corporate Governance Report on page 96. The Chief Financial Officer and the Chief Officer – Forensic, Compliance and Internal Audit attended the meetings by invitation.

The activities and views of the Committee have been communicated to the Board of Directors, through verbal briefings, and by tabling the minutes of the Committee's meetings.

## Policies and Procedures

The members of the Board of Directors of the Company and the senior management of SLT and subsidiaries have been identified as Key Management Personnel (KMP). In accordance with the Related Party Transaction Policy, declarations are obtained from each KMP for the purpose of identifying parties related to them. Based on the information furnished in these declarations, the Company retrieves data on related party transactions from the data base of the Company.

## Activities during 2023

- Reviewed the Terms of Reference of the Committee to be in compliance with the Listing Rules of the CSE.
- The committee adopted policy on RPTs and issued a circular with a template to all Directors and the senior management of SLT and subsidiaries to disclose any related party transactions once in each quarter, when there is a change in the status and in any event prior to entering into any transactions between such related parties and the Company, its parent or any subsidiaries, sub-subsidiaries, associates, etc

As per the aforesaid policy it is the responsibility and the accountability of the respective KMP to ensure the accuracy of the disclosure on related party transactions.

- Recommended to the Board on the requirement of a Group Compliance Officer.
- The Committee reviewed the recurrent RPTs entered into by the Company, Related Parties as at the end of every quarter and the Affirmative Statements by the CFO re-assuring that all transactions entered into during the quarter were recurrent transactions, which have been entered into on an arms-length basis where no

favourable terms have been offered to related parties. Details of related party transactions entered into by the Company during the financial year is disclosed in Note 33 to the Financial Statements.

## Declaration by the Board

A declaration is given by the Board in the Annual Report of the Board of Directors on pages 115 to 119 as a negative statement to the effect that no related party transaction failing within the ambit of rule 9.3.2. of Listing Rules of the CSE was entered into by the Company during the year.

On behalf of the Related Party Transactions Review Committee

**Suren Amarasekera**

Chairman

15 April 2024

# Enterprise Risk Management

In the rapidly evolving telecommunications sector, risk management emerges as a critical priority for companies striving to navigate uncertainties while ensuring the safety of customers and stakeholders, securing the Company's assets, and fostering growth. For SLT, a leading telecom entity, this commitment to risk management is not just about mitigating threats but also about leveraging opportunities that arise amidst these challenges. The integration of risk management into SLT's operations is designed to enhance decision-making processes, thereby aligning the Company's risk assessment and response strategies with its overarching strategic objectives.

## Risk Leadership and Governance

At the core of SLT's risk management ethos is the belief that effective leadership and governance are indispensable. The Company's Senior Management plays a pivotal role in embedding a risk-conscious culture throughout the Organisation. Through the establishment of a comprehensive risk management framework, SLT delineates its risk management philosophy, appetite, tolerance levels, and the approach towards identifying, assessing, and addressing risks. This framework is vital in guiding the Organisation through the complexities of various risk types, including those that could significantly impact SLT's reputation, operational efficiency, human resources, and financial health. By fostering an environment where risk management is vigorously supported and actively engaged in by the leadership, SLT ensures that risk considerations are integral to the formulation of key business strategies and decisions.

## Audit Committee

The governance structure of SLT's risk management efforts is anchored by the Audit Committee, which doubles as the Risk Management Committee (RMC). Endorsed by the Board of Directors, the RMC represents the highest level of risk management oversight within the Company. This Committee is instrumental in overseeing the Enterprise Risk Management (ERM) function, ensuring that risk management practices are not only implemented but also aligned with the Company's strategic direction and operational requirements.

## ERM Standards

SLT's adherence to the ISO 31000:2018 guidelines underscores its commitment to a structured and effective risk management approach. The incorporation of these standards into its ERM framework is complemented by SLT's initiative to integrate best practices developed within the Organisation, thereby enhancing the robustness and relevance of its risk management efforts.

## Risk Process and Activities

The dynamic nature of the telecommunications industry, compounded by external factors such as economic crises and technological advancements, necessitates a proactive and agile approach to risk management. In 2023, SLT navigated through a plethora of risks, including financial instability due to exchange rate volatility. Against this backdrop, SLT's approach to risk management emphasises simplicity, clarity, and efficiency across all business domains. This strategy enables the Company to foster a culture of shared responsibility, aggregate

risks, and ensure consistent application of its risk management practices. Through a systematic and rigorous risk review process, SLT remains adept at identifying, monitoring, and managing risks, thereby safeguarding the Company's interests and ensuring business continuity.

The Company has been facing a number of critical risks to sustain and ensure its business continuity. These, among others, included:

Risk	Risk level
<b>Potential Mergers and Acquisitions in the industry</b> With the involvement of industrial stakeholders discussing on fair resource allocation for a healthy competition.	Critical
<b>Regulatory initiatives, which could negatively impact on the business</b> Methodology of future spectrum allocation will impact to the business. Also there are potential new regulations. SLT already engaged with regulator to minimise the impact.	Critical
<b>High customer churn due to competition and economic conditions</b> Addressing with competitive products and increasing service levels.	Critical
<b>The risk of OPEX increases to manage business operations</b> Having implemented effective cost management initiatives to minimise the effect of increasing energy cost and other cost components	Critical
<b>Liquidity risk</b> To manage risk of collection, bad debt and delay in payment of bills due to prevailing situation, actions have been taken.	High
<b>Impact to critical business functions due to employee turnover/unavailability/unrest</b> The brain drain issue the country has been facing also impacting the Organisation as well. Retaining talents has become a potential risk.	High
<b>New industry specific policies and taxes</b> Discussions are in progress with the involvement of industry stakeholders	High

SLT's dedicated approach to risk management, supported by strong leadership, governance structures, adherence to international standards, and comprehensive risk processes and activities, positions the Company to effectively manage the spectrum of risks it faces. This strategic orientation not only protects SLT from potential adversities but also empowers it to seize growth opportunities, thereby reinforcing its commitment to stakeholders and securing its position as a leader in the telecommunications sector.



# Financial Report

“

Despite the challenges faced in 2023,  
we are resolutely optimistic about the future  
as Sri Lanka's economy is expected to return  
to growth in 2024 and evolution in the  
technological landscape indicates SLT  
is well-positioned to lead the way.

”

**Janaka R Abeysinghe**  
Chief Executive Officer

# Annual Report of the Board of Directors on the Affairs of the Company

The Directors are pleased to present their report and the Audited Financial Statements of the Company, Sri Lanka Telecom PLC and the Group for the financial year 2023.

## Formation

Sri Lanka Telecom ("SLT") was formed by an Incorporation Order made under Section 2 of the State Industrial Corporations Act No. 49 of 1957 and published in the Extraordinary Gazette No. 596/11 of 6 February 1990. Subsequently, in terms of an order made by the Minister of Posts and Telecommunications ("the Minister") on 24 July 1991 under Section 23 of the Sri Lanka Telecommunications Act No. 25 of 1991 and published in the Gazette No. 675 of 9 August 1991 all properties, rights and liabilities (other than those excluded by the agreement entered into between the Minister and SLT as per sub-section 2 of Section 23 of the Sri Lanka Telecommunication Act) to which the Department of Telecommunications ("DoT") was entitled or subject to immediately before the transfer date of 1 September 1991 were vested with SLT.

SLT was converted to a public limited company on 25 September 1996, under the Conversion of Public Corporations of Government Owned Business Undertakings into Public Limited Companies Act No. 23 of 1987, vide Extraordinary Gazette No. 942/7 dated 25 September 1996 and the shares were listed in the Colombo Stock Exchange ("CSE") in January 2003.

SLT was re-registered under the Companies Act No. 07 of 2007 as Sri Lanka Telecom PLC on 4 June 2007.

## Principal group activities and review of the business

The Group provides a broad portfolio of telecommunication services across Sri Lanka, the main activity being domestic and international fixed and mobile ICT operations. In addition, the range of services provided by the Group include, inter-alia, internet services, IPTV, Wireless broadband, data services, domestic and international leased circuits, frame relay, satellite uplink and maritime transmission.

The Company's interest in subsidiaries/joint ventures and their business activities during the financial year 2023 are as follows:

Name of the subsidiary/Associate Company	Business activity
Mobitel (Pvt) Ltd.	Mobile telephone services
e-Channeling PLC	Providing digital lifestyle solution for healthcare and other industries.
Mobit Technologies (Pvt) Ltd.	Operations have ceased
Sri Lanka Telecom (Services) Ltd.	Total network solutions
SLT VisionCom (Pvt) Ltd.	IPTV support services
SLT Digital Services (Pvt) Ltd.	Directory information, event management & activation and digital services
SLT Property Management (Pvt) Ltd	Management of SLT's real estate resources
SLT Human Capital Solutions (Pvt) Ltd.	Operations have ceased
Talentfort (Pvt) Ltd.	Human resource solutions
Galle Submarine Cable Depot (Pvt) Ltd	Repair and maintenance of submarine telecommunication cable systems to third parties.
Xyntac Singapore (Pvt) Ltd	Wired telecommunication network operations

A detailed review of the Company's activities, the development of its businesses, and an indication of likely future developments are given under Management Discussion and Analysis.

SLT Visioncom (Pvt) Ltd. and SLT Digital Services (Pvt) Ltd. fully owned subsidiaries of SLT were amalgamated with Sri Lanka Telecom (Services) Ltd. in terms of Section 242 (2) of the Companies Act No. 7 of 2007 effective 1st April 2024 to establish a unique entity capable of more effectively competing in the marketplace, while also benefiting from greater economies of scale. Accordingly, Sri Lanka Telecom (Services) Ltd. remained as the Amalgamated Company.

SLT Human Capital Solutions (Pvt) Ltd has decided to divest its holding in Talentfort (Pvt) Ltd., as Talentfort business operation is not within the core business of SLT Group.

## Board of Directors

In terms of section 168 (1) (h) of the Companies Act No. 7 of 2007, and the Listing Rules of the Colombo Stock Exchange ("CSE"), the names of persons who held the office as Directors of the Company during the financial year ended 31 December 2023 are given below;

Name of Director	Position	Date of Appointment	Date of Re-election
Mr Rohan Fernando	Chairman/INED	23 January 2020	15 July 2020
Mr Lalith Seneviratne	NED	23 January 2020	15 July 2020
Mr Chan Chee Beng	NED	5 June 2008	23 April 2021
Mr Lawrence Paratz	INED	26 May 2010	11 May 2023
Mr Mohan Weerakoon, PC	INED	23 January 2020	15 July 2020
Mr Ranjith Rubasinghe	INED	23 January 2020	11 May 2023
Mr V U Kumar	INED	2 July 2021	11 May 2022
Mr K A Vimalenthirarajah	NED	15 March 2022	11 May 2022
Mr Suren Amarasekera	INED	8 December 2022	11 May 2023
Mr Reyaz Mihular	INED	30 March 2023	11 May 2023

NED – Non Executive Director

INED – Independent Non – Executive Director

**Changes to the directorate subsequent to the financial year.**

Mr Reyaz Mihular was appointed as the Chairman of the Board on 20 July 2023 in place of Mr Rohan Fernando.

Messrs Reyaz Mihular, Lalith Seneviratne and Ranjith Rubasinghe tendered their resignation from the Board on 29th January 2024.

Messrs Rohan Fernando, Mohan Weerakoon and K A Vimalenthirarajah tendered their resignation from the Board on 30th January 2024.

The following Directors were appointed to the Board on 1st February 2024.:

- Mr A K D D D Arandara
- Dr Isuru Dasanayake
- Prof Kithsiri Liyanage
- Mr Dinesh Vidanapathirana
- Dr K A S Keeragala
- Mr Chatura Mohottigedara

Mr A K D D D Arandara was elected as the Chairman of the Board of SLT on 1 February 2024.

Accordingly, the current composition of the Board is as follows;

Name of Director	Position	Date of Appointment	Date of Re-election
Mr A K D D D Arandara	Chairman/NED	01 February 2024	To be re-elected at the AGM
Mr Chan Chee Beng	NED	5 June 2008	23 April 2021
Mr Lawrence Paratz	INED	26 May 2010	11 May 2023
Mr V U Kumar	INED	2 July 2021	11 May 2022
Mr Suren Amarasekera	INED	8 December 2022	11 May 2023
Prof Kithsiri Liyanage	INED	01 February 2024	To be re-elected at the AGM
Dr Isuru Dasanayake	INED	01 February 2024	To be re-elected at the AGM
Dr K A S Keeragala	INED	01 February 2024	To be re-elected at the AGM
Mr Dinesh Vidanapathirana	INED	01 February 2024	To be re-elected at the AGM
Mr Chatura Mohottigedara	NED	01 February 2024	To be re-elected at the AGM

NED – Non Executive Director

INED – Independent Non-Executive Director

Brief profiles of the Directors of the Company as at date are contained in the Board of Directors section in the Annual Report

## Appointment & Re-election of Directors

In terms of the Articles of Association of the Company, the Directors are authorised to appoint any person to be a Director either to fill a casual vacancy or as an additional Director provided that the total number of Directors do not exceed the maximum no. of Directors specified in the Articles of Association of the Company. The Directors appointed during the year will hold office only until the next Annual General Meeting ("AGM") and will offer themselves for re-election by the shareholders.

In addition, one third of the Directors (or the number nearest to one third) retires by rotation at each AGM and offer themselves for re-appointment by the shareholders.

In terms of Section 210 of the Companies Act No. 7 of 2007, a Director who reaches the age of 70 years vacates office at the conclusion of the AGM commencing next after he attains the age of seventy years and is eligible to be re-appointed by the shareholders under Section 211 of the Act.

Mr A K D D D Arandara, Dr Isuru Dasanayake, Prof Kithsiri Liyanage, Mr Dinesh Vidanapathirana, Dr K A S Keeragala and Mr Chatura Mohottigedara who were appointed to the Board subsequent to the previous AGM retire in terms of Article 94 of the Articles of Association of the Company and being eligible offer themselves for election.

Mr Chan Chee Beng who has been longest in office since the last re-election, retire by rotation in terms of Article 91 and 92 of the Articles of Association of the Company and being eligible offer himself for re-election.

Pursuant to section 211 of the Companies Act No. 7 of 2007 an ordinary Resolution will be put before the shareholders for the re-appointment of Mr Lawrence Paratz and Mr V U Kumar notwithstanding the age limit of seventy years stipulated by section 210 of the Companies Act.

## Board Sub- Committees

In terms of Section 186 of the Companies Act, the Articles of Association of the Company and the Listing Rules the following mandatory and voluntary sub-committees have been appointed by the Board to focus in detail on a particular issue.

- Audit Committee
- Remuneration Committee
- Nominations & Governance Committee
- Related Party Transactions Review Committee
- Senior Tender Board
- Technology Sub-Committee

Information relating to Sub-committees is given under "Corporate Governance" on pages 94-95.

## Divestment Preparatory Steering Committee (DPSC)

In addition, with the announced intention of the Government of Sri Lanka to divest its holding in SLT and proposed appointment of IFC as the Sell Side Advisors, the Board established a Divestment Preparatory Steering Committee (DPSC) to ensure that the necessary work streams are put in place to provide the information requested by the Advisors to prepare the Information Memorandum, Valuation Memorandum and other related documents associated with doing a Sell Side Due Diligence and sourcing a prospective purchaser for the said shares.

## Directors' Indemnities and Insurance

The Company maintains Directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its directors and officers.

## Interest Register and Directors' interest in contracts with the Company.

An Interest Register is maintained by the Company as per the requirement of the Companies Act No. 7 of 2007. The Directors have made necessary declarations as provided in section 192 (2) of the aforesaid Companies Act. The interest Register is available for inspection by shareholders, or their authorised representatives as required by section 119 (1) (d) of the Companies Act No. 7 of 2007.

The Company carries out transactions in the ordinary course of business at commercial rates with entities in which a Director of the Company is the Chairman or Director of such entities or holds substantial interest in such entities.

The Directors have no direct or indirect interest in any contract or proposed contact with the Company for the year ended 31 December 2023 other than those disclosed in Note 33 to the Financial Statements.

The Directors have declared all material interest in contacts involving the Company and have refrained from voting on matters in which they have a material interest.

## Related Party Transactions

Transactions if any that could be classified as Related Party Transactions in terms of LKAS 24 "Related Party Disclosures" are given in Note 33 to the Financial Statements.

The related party transactions of the Company during the financial year have been reviewed by the Related Party Transactions Review Committee ("RPT – RC") and are in compliance with the Section 09 of the CSE Listing Rules.

The RPT – RC confirms that recurrent related party transactions carried out during the year does not exceed 10% of the equity or 5% of the total assets of the listed entity. In addition, the aggregate value of the recurrent related party transactions does not exceed 10% of the gross revenue.

## Directors & Chief Executive Officer's Shareholding

Directors other than Mr Rohan Fernando, Mr K A Vimalenthiranjanah and the Chief Executive Officer did not hold shares in the Company or its subsidiaries during the financial year under review.

The shareholding of the Directors and the CEO in SLT is given below:

	No. of shares	
	01 January 2023	31 December 2023
Mr Rohan Fernando	<b>194,839</b>	120,000
Mr K A Vimalenthiranjanah	<b>1,300</b>	1,300
Chief Executive Officer	<b>1,824</b>	1,824

## Remuneration and other Benefits of Directors

The remuneration and other benefits received by the Directors are given in Note 7 to the Financial Statements on page 151 as required by Section 168 (1) (f) of the Companies Act.

## Shares and Debentures

### Stated Capital

The Stated Capital of the Company as at 31 December 2023 was LKR 18,048,600,000/- divided into 1,804,860,000 ordinary shares. There were no changes to the stated capital of the Company during the year under review.

Details of the Company's Stated capital are set out in Note 29 to the Financial Statements.

### Substantial shareholding

The following shareholders held more than 5% of the issued shares as at 31 December 2023.

Secretary to the Treasury (Government of Sri Lanka)	50.23%
Global Telecommunications Holdings N.V. of Netherlands	44.98%

### Voting rights

Ordinary shareholders are entitled to receive notice and to attend and speak at any General Meeting of the Company. A shareholder entitled to attend and vote at a General Meeting may appoint a proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.

Every shareholder present in person or by proxy (or being a corporation present by a duly authorised representative) shall have one vote on a show of hand and one vote for every share held by him on a poll.

### Debentures

The Company in April 2018 issued 70,000,000 Senior Unsecured Redeemable Rated 10 year (2018/2028) Debentures as indicated below:

Type of Debentures	Interest rate (per annum)	No. of debentures issued
Type A	12.75% payable annually	20,760,000
Type B	12.75% payable semi-annually	49,240,000

## Minimum Public Holding Requirement

Given that the two controlling shareholders and other Government connected institutions are considered "non-public", the public free float has reduced to 4.78% of the shareholding. The shares of SLT was transferred to the Second Board with effect from 29 October 2021.

In view of the current situation, SLT is evaluating various options available to increase the public float such as private placement and secondary public share offering in order to comply with minimum public holding requirements of section 7.13.1 of the Listing Rules.

## Financial Statements

The Financial Statements of the Group and the Company have been prepared in accordance with Sri Lanka Accounting Standards (SLFRs/LKASs), laid down by the Institute of Chartered Accountants of Sri Lanka and comply with the requirements of the Companies Act No. 07 of 2007.

The significant accounting policies adopted by the Group and Company in preparing the Financial Statements are set out on Note 3 to the Financial Statements. These policies, and applicable estimation techniques, have been reviewed by the Directors who have confirmed them to be appropriate for the preparation of the consolidated Financial Statements for 2023.

The aforementioned Financial Statements for the year ended 31 December 2023 certified by the Chief Financial Officer and signed by two Directors are given on page 127 of this report.

A statement by the Directors of their responsibilities for preparing the Financial Statements is included in the Statement of Directors' responsibilities on page 120 while the independent Auditors Report is set out in pages 121-124 of this report.

## Financial Results & Appropriations

	2023		2022	
	Company LKR Mn.	Group LKR Mn.	Company LKR Mn.	Group LKR Mn.
Revenue	<b>69,711</b>	<b>106,418</b>	67,569	107,710
Profit/(loss)	(1,132)	(3,921)	8,463	4,765
Reserves	<b>68,140</b>	<b>88,501</b>	69,546	92,373

Results of the Company and of the Group are given in the Income Statement on page 125.

The movement of the reserves are given in the Statement of Changes in Equity on pages 128-129 of the Annual Report.

E & Y have expressed their willingness to continue in office. A resolution to re-appoint them and to authorise the directors to determine their remuneration will be proposed at the forthcoming AGM.

## Dividends

The Directors do not recommend the payment of a dividend for the financial year ended 31 December 2023 (2022- First & Final dividend of LKR 0.25 per share)

## Property, Plant and equipment

The movements in property, plant and equipment during the year are set out in Note 13 to the Financial Statements. Current status of value of properties is disclosed on Pages 186-193.

## Auditors

Ernst & Young, ("E & Y") Chartered Accountants served as the External Auditors of the Company during the year under review. The Audit fees payable and fees payable for non -audit services rendered are as follows:

	2023 LKR Mn.	2022 LKR Mn.
Audit Fees	<b>14</b>	14
Non – Audit Fees	<b>5</b>	6

SLT Group Audit Committee having considered E & Y's performance and their independence recommend to the shareholders the re-appointment of E & Y as the Auditors of the Company for the ensuing year.

Based on the written representation made by the Auditors the Directors are satisfied that the Auditors have had no interest or relationship with the Company or its subsidiaries other than that of External Auditors.

## Statutory payments & Compliance with Laws & regulations

The Directors confirm that to the best of their knowledge all taxes, duties and levies payable by the Company and subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its subsidiaries and all other known statutory dues as were due and payable by the Company and its subsidiaries as at the reporting date have been paid or where relevant provided for in the Financial Statements.

The Company has also ensured that it complied with the applicable laws and regulations including the Listing Rules of the CSE.

## Environmental protection

After making adequate enquiries from management, the Directors are satisfied that the Company and its subsidiaries operate in a manner that minimises the detrimental effects on the environment and provides products and services that have a beneficial effect on the customers and the communities within which the Group operates.

## Donations

The Directors have approved donations amounting to LKR 20 Mn. for charitable purposes for the year 2023. (2022 - LKR 2.0 Mn.).

## Employment Policies

The employment policies of SLT cover issues such as diversity, employee well-being and equal opportunities. The Company takes its responsibility towards the physically disabled seriously and does not discriminate any employee or prospective employee based on physical disability. Employees who become disable during their service at SLT will be retained in employment wherever possible and will be given rehabilitation and training.

The Group companies operate within a framework of Human Resource policies, practices and regulations appropriate to their market sector. Policies and procedures for recruitment, training, career development and the Code of Ethics for Employees promote equality of opportunity regardless of gender, sexual orientation, age, marital status, disability, race, religion or other beliefs and ethnic or national origin. The aim is to encourage a culture in which all employees have the opportunity to develop fully according to their individual abilities and the needs of the Group.

The number of persons employed by SLT and Group is given in Note 7.1 on page 152.

## Sustainability Reporting

SLT is conscious of the direct and indirect impact on the environment due to its business activities. The Group endeavours to minimise the adverse effects on the environment and to ensure sustainable continuity of our natural resources. The activities undertaken by the Group in recognition of its responsibility as a corporate citizen are disclosed more fully on pages 54 to 80 of this Report.

## Post Balance Sheet Events

Except for matters disclosed in Note 36 to the Financial Statements, there are no material events as at the date of the Auditors Report which require adjustments to or disclosure in the Financial Statements.

## Going concern

The Directors have reviewed the Company's business plans and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future to justify adopting the going concern basis in preparing the Financial Statements.

## Annual General Meeting (AGM)

The AGM will be held at 10.00am, on 14 May 2024 at the Main Hall of the Bandaranaike Memorial International Conference Hall (BMICH), Bauddhaloka Mawatha, Colombo 07. The Notice of the Annual General Meeting appears on page 197 of the Annual Report.

By order of the Board  
**Sri Lanka Telecom PLC**

**A K D D Arandara**

Chairman

**V U Kumar**

Director

**Mahesh Athukorale**

Group Company Secretary

15 April 2024  
 Colombo

# Statement of Directors in relation to their responsibility for the preparation of Financial Statements

The responsibility of the Directors in relation to the Financial Statements of the Company and the Group is set out in the following statement. The responsibility of the Independent Auditors, in relation to the Financial Statements, prepared in accordance with the provisions of the Companies Act No. 07 of 2007 ("the Act"), is set out in the Independent Auditors' Report from pages 121 to 124.

The Financial Statements comprise:

- Statement of Profit or Loss and Other Comprehensive Income, which present a true and fair view of the profit and loss of the Company and the Group for the financial year; and
- Statement of Financial Position, which present a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year, and which comply with the requirements of the Act and SLRFS.

The Directors are required to ensure that, in preparing these Financial Statements:

- appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any, have been disclosed and explained;
- all applicable Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka, as relevant, have been followed;
- judgments and estimates have been made which are reasonable and prudent.

The Directors are also required to ensure that the Company and the Group have adequate resources to continue its operation to justify applying the going concern basis in preparing these Financial Statements.

Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy the financial position of the Company and of the Group, and to ensure that the Financial Statements presented comply with the requirements of the Act.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and of the Group and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities.

The Internal Auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed. However,

there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The Audit Committee of the Company meets periodically with the Internal Auditors and the Independent Auditors to review the manner in which these auditors are performing their responsibilities, and to discuss auditing, internal control and financial reporting issues. To ensure complete independence, the Independent Auditors and the Internal Auditors have full and free access to the members of the Audit Committee to discuss any matter of substance.

The Directors are required to prepare the Financial Statements and to provide the Independent Auditors with every opportunity to take whatever steps and undertake whatever inspections that they may consider to be appropriate to enable them to give the independent auditors' opinion.

The Directors are of the view that they have discharged their responsibilities as set out in this statement.

## Compliance report

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries and associate company, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its subsidiaries and associate Company, and all other known statutory dues as were due and payable by the Company and its subsidiaries as at the Reporting date have been paid, or where relevant provided for, except as specified in Note 32 to the Financial Statements covering contingent liabilities.

By Order of the Board  
Sri Lanka Telecom PLC

**Mahesh Athukorale**  
Group Company Secretary

15 April 2024  
Colombo

# Independent Auditor's Report



Ernst & Young  
Chartered Accountants  
Rotunda Towers  
No. 109, Galle Road  
P.O. Box 101  
Colombo 03, Sri Lanka

Tel : +94 11 246 3500  
Fax : +94 11 768 7869  
Email : eysl@lk.ey.com  
ey.com

## To the Shareholders of Sri Lanka Telecom PLC Report on the audit of the Financial Statements

### Opinion

We have audited the financial statements of Sri Lanka Telecom PLC (the Company) and the consolidated Financial Statements of the Company and its subsidiaries (the Group), which comprise the Statement of Financial Position as at 31 December 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including material accounting policy information.

In our opinion, the accompanying Financial Statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 December 2023, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

### Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period. These

matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Financial Statements.

Key audit matter	How our audit addressed the key audit matter
<b>Revenue recognition of fixed telephony and mobile communication services</b> The Group recognised revenue of LKR 106,418 Mn. from the provision of fixed telephony & mobile communication services for the year ended 31 December 2023 in accordance with its accounting policy set out in Note 3 (k) and disclosed in Note 6 (a) to the financial statements. Recognition of revenue from the provision of fixed telephony and mobile communication services was a key focus of our audit due to: <ul style="list-style-type: none"> <li>• Complexity in revenue recognition as a result of: <ul style="list-style-type: none"> <li>I. Frequent changes in rate structures and arrangements with multiple product features.</li> <li>II. Large volume of transactions which arise from sales of different combinations of hardware and services.</li> <li>III. Multiple IT systems which are used to capture, process and record the revenue.</li> </ul> </li> </ul>	<b>Our audit procedures included the following amongst others;</b> <ul style="list-style-type: none"> <li>• Evaluated the design and tested the relevant key IT-dependent manual controls and manual controls over the capture and measurement of revenue transactions.</li> <li>• Evaluated the design and tested the IT General Controls and relevant key IT Application Controls of IT systems which have a significant impact over revenue recognition. Our procedures also included testing the adequacy of controls implemented for security monitoring aspects over selected IT systems related to revenue recognition with the assistance of our internal specialized resources.</li> <li>• Performed re-computations and testing end-to-end reconciliations in relation to capture and measurement of revenue transactions, as relevant.</li> </ul>

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman ACA ACMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva BSc (Hons) - MIS MSc-IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

Key audit matter	How our audit addressed the key audit matter
<ul style="list-style-type: none"> <li>● Significant judgement exercised by management when determining:           <ul style="list-style-type: none"> <li>I. Whether to recognise revenue at a point in time or over a period for revenue arrangements</li> <li>II. Duration of customer contracts</li> <li>III. Transaction price and allocating it to bundled products and services</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Assessed the reasonableness of significant judgements made by management when determining the timing of revenue recognition, duration of customer contracts and when allocating transaction price to performance obligations, based on the respective terms and conditions of customer contracts.</li> <li>● Assessed the adequacy of related disclosures reflected in Note 3 (k) and Note 6 (a) of the Financial Statements.</li> </ul>
<p><b>Carrying Value of Network Assets</b></p> <p>As at 31 December 2023, the Group's network assets accounted for 68% of the consolidated total assets and Group's capital work in progress related to such network assets accounted for 23% of the consolidated total assets.</p> <p>Carrying value of network assets was a key focus of our audit due to:</p> <ul style="list-style-type: none"> <li>I. Materiality of the reported depreciation on network assets which amounted to LKR 20,272 Mn. for the year ended 31 December 2023.</li> <li>II. Judgements associated with estimating the useful lives of the network assets by the company. It involves the Group's collective assessment of the industry practice, internal technical evaluation and experience with the similar assets in concluding the useful economic life of the network assets.</li> <li>III. The degree of assumptions, judgements and estimates associated with the estimated future cashflows used for the value in use calculations of selected network assets.</li> <li>IV. The degree of judgement involved, and assumptions used when assessing impairment of amounts of capital work-in-progress relevant to network assets.</li> <li>V. The timing of recognition of commissioned assets from capital work-in-progress to network assets considering the significant judgements involved and appropriateness of the date from which network assets commenced being depreciated.</li> </ul> <p>The Group's disclosures on property and equipment are included in Notes 3 (d) and 13 to the consolidated Financial Statements and the disclosures on capital work-in-progress are included in Notes 3 (d) (iv) and 13 to the consolidated financial statements.</p>	<p>Evaluated the Group's process in estimating the useful lives of network assets by:</p> <ul style="list-style-type: none"> <li>● Assessing the judgements used by the Group on appropriateness of the useful lives of network assets applied in the calculation of depreciation.</li> <li>● Testing the underlying data on estimated useful lives against industry data and practice and other relevant external data.</li> <li>● Gained an understanding of how the management has forecasted its discounted cash flows of selected network assets and tested the completeness and accuracy of the underlying data used by the management.</li> <li>● Assessed and evaluated the management's impairment assessment of network assets including the judgements made by the management on:           <ul style="list-style-type: none"> <li>– the nature and impact of changes on the business strategy and business environment including which specific assets are impacted; and</li> <li>– the extent of the impact of these changes on the carrying value of identified network assets</li> </ul> </li> <li>● Assessed the reasonableness of management judgements applied and assumptions used in relation to capital work-in-progress of network assets including possible indicators of impairment which were identified by the management for any project related to network assets which have not been commissioned for a prolonged period, based on our knowledge of the business and industry.</li> <li>● Evaluated the current status of completion of those projects in relation to budgeted project duration, and assessed whether amounts related to network assets commissioned for use have been appropriately transferred out of capital work-in-progress and recognised under the relevant class of property, plant &amp; equipment, on a timely basis, through discussion with the respective project managers and inspection of relevant documentation.</li> <li>● Determined the appropriateness of capitalisation of cost for network assets during the year, on sample basis.</li> </ul> <p>Assessed the adequacy of related disclosures reflected in Note 3 (d) and Note 13 of the Financial Statements.</p>

Key audit matter	How our audit addressed the key audit matter
<b>Bank borrowings</b> <p>As of the reporting date, the Group reported total bank borrowings of LKR 56,455 Mn., of which LKR 20,137 Mn. is disclosed as current liabilities and the balance amount of LKR 36,318 Mn. is presented as non-current liabilities. Total bank borrowings is 36% from the total liabilities of the Group as at the reporting date. The finance cost related to the bank borrowings for the year ended 31 December 2023 is LKR 8,511 Mn.</p> <p>The bank borrowings was a key audit matter due to:</p> <ul style="list-style-type: none"> <li>● the magnitude of the bank borrowings and its significance to the overall financial statements and</li> <li>● appropriateness of the disclosures including maturity profile of such borrowings</li> </ul> <p>The Group's disclosures on bank borrowings are included in Notes 3 (c) (ii), 4.2, 8 and 22 to the consolidated Financial Statements.</p>	<p>Our audit procedures included the following key procedures;</p> <ul style="list-style-type: none"> <li>● Obtained an understanding of the terms and conditions attached to existing bank borrowings by perusing the loan agreements.</li> <li>● Obtained independent confirmations for the outstanding amounts as at the reporting date from the respective banks.</li> <li>● Obtained management's assessment of future cash flows and its plans to meet debt service obligations as per existing contractual arrangements related to bank borrowings and evaluated the appropriateness of significant judgments and reasonableness of assumptions used by management.</li> <li>● Obtained evidence on the on-going long-term debt restructuring process of the Company including the terms and conditions provided by the banks.</li> <li>● Assessed the maturity profile of bank borrowings focusing on the management's plans to meet the debt obligations maturing within the next twelve months and working capital requirements.</li> </ul> <p>Assessed the adequacy of related disclosures reflected in Notes 3 (c) (ii), 4.2, 8 and 22 to the consolidated Financial Statements.</p>

## Other Information included in the 2023 Annual Report

Other information consists of the information included in the Annual Report, other than the Financial Statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the management and those charged with governance

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to

enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

## Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters

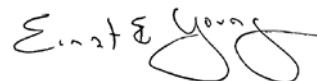
that may reasonably be thought to bear on our independence, and where applicable actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and as far as appears from our examination, proper accounting records have been kept by the Company and the Group.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 7752.



15 April 2024

Colombo

# Statement of Profit or Loss and Other Comprehensive Income

(All amounts in Sri Lanka Rupees million)

For the year ended 31 December	Notes	Group		Company	
		2023	2022	2023	2022
Revenue	6	<b>106,418</b>	107,710	<b>69,711</b>	67,569
Direct costs	7	(67,834)	(62,351)	(41,250)	(38,542)
<b>Gross profit</b>		<b>38,584</b>	45,359	<b>28,461</b>	29,027
Sales and marketing costs	7	(11,100)	(10,827)	(5,589)	(6,066)
Administrative costs	7	(23,382)	(22,014)	(17,791)	(17,004)
<b>Operating profit</b>		<b>4,102</b>	12,518	<b>5,081</b>	5,957
Other income		<b>2,079</b>	1,352	<b>2,074</b>	1,083
Dividend income		<b>71</b>	112	<b>71</b>	2,297
Interest expense and finance costs	8	(11,292)	(4,894)	(9,772)	(3,782)
Foreign exchange gain/(loss)	9	<b>629</b>	(1,680)	(420)	5,152
Interest income	10	<b>1,685</b>	2,956	<b>1,280</b>	1,717
Share of profit from associates company	16.2	<b>75</b>	224	<b>75</b>	224
<b>Profit/(loss) before tax</b>		<b>(2,651)</b>	10,588	<b>(1,611)</b>	12,648
Income tax (expenses)/reversals	11	<b>(1,270)</b>	(5,823)	<b>479</b>	(4,185)
<b>Profit/(loss) for the year</b>		<b>(3,921)</b>	4,765	<b>(1,132)</b>	8,463
<b>Other comprehensive income</b>					
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent period</b>					
Defined benefit plan actuarial gain/(loss)	27	<b>384</b>	(508)	<b>295</b>	(344)
Tax on other comprehensive income	11	<b>(41)</b>	183	<b>(118)</b>	143
<b>Other comprehensive income for the year net of tax</b>		<b>343</b>	(325)	<b>177</b>	(201)
<b>Total comprehensive income for the year</b>		<b>(3,578)</b>	4,440	<b>(955)</b>	8,262
<b>Profit/loss attributable to:</b>					
Owners of the Company		<b>(3,925)</b>	4,758	<b>(1,132)</b>	8,463
Non-controlling interest		<b>4</b>	7	<b>–</b>	–
		<b>(3,921)</b>	4,765	<b>(1,132)</b>	8,463
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		<b>(3,582)</b>	4,433	<b>(955)</b>	8,262
Non-controlling interest		<b>4</b>	7	<b>–</b>	–
		<b>(3,578)</b>	4,440	<b>(955)</b>	8,262
Earnings per share (LKR)					
– Basic	12	<b>(2.17)</b>	2.64	<b>(0.63)</b>	4.69

The Notes on pages 131 to 180 form an integral part of these Financial Statements.

# Statement of Financial Position

(All amounts in Sri Lanka Rupees million)

As at 31 December	Notes	Group		Company		
		2023	2022	2023	2022	
<b>Assets</b>						
<b>Non-current assets</b>						
Property, plant and equipment	13	<b>174,803</b>	164,916	<b>136,202</b>	127,061	
Right-of-use asset	14	<b>5,761</b>	6,899	<b>813</b>	613	
Intangible assets	15	<b>10,364</b>	7,876	<b>3,200</b>	3,643	
Investments in subsidiaries	16.1	—	—	<b>14,431</b>	14,431	
Investments in associates	16.2	<b>514</b>	439	<b>514</b>	439	
Deferred tax assets	23	<b>365</b>	177	—	—	
Investments in equity shares		<b>2</b>	2	—	—	
Contract assets	24 (a)	<b>1,091</b>	1,504	<b>350</b>	313	
Other receivables	18	<b>3,496</b>	3,320	<b>3,471</b>	3,295	
<b>Total non-current assets</b>		<b>196,396</b>	185,133	<b>158,981</b>	149,795	
<b>Current assets</b>						
Inventories	19	<b>4,078</b>	3,283	<b>3,240</b>	2,405	
Trade and other receivables	20	<b>32,015</b>	32,533	<b>21,650</b>	23,677	
Current tax receivable		<b>181</b>	20	<b>142</b>	—	
Contract assets	24 (a)	<b>1,511</b>	1,470	<b>146</b>	122	
Other investments	17	<b>117</b>	3,995	—	3,976	
Cash and cash equivalents	21	<b>12,377</b>	14,150	<b>5,330</b>	6,051	
<b>Total current assets</b>		<b>50,279</b>	55,451	<b>30,508</b>	36,231	
<b>Total assets</b>		<b>246,675</b>	240,584	<b>189,489</b>	186,026	
<b>Equity</b>						
<b>Capital and reserves</b>						
Stated capital	29	<b>18,049</b>	18,049	<b>18,049</b>	18,049	
Insurance reserve	28	<b>300</b>	300	<b>300</b>	300	
Retained earnings		<b>70,152</b>	74,024	<b>49,791</b>	51,197	
Equity attributable to equity holders of the company		<b>88,501</b>	92,373	<b>68,140</b>	69,546	
Non controlling interest		<b>120</b>	115	—	—	
<b>Total equity</b>		<b>88,621</b>	92,488	<b>68,140</b>	69,546	

As at 31 December	Notes	Group		Company		
		2023	2022	2023	2022	
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
Borrowings	22	<b>36,318</b>	30,332	<b>34,851</b>	30,332	
Vendor financing	26	<b>12,770</b>	13,057	<b>12,770</b>	13,057	
Lease liability	14	<b>3,617</b>	4,835	<b>267</b>	428	
Contract liabilities	24 (b)	<b>1,776</b>	1,483	<b>1,776</b>	1,483	
Deferred income	24	<b>1,250</b>	1,469	<b>1,250</b>	1,469	
Deferred tax liabilities	23	<b>9,602</b>	9,066	<b>7,683</b>	8,002	
Employee benefits	27	<b>6,117</b>	5,733	<b>5,221</b>	4,846	
Trade and other payables	25	<b>5,225</b>	8,696	<b>3,399</b>	7,804	
<b>Total non-current liabilities</b>		<b>76,675</b>	74,671	<b>67,217</b>	67,421	
<b>Current liabilities</b>						
Borrowings	22	<b>27,456</b>	16,963	<b>19,778</b>	13,310	
Vendor financing	26	<b>7,278</b>	4,269	<b>4,178</b>	1,745	
Lease liability	14	<b>2,619</b>	2,661	<b>617</b>	227	
Contract liabilities	24 (b)	<b>1,236</b>	972	<b>956</b>	716	
Deferred income	24	<b>3,677</b>	3,852	<b>325</b>	221	
Current tax liabilities		<b>411</b>	1,124	—	441	
Deferred tax liabilities	23	—	12	—	—	
Trade and other payables	25	<b>38,702</b>	43,572	<b>28,278</b>	32,399	
<b>Total current liabilities</b>		<b>81,379</b>	73,425	<b>54,132</b>	49,059	
<b>Total liabilities</b>		<b>158,054</b>	148,096	<b>121,349</b>	116,480	
<b>Total equity and liabilities</b>		<b>246,675</b>	240,584	<b>189,489</b>	186,026	

The Notes on pages 131 to 180 form an integral part of these Financial Statements.

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



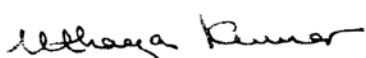
**Sanjeewa Samaranayake**  
Chief Financial Officer

The Board of Directors is responsible for these Financial Statements. These Financial Statements were approved by the Board of Directors on 15 April 2024.

Signed for and behalf of the Board.



**A K D D Arandara**  
Chairman



**V U Kumar**  
Director

# Consolidated Statement of Changes in Equity – Group

(All amounts in Sri Lanka Rupees million)

	Notes	Attributable to owners of the Company					
		Stated capital	Insurance reserve	Retained earnings	Total equity	Non-controlling interest	Total equity
<b>Balance as at 01 January 2022</b>		18,049	1,105	74,714	93,868	108	93,976
Adjustment for surcharge tax levied under the Surcharge Tax Act No. 14 of 2022		–	–	(2,289)	(2,289)	–	(2,289)
<b>Adjusted Balance as at 1 January 2022</b>		18,049	1,105	72,425	91,579	108	91,687
Non controlling interest		–	–	–	–	7	7
<b>Total comprehensive income for the year</b>		–	–	4,765	4,765	–	4,765
Net profit for the year 2022		–	–	4,765	4,765	–	4,765
<b>Other comprehensive income</b>		–	–	–	–	–	–
Defined benefit plan actuarial loss, net of tax		–	–	(325)	(325)	–	(325)
<b>Total other comprehensive income</b>		–	–	(325)	(325)	–	(325)
<b>Total comprehensive income for the year</b>		–	–	4,440	4,440	–	4,440
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>		–	–	–	–	–	–
Dividends to equity shareholders		–	–	(3,646)	(3,646)	–	(3,646)
<b>Insurance reserve</b>		–	–	–	–	–	–
– Transfer from insurance reserve	28	–	(805)	805	–	–	–
<b>Balance as at 31 December 2022</b>		18,049	300	74,024	92,373	115	92,488

		Attributable to owners of the Company					
		Stated capital	Insurance reserve	Retained earnings	Total equity	Non-controlling interest	Total equity
<b>Balance as at 01 January 2023</b>		<b>18,049</b>	<b>300</b>	<b>74,024</b>	<b>92,373</b>	<b>115</b>	<b>92,488</b>
Subsidiary liquidation impact		–	–	157	157	–	157
Non controlling interest		–	–	–	–	5	5
<b>Total comprehensive income for the year</b>		–	–	–	–	–	–
Net loss for the year 2023		–	–	(3,921)	(3,921)	–	(3,921)
<b>Other comprehensive income</b>		–	–	–	–	–	–
Defined benefit plan actuarial gain, net of tax		–	–	343	343	–	343
<b>Total other comprehensive income</b>		–	–	343	343	–	343
<b>Total comprehensive income for the year</b>		–	–	(3,578)	(3,578)	–	(3,578)
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>		–	–	–	–	–	–
Dividends to equity shareholders		–	–	(451)	(451)	–	(451)
<b>Balance as at 31 December 2023</b>		<b>18,049</b>	<b>300</b>	<b>70,152</b>	<b>88,501</b>	<b>120</b>	<b>88,621</b>

The Notes on pages 131 to 180 form an integral part of these Financial Statements.

# Consolidated Statement of Changes in Equity – Company

All amounts in Sri Lanka Rupees million)

	Notes	Attributable to owners of the Company			
		Stated capital	Insurance reserve	Retained earnings	
				Total equity	
<b>Balance as at 01 January 2022</b>		18,049	1,105	46,518	65,672
Adjustment for Surcharge Tax levied under the Surcharge Tax Act No. 14 of 2022		–	–	(742)	(742)
<b>Adjusted balance as at 01 January 2022</b>		18,049	1,105	45,776	64,930
<b>Total comprehensive income for the year</b>					
Net profit for the year 2022		–	–	8,463	8,463
<b>Other comprehensive income</b>					
Defined benefit plan actuarial loss, net of tax		–	–	(201)	(201)
<b>Total other comprehensive income</b>		–	–	(201)	(201)
<b>Total comprehensive income for the year</b>		–	–	8,262	8,262
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>					
Dividends to equity shareholders		–	–	(3,646)	(3,646)
<b>Insurance reserve</b>					
– Transfer from insurance reserve	28	–	(805)	805	–
<b>Balance as at 31 December 2022</b>		18,049	300	51,197	69,546

		Attributable to owners of the Company			
		Stated capital	Insurance reserve	Retained earnings	
				Total equity	
<b>Balance as at 01 January 2023</b>		18,049	300	51,197	69,546
<b>Total comprehensive income for the year</b>					
Net loss for the year 2023		–	–	(1,132)	(1,132)
<b>Other comprehensive income</b>					
Defined benefit plan actuarial gain, net of tax		–	–	177	177
<b>Total other comprehensive income</b>		–	–	177	177
<b>Total comprehensive income for the year</b>		–	–	(955)	(955)
<b>Transactions with owners, recorded directly in equity contribution by and distribution to owners</b>					
Dividends to equity shareholders		–	–	(451)	(451)
<b>Balance as at 31 December 2023</b>		18,049	300	49,791	68,140

The Notes on pages 131 to 180 form an integral part of these Financial Statements.

# Consolidated Statement of Cash Flows

(All amounts in Sri Lanka Rupees million)

For the year ended 31 December	Notes	Group		Company	
		2023	2022	2023	2022
<b>Cash flows from operating activities</b>					
Cash generated from operations	30	<b>33,306</b>	38,349	<b>25,272</b>	34,368
Interest received		<b>1,681</b>	2,951	<b>1,276</b>	1,712
Interest paid		<b>(15,505)</b>	(8,678)	<b>(14,109)</b>	(6,790)
Tax paid		<b>(1,645)</b>	(3,154)	<b>(401)</b>	(1,943)
Gratuity paid	27	<b>(613)</b>	(554)	<b>(458)</b>	(447)
<b>Net cash generated from operating activities</b>		<b>17,224</b>	28,914	<b>11,580</b>	26,900
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment		<b>(32,214)</b>	(43,316)	<b>(25,060)</b>	(35,191)
Acquisition of intangible assets	15	<b>(4,884)</b>	(2,422)	<b>(700)</b>	(2,024)
Proceeds from disposal of subsidiary		<b>—</b>	410	<b>—</b>	410
Proceeds from disposal of property, plant and equipment		<b>540</b>	240	<b>217</b>	170
Proceeds from short-term investments		<b>3,882</b>	4,320	<b>3,980</b>	4,317
<b>Net cash used in investing activities</b>		<b>(32,676)</b>	(40,768)	<b>(21,563)</b>	(32,318)
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		<b>28,179</b>	960	<b>14,750</b>	960
Cash payment for the principal portion of lease liability		<b>(2,488)</b>	(2,307)	<b>(572)</b>	(607)
Finance lease principal repayments		<b>(15)</b>	(6)	<b>(14)</b>	(6)
Repayment of borrowings		<b>(12,945)</b>	(7,577)	<b>(3,924)</b>	(5,186)
Increase/(decrease) in vendor financing		<b>835</b>	13,239	<b>(397)</b>	10,881
Dividends paid to the equity shareholders		<b>(451)</b>	(3,646)	<b>(451)</b>	(3,646)
<b>Net cash generated from financing activities</b>		<b>13,115</b>	663	<b>9,392</b>	2,396
<b>Decrease in cash and cash equivalents</b>		<b>(2,337)</b>	(11,191)	<b>(591)</b>	(3,022)
<b>Movement in cash and cash equivalents</b>					
Cash and cash equivalents at beginning of year		<b>8,587</b>	16,230	<b>873</b>	354
Effect on exchange fluctuation on cash and cash equivalents		<b>(1,192)</b>	3,548	<b>(493)</b>	3,541
<b>Decrease in cash and cash equivalents</b>		<b>(2,337)</b>	(11,191)	<b>(591)</b>	(3,022)
<b>At the end of the year</b>	21 (a)	<b>5,058</b>	8,587	<b>(211)</b>	873

The Notes on pages 131 to 180 form an integral part of these Financial Statements.

# Notes to the Financial Statements

(All amounts in Sri Lanka Rupees million)

## 1. 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 Separate Financial Statements relates to Sri Lanka Telecom PLC. The Consolidated Financial Statements of the Company as at and for the year ended December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Financial Statements of all Companies within the Group are prepared for a common financial year which ends on 31 December 2023.

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, directory publishing and provision of manpower. The Company is a quoted public Company which is listed on the Colombo Stock Exchange.

## 2. Basis of Preparation

### (a) Statement of compliance

The Financial Statements of the Group and the Company which comprises the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS & LKAS) as laid down by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirements of the Companies Act No. 07 of 2007.

**(b)** The Financial Statements were authorised for issue by the Board of Directors in accordance with the resolution of the Directors on 15 April 2024.

### (c) Basis of measurement

The Financial Statements have been prepared on the historical cost basis applied consistently except for the following item:

The liability for defined benefit obligation recognised is actuarially valued and recognised at the present value of the defined benefit obligation.

### (d) Functional and presentation currency

These Financial Statements are presented in Sri Lankan Rupees, which is the Company's functional currency and the Group's presentation currency. All financial information presented in rupees has been rounded to the nearest million, unless otherwise indicated.

### (e) Use of estimates and judgements

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

- Note 13 - Property, plant and equipment
- Note 14 - Right-of-use assets and lease liabilities
- Note 15 - Intangible assets
- Note 20 - Trade and other receivable

- Note 23 - Deferred tax liabilities and assets
- Note 24 - Deferred income, contract assets and contract liabilities
- Note 27 - Employee benefits

### (f) Current versus non-current classification

The Group presents assets and liabilities in the Statement of Financial Position based on current/non-current classification.

An asset is current when it is:

- Expected to be released or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period
- The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification
- The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### (g) Going concern

As at 31 December 2023, the current liabilities of the Company exceeded current assets by LKR 23,624 Mn.

A cash flow forecast for the 12 months from the date of approval of the financial statements was prepared to assess and confirm the appropriateness of the going concern basis for the preparation of the financial statements of the Group. Based on the cash flow forecast, the Group has sufficient funds to fulfil its obligations for the next 12 months from the date of approval of the financial statements, with the assumption that the Company's board approved Syndicated Term Loan of LKR 39 Bn. will be obtained within the next few months. As at the date of these financial statements, the Company has secured firm commitments from participating banks totaling LKR 39 Bn. and are going through the process of finalising the Syndicated Term Loan Agreement. The Group is confident of meeting the key terms and expects to conclude the new financing within the next few months.

Accordingly, these financial statements have been prepared on the going concern basis.

## 3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in Financial Statements, and have been applied consistently by the Group entities, except amendments to existing accounting standards which are effective from 1 January 2023 as described in Note 3 (v).

### (a) Basis of consolidation

#### (i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

Any gain or bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in Statement of Profit or Loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in Statement of Profit or Loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the recognised in Statement of Profit or Loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

#### (ii) Subsidiaries

Subsidiaries are entities that are controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary.

#### (ii- a) Critical judgements in applying the entity's accounting policies

The directors have concluded that the Group controls all subsidiaries as it has majority control and voting rights over its subsidiaries as depicted in Note (ii-b).

## (ii- b) Interest in subsidiaries

Set out below are the group's principal subsidiaries as at 31 December 2023

Name of entity	Place of business/country of incorporation	Percentage of ownership interest held by the Group	Principal activities
Mobitel (Private) Limited	Colombo/Sri Lanka	100%	Mobile service provider
Sri Lanka Telecom (Services) Limited	Colombo/Sri Lanka	99.99%	Providing network solutions for corporate customers and small businesses
SLT VisionCom (Private) Limited	Colombo/Sri Lanka	100%	Providing IPTV support services
SLT Digital Info Services (Private) Limited	Colombo/Sri Lanka	100%	Directory information, event management, activation and digital services
SLT Human Capital Solutions (Private) Limited	Colombo/Sri Lanka	100%	Operations have ceased
SLT Property Management (Private) Limited	Colombo/Sri Lanka	100%	Managing SLT's real estate resources
eChannelling PLC	Colombo/Sri Lanka	87.59%	Providing information infrastructure for the healthcare industry
Talentfort (Pvt) Ltd.	Colombo/Sri Lanka	100%	Providing human resource solutions
Mobit Technologies (Pvt) Ltd.	Colombo/Sri Lanka	100%	Providing software solutions

Sky Network (Private) Limited was dissolved on 28 August 2023 by way of Creditors' Voluntary Liquidation.

## (iii) Equity – accounted investees (Investment in associates and joint ventures)

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control is similar to those necessary to determine control over subsidiaries. The Group's investments in its associates and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The Statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive Income of those investees is presented as part of the Group's other comprehensive Income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the Statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The Financial Statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is

impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'share of profit or loss of equity accounted investees' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit or loss.

## (iv) Non controlling interest ( NCI )

NCI are measured at their proportionate share of acquiree's identifiable net assets at the date of acquisition. Changes in the group interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

## (v) Loss of control

When the group loses control over a subsidiary, it derecognises the asset and liabilities of the subsidiary and any related NCI (if applicable) and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest in the former subsidiary is measured at fair value when control is lost.

## **(vi) Transaction eliminated on consolidation**

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated.

## **(b) Foreign currency**

### **(i) Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in statement of profit or loss and other comprehensive income. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

## **(c) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

### **(i) Financial assets**

#### **(i-i) Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, Fair Value Through Other Comprehensive Income (FVTOCI) and Fair Value Through Profit or Loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in Note (k) - Revenue from contracts with customer.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### **(i-ii) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

#### **Financial assets at amortised cost (debt instruments)**

The Group measures financial assets at amortised cost if both following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade and other receivables, amounts due from related parties and cash and cash equivalents.

#### **Financial assets at fair value through OCI (debt instruments)**

The Group measures debt instruments at fair value through OCI if both of following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

#### **Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

This category includes listed and non listed equity instruments that the Group elected to classify irrevocably.

### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

### **(i-iii) Fair value measurement**

SLFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement requires an entity to determine all the following:

1. The particular asset or liability that is the subject of the measurement.
2. For a non-financial asset, the valuation premise that is appropriate for the measurement (consistently with its highest and best use).
3. The principal (or most advantageous) market for the asset or liability.
4. The valuation technique(s) appropriate for the measurement, considering the availability of data with which to develop inputs that represent the assumptions that market participants would use when pricing the asset or liability and the level of the fair value hierarchy within which the inputs are categorised.
5. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market.

When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

### **Determination of fair values**

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumption and other risks affecting the specific instrument.

- Level 1 - fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - fair value measurements using inputs other than quoted prices included within level 1 that are observable for the

asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

- Level 3 - fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

### **(i-iv) Amortised cost**

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

### **(i-v) Impairment**

#### **Non-derivative financial assets**

Financial assets not classified at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- Observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

For trade receivables and contract assets, the Group applies a simplified approach in calculating Expected Credit Losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Investments in fixed deposits, Treasury Bills and Bonds are considered as low risk of default.

### **Non-financial assets**

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **(i-vi) Hedge**

For designated and qualifying cash flow hedges, the effective portion of the gain or loss on the hedging instrument is initially recognised directly in equity in the "cash flow hedge reserve". The ineffective portion of the gains or losses on the hedge instrument is recognised immediately in the profit and loss.

When the hedge cash flow affect the Income Statement, the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Income Statement. When a hedging instrument expires, or is sold, terminated, exercised or when a hedge no longer meet the criteria for hedge accounting, any cumulative gains/losses existing in other comprehensive income at that time remains in other comprehensive income and is recognised in the income statement. When a forecast transaction is no longer expected to occur the cumulative gains/loss was reported in other comprehensive income is immediately transferred to the Income Statement.

### **(ii) Financial liabilities**

#### **(ii-i) Initial recognition and measurement**

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings, vendor financing and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, vendor financing, lease liabilities, contract liabilities and deferred income.

#### **(ii-ii) Subsequent measurement**

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings and vendor financing are subsequently measured at amortised cost using the EIR method, after considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Gains and losses are recognised in profit or loss when the liabilities are derecognised. EIR amortisation is included as finance costs in the statement of profit or loss.

### **(ii-iii) Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### **(iii) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **(d) Property, plant and equipment**

#### **(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the assets to a working condition for their intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

#### **(ii) Subsequent costs**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss.

### (iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. In the year of acquisition depreciation is computed on proportionate basis from the month the asset is put into use and no depreciation will be charged to the month in which the particular asset was disposed. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The estimated useful lives for the assets are as follows:

Freehold buildings	5 - 40 years
Submarine cables	10 - 25 years
Motor vehicles	5 years
CDMA handsets	3 years
PABX System	1-6 years
IT Systems	5 - 10 years
Other fixed assets	2 - 12.5 years
<b>Network equipment</b>	
Ducts, cables and other outside plant	4 - 20 years
Telephone exchanges and transmission equipment	5 -12.5 years
Towers	40 years

### (iv) Capital work-in-progress

Capital work-in-progress is stated at cost net of accumulated impairment losses, if any. These are expenses of a capital nature directly incurred in the construction of buildings, network equipment, system development and other fixed assets, awaiting capitalisation.

Major spare parts and project related inventory qualify as property, plant and equipment when the entity expects to use them during more than one year period and are used in connection with specific items of property, plant and equipment.

### (v) Derecognition

The carrying amount of an item of property, plant & equipment is derecognised on disposal. Gains and losses on disposal of an item of

property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in the statement of profit or loss and other comprehensive Income.

When replacement costs are recognised in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognised. Major inspection costs are capitalised. At each such capitalisation, the remaining carrying amount of the previous cost of inspections is derecognised.

### (vi) Borrowing cost

Borrowing cost directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### (e) Intangible assets

#### (i) Goodwill

Goodwill arises on the acquisition of subsidiaries.

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For measurement of goodwill at initial recognition, see Note 3 (a) (i)

#### Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

#### (ii) Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

#### (iii) Licenses

Separately acquired licenses are shown at historical cost. Expenditures on license fees that is deemed to benefit or relate to more than one financial year is classified as license fee and is being amortised over the License period on a straight line basis.

### (iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill is recognised in profit or loss as incurred.

The estimated useful lives for the intangible assets are as follows:

Licences	2 - 10 years
Software	1-10 years
Others	5 years

### (f) Right-of-use assets and lease liabilities

#### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leased assets	Estimated useful lives
Buildings	2-5 years
Towers	2-5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment as more fully described in Note (U) (ii) - Impairment of Assets.

## Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occur.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in rights-of-use assets and lease liabilities in Note 14 to the Financial Statements.

## Leases of low-value assets

The Group applies the lease of low-value assets recognition exemption to leases of some lower rentals that are considered to be low value. Lease payments on leases of low-value assets are recognised as expenses on straight-line basis over the lease term.

## Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## (g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle. Value of inventories includes expenditure incurred in acquiring, conversion costs and other costs incurred in bringing them to their existing location and condition.

## (h) Share capital

### Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

## (i) Government grants

Government grants are recognised initially at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in the statement of Profit or Loss and Other Comprehensive Income as other income on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in the profit or loss on a systematic basis over the useful life of the asset.

## (j) Employee benefits

### (i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which contributions are made into a separate fund and the entity will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plan are recognised as an employee benefit expense in profit or loss in the periods during which services

are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

### Employees' Provident Fund

All employees of the Company are members of the Sri Lanka Telecom Provident Fund to which the Company contributes 15% of such employees' basic salary and allowances.

All employees of subsidiaries of the Group are members of Employees' Provident Fund (EPF), to which the respective subsidiaries contribute 12% of such employees' basic salary and allowances. Employees of Sri Lanka Telecom (Services) Limited are members of Employees' Provident Fund (EPF), where the company contribute 15% of such employees' basic salary and allowances.

### Employees' Trust Fund

The Company and other subsidiaries contribute 3% of the salary of each employee to the Employees' Trust Fund.

### (ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by an independent actuary using Projected Unit Credit method as recommended by LKAS 19 "Employee Benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the yield on Government Bonds at the reporting date and have maturity dates approximating to the terms of the Company's obligations.

The Group recognises actuarial gains and losses that arise in calculating the Group's obligation in respect of a plan in other comprehensive income.

The present value of the defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Note 26. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19 "Employee Benefits". However, under the Payment of Gratuity Act No.12 of 1983, the liability to an employee arises only on completion of five years of continued service.

### **(iii) Termination benefits**

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

### **(iv) Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or leave encashment plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### **(k) Revenue from contracts with customers**

"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, voice and broadband services, domestic and international leased circuits, broadband, satellite up-link, maritime transmission, IPTV service, directory publishing service and educational services.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

### **(i) Performance obligations relevant to contracts**

As a telecommunication service provider, the Group's performance obligation related to service contracts include the installation services and maintenance services provided and the uninterrupted telecommunication service which will be provided throughout the connection period.

The Group expects that above performance obligations would be satisfied throughout the connection period.

### **Domestic and international call revenue and rental income**

#### **Fixed lines**

Revenue for call time usage by customers is recognised as revenue as services are performed on accrual basis. Fixed rental is recognised as income on a monthly basis in relation to the period of services rendered.

#### **Mobile Revenue**

Mobile revenue comprises amounts charged to customers in respect of monthly access charges, airtime usage, messaging, and the provision of other mobile telecommunications services. Mobile monthly access charges are invoiced and recorded as part of a periodic billing cycle. Air time, either from contract customers as part of the invoiced amount or from prepaid customers through the sale of prepaid cards, is recorded in the period in which the customer uses the service.

#### **Revenue from other network operators and international settlements**

The revenue received from other network operators, local and international, for the use of the Group's telecommunication network are recognised, net of taxes, based on usage taking the traffic minutes/per second rates stipulated in the relevant agreements and regulations and based on the terms of the lease agreements for fixed rentals.

Revenue arising from the interconnection of voice and data traffic between other telecommunications operators is recognised at the time of transit across the Group's network and presented on gross basis. The relevant revenue accrued is recognised under income in the Income Statement and interconnection expenses recognised under operating costs in profit or loss.

#### **Revenue from broadband**

Revenue from Data services and IPTV services is recognised on usage and the fixed rental on a monthly basis when it is earned net of taxes, rebates and discounts.

#### **Revenue from other ICT services**

The revenue from other telephone services are recognised on an accrual basis based on fixed rental contracts entered between the Group and subscribers.

#### **Recognition of deferred income**

The connection fees relating to Public Switch Telephone Network (PSTN) are deferred over a period of 15 years. LKR revenue is recognised on an annual basis irrespective of the date of connection.

IRU revenue relating to leasing of SEA-ME-WE 4 cable capacity are recognised on a straight line basis over the period of the contracts.

Amounts received in advance for any services are recorded as deferred revenue. In the event that a customer terminates an IRU prior to the expiry of the contract and releases the Company from the obligation to provide future services, the remaining unamortised deferred revenue is recognised in the period the contract is terminated.

Backhauling revenue which is leasing of SEA-ME-WE 3 cable capacity is recognised on a straight line basis over the period of contracts. Amounts received in advance for any services are recorded as deferred revenue.

Revenue from the sale of prepaid CDMA cards is deferred until such time as the customer uses the call time, downloadable quota or the credit expires.

Sale of mobile recharge cards and reloads for prepaid subscribers are initially recognised as deferred revenue until such time as the subscribers use the services or credit period expires.

### **(ii) New connection fees**

The Group provides installation services relevant to the new connections of fixed and mobile telecommunication services including both voice and non-voice categories. These installation services are bundled together with providing of Customer Premises Equipment (CPE) to customers in fixed line voice and some non-voice services. When the performance obligations relevant to such installation services are performed, CPEs provided to customers are considered as assets of the Group as long as the contracts with customers are valid. Accordingly, the Group allocates a bundled price for the equipment and installation services for such facilities.

### **(iii) Recognition of contract liabilities**

"The Group concluded that revenue from new connections in fixed and mobile telecommunication services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to reperform the installation of the service that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

The Group identifies the revenue for installation services as a contract liability and recognises the revenue on a systematic basis that is consistent with the entity's transfer of the related goods or services to the customer since satisfaction for the installation services will be consumed by the customer over the contract period.

#### **(iv) Costs incurred in securing customer contracts**

The Group identifies the sales commission paid to sales team for each new connection contract and other such related costs in contract acquisition as costs incurred in securing customer contracts.

#### **(v) Recognition of contract assets**

Contract acquisition costs are recognised as a contract asset and subsequently recognised as an expense over the life of a contract on a systematic basis consistent with the pattern of the transfer of services to which the asset relates, that is, as and when the relevant performance obligation is fulfilled for a given month.

#### **(l) Expenditure**

The expenses are recognised on an accrual basis. All expenses incurred in the ordinary course of business and in maintaining property, plant and equipment in a state of efficiency is charged against income in arriving at the profit for the year.

#### **(m) Lease payments**

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed. Determining whether an arrangement contains a lease.

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfillment of the arrangement is dependent on the use of that specific asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

#### **(n) Finance income and expenses**

The Group's finance income and finance cost include:

- Interest income from repurchase agreements
- Interest income from fixed deposits
- Staff loan interest income
- Interest expense from borrowings
- Interest expense arising from Leases
- Foreign exchange gains or losses

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

#### **(o) Income tax**

Current income tax assets are measured at amount to be recovered from or paid to the taxation authorities

#### **(i) Current taxation**

Income tax expense comprises current and deferred tax. Income tax expense is recognised or profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or other comprehensive income.

Provisions for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and the amendments thereto.

#### **(ii) Deferred taxation**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and differences relating to investments in nor taxable profit or loss and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.
- Deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax is not recognised for the undistributed profits of subsidiaries as the Parent Company has control over the dividend policy of its subsidiaries and distribution of those profits. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to items recognised outside profit or loss, is recognised either in other comprehensive income or directly in Statement of Changes in Equity in line with the underlying transaction.

#### **(iii) Social Security Contribution Levy (SSCL)**

According to the Social Security Contribution Levy Act No. 25 of 2022, Sri Lanka Telecom PLC is liable for Social Security Contribution Levy at 2.5% on the liable turnover arising from providing of a service with effect from 01 October 2022.

#### **(iv) Sales tax**

Revenue, expenses and assets are recognised net of the amount of sales tax, except: where sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of expense item as applicable.

#### **(v) Uncertainty over income tax treatment**

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgment in identifying uncertainties over income tax treatments and it assessed whether the interpretation had an impact on its consolidated Financial Statements.

If the Group concludes that it is probable that the taxation authority will accept the tax treatment used or planned to be used in its tax filings, the entity determines its tax position on that basis. This is consistent with the requirement that current tax is measured at the amount expected to be paid or recovered from the taxation authorities, and that deferred tax is measured using the rates and tax laws expected to apply when the related asset is realised or liability is settled.

If the Group concludes that acceptance of the uncertain tax treatment by the taxation authorities is not probable, it would apply one of the following two methods for reflecting the effect of uncertainty in its estimate of the amount it expects to pay or recover from the tax authorities

- the most likely amount - the single most likely amount in a range of possible outcomes; or
- the expected value - the sum of the probability-weighted amounts in a range of possible outcomes.

The Group uses the method that it expects to better predict the resolution of the uncertainty.

## (p) Earnings Per Share

The Group presents basic Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

## (q) Insurance reserve

SLT has Property All Risk Insurance for targeted assets of the SLT at island wide locations. In order to cover the exposure of remaining assets and possible further exposure LKR 300 Million has been retained in the insurance reserve. There are no further contributions to the insurance fund due to the reason of annual renewal of Property All Risk policy of SLT.

## (r) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's Financial Statements in the period in which the dividends are approved by the Company's shareholders.

Provision for final dividends is recognised at the time the dividend recommended and declared by the Board of Directors, is approved by the shareholders.

## (s) Comparatives

Except when a standard permits or requires otherwise, comparative information is disclosed in respect of the previous period. Where the presentation or classification of items in the Financial Statements are amended, comparative amounts are reclassified unless it is impracticable.

## (t) Statement of cash flows

The Statement of Cash Flows has been prepared using the 'indirect method' of preparing cash flows in accordance with the Sri Lanka Accounting Standard (LKAS 07) – "Statement of Cash Flows". Cash and Cash equivalents comprise short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. The cash and cash equivalent include cash in hand, balances with banks, placements with banks, money at call and short notice.

## (u) Critical accounting estimates, assumptions and judgements

In the preparation of these Financial Statements, a number of estimates and assumptions have been made relating to the performance and the financial position of the Group. Results may differ significantly from those estimates under different assumptions and conditions. The Directors consider that the following discussion addresses the Company's most critical accounting policies, which are those that are most important to the presentation of its financial performance and position. These particular policies require subjective and complex judgements, often as a result of the need to make estimates about the effect of matters that are uncertain.

## (i) Depreciation of property, plant and equipment

The Company assigns useful lives and residual values to property, plant and equipment based on periodic studies of actual asset lives and the intended use for those assets. Changes in circumstances such as technological

advances, prospective economic utilisation and physical condition of the assets concerned could result in the actual useful lives or residual values differing from initial estimates.

Where the Company determines that the useful life of property, plant and equipment should be shortened or residual value reduced, it depreciates the net carrying amount in excess of the residual value over the revised remaining useful life, thereby increasing depreciation expense. Any change in an asset's life or residual value is reflected in the Company's Financial Statements when the change in estimate is determined.

## (ii) Impairment of property, plant and equipment and intangible assets

The Company assesses the impairment of property, plant and equipment and intangible assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable or otherwise as required by accounting standards. Factors that are considered important and which could trigger an impairment review include the following:

- obsolescence or physical damage;
- significant changes in technology and regulatory environments;
- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the use of its assets or the strategy for its overall business;

The identification of impairment indicators, the estimation of future cash flows and the determination of the recoverable amount for assets or cash generating units require significant judgement.

## (iii) Revenue recognition

Judgement is required in assessing the application of the principles of revenue recognition in respect of revenues. This includes presentation of revenue as principal or as agent in respect of income received from transmission of content provided by third parties.

## (iv) Valuation of receivables

The provision for impairment losses for trade and other receivables reflects the Company's estimates of losses arising from the failure or inability of customers to make required payments. The provision is based on the ageing of customer accounts, customer

credit-worthiness and the Company's historical write-off experience etc. Changes to the provision may be required if the financial condition of its customers improves or deteriorates. An improvement in financial condition may result in lower actual write-offs.

#### **(v) Inventories**

The Company assesses the inventory provision whenever events or changes in circumstances indicate that the carrying value may not be recoverable or otherwise as required by accounting standards. Factors that are considered important and which could trigger an impairment review include the following:

- a. obsolescence or physical damage;
- b. significant changes in technology and regulatory environments;
- c. significant changes in the use of its assets or the strategy for its overall business;

#### **(vi) Current tax and deferred tax**

Judgement was required to determine the total provision for current, deferred and other taxes due to uncertainties that exist with respect to the interpretation of the applicability of tax law at the time of the preparation of these Financial Statements.

Certain uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. Where the final tax outcome of such matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax amounts in the period in which the determination is made.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

#### **(vii) Leases-Estimating the incremental borrowing rate**

"The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs such as market interest rates when available and is required to make certain entity-specific estimates as well.

#### **(viii) Revenue recognition from contracts with customers**

Judgement is required in assessing the application of the principles of revenue recognition in respect of revenues. Certain contracts with customers are bundled packages that may include sale of products and telecommunications services that comprise voice, data, and other telecommunications services. The Group accounts for individual products and services separately as separate performance obligations if they are distinct promised goods and services. The Group exercises judgements in determining whether a product is distinct, that is, if such product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it separately. This determination will affect the allocation of consideration specified in the contract and the revenue recognised for each performance obligation.

#### **(v) Amendments to existing accounting standards**

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### **Definition of accounting estimates – Amendments to LKAS 8**

The amendments to LKAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's consolidated Financial Statements.

#### **Amendments to LKAS 1: Classification of liabilities as current or non-current**

Amendments to LKAS 1 Presentation of Financial Statements specify the requirements for classifying liabilities as current or non-current. The amendments clarify;

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
- Disclosure

The amendments had no impact on the Group's consolidated Financial Statements.

#### **Disclosure of accounting policies – Amendments to LKAS 1 and SLFRS Practice Statement 2**

The amendments to LKAS 1 and SLFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

"The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's Financial Statements.

#### **Deferred tax related to assets and liabilities arising from a Single Transaction – Amendments to LKAS 12**

The amendments to LKAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Group's consolidated Financial Statements.

## (w) Standards issued but not yet effective

There are no new accounting standards or amendments which are issued but not yet effective as at 31 December 2023 that are expected to have a material impact on the Group's Financial Statements.

## 4. Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the group activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management processes/guidelines and procedures, and reviews the adequacy of the risk management framework in relation to the risks. The Audit Committee is assisted in its oversight role by internal reviews of risk management controls and procedures. The results of which are reported to the Audit Committee.

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk, liquidity risk and market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout these Financial Statements.

### 4.1. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arise principally from the Group's receivables from customers.

Carrying amount of financial assets represents the maximum credit exposure

#### 4.1.1 Trade receivables

To reduce credit risk, the Group has a well-established credit policy for both domestic and international interconnect customers. A separate committee has been established to assess and recommend the creditworthiness of the International Interconnect customer. Furthermore, prepaid sales are used to mitigate credit risk.

Domestic service is only offered to new customers after they have been screened through an internal blacklist database. The Group has a well-established credit control

policy and process in place to reduce credit risk. Customers are divided into segments, and their credit limit is determined by the average monthly bill value. Customer usage and bill payments are monitored based on the credit limit. The credit limit will be adjusted periodically based on the previous month's bill value. When high-risk voice customers reach the threshold limit, their service is automatically disconnected. Credit control and recovery actions are taken for overdue and defaulted customers to reduce credit risk. Customers with high revenue, including corporate customers, are individually monitored.

As at 31 December, the maximum exposure to credit risk for trade by geographic region was as follows:

	Group		Company	
	2023	2022	2023	2022
Sri Lanka	<b>24,343</b>	23,705	<b>18,292</b>	18,342
Middle east	<b>230</b>	1,338	<b>149</b>	95
Asia	<b>1,978</b>	1,652	<b>1,605</b>	1,652
Europe	<b>1,704</b>	1,369	<b>945</b>	1,369
Australia	<b>205</b>	266	<b>195</b>	266
Other	<b>32</b>	3	<b>4</b>	3
<b>Total trade receivables</b>	<b>28,492</b>	28,333	<b>21,190</b>	21,727

As at 31 December, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows:

	Group		Company	
	2023	2022	2023	2022
Wholesale customers	<b>8,785</b>	20,001	<b>4,792</b>	13,931
Retail customers	<b>12,766</b>	2,307	<b>10,426</b>	2,307
Others	<b>6,941</b>	6,025	<b>5,972</b>	5,489
	<b>28,492</b>	28,333	<b>21,190</b>	21,727

As at 31 December the Group's most significant customer was Lanka Government Network which accounted for LKR 1,464 Mn. of trade receivables (2022 - LKR 336 Mn.).

As at 31 December 2023, the aging of trade receivables was as follows:

	Group		Company	
	2023	2022	2023	2022
Past due one year	<b>1,430</b>	1,336	<b>1,411</b>	1,264
Past due two years and above	<b>660</b>	987	<b>648</b>	924
	<b>2,090</b>	2,323	<b>2,059</b>	2,188

Management believes that the past due more than one year are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

#### 4.1. Credit risk (Contd...)

The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

	Group impairment	Company impairment
<b>Balance as at 01 January 2022</b>	9,763	6,307
– Impairment loss recognised	1,412	1,368
– Amounts written off	(2,533)	(1,805)
<b>Balance as at 01 December 2022</b>	8,642	5,870
– Impairment loss recognised	1,773	1,424
– Amounts written off	(2,374)	(2,208)
<b>Balance as at 31 December 2023</b>	<b>8,041</b>	<b>5,086</b>

#### 4.1.2 Other investments

The Group limits its exposure to credit risk by investing only in Government Debt Securities, Repos and in short-term deposits with selected bankers with Board approval.

#### 4.1.3 Cash and cash equivalents

The Group held cash and cash equivalents of LKR 12,377 Mn. as at 31 December 2023 (2022 LKR. 14,150 Mn.)

#### 4.1.4 Employee loans

The Group limits its exposure to credit risk by ensuring the loan balance are recovered from the employees monthly salary, or if the employee leaves such amounts are recovered from the employees EPF balance.

#### 4.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The group ensures its liquidity is maintained by investing in short, medium and long-term financial instruments to support operational and other funding requirements. The group

determines its liquidity requirements by the use of both short and long-term cash forecasts. These forecasts are supplemented by a financial headroom analysis which is used to assess funding adequacy for at least a 12-month period and the same is reviewed on an annual basis.

Short and medium-term requirements are regularly reviewed and managed by the Treasury Division.

SLT PLC has provided a corporate guarantee of LKR 200 Mn. (2022-LKR 200 Mn.) for Mobitel (Pvt) Ltd for term loan granted by Mobitel (Pvt) Ltd to Sri Lanka Telecom (Services) Ltd.

Group	Notes	Carrying value	Up to 1 year	Up to 2 years	Up to 5 years	Over 5 years
<b>As at 31 December 2023</b>						
Bank overdrafts		<b>7,319</b>	<b>7,319</b>	–	–	–
Bank borrowings and others		<b>56,455</b>	<b>20,137</b>	<b>7,509</b>	<b>19,647</b>	<b>9,162</b>
Trade and other payables due within one year	4.2.1	<b>38,702</b>	<b>38,702</b>	–	–	–
Trade and other payables due after one year	4.2.2	<b>5,225</b>	<b>353</b>	<b>1,827</b>	<b>1,608</b>	<b>1,437</b>
		<b>107,701</b>	<b>66,511</b>	<b>9,336</b>	<b>21,255</b>	<b>10,599</b>
<b>As at 31 December 2022</b>						
Bank overdrafts		5,563	5,563	–	–	–
Bank borrowings and others		41,717	11,397	7,285	11,875	11,160
Lease liabilities		15	3	3	9	–
Trade and other payables due within one year	4.2.3	43,572	43,572	–	–	–
Trade and other payables due after one year	4.2.4	8,696	5,921	644	1,681	450
		99,563	66,456	7,932	13,565	11,610

## 4.2 Liquidity risk (Contd...)

Company	Notes	Carrying value	Up to 1 year	Up to 2 years	Up to 5 years	Over 5 years
<b>As at 31 December 2023</b>						
Bank overdrafts		<b>5,541</b>	<b>5,541</b>	—	—	—
Bank borrowings and others		<b>49,088</b>	<b>14,237</b>	<b>7,109</b>	<b>18,580</b>	<b>9,162</b>
Trade and other payables due within one year	4.2.5	<b>28,278</b>	<b>28,278</b>	—	—	—
Trade and other payables due after one year	4.2.6	<b>3,399</b>	<b>353</b>	<b>936</b>	<b>1,608</b>	<b>502</b>
		<b>86,306</b>	<b>48,409</b>	<b>8,045</b>	<b>20,188</b>	<b>9,664</b>
<b>As at 31 December 2022</b>						
Bank overdrafts		5,178	5,178	—	—	—
Bank borrowings and others		38,449	8,129	7,285	11,875	11,160
Lease liabilities		15	3	3	9	—
Trade and other payables due within one year	4.2.7	32,399	32,399	—	—	—
Trade and other payables due after one year	4.2.8	7,804	5,921	644	789	450
		83,845	51,630	7,932	12,673	11,610

The maturity profile of the bank borrowings and others will change in accordance with terms of the syndicated term loan at the completion of the signing off process of the said agreement as discussed in Note 2 (g).

### 4.2.1 Trade and other payables due within one year – Group

	Carrying value	Up to 1 year	Up to 2 years	Up to 5 years	Over 5 years
<b>As at 31 December 2023</b>					
Domestic trade payables	<b>7,564</b>	<b>7,564</b>	—	—	—
Foreign trade payables	<b>7,831</b>	<b>7,831</b>	—	—	—
Capital expenditure payables	<b>9,655</b>	<b>9,655</b>	—	—	—
Social security and other taxes	<b>1,605</b>	<b>1,605</b>	—	—	—
Interest payable	<b>195</b>	<b>195</b>	—	—	—
Other payables	<b>11,852</b>	<b>11,852</b>	—	—	—
	<b>38,702</b>	<b>38,702</b>	—	—	—

### 4.2.2 Trade and other payables due after one year – Group

	Carrying value	Up to 1 year	Up to 2 years	Up to 5 years	Over 5 years
<b>As at 31 December 2023</b>					
Subscriber deposits	<b>218</b>	<b>4</b>	<b>5</b>	<b>9</b>	<b>200</b>
Advance on RDA and others	<b>1,515</b>	<b>63</b>	<b>273</b>	<b>536</b>	<b>643</b>
Unclaimed dividends	<b>244</b>	—	—	—	<b>244</b>
Foreign trade payables	<b>891</b>	—	<b>891</b>	—	—
Capital expenditure payables	<b>2,357</b>	<b>286</b>	<b>658</b>	<b>1,063</b>	<b>350</b>
	<b>5,225</b>	<b>353</b>	<b>1,827</b>	<b>1,608</b>	<b>1,437</b>

#### 4.2.3 Trade and other payables due within one year – Group

	Carrying value	Up to 1 year	Up to 2 years	Up to 5 years	Over 5 years
<b>As at 31 December 2022</b>					
Domestic trade payables	7,197	7,197	–	–	–
Foreign trade payables	7,530	7,530	–	–	–
Capital expenditure payables	13,783	13,783	–	–	–
Social security and other taxes	1,744	1,744	–	–	–
Interest payable	160	160	–	–	–
Other payables	13,158	13,158	–	–	–
	43,572	43,572	–	–	–

#### 4.2.4 Trade and other payables more than one year – Group

	Carrying value	Up to 1 year	Up to 2 years	Up to 5 years	Over 5 years
<b>As at 31 December 2022</b>					
Subscriber deposits	229	4	6	13	206
Advance on RDA and other contractors	1,464	70	352	1,042	–
Unclaimed dividend	244	–	–	–	244
Capital expenditure payables	6,759	5,847	286	626	–
	8,696	5,921	644	1,681	450

#### 4.2.5 Trade and other payables due within one year – Company

	Carrying value	Up to 1 year	Up to 2 years	Up to 5 years	Over 5 years
<b>As at 31 December 2023</b>					
Domestic trade payables	<b>24</b>	<b>24</b>	–	–	–
Foreign trade payables	<b>2,632</b>	<b>2,632</b>	–	–	–
Amount due to subsidiaries	<b>5,601</b>	<b>5,601</b>	–	–	–
Capital expenditure payables	<b>7,685</b>	<b>7,685</b>	–	–	–
Social security and other taxes	<b>1,452</b>	<b>1,452</b>	–	–	–
Other payables	<b>10,884</b>	<b>10,884</b>	–	–	–
	<b>28,278</b>	<b>28,278</b>	–	–	–

#### 4.2.6 Trade and other payables due after one year – Company

	Carrying value	Up to 1 year	Up to 2 years	Up to 5 years	Over 5 years
<b>As at 31 December 2023</b>					
Subscriber deposits	<b>218</b>	<b>4</b>	<b>5</b>	<b>9</b>	<b>200</b>
Advance on RDA and other contracts	<b>872</b>	<b>63</b>	<b>273</b>	<b>536</b>	–
Unclaimed dividend	<b>244</b>	–	–	–	<b>244</b>
Capital expenditure payables	<b>2,065</b>	<b>286</b>	<b>658</b>	<b>1,063</b>	<b>58</b>
	<b>3,399</b>	<b>353</b>	<b>936</b>	<b>1,608</b>	<b>502</b>

#### 4.2.7 Trade and other payables due after one year – Company

	Carrying value	Up to 1 year	Up to 2 years	Up to 5 years	Over 5 years
<b>As at 31 December 2022</b>					
Domestic trade payables	116	116	–	–	–
Foreign trade payables	2,528	2,528	–	–	–
Amount due to subsidiaries	8,468	8,468	–	–	–
Capital expenditure payables	9,787	9,787	–	–	–
Social security and other taxes	1,030	1,030	–	–	–
Other payables	10,470	10,470	–	–	–
	32,399	32,399	–	–	–

#### 4.2.8 Trade and other payables due after one year – Company

	Carrying value	Up to 1 year	Up to 2 years	Up to 5 years	Over 5 years
<b>As at 31 December 2022</b>					
Subscriber deposits	229	4	6	13	206
Advance on RDA and other contracts	829	70	352	407	–
Unclaimed dividend	244	–	–	–	244
Capital expenditure payables	6,502	5,847	286	369	–
	7,804	5,921	644	789	450

### 4.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### 4.3.1 Currency risk

The Group is exposed to currency risk on services provided, services received and borrowings that are denominated in a currency other than the Sri Lankan rupees (LKR).

The Group manages its currency risk by a natural hedging mechanism to a certain extent by matching currency outflows for repayments of foreign currency loans and services with currency inflows for services settled in foreign currencies.

Further SLT uses forward bookings where necessary to mitigate their foreign currency exposure in a prudent manner.

The summary of quantitative data about the Group's exposure to foreign currency was as follows:

	Group		Company	
	2023 USD Mn.	2022 USD Mn.	2023 USD Mn.	2022 USD Mn.
<b>As at 31 December</b>				
Foreign trade receivables	16	17	12	–
Secured bank loans	–	(8)	–	–
Trade payables	(21)	(9)	(8)	–
Net statement of financial position exposure	(5)	–	4	–

## 4.3 Market risk (Contd...)

The following significant exchange rates have been applied during the year:

	Average rate	Year end spot rate		
	2023	2022	2023	2022
USD	<b>327.82</b>	324.55	<b>323.98</b>	366.01

### Sensitivity analysis

A reasonable possible strengthening (weakening) USD would have an impact on the Group's borrowings. This analysis assumes that all other variables, in particular interest rates remain constant.

	Profit or loss		Balance sheet	
	Strengthening	Weakening	Strengthening	Weakening
<b>Group</b>				
<b>2023 December USD (10%)</b>	<b>(309)</b>	<b>309</b>	<b>(309)</b>	<b>309</b>
2022 December USD (10%)	(526)	526	(526)	526
<b>Company</b>				
<b>2023 December USD (10%)</b>	—	—	—	—
2022 December USD (10%)	—	—	—	—

### 4.3.2 Interest rate risk

Interest rate risk mainly arises as a result of Group having interest sensitive assets and liabilities, which are directly impacted by changes in the interest rates. The Group's borrowings and investments are maintained in a mix of fixed and variable interest rate instruments and periodical maturity gap analysis is carried out to take timely action and to mitigate possible adverse impact due to volatility of the interest rates.

Short-term interest rate management is delegated to the treasury operations while long-term interest rate management decisions require approval from the board of Directors.

Interest rate sensitivity of the company was computed within the floor interest rate (Minimum) of 2.5% as stipulated in the loan agreement. The Group interest rate sensitivity was computed based on a 100 basis point increase or decrease. This analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant. The sensitivity of interest rate movement is shown below:

	Profit or loss	
	Increase in interest rate	Decrease in interest rate
<b>Group</b>		
<b>2023 December variable rate instruments</b>	<b>(346)</b>	<b>346</b>
2022 December variable rate instruments	(371)	371
<b>Company</b>		
<b>2023 December variable rate instruments</b>	<b>(342)</b>	<b>342</b>
2022 December variable rate instruments	(358)	358

## 4.4 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of stated capital and reserves. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

## 4.4 Capital management (Contd...)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The debt/equity ratios at 31 December were as follows:

	Group		Company	
	2023	2022	2023	2022
Total debt	<b>90,058</b>	72,117	<b>72,461</b>	59,099
Total equity	<b>88,621</b>	92,488	<b>68,140</b>	69,546
<b>Total capital</b>	<b>178,679</b>	164,605	<b>140,601</b>	128,645
<b>Debt/equity ratio (%)</b>	<b>101.6</b>	78.0	<b>106.3</b>	85.0

## 5. Operating Segments

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the board of Directors, (the Chief Operating Decision Maker-CODM) reviews internal management reports on at least quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Fixed ICT operations includes supply of fixed telecommunication services.
- Mobile ICT operations includes supply of Mobile telecommunication services.
- IPTV Operations Includes providing of IPTV -Internet Protocol Television services
- Other segment operations includes directory publication and support services. None of these segments meet the quantitative thresholds for determining reportable segments in 2023 or 2022.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax. As included in the internal management reports that are reviewed by the Board of Directors (BOD). Segment profit is used to measure performance as Management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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

### Information about reportable segments

(All amounts in Sri Lanka Rupees million)

	Fixed telephony operations		Mobile operations		IPTV operation		Other segments operations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
External revenues	<b>63,637</b>	61,701	<b>41,103</b>	43,494	<b>302</b>	226	<b>1,376</b>	2,289	<b>106,418</b>	107,710
Inter-segment revenue	<b>6,074</b>	5,868	<b>1,533</b>	1,698	<b>3,856</b>	3,312	<b>1,126</b>	1,348	<b>12,589</b>	12,226
Reportable segment revenue	<b>69,711</b>	67,569	<b>42,636</b>	45,192	<b>4,158</b>	3,538	<b>2,502</b>	3,637	<b>119,007</b>	119,936
Reportable segment profit/(loss) before tax	<b>(1,611)</b>	12,628	<b>(1,825)</b>	1,501	<b>692</b>	(1,795)	<b>190</b>	470	<b>(2,554)</b>	12,804
Interest income	<b>1,280</b>	1,717	<b>391</b>	1,230	<b>3</b>	4	<b>11</b>	5	<b>1,685</b>	2,956
Interest expenses	<b>(9,772)</b>	(3,782)	<b>(1,643)</b>	(1,250)	<b>(1)</b>	–	<b>(53)</b>	(51)	<b>(11,469)</b>	(5,083)
Foreign exchange gain/(loss)	<b>(420)</b>	5,152	<b>604</b>	(5,356)	<b>443</b>	(1,476)	<b>2</b>	–	<b>629</b>	(1,680)
Depreciation and amortisation	<b>(18,533)</b>	(18,099)	<b>(10,263)</b>	(10,051)	<b>(78)</b>	(58)	<b>(30)</b>	(33)	<b>(28,904)</b>	(28,241)
Reportable segment assets	<b>189,489</b>	186,026	<b>78,420</b>	75,835	<b>2,554</b>	3,330	<b>1,806</b>	1,736	<b>272,269</b>	266,927
Reportable segment liabilities	<b>121,349</b>	116,480	<b>43,796</b>	37,725	<b>3,046</b>	4,657	<b>1,138</b>	1,383	<b>169,329</b>	160,245

## 5. Operating Segments (Contd...)

**Information about reportable segments**

	2023	2022	
<b>Revenue</b>			
Total revenue for reportable segments	<b>116,505</b>	116,299	
Revenue for other segments	2,502	3,637	
Reportable segment revenue	<b>119,007</b>	119,936	
Elimination of inter-segment revenue	<b>(12,589)</b>	(12,226)	
<b>Consolidated revenue</b>	<b>106,418</b>	107,710	
<b>Profit or loss</b>			
Total profit or loss for reportable segments	<b>(2,744)</b>	12,334	
Profit or loss for other segments	190	470	
Reportable segment profit /(loss) before tax	<b>(2,554)</b>	12,804	
Elimination of inter-segment profits	<b>(97)</b>	(2,216)	
<b>Consolidated profit /(loss) before tax</b>	<b>(2,651)</b>	10,588	
	2023	2022	
<b>Assets</b>			
Total assets for reportable segments	<b>270,463</b>	265,191	
Assets for other segments	1,806	1,736	
	<b>272,269</b>	266,927	
Elimination of inter-segment assets	<b>(25,594)</b>	(26,343)	
<b>Consolidated total assets</b>	<b>246,675</b>	240,584	
<b>Liabilities</b>			
Total liabilities for reportable segments	<b>168,191</b>	158,862	
Liabilities for other segments	1,138	1,383	
	<b>169,329</b>	160,245	
Elimination of inter-segment liabilities	<b>(11,275)</b>	(12,149)	
<b>Consolidated total liabilities</b>	<b>158,054</b>	148,096	
	Reportable segment totals	Adjustments	Consolidated totals
<b>Other material items (2023)</b>			
Interest income	<b>1,685</b>	–	<b>1,685</b>
Interest expense	<b>(11,469)</b>	177	<b>(11,292)</b>
Capital expenditure	<b>32,214</b>	–	<b>32,214</b>
Depreciation and amortisation	<b>(28,904)</b>	3	<b>(28,901)</b>
<b>Other material items (2022)</b>			
Interest income	2,956	–	2,956
Interest expense	(5,083)	189	(4,894)
Capital expenditure	43,316	–	43,316
Depreciation and amortisation	(28,241)	–	(28,241)

## 6. Revenue

The significant categories under which revenue is recognised are as follows:

	Group		Company	
	2023	2022	2023	2022
Release of deferred connection charges	<b>217</b>	274	<b>217</b>	274
Rental income	<b>5,677</b>	6,144	<b>3,201</b>	3,359
Domestic call revenue	<b>12,981</b>	17,592	<b>1,486</b>	2,169
Receipts from other network operators – Domestic	<b>868</b>	1,542	<b>194</b>	358
International call revenue	<b>565</b>	532	<b>147</b>	141
Receipts from other network operators – International	<b>31</b>	31	–	–
International settlements (in-payments)	<b>12,039</b>	13,383	<b>7,392</b>	9,186
Broadband revenue	<b>39,971</b>	36,897	<b>21,960</b>	19,868
Data and other services	<b>34,069</b>	31,315	<b>35,114</b>	32,214
	<b>106,418</b>	107,710	<b>69,711</b>	67,569

**6. (a)** The revenue recognised from providing fixed telephony and mobile communication services by the Group is LKR 104,740 Mn.  
(2022 - LKR 105,195 Mn.).

## 7. Operating Costs

The following items have been included in arriving at operating profit:

	Group		Company	
	2023	2022	2023	2022
Staff costs (Note 7.1)	<b>22,277</b>	21,784	<b>16,448</b>	16,204
Directors' emoluments	<b>107</b>	104	<b>85</b>	90
Payments to international network operators	<b>1,963</b>	3,467	<b>1,963</b>	3,467
Payments to other network operators				
– International	<b>1,224</b>	1,369	<b>703</b>	1,021
– Domestic	<b>553</b>	1,438	<b>91</b>	236
International Telecommunication Operators Levy	<b>1,197</b>	1,536	<b>406</b>	559
Auditors' remuneration				
– Audit	<b>24</b>	24	<b>14</b>	14
– Ernst & Young				
– Other auditors	<b>–</b>	–	<b>–</b>	–
– Non-audit	<b>6</b>	7	<b>5</b>	6
– Ernst & Young				
– Other auditors	<b>7</b>	2	<b>7</b>	2
Repairs and maintenance expenditure	<b>11,408</b>	8,547	<b>8,329</b>	6,512
Provision for doubtful debts	<b>1,247</b>	1,286	<b>830</b>	1,226
Reversals of inventory	<b>(91)</b>	(327)	<b>(95)</b>	(327)
Impairment of property, plant and equipment (Note 13)	<b>507</b>	309	<b>480</b>	309
Other operating expenditure	<b>32,986</b>	27,405	<b>16,831</b>	14,194
Depreciation on property, plant and equipment	<b>23,172</b>	22,621	<b>16,790</b>	16,261
Depreciation on right-of-use assets	<b>3,333</b>	3,247	<b>600</b>	625
Amortisation	<b>2,396</b>	2,373	<b>1,143</b>	1,213
	<b>102,316</b>	95,192	<b>64,630</b>	61,612

## 7.1 Staff costs

	Group		Company	
	2023	2022	2023	2022
Salaries, wages, allowances, and other benefits	<b>19,110</b>	19,256	<b>13,994</b>	14,236
<b>Post-employment benefits</b>				
– Defined contribution plans	<b>1,786</b>	1,706	<b>1,326</b>	1,291
– Defined benefit obligations (Note 27)	<b>1,381</b>	822	<b>1,128</b>	677
	<b>22,277</b>	21,784	<b>16,448</b>	16,204
Average number of persons employed	<b>8,601</b>	8,888	<b>6,443</b>	6,627

## 8. Interest Expense and Finance Costs

	Group		Company	
	2023	2022	2023	2022
Rupee loans [See Note (a) below]	<b>8,511</b>	4,777	<b>7,974</b>	4,726
Foreign currency loans	<b>78</b>	144	–	–
Debenture	<b>892</b>	892	<b>892</b>	892
Interest – Overdraft	<b>1,020</b>	281	<b>879</b>	281
Interest – Vendor financing	<b>4,198</b>	1,778	<b>4,135</b>	1,699
Other interest [See Note (b) below]	<b>925</b>	983	<b>178</b>	145
<b>Total interest and finance cost</b>	<b>15,624</b>	8,855	<b>14,058</b>	7,743
Interest capitalised [See Note (c) below]	(4,332)	(3,961)	(4,286)	(3,961)
<b>Net total interest and finance cost</b>	<b>11,292</b>	4,894	<b>9,772</b>	3,782

(a) Interest cost of the Group /Company relates to the Rupee loans.

(b) Other interest mainly include interest cost of leased assets.

(c) Capitalisation rate used for 2023 is 17.37% (2022 - 9.47 %)

## 9. Foreign Exchange Gain /(Loss)

	Group		Company	
	2023	2022	2023	2022
Net foreign exchange gain/(loss)	<b>629</b>	(1,680)	<b>(420)</b>	5,152

### (a) Foreign exchange gain /(loss) of the Group mainly includes,

- i. Exchange loss of LKR 2,391 Mn. (2022 - gain of LKR 7,236 Mn.) arising from realised and revaluation of the receivables, fixed deposits and bank balances maintained in USD.
- ii. Exchange gain of LKR 2,798 Mn. (2022 - loss of LKR 6,381 Mn.) on payment to foreign suppliers.
- iii. Exchange gain of LKR 222 Mn. (2022 - loss of LKR 2,535 Mn.) arising from revaluation of USD syndicate loan and other term loans.

### (b) Foreign exchange gain /(loss) of the Company mainly includes,

- i. Exchange loss of LKR 2,009 Mn. (2022 - gain of LKR 5,205 Mn.) arising from realisation and revaluation of receivables, fixed deposits and bank balances maintained in USD.
- ii. Exchange gain of LKR 1,589 Mn. (2022 - loss of LKR 53 Mn.) on payment to foreign suppliers.

## 10. Interest Income

	Group		Company	
	2023	2022	2023	2022
<b>Interest income from:</b>				
Fixed deposits	<b>874</b>	1,966	<b>541</b>	991
Repurchase agreement – Repos	<b>17</b>	363	<b>11</b>	100
Staff loan Interest	<b>792</b>	622	<b>726</b>	621
Treasury bonds	<b>2</b>	5	<b>2</b>	5
	<b>1,685</b>	2,956	<b>1,280</b>	1,717

The interest income on bank deposits reflect the prevailing rates on the date of respective investments.

- (a) The weighted average interest rates on restricted funds in bank deposits 18.09% (2022 - 14.30%) and USD was 10.17 % (2022 - 8.92%). The weighted average interest rate on bank deposits in LKR was 20.00% (2022 - 26.55 %). The weighted average interest on repurchase agreement – Repo was 18.56% (2022-11.93%)
- (b) The weighted average interest on staff loans are between 13.01% to 23.22% (2022 - 9% and 29%) computed as per the provisions in the Sri Lanka Accounting Standards. The actual interest rates charged on the staff loans are between 6.24% and 7.20% (2022- 6.24% and 7.20%)

## 11. Income Tax Expenses /(Reversals)

### Tax recognised in statement of profit or loss

	Group		Company	
	2023	2022	2023	2022
<b>Current tax expense</b>				
Current year	<b>975</b>	2,366	–	1,076
Adjustments	<b>(43)</b>	14	<b>(43)</b>	12
Tax on dividends	–	306	–	306
	<b>932</b>	2,686	<b>(43)</b>	1,394
<b>Deferred tax expense</b>				
Origination and reversal of temporary differences	<b>2,368</b>	1,621	<b>1,605</b>	1,414
Tax losses	<b>(2,030)</b>	–	<b>(2,041)</b>	–
Rate change adjustments	–	1,516	–	1,377
	<b>338</b>	3,137	<b>(436)</b>	2,791
<b>Tax expense /(reversal)</b>	<b>1,270</b>	5,823	<b>(479)</b>	4,185

### Tax recognised in other comprehensive income – Group

	2023			2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Defined benefit plan actuarial gain/(loss)	<b>384</b>	<b>(41)</b>	<b>343</b>	(508)	183	(325)
	<b>384</b>	<b>(41)</b>	<b>343</b>	(508)	183	(325)

## 11. Income Tax Expenses/(Reversals) (Contd...)

### Tax recognised in other comprehensive income – Company

	2023			2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Defined benefit plan actuarial gain/(loss)	295	(118)	177	(344)	143	(201)
	295	(118)	177	(344)	143	(201)

### Reconciliation between income tax expenses and accounting profit /(loss)

	Group		Company	
	2023	2022	2023	2022
Accounting profit before tax	(2,651)	10,588	(1,611)	12,648
Non-taxable receipts/gains	(147)	(2,218)	(147)	(2,185)
Exempt profit	(480)	(428)	(480)	(469)
Aggregate disallowable expenses	24,710	20,572	24,350	20,591
Aggregate allowable expenses	(29,978)	(25,772)	(28,916)	(25,772)
Utilisation of tax losses	(83)	(100)	–	–
Current year tax losses not utilised	6,962	1,847	6,804	–
<b>Taxable income</b>	<b>(1,667)</b>	4,489	–	4,813
<b>Income tax charged at;</b>				
Standard rate of 24% (Note a)	–	467	–	465
Standard rate of 30% (Note a)	77	637	–	623
Tax on dividend income (Note b)	–	306	–	306
Other rates	898	1,276	–	–
<b>Tax on current year profits</b>	<b>975</b>	2,686	–	1,394

(a) The group computed the income tax liability for the year of assessment 2023/2024 by applying the income tax rate of 30%. For the first six months of the year of assessment 2022/2023 the Group computed the income tax liability by applying the income tax rate of 24% and revised income tax rate of 30% and other amendments in line with the Inland Revenue (Amendment) Act No. 45 of 2022 were considered to calculate the income tax liability of the Group for second six months. The deferred tax assets/ liabilities of the Group as at 31 December 2023 were computed using the revised income tax rate of 30% ( 2022- 30%).

(b) The Group was liable for income tax on local dividend received at 15% for the year of assessment 2023/2024. In the year of assessment 2022/23 for first six months the Group was liable for income tax on local dividend received at 14% and second six months at 15%.

## 11. Income Tax Expenses/(Reversals) (Contd...)

Current income tax charge of the Group/Company is made up as follows:

	Group		Company	
	2023	2022	2023	2022
Sri Lanka Telecom PLC	—	1,394	—	1,394
Mobitel (Private) Limited (Note a)	<b>898</b>	1,276	—	—
Sri Lanka Telecom (Services) Limited	<b>68</b>	13	—	—
SLT Human Capital Solutions (Private) Limited	—	—	—	—
SLT Digital Services (Private) Limited	—	—	—	—
SLT VisionCom (Private) Limited	—	—	—	—
Sky Network (Private) Limited	—	—	—	—
SLT Property Management (Private) Limited	—	—	—	—
Talentfort (Private) Limited	<b>9</b>	3	—	—
	<b>975</b>	2,686	—	1,394

(a) Pursuant to agreements dated 15 January 1993 and 26 February 2001 entered into with the Board of Investment of Sri Lanka under Section 17 of the Board of Investment Act No. 4 of 1978, 15 years tax exemption period granted to Mobitel (Private) Limited expired on 30 June 2009 and as per the agreement, Mobitel (Private) Limited opted for the turnover based tax option in which 2% was charged on the turnover for a further period of 15 years commencing from 01 July 2009.

## 12. Earnings Per Share

The basic earnings per share is calculated by dividing the net profit attributable to equity holders by the weighted average number of ordinary shares in issue during the year.

	Group		Company	
	2023	2022	2023	2022
Net profit /(loss) attributable to equity holders (LKR Mn.)	<b>(3,925)</b>	4,758	<b>(1,132)</b>	8,463
Weighted average number of ordinary shares in issue (million)	<b>1,805</b>	1,805	<b>1,805</b>	1,805
Earnings per share (LKR) – Basic	<b>(2.17)</b>	2.64	<b>(0.63)</b>	4.69

Diluted EPS is the same as computed above as the company does not have any instrument that will potentially dilute the shareholdings.

### 13. Property, Plant and Equipment – Group

	Freehold land	Freehold buildings	Ducts, cables, and other outside plant	Telephone exchanges	Transmission equipment	IT systems	Motor vehicles	Other fixed assets	Capital work-in-progress	Total
<b>Cost</b>										
<b>As at 01 January 2022</b>	367	5,474	176,121	30,972	122,925	24,255	2,548	12,698	30,694	406,054
Additions at cost	–	6	261	6	190	1,381	8	188	43,874	45,914
Transfers from capital work-in-progress	35	1,687	19,892	–	8,507	1,301	–	92	(31,514)	–
Disposals at cost	–	–	(74)	(503)	(3,356)	(1,746)	–	(64)	–	(5,743)
<b>As at 31 December 2022</b>	402	7,167	196,200	30,475	128,266	25,191	2,556	12,914	43,054	446,225
<b>Accumulated depreciation</b>										
<b>As at 01 January 2022</b>	–	(3,032)	(123,790)	(26,130)	(81,202)	(18,499)	(2,455)	(9,012)	3	(264,117)
Accumulated depreciation on disposals	–	–	74	503	3,353	1,745	–	63	–	5,738
Impairment loss	–	–	(5)	–	(304)	–	–	–	–	(309)
Depreciation charge	–	(400)	(9,795)	(1,007)	(8,501)	(2,052)	(30)	(836)	–	(22,621)
<b>As at 31 December 2022</b>	–	(3,432)	(133,516)	(26,634)	(86,654)	(18,806)	(2,485)	(9,785)	3	(281,309)
<b>Carrying value as at 31 December 2022</b>										
	402	3,735	62,684	3,841	41,612	6,385	71	3,129	43,057	164,916

	Freehold land	Freehold buildings	Ducts, cables, and other outside plant	Telephone exchanges	Transmission equipment	IT systems	Motor vehicles	Other fixed assets	Capital work-in-progress	Total
<b>Cost</b>										
<b>As at 01 January 2023</b>	402	7,167	196,200	30,475	128,266	25,191	2,556	12,914	43,054	446,225
Additions at cost	–	–	292	3	3,217	974	–	1,013	28,346	33,845
Transfers from capital work-in-progress	–	2,107	23,226	5	5,034	510	–	1,081	(31,963)	–
Disposals at cost	–	–	(255)	(14,231)	(3,331)	(7)	(80)	(1,135)	–	(19,039)
<b>As at 31 December 2023</b>	402	9,274	219,463	16,252	133,186	26,668	2,476	13,873	39,437	461,031
<b>Accumulated depreciation</b>										
<b>As at 01 January 2023</b>	–	(3,432)	(133,516)	(26,634)	(86,654)	(18,806)	(2,485)	(9,785)	3	(281,309)
Accumulated depreciation on disposals	–	–	255	14,231	3,290	6	67	884	27	18,760
Impairment loss	–	–	(56)	–	(355)	(69)	–	–	(27)	(507)
Depreciation charge	–	(435)	(10,873)	(615)	(8,784)	(1,415)	(7)	(1,043)	–	(23,172)
<b>As at 31 December 2023</b>	–	(3,867)	(144,190)	(13,018)	(92,503)	(20,284)	(2,425)	(9,944)	3	(286,228)
<b>Carrying value as at 31 December 2023</b>										
	402	5,407	75,273	3,234	40,683	6,384	51	3,929	39,440	174,803

### 13. Property, Plant and Equipment – Company

	Freehold land	Freehold buildings	Ducts, cables, and other outside plant	Telephone exchanges	Transmission equipment	IT systems	Motor vehicles	Other fixed assets	Capital work-in-progress	Total
<b>Cost</b>										
<b>As at 01 January 2022</b>	367	5,465	176,121	30,972	41,547	20,651	2,369	10,506	26,223	314,221
Additions at cost	–	6	261	6	190	1,024	1	66	36,224	37,778
Transfers from capital work-in-progress	35	1,687	19,892	–	80	970	–	92	(22,756)	–
Disposals at cost	–	–	(74)	(503)	(2,494)	(1,593)	–	–	–	(4,664)
<b>As at 31 December 2022</b>	402	7,158	196,200	30,475	39,323	21,052	2,370	10,664	39,691	347,335
<b>Accumulated depreciation</b>										
<b>As at 01 January 2022</b>	–	(3,033)	(123,790)	(26,130)	(29,890)	(16,079)	(2,339)	(7,106)	–	(208,367)
Accumulated depreciation on disposals	–	–	74	503	2,493	1,593	–	–	–	4,663
Impairment loss	–	–	(5)	–	(304)	–	–	–	–	(309)
Depreciation charge	–	(400)	(9,795)	(1,007)	(2,816)	(1,568)	(10)	(665)	–	(16,261)
<b>As at 31 December 2022</b>	–	(3,433)	(133,516)	(26,634)	(30,517)	(16,054)	(2,349)	(7,771)	–	(220,274)
<b>Carrying value as at 31 December 2022</b>	402	3,725	62,684	3,841	8,806	4,998	21	2,893	39,691	127,061

	Freehold land	Freehold buildings	Ducts, cables, and other outside plant	Telephone exchanges	Transmission equipment	IT systems	Motor vehicles	Other fixed assets	Capital work-in-progress	Total
<b>Cost</b>										
<b>As at 01 January 2023</b>	402	7,158	196,200	30,475	39,323	21,052	2,370	10,664	39,691	347,335
Additions at cost	–	–	293	3	3,217	973	–	127	21,817	26,430
Transfers from capital work-in-progress	–	2,107	23,226	5	554	510	–	592	(26,994)	–
Disposals at cost	–	–	(255)	(14,231)	(8)	(7)	(80)	–	–	(14,581)
<b>As at 31 December 2023</b>	402	9,265	219,464	16,252	43,086	22,528	2,290	11,383	34,514	359,184
<b>Accumulated depreciation</b>										
<b>As at 01 January 2023</b>	–	(3,433)	(133,516)	(26,634)	(30,517)	(16,054)	(2,349)	(7,771)	–	(220,274)
Accumulated depreciation on disposals	–	–	255	14,231	3	6	67	–	–	14,562
Impairment loss	–	–	(56)	–	(355)	(69)	–	–	–	(480)
Depreciation charge	–	(435)	(10,873)	(615)	(3,159)	(1,415)	(7)	(286)	–	(16,790)
<b>As at 31 December 2023</b>	–	(3,868)	(144,190)	(13,018)	(34,028)	(17,532)	(2,289)	(8,057)	–	(222,982)
<b>Carrying value as at 31 December 2023</b>	402	5,397	75,274	3,234	9,058	4,996	1	3,326	34,514	136,202

## 13. Property, Plant and Equipment (Contd...)

- (a) On 1 September 1991, the Department of Telecommunications (DoT) transferred its entire telecommunications business and related assets and liabilities to SLT. A valuation of the assets and liabilities transferred to SLT was performed by the Government of Sri Lanka. The net amount of those assets and liabilities represents SLT's Contributed Capital on incorporation and the value of property, plant and equipment as determined by the Government of Sri Lanka. Valuers were used to determine the opening cost of fixed assets on 01 September 1991 in the first statutory accounts of SLT. Further, SLT was converted into a public limited company, Sri Lanka Telecom Limited (SLTL), on 25 September 1996 and on that date, all business and the related assets and liabilities of SLT were transferred to SLTL as part of the privatisation process.
- (b) The cost of fully depreciated assets still in use in the company as at 31 December 2023 was LKR 152,423, Mn. (2022 - LKR 155,164 Mn.). The cost of fully depreciated assets still in use in the Group as at 31 December 2023 was LKR 187,415 Mn. (2022 - LKR 187,414 Mn.).
- (c) No assets have been mortgaged or pledged as security for borrowings of the Group.
- (d) The number of buildings of the Group as at 31 December 2023, is 1,266 (2022 - 1,239)
- (e) All the motor vehicles have been insured. SLT has obtained Property All Risk Insurance with effect from 31 March 2022 for targeted assets of SLT at island wide locations. An insurance reserve has been created together with a sinking fund investment to meet any potential losses with regard to uninsured property, plant and equipment. At the reporting date, the insurance reserve amounted to LKR 300 Mn. (2022 - LKR 300 Mn.) (Note 28).
- (f) Impairment of assets mainly consists of the carrying value of LTE Assets LKR 320 Mn., IT Systems LKR 69 Mn. and IPTV assets LKR 91 Mn. (2022 - LKR 304 Mn. on LTE Assets and LKR 5 Mn. on CDMA towers). The impaired assets are related to the fixed telephony operations segment. The recoverable amount of these assets was computed based on the Value-In-Use method at a discount rate of 12% (2022 - 19.50%). These impairment losses are included under the administrative expenses in the Statement of profit or loss and other comprehensive income.
- (g) The capital work-in-progress related to network equipment of the Group is LKR 22,209 Mn. (2022 - LKR 22,959 Mn.) and the Company is LKR 17,403 Mn. (2022 - LKR 19,676 Mn.)
- (h) The company capitalised borrowing costs amounting to LKR 4,286 Mn. during the year (2022 - LKR 3,961 Mn.). Borrowing cost capitalised from a Group perspective amounted to LKR 4,332 Mn. (2022 - LKR 3,961 Mn.).
- (i) The carrying value of network assets of the Group is LKR 119,222 Mn. (2022 - LKR 108,144 Mn.) and the Company is LKR 87,566 Mn. (2022 - LKR 75,338 Mn.).
- (j) The depreciation charge on network assets of the Group is LKR 20,332 Mn. (2022 - LKR 19,303 Mn.) and the Company is LKR 14,647 Mn. (2022 - LKR 13,618 Mn.).
- (k) Property, plant and equipment include submarine cables. The total cost and accumulated depreciation of all cables under this category as follows;

	Group / Company	
	2023	2022
Cost	<b>13,176</b>	13,129
Accumulated depreciation at 01 January	(7,131)	(6,730)
Depreciation charge for the year	(358)	(401)
<b>Carrying amount</b>	<b>5,687</b>	5,998

## 14. Right-of-use Assets and Lease Liabilities

The Group has lease contracts for various items of land and Buildings, E1 Links and towers used in its operations. Leases of land and Buildings generally have lease terms between 1 to 2 years while Leases of towers generally have lease terms between 2 to 3 years. The Group's obligations under its leases are secured by the lessor's title to the leases assets. Generally the Group is restricted from assigning and sub leasing the leased assets.

The Group also has certain leases of towers or tower spaces with low value.

## 14. Right-of-use Assets And Lease Liabilities (Contd...)

**(i) Set out below are the carrying amounts of right-of-use-assets recognised and the movements during the year.**

	Group		
	Land and Buildings	Towers	Total
As at 01 January 2023	<b>4,398</b>	<b>2,501</b>	<b>6,899</b>
Additions	<b>1,296</b>	<b>285</b>	<b>1,581</b>
Disposals/adjustments	<b>(31)</b>	<b>(20)</b>	<b>(51)</b>
Depreciation expense	<b>(1,245)</b>	<b>(1,423)</b>	<b>(2,668)</b>
<b>As at 31 December 2023</b>	<b>4,418</b>	<b>1,343</b>	<b>5,761</b>

Company	Company		
	Land and Buildings	Towers	Total
As at 01 January 2023	<b>21</b>	<b>592</b>	<b>613</b>
Additions	<b>57</b>	<b>743</b>	<b>800</b>
Depreciation expense	<b>(36)</b>	<b>(564)</b>	<b>(600)</b>
<b>As at 31 December 2023</b>	<b>42</b>	<b>771</b>	<b>813</b>

**(ii) Set out below are the carrying amounts of lease liabilities recognised and the movements during the year.**

	Group	
	2023	2022
As at 01 January	<b>7,496</b>	9,196
Additions	<b>1,696</b>	2,113
Disposals/adjustments	<b>(467)</b>	(1,508)
Accretion of interest	<b>641</b>	865
Payments	<b>(3,130)</b>	(3,170)
<b>As at 31 December</b>	<b>6,236</b>	7,496
Non-current	<b>3,617</b>	4,835
Current	<b>2,619</b>	2,661
	<b>6,236</b>	7,496

	Company	
	2023	2022
As at 01 January	<b>655</b>	829
Additions	<b>800</b>	433
Accretion of interest	<b>140</b>	59
Payments	<b>(711)</b>	(666)
<b>As at 31 December</b>	<b>884</b>	655
Non-current	<b>267</b>	428
Current	<b>617</b>	227
	<b>884</b>	655

## 14. Right-of-use Assets and Lease Liabilities (Contd...)

### (iii) Following are the amounts recognised in profit or loss:

	Group	
	2023	2022
Depreciation expense of right-of-use-assets	<b>2,674</b>	2,458
Interest expense on lease liabilities	<b>641</b>	865
Leases of low value	<b>89</b>	48
Total amount recognised in profit or loss	<b>3,404</b>	3,371

	Company	
	2023	2022
Depreciation expense of right-of-use-assets	<b>600</b>	625
Interest expense on lease liabilities	<b>140</b>	60
Leases of low value	<b>89</b>	48
Total amount recognised in profit or loss	<b>829</b>	733

### Sensitivity analysis

	ROU asset	Lease liability
<b>Sensitivity to discount rate/incremental borrowing rate – Group</b>		
Increase by 1%	<b>(22)</b>	<b>(20)</b>
Decrease by 1%	<b>22</b>	<b>20</b>
<b>Sensitivity to discount rate/incremental borrowing rate – Company</b>		
Increase by 1%	<b>(10)</b>	<b>(6)</b>
Decrease by 1%	<b>10</b>	<b>6</b>

## 15. Intangible Assets

### Group

	Goodwill	Licences	Software	Others	Total
<b>Cost</b>					
As at 01 January 2022	804	11,959	6,907	628	20,298
– Acquisitions	–	1,868	528	26	2,422
– Derecognition	–	(296)	(316)	–	(612)
<b>As at 31 December 2022</b>	<b>804</b>	<b>13,531</b>	<b>7,119</b>	<b>654</b>	<b>22,108</b>
As at 01 January 2023	804	13,531	7,119	654	22,108
– Acquisitions	–	4,474	391	19	4,884
– Derecognition	–	(2,430)	(842)	–	(3,272)
<b>As at 31 December 2023</b>	<b>804</b>	<b>15,575</b>	<b>6,668</b>	<b>673</b>	<b>23,720</b>
<b>Accumulated amortisation</b>					
As at 01 January 2022	253	6,791	5,015	412	12,471
– Amortisation	–	1,172	1,161	40	2,373
– Derecognition	–	(296)	(316)	–	(612)
<b>As at 31 December 2022</b>	<b>253</b>	<b>7,667</b>	<b>5,860</b>	<b>452</b>	<b>14,232</b>
As at 01 January 2023	253	7,667	5,860	452	14,232
– Amortisation	–	1,307	1,060	29	2,396
– Derecognition	–	(2,430)	(842)	–	(3,272)
<b>As at 31 December 2023</b>	<b>253</b>	<b>6,544</b>	<b>6,078</b>	<b>481</b>	<b>13,356</b>
<b>Carrying amounts</b>					
<b>As at 31 December 2023</b>	<b>551</b>	<b>9,031</b>	<b>590</b>	<b>192</b>	<b>10,364</b>
As at 31 December 2022	551	5,864	1,259	202	7,876

The goodwill in the Group consists of goodwill arising on acquisition of Mobitel (Private) Limited eChannel ling PLC.

Goodwill is allocated to the Group's Cash-Generating Units (CGUs). A summary of the goodwill allocation is presented below:

	2023	2022
Mobitel (Private) Limited	141	141
eChannelling PLC	410	410
<b>Total</b>	<b>551</b>	<b>551</b>

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections, based on financial budgets approved by management covering a five-year period. Cash flows beyond the five year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The key assumptions used for value-in-use calculations are as follows:

	2023 (%)	2022 (%)
Growth rate	9.0	8.0
Discount rate	16	18

## 15. Intangible Assets (Contd...)

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments. No impairment charge has been recognised for the year ended 31 December 2023 for the above CGU (2022 - LKR Nil).

The recoverable amount of a CGU is determined based on fair value using level 01 observable inputs; market share of e-channeling PLC. The management has observed that the current market price of a share of e-channeling PLC is more than the cost of a share as at 31 December 2023.

### Company

	Licences	Software	Others	Total
<b>Cost</b>				
As at 01 January 2022	3,115	4,781	330	8,226
– Acquisitions	1,508	516	–	2,024
– Derecognition	–	(316)	–	(316)
<b>As at 31 December 2022</b>	<b>4,623</b>	<b>4,981</b>	<b>330</b>	<b>9,934</b>
As at 01 January 2023	4,623	4,981	330	9,934
– Acquisitions	364	336	–	700
– Derecognition	–	–	–	–
<b>As at 31 December 2023</b>	<b>4,987</b>	<b>5,317</b>	<b>330</b>	<b>10,634</b>
<b>Accumulated amortisation</b>				
As at 01 January 2022	1,607	3,457	330	5,394
– Amortisation	267	946	–	1,213
– Derecognition	–	(316)	–	(316)
<b>As at 31 December 2022</b>	<b>1,874</b>	<b>4,087</b>	<b>330</b>	<b>6,291</b>
As at 01 January 2023	1,874	4,087	330	6,291
– Amortisation	261	882	–	1,143
– Derecognition	–	–	–	–
<b>As at 31 December 2023</b>	<b>2,135</b>	<b>4,969</b>	<b>330</b>	<b>7,434</b>
<b>Carrying Amounts</b>				
<b>As at December 2023</b>	<b>2,852</b>	<b>348</b>	<b>–</b>	<b>3,200</b>
As at December 2022	2,749	894	–	3,643

## 16. Investments in Subsidiaries and Associates

### 16.1 Investments in subsidiaries

	2023	2022
As at 01 January	14,431	14,431
<b>As at 31 December</b>	<b>14,431</b>	14,431

## 16.1 Investments in subsidiaries (Contd...)

Details of the subsidiary companies in which the Company had control as at 31 December are set out below:

Name of company	2023		2022	
	Investment LKR Mn.	Company holding %	Investment LKR Mn.	Company holding %
Mobitel (Private) Limited [See Note (a) below]	<b>13,980</b>	<b>100</b>	13,980	100
SLT VisionCom (Private) Limited [See Note (b) below]	<b>100</b>	<b>100</b>	100	100
SLT Digital Info Services (Private) Limited [See Note (c) below]	<b>50</b>	<b>100</b>	50	100
Sri Lanka Telecom (Services) Limited [See Note (d) below]	<b>300</b>	<b>99.99</b>	300	99.99
SLT Human Capital Solutions (Private) Limited [See Note (e) below]	<b>1</b>	<b>100</b>	1	100
Sky Network (Private) Limited [See Note (f) below]	—	<b>99.94</b>	—	99.94
SLT Property Management (Private) Limited [See Note (g) below]	—	<b>100</b>	—	100
	<b>14,431</b>		14,431	
<b>Subsubsidiaries</b>				
eChannel ling PLC [ See Note (h) below]	<b>642</b>	<b>88</b>	642	88
TalentFort (Private) Limited (See Note(i) below)	—	<b>100</b>	—	100

The Directors believe that the fair value of each of the companies listed above do not differ significantly from their book values.

- (a) The Company owns 1,320,013,240 shares representing 100% of the entire Ordinary Share capital of Mobitel (Private) Limited.
- (b) This investment in subsidiary company consists of 10,000,000 shares representing the entire stated capital of SLT VisionCom (Private) Limited.
- (c) This investment in subsidiary company consists of 5,000,000 shares representing the entire stated capital of SLT Digital Info Services (Private) Limited.
- (d) This investment in subsidiary company consists of 30,000,000 shares representing 99.99 % of stated capital of Sri Lanka Telecom (Services) Limited.
- (e) This investment in subsidiary company consists of 50,000 shares representing the entire stated capital of SLT Human Capital Solutions (Private) Limited.
- (f) This investment in subsidiary company consists of 42,071,251 shares representing a 99.94% holding of the issued stated capital and 6,000,000 12% cumulative and redeemable preference shares of Sky Network (Private) Limited. The investment is fully impaired. This subsidiary was dissolved on 28 August 2023 by way of Creditors' Voluntary Liquidation.
- (g) This investment in subsidiary company consists of 1,500,001 shares representing the entire stated capital of SLT Property management (Private) Limited. This investment is fully impaired.
- (h) This investment in subsidiary Company consists of 106,974,618 shares representing the 87.59% holding of the issued share capital of eChannel ling PLC.
- (i) This investment in subsidiary Company consists of 1 share representing the 100% holding of the issued share capital of TalentFort (Private) Limited.
- (j) As referred in the Note 36, SLT Digital Services (Private) Limited and SLT VisionCom (Private) Limited will be amalgamated with Sri Lanka Telecom (Services) Limited, as per the decision taken by the Board of Directors on 13 February 2024 and 20 February 2024, respectively. There will be no changes to the ongoing business operations as a result of this amalgamation.

## 16.2 Investments in associates

Galle Submarine Cable Depot (Private) Limited (GSCDPL) engages in the business of providing services related to storage of spare submersible plant for the repair and maintenance of submarine telecommunication cable systems under South East Asia Indian Ocean Cable Maintenance Agreement. The Company's 40% interest in GSCDPL is accounted for using the equity method in the Company's Financial Statements.

	Group/Company		
		2023	2022
As at 01 January	<b>439</b>	214	
Share of profit from associate company	<b>75</b>	224	
<b>As at 31 December</b>	<b>514</b>	439	

## 17. Other Investments

### Current investments

	Group		Company	
	2023	2022	2023	2022
Fixed deposits/repo	<b>117</b>	3,995	–	3,976
	<b>117</b>	3,995	–	3,976

Fixed Deposit with a carrying value LKR 117 Mn. (2022 – LKR 4 Mn.) is in local currency. Fixed deposits in foreign currency with a carrying value of LKR Nil (2022 – LKR 3,885 Mn.). Sri Lanka Development Bonds in Foreign Currency with a carrying value of LKR Nil (2022 – LKR 87 Mn). All the fixed deposits referred in this note are not matured as at 31 December 2023 and invested for a period of 3-12 months.

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Fixed deposits – Restricted at bank	<b>08.65 - 26.00</b>	14.30	<b>11.50 - 26.00</b>	14.30
Fixed deposits – LKR	<b>10.00 - 22.00</b>	6.25 - 28.00	<b>20.00</b>	6.25 - 28.00
Fixed deposits – USD	<b>1.00 - 12.00</b>	1.00 - 8.92	<b>5.00 - 12.00</b>	8.92
Repurchase agreement – repo	<b>15.5 - 19.05</b>	7.40 - 15.25	<b>15.5 - 19.05</b>	11.93

The Group's exposure to credit and market risk and fair value information related to other investment are disclosed in Note 4.

## 18. Other Receivables

	Group		Company	
	2023	2022	2023	2022
Employee loans non-current	<b>3,496</b>	3,320	<b>3,471</b>	3,295
Employee loans current	<b>723</b>	818	<b>721</b>	807
	<b>4,219</b>	4,138	<b>4,192</b>	4,102
Employee loans	<b>3,030</b>	3,292	<b>3,003</b>	3,256
Prepaid staff cost	<b>1,189</b>	846	<b>1,189</b>	846
	<b>4,219</b>	4,138	<b>4,192</b>	4,102
Prepaid staff cost 01 January	<b>846</b>	181	<b>846</b>	181
Additions	<b>666</b>	1,035	<b>666</b>	1,035
Amortisation	<b>(323)</b>	(370)	<b>(323)</b>	(370)
<b>Prepaid staff cost at 31 December</b>	<b>1,189</b>	846	<b>1,189</b>	846

The Group provides loans to employees at concessionary rates. These employee loans are fair valued at initial recognition using level 2 inputs. The fair value of the employee loans are determined by discounting expected future cash flows using market related rates for similar loans.

The difference between the cost and fair value of employee loans is recognised as prepaid staff cost and the amount is recognised in the statement of Profit or Loss for 2023 was LKR 323 Mn. (2022 - LKR 370 Mn.). This amount is recognised in the statement of profit or loss under salaries, wages, allowances and other benefits.

## 19. Inventories

	Group		Company	
	2023	2022	2023	2022
Customer premises equipment	<b>1,528</b>	1,209	<b>1,528</b>	1,209
Cable and networks	<b>1,548</b>	1,440	<b>1,366</b>	1,258
Other consumables	<b>1,530</b>	1,269	<b>703</b>	512
	<b>4,606</b>	3,918	<b>3,597</b>	2,979
Allowance for obsolescence and slowing-moving items	<b>(528)</b>	(635)	<b>(357)</b>	(574)
<b>As at 31 December</b>	<b>4,078</b>	3,283	<b>3,240</b>	2,405

(a) Inventories include telecommunication hardware, consumables and office stationery. Inventory is stated net of provisions for slow-moving and obsolete items.

## 20. Trade and Other Receivables

	Group		Company	
	2023	2022	2023	2022
Domestic trade receivables	<b>24,310</b>	23,703	<b>18,274</b>	18,340
Foreign trade receivables	<b>4,033</b>	4,478	<b>2,767</b>	3,235
	<b>28,343</b>	28,181	<b>21,041</b>	21,575
Less: Provision for bad and doubtful receivables	<b>(8,041)</b>	(8,643)	<b>(5,086)</b>	(5,871)
Trade receivables – Net	<b>20,302</b>	19,538	<b>15,955</b>	15,704
Amount due from subsidiaries (Note 33.1.1)	–	–	<b>2,399</b>	2,508
Amount due from related companies [Note 33.2 (b)]	<b>149</b>	152	<b>149</b>	152
Advances and prepayments [See Note (a) below]	<b>7,102</b>	9,379	<b>2,267</b>	4,353
Employee loans (Note 18)	<b>723</b>	818	<b>721</b>	807
Other receivables [See Note (b) below]	<b>3,739</b>	2,646	<b>159</b>	153
<b>Amounts due within one year</b>	<b>32,015</b>	32,533	<b>21,650</b>	23,677

(a) Advances and prepayments of the Company mainly consist of advances on foreign and local suppliers advances LKR 942 Mn. (2022 - LKR 2,334 Mn.), payments for software maintenance of LKR 467 Mn. (2022 - LKR 939 Mn.). Advances and prepayments of the Group mainly consist of advances on foreign & local suppliers advances LKR 4,617 Mn. (2022- LKR 6,244 Mn.) , payments for software maintenance of LKR 467 Mn. (2022 - LKR 942 Mn.) Prepaid TRC Frequency LKR 780 Mn. (2022 - LKR 260 Mn.) and free phone offer LKR 265 Mn. (2022 - LKR 278 Mn.).

(b) Other receivables of the Company consist of refundable deposits of LKR 158 Mn. (2022 - LKR 150 Mn.). Other receivables of the Group mainly consist of refundable deposits of LKR 398 Mn. (2022 - LKR 429 Mn.) and site rentals receivables from other operators LKR 2,726 Mn. (2022 - LKR 1,292 Mn.)

## 21. Cash and Cash Equivalents

	Group		Company	
	2023	2022	2023	2022
Cash at bank and in hand	<b>4,086</b>	3,248	<b>1,572</b>	1,440
Fixed deposits	<b>8,291</b>	10,298	<b>3,758</b>	4,263
Repurchase agreements – Repo	–	604	–	348
	<b>12,377</b>	14,150	<b>5,330</b>	6,051

The fixed deposit of the Group/Company in foreign currency include with a carrying value of LKR 3,414 Mn. (2022- LKR 3,933 Mn.), the fixed deposits of the Company with carrying value of LKR 344 Mn. (2022- LKR 330 Mn.) are restricted at bank. The fixed deposit of the Group in LKR include with a carrying value of LKR 4,533 Mn. (2022- LKR 6,035 Mn.).

## 21. Cash and Cash Equivalents (Contd...)

**For cash flow purpose:**

### 21. (a) Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
Cash and cash equivalents	<b>12,377</b>	14,150	<b>5,330</b>	6,051
Bank overdrafts	(7,319)	(5,563)	(5,541)	(5,178)
	<b>5,058</b>	8,587	(211)	873

## 22. Borrowings

	Group		Company	
	2023	2022	2023	2022
<b>Current (due within one year)</b>				
Bank overdrafts	<b>7,319</b>	5,563	<b>5,541</b>	5,178
Bank borrowings and others [See Note 22 (e) below]	<b>20,137</b>	11,397	<b>14,237</b>	8,129
Finance lease liabilities	–	3	–	3
	<b>27,456</b>	16,963	<b>19,778</b>	13,310
<b>Non-current (due after one year)</b>				
Bank borrowings and others [See Note 22 (e) below]	<b>36,318</b>	30,320	<b>34,851</b>	30,320
Finance lease liabilities	–	12	–	12
	<b>36,318</b>	30,332	<b>34,851</b>	30,332
<b>Total borrowings</b>	<b>63,774</b>	47,295	<b>54,629</b>	43,642

### (a) The interest rate exposure of the borrowings of the Group and the Company were as follows:

	Group		Company	
	2023	2022	2023	2022
– At fixed rates	<b>14,169</b>	14,397	<b>14,169</b>	14,012
– At floating rates	<b>49,605</b>	32,898	<b>40,460</b>	29,630
	<b>63,774</b>	47,295	<b>54,629</b>	43,642

The currency exposure of the borrowings of the Group and the Company as at the reporting date were as follows:

	Group		Company	
	2023	2022	2023	2022
Foreign currency	–	3,270	–	–
Local currency	<b>63,774</b>	44,025	<b>54,629</b>	43,642
	<b>63,774</b>	47,295	<b>54,629</b>	43,642

## 22. Borrowings (Contd...)

### (b) Effective interest rates of the Group and the Company are as follows:

	Group	Company		
	2023 %	2022 %	2023 %	2022 %
<b>Average effective interest rates:</b>				
– Bank overdrafts	<b>20.35 - 19.13</b>	23.97	<b>19.13</b>	23.97
– Bank borrowings – (USD loans)	<b>LIBOR+1.95%</b>	LIBOR+1.95%	–	–
– Bank borrowings – (LKR loans)	<b>AWPLR+1%, AWPLR+0.5%, 14%</b>	14.34	<b>21.87</b>	14.34
– Debenture	<b>12.75</b>	12.75	<b>12.75</b>	12.75
– Lease liabilities	<b>12.50</b>	12.50	<b>12.50</b>	12.50

### (c) Maturity analysis of the Group and the Company is as follows:

	Group	Company		
	2023	2022	2023	2022
<b>Maturity of non-current borrowings (excluding finance lease liabilities):</b>				
– Between 1 and 2 years	<b>7,509</b>	7,285	<b>7,109</b>	7,285
– Between 3 and 5 years	<b>19,647</b>	11,875	<b>18,580</b>	11,875
– Over 5 years	<b>9,162</b>	11,160	<b>9,162</b>	11,160
	<b>36,318</b>	30,320	<b>34,851</b>	30,320

### (d) Movement of the borrowings is given below – Group

	Borrowings	Bank overdraft	Lease liabilities	Total
As at 01 January 2023	<b>41,717</b>	<b>5,563</b>	<b>15</b>	<b>47,295</b>
– Additions during the year	<b>28,179</b>	<b>62,046</b>	–	<b>90,225</b>
– Net repayment during the year	<b>(13,236)</b>	<b>(60,290)</b>	<b>(15)</b>	<b>(73,541)</b>
Foreign exchange loss	<b>(205)</b>	–	–	<b>(205)</b>
	<b>56,455</b>	<b>7,319</b>	–	<b>63,774</b>

### Movement of the borrowings is given below – Company

	Borrowings	Bank overdraft	Lease liabilities	Total
As at 01 January 2023	<b>38,449</b>	<b>5,178</b>	<b>15</b>	<b>43,642</b>
– Additions during the year	<b>14,750</b>	<b>59,242</b>	–	<b>73,992</b>
– Net repayment during the year	<b>(4,111)</b>	<b>(58,879)</b>	<b>(15)</b>	<b>(63,005)</b>
	<b>49,088</b>	<b>5,541</b>	–	<b>54,629</b>

(e) During the year company, drew down LKR 14,750 Mn. from the term loan and short-term loans in Rupees.

(f) The loan covenants include submission of audited Financial Statements to the lenders within a specified period from the financial year end, maintenance of covenant ratios and to maintain adequate accounting records in accordance with Sri Lanka Accounting Standards.

(g) The Directors believe that the Company and the Group will have sufficient funds available to meet its present loan commitments.

(h) Lease liabilities of the Company and the Group are effectively secured by the lessor against the rights to the title of the asset.

## 23. Deferred Tax Liabilities and Assets

### Recognised deferred tax (assets) and liabilities

Deferred tax (assets) and liabilities are calculated on all taxable and deductible temporary differences arising from differences between accounting bases and tax bases of assets and liabilities. Deferred tax is provided under the liability method using a principal tax rate of 30% (for the year 2022 - 30%).

**The movement in the deferred tax account is as follows:**

	Group		Company	
	2023	2022	2023	2022
As at 01 January	<b>8,901</b>	5,446	<b>8,002</b>	4,870
Other adjustments	(43)	19	—	2
Release to statement of comprehensive income (Note 11)	<b>338</b>	3,137	(436)	2,791
Release to statement of other comprehensive income (Note 11)	<b>41</b>	(183)	<b>118</b>	(143)
Claim of deferred tax asset	—	482	—	482
<b>As at 31 December</b>	<b>9,237</b>	8,901	<b>7,683</b>	8,002

**The amounts shown in the Statement of Financial Position represents the following:**

	Group		Company	
	2023	2022	2023	2022
Deferred tax liabilities – Non-current	<b>9,602</b>	9,066	<b>7,683</b>	8,002
Deferred tax liabilities – Current	—	12	—	—
Deferred tax assets	(365)	(177)	—	—
	<b>9,237</b>	8,901	<b>7,683</b>	8,002

The taxable and deductible temporary differences mainly arise from property, plant and equipment, deferred income, provision for defined benefit obligations and other provisions.

**Deferred tax assets and liabilities of the Group are attributable to the following:**

Group	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
Property, plant and equipment	—	—	<b>14,953</b>	12,396	<b>14,953</b>	12,396
SLFRS 16 – Leases	—	—	(4)	49	(4)	49
Defined benefit obligations	(1,189)	(1,017)	—	—	(1,189)	(1,017)
Provisions	(1,540)	(1,707)	—	—	(1,540)	(1,707)
Deferred income	(472)	(515)	—	—	(472)	(515)
Tax losses	(2,773)	(610)	—	—	(2,773)	(610)
Rate change adjustment	<b>243</b>	243	—	—	<b>243</b>	243
Other adjustment	—	—	<b>18</b>	62	<b>18</b>	62
<b>Tax (assets)/liabilities before set-off</b>	<b>(5,731)</b>	(3,606)	<b>14,967</b>	12,507	<b>9,236</b>	8,901
Set-off of tax	<b>5,731</b>	3,606	(5,731)	(3,606)	—	—
<b>Net tax (assets)/liabilities</b>	<b>—</b>	—	<b>9,236</b>	8,901	<b>9,236</b>	8,901

## 23. Deferred Tax Liabilities and Assets (Contd...)

### Movement in deferred tax balances during the year – Group

	Balance 01 January 2022	Recognised in comprehensive income	Recognised in other comprehensive income	Balance as at 31 December 2022	Recognised in profit or loss	Recognised in other comprehensive income	Balance 31 December 2023
Property, plant and equipment	11,378	1,018	–	12,396	2,557	–	<b>14,953</b>
SLFRS 16 - Leases	78	(28)	–	49	(53)	–	<b>(4)</b>
Defined benefit obligations	(613)	(221)	(183)	(1,017)	(213)	41	<b>(1,189)</b>
Provisions	(2,488)	780	–	(1,707)	166	–	<b>(1,540)</b>
Deferred Income	(584)	69	–	(515)	43	–	<b>(472)</b>
Tax losses	96	3	–	100	(2,164)	–	<b>(2,063)</b>
Adjustment to tax losses	(710)	–	–	(710)	–	–	<b>(710)</b>
Tax credit	(877)	–	–	(877)	–	–	<b>(877)</b>
Tax credit claimed	394	–	–	877	–	–	<b>877</b>
Rate change adjustment	(1,273)	1,516	–	243	–	–	<b>243</b>
Other adjustments	56	–	–	62	–	–	<b>18</b>
	5,457	3,137	(183)	8,901	336	41	<b>9,236</b>

### Deferred tax assets and liabilities of the Company are attributable to the following:

Company	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
Property, plant and equipment	–	–	<b>12,249</b>	10,862	<b>12,249</b>	10,862
Defined benefit obligations	(904)	(821)	–	–	(904)	(821)
Provisions	(878)	(1,254)	–	–	(878)	(1,254)
Deferred income	(472)	(515)	–	–	(472)	(515)
Tax losses	(2,535)	(494)	–	–	(2,535)	(494)
Rate change adjustment	224	224	–	–	224	224
<b>Tax (assets)/liabilities before set-off</b>	<b>(4,565)</b>	(2,860)	<b>12,249</b>	10,862	<b>7,684</b>	8,002
Set-off of tax	<b>4,565</b>	2,860	<b>(4,565)</b>	(2,860)	–	–
<b>Net tax (assets)/liabilities</b>	–	–	<b>7,684</b>	8,002	<b>7,684</b>	8,002

### Movement in deferred tax balances during the year – Company

	Balance 01 January 2022	Recognised in comprehensive income	Recognised in other comprehensive income	Balance 31 December 2022	Recognised in profit or loss	Recognised in other comprehensive income	Balance 31 December 2023
Property, plant and equipment	10,612	249	–	10,862	1,387	–	<b>12,249</b>
Defined benefit obligations	(609)	(69)	(143)	(821)	(201)	118	<b>(904)</b>
Provisions	(2,419)	1,165	–	(1,254)	376	–	<b>(878)</b>
Deferred income	(584)	69	–	(515)	43	–	<b>(472)</b>
Tax losses	161	–	–	161	(2,041)	–	<b>(1,880)</b>
Adjustment to tax loss	(655)	–	–	(655)	–	–	<b>(655)</b>
Tax credit	(877)	–	–	(877)	–	–	<b>(877)</b>
Claimed from tax credit	394	–	–	877	–	–	<b>877</b>
Rate change adjustment	(1,153)	1,377	–	224	–	–	<b>224</b>
	4,870	2,791	(143)	8,002	(436)	118	<b>7,684</b>

## 24. Deferred Income

- The connection fees relating to Public Switch Telephone Network (PSTN) are deferred over a period of 15 years. LKR revenue is recognised on an annual basis irrespective of the date of connection.
- Revenue from the sale of prepaid credit and Internet is deferred until such time as the customer uses the call time, downloadable quota or the credit expires.
- Backhauling revenue which is leasing of SEA-ME-WE 3 cable capacity is recognised on a straight line basis over the period of the contracts. Amounts received in advance for any services are recorded as deferred revenue.
- IRU revenue relating to leasing of SEA-ME-WE 4 cable capacity is recognised on a straight line basis over the period of the contracts. Amounts received in advance for any services are recorded as deferred revenue. In the event that a customer terminates an IRU prior to the expiry of the contract and releases the Company from the obligation to provide future services, the remaining unamortised deferred revenue is recognised in the period the contract is terminated.

	Group		Company	
	2023	2022	2023	2022
<b>At the end of the year</b>				
Representing deferred income – Current	<b>3,677</b>	3,852	<b>325</b>	221
Representing deferred income – Non-current	<b>1,250</b>	1,469	<b>1,250</b>	1,469
	<b>4,927</b>	5,321	<b>1,575</b>	1,690

### 24. (a) Contract assets

The contract asset movements are provided below:

	Group		Company	
	LKR Mn.	LKR Mn.	LKR Mn.	LKR Mn.
<b>At the end of the year</b>				
Balance as at 01 January 2023		<b>2,974</b>		<b>435</b>
Additions		<b>1,448</b>		<b>217</b>
Amortisations		(1,820)		(156)
<b>Balance as at 31 December 2023</b>		<b>2,602</b>		<b>496</b>

	Group		Company	
	2023	2022	2023	2022
<b>At the end of the year</b>				
Representing contract assets – Non-current	<b>1,091</b>	1,504	<b>350</b>	313
Representing contract assets – Current	<b>1,511</b>	1,470	<b>146</b>	122
	<b>2,602</b>	2,974	<b>496</b>	435

### 24. (b) Contract liabilities

As per SLFRS 15 revenue is recognised when the individual performance obligations specified in a contract are satisfied. The total consideration received or receivable has been allocated between separate performance obligations based on the relative stand-alone selling price.

The figure shows the contract liabilities due to unsatisfied performance obligations as at 31 December 2023.

	Group		Company	
	LKR Mn.	LKR Mn.	LKR Mn.	LKR Mn.
<b>At the end of the year</b>				
Opening adjustment 01 January 2023		<b>2,455</b>		<b>2,199</b>
Additions		<b>1,590</b>		<b>1,433</b>
Amortisations		(1,033)		(900)
<b>Balance as at 31 December 2023</b>		<b>3,012</b>		<b>2,732</b>

## 24. (b) Contract liabilities (Contd...)

	Group		Company	
	2023	2022	2023	2022
<b>At the end of the year</b>				
Representing contract liabilities – Non-current	<b>1,776</b>	1,483	<b>1,776</b>	1,483
Representing contract liabilities – Current	<b>1,236</b>	972	<b>956</b>	716
	<b>3,012</b>	2,455	<b>2,732</b>	2,199

## 25. Trade and Other Payables

	Group		Company	
	2023	2022	2023	2022
<b>Amounts due within one year</b>				
Domestic trade payables	<b>7,564</b>	7,197	<b>24</b>	116
Foreign trade payables	<b>7,710</b>	7,409	<b>2,511</b>	2,407
Amount due to subsidiaries (Note 33.1.1)	—	—	<b>5,601</b>	8,468
Amount due to related companies [Note 33.2 (b)]	<b>121</b>	121	<b>121</b>	121
Capital expenditure payables [See Note (a) below]	<b>9,655</b>	13,783	<b>7,685</b>	9,787
Social security and other taxes [See Note (b) below]	<b>1,605</b>	1,744	<b>1,452</b>	1,030
Interest payable	<b>195</b>	160	—	—
Other payables [See Note (c) below]	<b>11,852</b>	13,158	<b>10,884</b>	10,470
	<b>38,702</b>	43,572	<b>28,278</b>	32,399
<b>Amounts due after one year</b>				
International direct dialling and VoIP deposits	<b>218</b>	229	<b>218</b>	229
Advance on RDA and others	<b>872</b>	829	<b>872</b>	829
Unclaimed dividend	<b>244</b>	244	<b>244</b>	244
Foreign trade payable	<b>891</b>	—	—	—
Domestic trade payables	<b>643</b>	635	—	—
Capital expenditure payables	<b>2,357</b>	6,759	<b>2,065</b>	6,502
	<b>5,225</b>	8,696	<b>3,399</b>	7,804

- (a) Capital expenditure payables of the Company mainly consist of contractors' payables and retention of LKR 2,998 Mn. (2022 - LKR 4,171 Mn.) and advances on network restoration after road works of LKR 48 Mn. (2022 - LKR 321 Mn.) & LC Capex payable LKR 4,639 Mn. (2022 - LKR 5,295 Mn.) Capital expenditure payables of the Group mainly consist of contractors' payable and retention of LKR 4,507 Mn. (2022 - LKR 8,167 Mn.) and advances on network restoration after road works of LKR 48 Mn. (2022 - LKR 321 Mn.) and LC Capex payable LKR 4,639 Mn. (2022 - LKR 5,295 Mn.).
- (b) Social security and other taxes of the Company mainly consist of Telecommunication Levy (TL) of LKR 239 Mn. (2022 - LKR 258 Mn.), Cess LKR 110 Mn. (2022 - LKR 113 Mn.), VAT Payable of LKR 710 Mn. (2022 - LKR 312 Mn.), Social security contribution levy (SSCL) of LKR 150 Mn. (2022 - LKR 159 Mn.), EPF payable of LKR 150 Mn. (2022 - LKR 151 Mn.). Social security and other taxes of the Group mainly consist of Telecommunication Levy (TL) of LKR 353 Mn. (2022 - LKR 405 Mn.), Cess of LKR 182 Mn. (2022 - LKR 113 Mn.), VAT payable of LKR 869 Mn. (2022 - LKR 548 Mn.) SSCL LKR 254 Mn. (2022 - LKR 263 Mn.) EPF payable of LKR. 197 Mn. (2022 - LKR 151 Mn.).
- (c) Other payables of the Company mainly consist of dividend payable to the Government of Sri Lanka of LKR 244 Mn. (2022 - LKR 244 Mn.), payable for unpaid supplies of LKR 6,122 Mn. (2022 - LKR 7,687 Mn.), International Telecommunication Operators' Levy payable of LKR 59 Mn. (2022 - LKR 86 Mn.), and accrued expenses and other payables of LKR 304 Mn. (2022 - LKR 487 Mn.). Other payables of the Group mainly consist of dividend payable to the Government of Sri Lanka of LKR 244 Mn. (2022 - LKR 244 Mn.), payable for unpaid supplies of LKR 7,281 Mn. (2022 - LKR 9,190 Mn.), International Telecommunication Operators' Levy payable of LKR 173 Mn. (2022 - LKR 118 Mn.) and accrued expenses and other payables of LKR 1,346 Mn. (2022 - LKR 1,302 Mn.).

## 26. Vendor Financing

	Group		Company	
	2023	2022	2023	2022
Non-current (due after one year)	<b>12,770</b>	13,057	<b>12,770</b>	13,057
Current (due within one year)	<b>7,278</b>	4,269	<b>4,178</b>	1,745
	<b>20,048</b>	17,326	<b>16,948</b>	14,802

(a) The interest rate exposure of the vendor financing of the Group and the Company were as follows:

	Group		Company	
	2023	2022	2023	2022
- At floating rates	<b>17,670</b>	17,326	<b>16,948</b>	14,802
- At fixed rates	<b>2,378</b>	—	—	—
	<b>20,048</b>	17,326	<b>16,948</b>	14,802

The currency exposure of the borrowings of the Group and the Company as at the reporting date were as follows:

	Group		Company	
	2023	2022	2023	2022
Local currency	<b>16,948</b>	14,802	<b>16,948</b>	14,802
Foreign currency	<b>3,100</b>	2,524	—	—
	<b>20,048</b>	17,326	<b>16,948</b>	14,802

(b) Effective interest rates of the Group and the Company are as follows:

	Group		Company	
	2023	2022	2023	2022
<b>Average effective interest rates:</b>				
– SLT	AWPLR + 0.75 p.a.	AWPLR + 0.75 p.a.	AWPLR + 0.75 p.a.	AWPLR + 0.75 p.a.
– Mobitel	SOFR +2%, 5.5%	LIBOR + 4% p.a. and EURIBOR + 2% p.a.	—	—

(c) Maturity analysis of the Group and the Company is as follows:

	Group		Company	
	2023	2022	2023	2022
<b>Maturity of non-current vendor financing</b>				
– Between 1 and 2 years	<b>3,247</b>	4,033	<b>3,247</b>	4,033
– Between 3 and 5 years	<b>6,045</b>	4,886	<b>6,045</b>	4,886
– Over 5 years	<b>3,478</b>	4,138	<b>3,478</b>	4,138
	<b>12,770</b>	13,057	<b>12,770</b>	13,057

## 27. Employee Benefits

	Group	Company	
	2023	2022	2023
<b>Total employee benefit liability as at 01 January</b>	<b>5,733</b>	4,957	<b>4,846</b>
<b>Movement in present value of employee benefit liabilities</b>			
Current service cost	342	532	<b>255</b>
Interest cost	1,039	290	<b>873</b>
Actuarial (gain)/loss	(384)	508	(295)
Benefit paid during the year	(613)	(554)	(458)
<b>As at 31 December</b>	<b>6,117</b>	5,733	<b>5,221</b>
<b>Expenses recognised in the income statement</b>			
Current service cost	342	532	<b>255</b>
Interest cost	1,039	290	<b>873</b>
	<b>1,381</b>	822	<b>1,128</b>
<b>Recognised in other comprehensive income</b>			
Actuarial (gain)/loss	(384)	508	(295)
	<b>(384)</b>	508	<b>(295)</b>

The principal actuarial assumptions used were as follows:

	Group	Company	
	2023 %	2022 %	2023 %
Discount rate (long-term)	<b>13.0 - 14.0</b>	18.2 - 18.0	<b>13.0</b>
Future salary increases	<b>10.0 - 12.0</b>	16.0 - 10.0	<b>12.0</b>
Expected average working life of employees - Years	<b>11.7 - 10.3</b>	11.7 - 10.3	<b>9.2</b>
Retirement age of the employees - Years	<b>55-60</b>	55-60	<b>55-60</b>

In addition to above, demographic assumptions such as mortality, withdrawal, retirement age were considered for the actuarial valuation. In 2023, 1967/70 Mortality Table issued by the Institute of Actuaries London (2022 - 1967/70 Mortality Table) was taken as the base for the valuation.

The provisions for defined obligations of Sri Lanka Telecom PLC, SLT Digital info services (Private) Limited, Sri Lanka Telecom (Services) Limited, SLT Visioncom (Private) Limited, Talent fort (Private) Limited and Mobitel (Private) Limited, are actuarially valued by Messrs Actuarial and Management Consultants (Private) Limited and Messrs Piyal S Goonetilleke and Associates respectively.

The provision for defined benefit obligations is not externally funded.

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below.

The sensitivity of the statement of profit or loss and other comprehensive income and the statement of financial position is the effect of the assumed changes in discount rate and salary increment rate as depicted in the following table.

## 27. Employee Benefits (Contd...)

### Sri Lanka Telecom PLC

	Effect on charge to the statement of profit or loss and other comprehensive income		Effect on net defined benefit liability	
	Increase	Decrease	Increase	Decrease
<b>2023</b>				
Discount rate (Change by 1%)	(261)	287	(261)	287
Salary increment rate (Change by 1%)	309	(285)	309	(285)

	Effect on charge to the statement of profit or loss and other comprehensive income		Effect on net defined benefit liability	
	Increase	Decrease	Increase	Decrease
<b>2022</b>				
Discount rate (Change by 1%)	(241)	267	(241)	267
Salary increment rate (Change by 1%)	289	(266)	289	(266)

### Mobitel (Private) Limited

	Effect on charge to the statement of profit or loss and other comprehensive income		Effect on net defined benefit liability	
	Increase	Decrease	Increase	Decrease
<b>2023</b>				
Discount rate (Change by 1%)	(64)	74	(64)	74
Salary increment rate (Change by 1%)	78	(69)	78	(69)

	Effect on charge to the statement of profit or loss and other comprehensive income		Effect on net defined benefit liability	
	Increase	Decrease	Increase	Decrease
<b>2022</b>				
Discount rate (Change by 1%)	(55)	62	(55)	62
Salary increment rate (Change by 1%)	62	(55)	62	(55)

## 28. Insurance Reserves

	Group/Company	
	2023	2022
As at 1 January	<b>300</b>	1,105
Transferred to retained earnings	—	(805)
<b>As at 31 December</b>	<b>300</b>	300

## 29. Stated Capital

Issued and fully paid	Group/Company	
	2023	2022
1,804,860,000 ordinary shares	<b>18,049</b>	18,049

## 30. Cash Generated from Operations

Reconciliation of profit before tax to cash generated from operations:

Note	Group		Company	
	2023	2022	2023	2022
Profit before tax	<b>(2,651)</b>	10,588	<b>(1,611)</b>	12,648
<b>Adjustments for:</b>				
Depreciation on property, plant and equipment	7 <b>23,172</b>	22,621	<b>16,790</b>	16,261
Depreciation on right-of-use assets	7 <b>3,333</b>	3,247	<b>600</b>	625
Amortisation of intangible assets	7 <b>2,396</b>	2,373	<b>1,143</b>	1,213
Provision of bad and doubtful debts	7 <b>1,247</b>	1,286	<b>830</b>	1,226
Reversals of inventory	(91)	(327)	<b>(95)</b>	(327)
Interest expense and finance costs	8 <b>11,292</b>	4,894	<b>9,772</b>	3,782
Foreign exchange (gain)/loss	9 <b>(629)</b>	1,680	<b>420</b>	(5,152)
Realised exchange (gain)/loss	(1,293)	(1,205)	<b>(1,750)</b>	1,543
Interest income	10 <b>(1,685)</b>	(2,956)	<b>(1,280)</b>	(1,717)
Connection fees less amortisation	(394)	(270)	<b>(115)</b>	(359)
Profit on sale of property, plant and equipment	(540)	(240)	<b>(217)</b>	(170)
Impairment of property, plant and equipment	7 <b>507</b>	309	<b>480</b>	309
Share of profit from associate company	16.2 <b>(75)</b>	(224)	<b>(75)</b>	(224)
Provision for retirement benefit obligations	27 <b>1,381</b>	822	<b>1,128</b>	677
Surcharge tax	—	(2,289)	—	(742)
Profit on sale of SLT Campus	—	(310)	—	(20)
SLFRS 15 adjustment	929	(704)	<b>472</b>	407
	<b>36,899</b>	39,295	<b>26,492</b>	29,980
<b>Changes in working capital:</b>				
– Receivables and prepayments	(670)	(8,967)	<b>951</b>	(6,792)
– Inventories	1,071	528	<b>1,035</b>	756
– Payables	(3,994)	7,493	<b>(3,206)</b>	10,424
<b>Cash generated from operations</b>	<b>33,306</b>	38,349	<b>25,272</b>	34,368

## 31. Capital Commitments

The Group and the Company have purchase commitments in the ordinary course of business as at 31 December as follows:

Property, plant and equipment	Group		Company	
	2023	2022	2023	2022
– Approved but not contracted	15,188	37,189	<b>7,960</b>	28,072
– Approved and contracted	19,009	29,433	<b>14,218</b>	21,985
	<b>34,197</b>	66,622	<b>22,178</b>	50,057

## 31. Capital Commitments (Contd...)

	Group		Company	
	2023	2022	2023	2022
<b>Operating lease commitments</b>				
The maturity analysis of the future minimum lease payments and other commitment payments are as follows:				
– Not later than one year	<b>3,716</b>	2,900	<b>684</b>	259
– Later than one year and not later than five years	<b>6,156</b>	5,222	<b>134</b>	453
	<b>9,872</b>	8,122	<b>818</b>	712

Above cash flows are the contractual gross and undiscounted cash flows and such undiscounted cash flows differ from the discounted amounts included in the Statement of Financial Position.

### Other financial commitments

Except for any regular maintenance contracts entered into with third parties in the normal course of business, there are no other material financial commitments that requires separate disclosure.

## 32. Contingencies

(a) 12/2008 CBCU, an inquiry by Sri Lanka Customs – A consignment of CDMA equipment 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. The Order was delivered in October 2014 imposing a mitigated forfeiture of LKR 1,820,502,062.00 on SLT. SLT has filed Case in Court of Appeal under CA/writ/387/2014 against this Order and interim order was issued by court on 09 March 2016, precluding Respondents from enforcing order dated 17 October 2014. In September 2020, the court of Appeal gave the judgement in favor of SLT and the order given by the Customs Authority was dismissed. The Custom Authority appealed to the Supreme Court against the order. Under the case bearing no SC/SPL/LA/224/2020 – on 18 November 2022 the Supreme Court refused to grant leave and dismissed the case. However Customs have filed an application to review the decision on 17 February 2023. Case is fixed to be heard on 07 June 2024.

(b) Customs Case No. ADP/031/2009 – Goods valued at USD 996,785.65, which was imported under the last consignment of equipment for NGN Phase II expansion project, was detained by the Customs in May 2009. Subsequently, the equipment was cleared in July 2009. Pending the Inquiry. Presently awaiting the decision of the Customs Department

(c) Debt Recovery Officers who were attached to SLT had filed legal proceedings in Labour Department (Labour Commissioner) and Labour Tribunal and number of proceeding initiated under each forum are 49 and 21 respectively. The relief claimed includes EPF, ETF and compensation with regard to proceedings initiated before the Labour Commissioner and includes reinstatement or compensation under the Proceedings before Labour Tribunal. An appeal bearing No. WR 232/2015 filed by SLT in the Court of Appeal was dismissing and SLT filed an appeal to Supreme Court bearing case no. SC(SPL)LA 02/2020 against the order in WR 232/2015. Special Leave to Appeal was obtained by SLT on 17th March 2021 in case no SC (SPL) LA 02/2020. The new Case No is SC /Appeal/41/2021. Case was re-fixed for argument on 26 June 2024.

(d) Several Unions (11) at SLT has made a written Complaint to Labour Commissioner dated 10 April 2023, complaining that the employees at Talentfort Pvt Ltd has not been recruited to SLT with other HCS employees at the recruitment process in year 2020 and thereby caused an injustice to the said Talentfort employees. An inquiry was held by the Labour Officer under the inquiry No. CS/COA/A/02/213/23

pertaining to 86 employees who are presently employed at Talentfort Pvt Ltd. Written submissions on behalf of SLT and Talentfort employees were filed on 04th September 2023 and a preliminary objection was taken up on behalf of SLT that the Talentfort employees are not the members of the Complainant Unions and thereby the said Unions have no right to appear on behalf of Talentfort employees. The matter is pending for order.

In addition to the above referred cases, there are other claims by employees and third parties for damages and other relief. In the opinion of the Directors' none of these actions are likely to result in a material liability to the Company and its subsidiaries.

With regard to cases detailed above, pending the outcome of the appeals and hearings, no provisions have been recognised in the Financial Statements up to 31 December 2023.

The company has provided a corporate guarantees on behalf of its subsidiary as follows:

SLT PLC has provided a corporate guarantee of LKR 200 Mn. (2022 - 200 Mn.) for Mobitel (Pvt) Ltd for term loan granted by Mobitel (Pvt) Ltd to Sri Lanka Telecom(Services) Ltd.

## 33. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. A related party transaction takes place with a transfer of resources or obligations between related parties, regardless of whether a price is charged.

### 33.1 Transactions with subsidiaries

#### (a) Mobitel (Private) Limited

	Company	
	2023	2022
<b>Sale of goods and services:</b>		
Provision of E1 links	<b>5,859</b>	5,575
Interconnection charges	<b>71</b>	142
ERP rental	<b>202</b>	59
	<b>6,132</b>	5,776
<b>Purchase of goods and services:</b>		
Call charges on official mobile phone	<b>166</b>	130
Interconnection charges	<b>441</b>	718
Antenna tower space	<b>429</b>	374
Building rent	<b>4</b>	1
Data anchoring	<b>443</b>	469
	<b>1,483</b>	1,692

As per the TRC approval dated 19 May 2014, Mobitel is entitled to receive discounts if the Company uses more than 3500 E1 Links.

Further, Mobitel receives discounts on infrastructure services provided by Sri Lanka Telecom PLC.

#### (b) SLT Digital Services (Private) Limited

	Company	
	2023	2022
<b>Sale of goods and services:</b>		
Supply of services	<b>48</b>	48
<b>Purchase of goods and services:</b>		
Event management and other services	<b>90</b>	170

SLT Digital Services (Private) Limited provides event management services to SLT PLC. As per the agreement, SLT Digital Info Services (Private) Limited is entitled to receive a retainer for the services provided.

#### (c) Sri Lanka Telecom (Services) Limited

	Company	
	2023	2022
<b>Sale of goods and services:</b>		
Supply of services	<b>29</b>	28
<b>Purchase a goods and services:</b>		
Total network solutions	<b>2,162</b>	1,784

SLT PLC has provided a corporate guarantee of LKR 200 Mn. (2022 - LKR 200 Mn.) for Mobitel (Pvt) Ltd. For term loan granted by Mobitel (Pvt) Ltd. To Sri Lanka Telecom (Services) Ltd.

#### (d) Talentfort (Private) Limited

	Company	
	2023	2022
<b>Sale of goods and services:</b>		
Supply of services	<b>25</b>	20
<b>Purchase of goods and services:</b>		
Provision of manpower service	<b>104</b>	106

#### (e) SLT VisionCom (Private) Limited

	Company	
	2023	2022
<b>Sale of goods and services:</b>		
Supply of services	<b>42</b>	55
<b>Purchase of goods and services:</b>		
Service provisioning	<b>3,938</b>	3,317

#### Service fees/revenue share:

Sri Lanka Telecom PLC recognised 50% of IPTV revenue as revenue share payable to SLT Vision com (Private) Limited from 01 January 2021.

Supply of services provided for the above mentioned subsidiaries include voice, broadband, data and providing building spaces.

#### (f) Fees for secondment of personnel and services provided to/by SLT PLC

	Company	
	2023	2022
SLT Digital Info Services (Private) Limited	<b>45</b>	50
SLT VisionCom (Private) Limited	<b>38</b>	43
SLT Services (Private) Limited	<b>24</b>	27
Talentfort (Private) Limited	<b>24</b>	–
	<b>131</b>	120

#### 33.1.1 Outstanding balances arising from sale/purchase of services

	Company	
	2023	2022
<b>Receivable from subsidiaries:</b>		
Mobitel (Private) Limited	<b>1,941</b>	1,854
SLT Digital Info Services (Private) Limited	<b>61</b>	39
SLT Human Capital Solutions (Private) Limited	–	11
SLT VisionCom (Private) Limited	<b>343</b>	474
Sri Lanka Telecom (Services) Limited	<b>33</b>	47
SLT Property Management (Private) Limited	<b>7</b>	47
Talentfort (Private) Limited	<b>13</b>	36
	<b>2,398</b>	2,508
<b>Payable to subsidiaries:</b>		
Mobitel (Private) Limited	<b>3,072</b>	4,420
SLT Digital Info Services (Private) Limited	<b>84</b>	54
SLT VisionCom (Private) Limited	<b>1,859</b>	3,390
Sri Lanka Telecom (Services) Limited	<b>576</b>	593
Talentfort (Private) Limited	<b>10</b>	11
	<b>5,601</b>	8,468

### 33.2 Transactions with other related parties

#### (a) Maxis Communications Berhad and its subsidiaries

	Group		Company	
	2023	2022	2023	2022
<b>Sale of goods and services:</b>				
International incoming traffic	8	18	8	15
	8	18	8	15
<b>Purchase of goods and services:</b>				
International outgoing traffic	–	5	–	–
	–	5	–	–

#### (b) Outstanding balance arising from sale /purchase services

	Group		Company	
	2023	2022	2023	2022
<b>Receivable from related company:</b>				
Maxis Communications Berhad and its subsidiaries	149	152	149	152
<b>Payable to related company:</b>				
Maxis Communications Berhad and its subsidiaries	121	121	121	121

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2023, the Group recognised provision for expected credit losses of LKR Nil relating to amounts owed by related parties. (2022 - Nil)

The Company identified individually significant transactions with Key Government Related entities as given below:

- (i) Revenue from provision of telecommunication services during the year ended 31 December 2023 amounted to LKR. 4,700 Mn. (2022 - LKR 5,500 Mn.) and credit receivables as at 31 December 2023 amounted to LKR. 2,560 Mn. (2022 - LKR 2,536 Mn.)
- (ii) Deposits, repurchase agreements (Repo) and Borrowings of the Group at/from Government banks amounted to LKR 3,785 Mn. (2022 - LKR 9,000 Mn.) and LKR 17,990 Mn. (2022 - LKR 18,412 Mn.) as at 31 December 2023.
- (iii) Dividend payable to the Government amounting to LKR. 244 Mn. (2022 - LKR 244 Mn.)

The sales to and purchases from government related key institutions are made on terms equivalent to those that prevail in arm's length transactions.

#### (c) Government-Related Key Institutions

The Government of Sri Lanka holds 49.5% of the voting rights of the Company as at 31 December 2020 through the secretary to the Treasury and those have significant influence over the financial and operating policies of the Company. Accordingly, the Company has considered the Government of Sri Lanka as a related party according to LKAS 24 "Related Party Disclosure".

During the year ended 31 December 2023, the Company has carried out transactions with the Government of Sri Lanka and other Government related entities in the ordinary course of business.

### 33.3 Transactions with key management personnel

Key management personnel comprise the Directors and Chief Officers of the Company and the Group.

	Group		Company	
	2023	2022	2023	2022
Short-term benefits	719	652	402	391
Post-employment benefits	50	39	–	39
Salaries and other benefits	769	691	402	430

### 33.3 Transactions with key management personnel (Contd...)

All transactions during the year and balances as at the reporting date between the following companies have been eliminated in preparing the consolidated financial statements:

- Mobitel (Private) Limited
- Sri Lanka Telecom (Services) Limited
- SLT Digital Info Services (Private) Limited
- SLT Human Capital Solutions (Private) Limited
- SLT VisionCom (Private) Limited
- SLT Property Management (Private) Limited
- eChanneling PLC
- Mobitel Technologies (Private) Limited
- Talentfort (Private) Limited

Related party transactions disclosed above should be read in conjunction with Notes 16 to the financial statements.

### 35. Fair Value Disclosure

Set out below is a comparison by class of the carrying amounts and fair values of the financial instruments that are carried in the Financial Statements:

	Carrying amount				Fair value			
	Group		Company		Group		Company	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Financial assets</b>								
Trade and other receivables	<b>24,938</b>	23,154	<b>19,383</b>	19,324	<b>24,938</b>	23,154	<b>19,383</b>	19,324
Short-term deposits	<b>117</b>	3,995	—	3,976	<b>117</b>	3,995	—	3,976
Cash at bank and in hand	<b>12,377</b>	14,150	<b>5,330</b>	6,051	<b>12,377</b>	14,150	<b>5,330</b>	6,051
<b>Total</b>	<b>37,432</b>	41,299	<b>24,713</b>	29,351	<b>37,432</b>	41,299	<b>24,713</b>	29,351
<b>Financial liabilities</b>								
Obligations under finance leases	—	15	—	15	—	15	—	15
Borrowings	<b>56,455</b>	41,717	<b>49,088</b>	38,449	<b>38,288</b>	24,378	<b>31,655</b>	21,110
Trade and other payables	<b>42,322</b>	51,202	<b>30,225</b>	39,173	<b>39,708</b>	46,229	<b>28,525</b>	34,710
Bank overdrafts	<b>7,319</b>	5,563	<b>5,541</b>	5,178	<b>7,319</b>	5,563	<b>5,541</b>	5,178
<b>Total</b>	<b>106,096</b>	98,497	<b>84,854</b>	82,815	<b>85,315</b>	76,185	<b>65,721</b>	61,013

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following method and assumption was used to estimate the fair values:

Cash and bank balances, short-term deposits, trade receivables, trade payables (current) and bank overdraft approximate their carrying amounts lastly due to the short-term maturities of these investments.

Fair value of trade and other payables and borrowings have been arrived by discounting gross values by the year end AWFDR rate.

## 35. Fair Value Disclosure (Contd...)

The following table shows an analysis of assets recorded/disclosed at fair value by level of the fair value hierarchy.

As at 31 December 2023	Group			Company		
	Level 1 LKR	Level 2 LKR	Level 3 LKR	Level 1 LKR	Level 2 LKR	Level 3 LKR
<b>Financial assets</b>						
Trade and other receivables	–	24,938	–	–	19,383	–
Short-term deposits	–	117	–	–	–	–
Cash at bank and in hand	–	12,377	–	–	5,330	–
<b>Total assets</b>	–	37,432	–	–	24,713	–
Obligations under finance leases	–	–	–	–	–	–
Borrowings	–	38,288	–	–	31,655	–
Trade and other payables	–	39,708	–	–	28,525	–
Bank overdrafts	–	7,319	–	–	5,541	–
<b>Total liabilities</b>	–	85,315	–	–	65,721	–

As at 31 December 2022	Group			Company		
	Level 1 LKR	Level 2 LKR	Level 3 LKR	Level 1 LKR	Level 2 LKR	Level 3 LKR
<b>Financial assets</b>						
Trade and other receivables	–	23,154	–	–	19,324	–
Short-term deposits	–	3,995	–	–	3,976	–
Cash at bank and in hand	–	14,150	–	–	6,051	–
<b>Total assets</b>	–	41,299	–	–	29,351	–
Obligations under finance leases	–	15	–	–	15	–
Borrowings	–	24,378	–	–	21,110	–
Trade and other payables	–	46,229	–	–	34,710	–
Bank overdrafts	–	5,563	–	–	5,178	–
<b>Total liabilities</b>	–	76,185	–	–	61,013	–

### Fair value of financial assets and liabilities not carried at fair value

The following describes the methodologies and assumptions used to determine fair values of those financial instruments which are not already recorded at fair value in the Financial Statements.

### Assets for which fair value approximates carrying value

Financial assets and liabilities that have a short-term maturity, it is assumed that the carrying amounts approximate their fair values.

### Fixed rate financial instruments

The fair Value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates for similar financial instruments

### Variable rate financial instruments

Variable rate is a fair measure which reflects market movements. Hence the carrying value represents the fair value of the variable rate instruments.

## 36. Events After the Reporting Date

### Proposed Amalgamation of the subsidiaries

SLT Digital Services (Private) Limited and SLT VisionCom (Private) Limited will be amalgamated with Sri Lanka Telecom (Services) Limited, as per the decision taken by the Board of Directors on 13 February 2024 and 20 February 2024, respectively. There will be no changes to the ongoing business operations as a result of this amalgamation.

Except as disclosed above, no other events have arisen since the statement of Financial Position date which require Changes to, or disclosure in the Financial Statements.

# Supplementary Information



# Ten Year Progress – Group

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Financial position – Group</b>										
Property, plant and equipment	<b>174,803</b>	164,916	141,937	137,208	140,632	123,850	117,035	108,649	99,283	90,935
Total assets	<b>246,675</b>	240,584	219,941	204,456	209,019	180,435	159,206	142,910	126,545	122,604
Current assets	<b>50,279</b>	55,451	58,417	46,762	46,718	45,377	31,048	27,464	21,426	25,343
Current liabilities	<b>81,379</b>	73,425	55,432	46,686	56,949	52,378	57,885	45,226	33,082	29,031
Borrowings	<b>63,783</b>	47,295	46,589	55,057	61,676	55,835	41,811	32,940	24,395	27,122
Equity	<b>88,621</b>	92,488	93,976	84,281	78,167	73,720	71,404	68,678	65,240	63,900
<b>Performance</b>										
Revenue	<b>106,418</b>	107,710	102,348	91,119	85,948	81,445	75,741	73,801	68,022	65,040
Operating profit	<b>4,102</b>	12,518	13,844	11,632	8,539	7,613	3,918	5,726	6,789	5,711
Finance cost	<b>10,663</b>	6,574	3,504	4,105	2,510	2,048	637	1,229	2,398	211
Profit/(loss) before tax	<b>(2,651)</b>	10,588	12,818	9,713	8,216	7,169	5,528	6,497	5,515	8,251
Taxation	<b>1,270</b>	5,823	657	1,832	1,894	2,221	1,588	1,707	1,791	2,250
Profit/(loss) after tax	<b>(3,921)</b>	4,765	12,161	7,881	6,322	4,948	3,940	4,790	3,724	6,001
<b>Cash flow</b>										
Net operating cash flows	<b>17,224</b>	28,914	43,381	32,300	20,410	19,656	18,224	19,466	21,265	20,047
Net cash used in investing activities	<b>32,676</b>	40,768	30,001	15,034	28,278	22,890	27,415	24,347	14,375	23,524
Net cash used in/(from) financing activities	<b>13,115</b>	663	(7,381)	(9,003)	4,957	16,909	756	360	6,065	(5,039)
<b>Key financial indicators</b>										
Earnings per share (LKR)	<b>(2.17)</b>	2.64	6.73	4.37	3.50	2.74	2.18	2.65	2.06	3.32
Return on assets (%)	<b>(1.59)</b>	1.98	5.53	3.85	3.02	2.74	2.47	3.35	2.94	4.89
Return on equity (%)	<b>(4.42)</b>	5.15	12.94	9.35	8.09	6.71	5.52	6.97	5.71	9.39
Operating margin (%)	<b>3.85</b>	11.62	13.53	12.77	9.94	9.35	5.17	7.76	9.98	8.78
Asset turnover (Number of times)	<b>0.43</b>	0.45	0.47	0.45	0.41	0.45	0.48	0.52	0.54	0.53
Current ratio (Number of times)	<b>0.62</b>	0.76	1.05	1.00	0.82	0.87	0.54	0.61	0.65	0.87
Quick asset ratio (Number of times)	<b>0.57</b>	0.71	1.01	0.94	0.76	0.82	0.48	0.57	0.62	0.86
Debt/equity ratio – Number of times	<b>1.02</b>	0.78	0.66	0.78	0.93	0.76	0.59	0.48	0.37	0.42
Interest cover (Number of times interest)	<b>0.55</b>	1.75	3.31	1.91	1.47	1.77	2.02	4.53	5.62	8.94
Net assets per share (LKR)	<b>49.03</b>	51.18	52.01	46.64	43.25	40.79	39.81	38.00	36.14	35.40
Dividend per share (LKR)	<b>Nil</b>	0.25	2.02	1.49	1.06	1.06	0.89	0.89	0.89	0.85

1. Earnings per share – Earnings per ordinary share (EPS) – Profit attributable to ordinary shareholders divided by the number of ordinary shares in use.
2. Return on Assets – Return on assets (ROA) – Profit after tax expressed as a percentage of the average assets; indicates overall effectiveness in generating profits with available assets.
3. Return on Equity – Return on equity (ROE) – Net profit attributable to owners, expressed as percentage of average ordinary shareholders' equity.
4. Operating Margin – Operating margin is a measurement of what proportion of revenue is left over after paying for variable costs of production such as wages, raw materials, etc.
5. Asset Turnover – Asset turnover ratio measures the value of sales or revenues generated relative to the value of its assets.
6. Current Ratio – The current ratio measures the ability to cover its short-term liabilities with its current assets.
7. Quick Asset Ratio – The Quick Ratio, also known as the Acid-test or liquidity ratio, measures the ability of a business to pay its short-term liabilities by having assets that are readily convertible into cash.
8. Debt/Equity Ratio – The Debt/Equity ratio measures the proportion of borrowed funds to its equity.
9. Interest Cover – Number of times interest expense is covered by earnings before interest and tax.
10. Net assets per share – Net assets per share measures net assets divided by number of ordinary shares in use.

# Investor Information

## Distribution of Shares

Shareholding	Resident			Non-resident			Total		
	Number of shareholders	Number of shares	%	Number of shareholders	Number of shares	%	Number of shareholders	Number of shares	%
1 – 1,000 shares	<b>10,823</b>	<b>2,999,468</b>	<b>0.16</b>	<b>16</b>	<b>7,099</b>	<b>–</b>	<b>10,839</b>	<b>3,006,567</b>	<b>0.16</b>
1,001 – 10,000 shares	<b>2,410</b>	<b>9,151,165</b>	<b>0.50</b>	<b>27</b>	<b>120,794</b>	<b>0.01</b>	<b>2,437</b>	<b>9,271,959</b>	<b>0.51</b>
10,001 – 100,000 shares	<b>319</b>	<b>7,992,286</b>	<b>0.44</b>	<b>5</b>	<b>99,834</b>	<b>0.01</b>	<b>324</b>	<b>8,092,120</b>	<b>0.45</b>
100,001 – 1,000,000 shares	<b>27</b>	<b>7,062,983</b>	<b>0.39</b>	<b>1</b>	<b>114,588</b>	<b>0.01</b>	<b>28</b>	<b>7,177,571</b>	<b>0.40</b>
Over 1,000,000 shares	<b>7</b>	<b>965,553,914</b>	<b>53.50</b>	<b>1</b>	<b>811,757,869</b>	<b>44.98</b>	<b>8</b>	<b>1,777,311,783</b>	<b>98.48</b>
	<b>13,586</b>	<b>992,759,816</b>	<b>54.99</b>	<b>50</b>	<b>812,100,184</b>	<b>45.01</b>	<b>13,636</b>	<b>1,804,860,000</b>	<b>100.00</b>

## Categories of Shareholders

Category	Number of shareholders	Number of shares
Individual	<b>13,406</b>	<b>19,882,376</b>
Institutional	<b>230</b>	<b>1,784,977,624</b>
<b>Total</b>	<b>13,636</b>	<b>1,804,860,000</b>

## 20 Major Shareholders as at 31 December 2023

Name	Shareholding (%)
1. Secretary to the Treasury	<b>906,564,409</b> <b>50.23</b>
2. Global Telecommunications Holdings Nv	<b>811,757,869</b> <b>44.98</b>
3. Employee's Provident Fund	<b>25,324,104</b> <b>1.40</b>
4. Sri Lanka Insurance Corporation Ltd.–Life Fund	<b>17,713,735</b> <b>0.98</b>
5. Bank of Ceylon A/C Ceybank Unit Trust	<b>8,724,502</b> <b>0.48</b>
6. Employees Trust Fund Board	<b>3,302,188</b> <b>0.18</b>
7. Sri Lanka Insurance Corporation Ltd – General Fund	<b>2,041,538</b> <b>0.11</b>
8. Seylan Bank PLC/Mr Karagoda Loku Gamage Udayananda	<b>1,883,438</b> <b>0.10</b>
9. Bank of Ceylon A/C Ceybank Century Growth Fund	<b>780,032</b> <b>0.04</b>
10. Peoples Leasing & Finance PLC/Mrs M E Amarasinghe	<b>660,000</b> <b>0.04</b>
11. People's Leasing & Finance PLC/Mr K L Udayananda	<b>632,592</b> <b>0.04</b>
12. Acuity Partners (Pvt) Limited/Mr Don Janaka Nishan Hettiarachchi	<b>540,000</b> <b>0.03</b>
13. Hatton National Bank PLC – Ceylon Index Fund	<b>430,832</b> <b>0.02</b>
14. Merchant Bank of Sri Lanka & Finance PLC/Mr N N Dissanayaka	<b>343,683</b> <b>0.02</b>
15. Mrs H K H Gunawardena	<b>310,218</b> <b>0.02</b>
16. Mr G Anuragavan	<b>288,265</b> <b>0.02</b>
17. Merchant Bank of Sri Lanka & Finance PLC/Mr R R S Ananda	<b>255,587</b> <b>0.01</b>
18. Merchant Bank of Sri Lanka & Finance PLC/Mr W L B Siriwardana	<b>254,601</b> <b>0.01</b>
19. The Incorporated Trustees of the Church of Ceylon	<b>223,590</b> <b>0.01</b>
20. Mr M M Hettigama	<b>220,000</b> <b>0.01</b>
<b>Total</b>	<b>1,782,251,183</b> <b>98.73</b>

Float adjusted market capitalisation as at 31 December 2023	<b>8,008,035,554.20</b>
Percentage of public holding as at 31 December 2023	<b>4.78%</b>
Number of shareholders representing the public holding as at 31 December 2023	<b>13,631</b>

## Ratio and Market Price Information Share Price Trend

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Highest value (LKR)	<b>121.75</b>	78.90	42.90	34.80	34.50	30.00	36.70	46.40	54.90	57.30
Lowest value (LKR)	<b>62.00</b>	28.70	31.50	18.00	19.60	18.90	27.00	31.20	43.00	33.33
Last traded price (LKR)	<b>92.90</b>	68.00	38.80	33.50	31.90	23.40	28.50	36.00	47.00	49.90
Market capitalisation (LKR Bn.)	<b>167.70</b>	122.70	70.02	60.40	57.57	42.23	51.43	64.97	84.83	90.00

## Trading Activity

	2023	2022	2021
Number of transactions	<b>61,912</b>	33,827	9,726
Number of shares traded	<b>60,326,418</b>	34,630,170	6,697,029
Value of shares traded (LKR)	<b>5,642,355,674</b>	2,054,279,732	243,389,461

## The Debt/Equity Ratios

	Group	Company	
	2023	2023	2022
At 31 December			
Total borrowings	<b>90,058</b>	72,117	<b>72,461</b>
Total equity	<b>88,621</b>	92,488	<b>68,140</b>
<b>Total capital</b>	<b>178,679</b>	164,605	<b>140,601</b>
Debt/Equity ratio	<b>102</b>	78	<b>106</b>
			85

## Equity – Group

Group	2023	2022
Earnings per share (LKR)	<b>(2.17)</b>	2.64
Net assets per share	<b>49.03</b>	51.18
Debt/Equity ratio – Number of times	<b>1.02</b>	0.78
Quick asset ratio (Number of times)	<b>0.57</b>	0.71
Interest cover (Number of times Interest)	<b>0.55</b>	1.75
Dividend pay out ratio	–	9.5%
Dividend per share	–	0.25

## Debt Information – Company

Company	2023	2022
Interest rate on comparable government security market price & yield during the year (ex-interest)	<b>13.75%</b>	25.98%
Highest debenture price	<b>Debenture were not traded during the year 2023</b>	Debenture were not traded during the year 2022
Debt/equity ratio-No of times	<b>1.06</b>	0.85
Interest cover (No. of times Interest)	<b>0.58</b>	2.12
Quick asset ratio (No. of times)	<b>0.50</b>	0.69

# Portfolio of Lands

The following values are based on desk top valuation report submitted by a firm of incorporated valuers on 31 January 2024 on lands transferred on incorporation (conversion of SLT into a public limited company in 1996) and lands acquired after the incorporation. The

methodology used to arrive "the fair value" in the desktop valuation is only market approach, based on previous on-site valuations done in year 2018 and year 2022. The said lands valued over LKR 500,000/- within their respective values are given below.

The level of the fair value hierarchy within which the fair value measurements are categorised is Level 3. Land values have been adopted after comparing with land sales in particular location by the valuer. Unobservable inputs for the assets have been used as inputs in the fair value measurement.

Location	Extent (Hectare)	Value (LKR Mn.)
Regional Telecom Engineers' Office, Exchange and IPT Quarters Land, Nuwara-Eliya	0.2354	977.00
Peliyagoda Stores Complex Land	1.6425	974.00
Regional Telecom Engineer's Office Land, Church Street, Galle.	0.2520	847.00
Transport Division Land, Polhengoda Road, Narahenpita.	0.3030	898.00
Regional Telecom Engineer's Office and Kandy Exchange Land Lot 1 and Lot 2	0.2251	756.00
Kurunegala Exchange and RTOM Office Land Kandy Road, Kurunegala.	0.9200	818.00
Main Street, Kalutara Lots 1, 2, 3	0.3035	540.00
Nugegoda Transport Garage Land, Nalandarama Road	0.1970	467.00
Auto Exchange and IPT Quarters Land, Main Street, Panadura. (RTOM Office) Lot 1, 2	0.2522	464.00
Regional Telecom, Engineer's Office and Exchange Land, Kotte.	0.2051	405.00
Regional Telecom Engineer's Office Land – 06, Senanayake Mawatha, Bandarawela.	0.2380	447.00
Maharagama Exchange Land	0.1114	352.00
Galle Exchange and IPT Quarters Land, No. 8, Wakwella Road, Galle.	0.1697	268.00
Regional Telecom Engineer's Office, Rathnapura.	0.3645	288.00
RTOM Office and DIT/IPT Quarters Land, Avissawella	0.4313	298.00
District Switching Centre and IPT Quarters Land, Inner Harbour Road, Trincomalee.	0.3294	117.00
Ragama Exchange Land	0.2048	182.00

Location	Extent (Hectare)	Value (LKR Mn.)
Wattala Exchange Land	0.1012	170.00
Ja-Ela Exchange Land, DIT Office and IPT Quarters	0.0870	146.00
Kaduwela Exchange Land Lot 1, 2	0.0983	140.00
Training Centre, No. 562/D, Jayanthi Road, Anuradhapura.	0.7889	140.00
Kuliyapitiya Exchange Land Lot 37, 39	0.2300	136.00
Havelock Town RSU 2 Land, Havelock Road, Colombo 05.	0.0253	150.00
Ambalangoda Exchange and DIT Office Land	0.0790	117.00
P-5 and P-6 Poththode Quarters Land, Thimbirigaskatuwa, Poththode – Negombo Lot 1, 2	1.7160	170.00
IPT Quarters (Present OPMC) Land No. 8 and 10, Sri Gunarathena Mawatha, Panadura.	0.2952	146.00
Nawalapitiya Exchange and IPT Quarters Land – Lot 1 and Lot 2	0.2782	148.00
Chilaw Exchange Land, Puttalam Road, Chilaw.	0.2708	134.00
DIT Quarters Land – No. 67, Gattuwana.	0.2730	135.00
Puttalam Auto Exchange Land, Equipment Building and IPT Quarters	0.3054	121.00
Pussellawa Exchange Land, Nuwara-Eliya Road.	0.2155	128.00
Peradeniya Exchange, Telecom Training Peradeniya, Lot 1 and Lot 2	0.1169	127.00
Auto Exchange and Quarters Land, Bandaragama.	0.2803	105.00
Havelock Town RSU 3 Land, Vaverset Place, Colombo 06.	0.0180	96.00
Katunayaka Exchange Land Lot 1, 2	0.3039	120.00

Portfolio of Lands

Location	Extent (Hectare)	Value (LKR Mn.)
Horana Exchange and DIT Quarters Land, Anguruwatta Road, Horana.	0.2177	86.00
Primrose Hill, Circuit Bungalow Land, Kandy.	0.0751	74.00
Exchange Land, Aluth Mawatha, Mattakkuliya.	0.0460	100.00
RTOM Quarters, Behind the Mosque – Anuradhapura.	0.1769	70.00
OPMC Land, Avissawella.	0.3655	94.00
Embilipitiya Exchange and IPT Quarters Land, Embilipitiya.	0.4620	91.00
Engineer's Quarters Land, No. 116/53, Lake Round, Kurunegala.	0.2060	81.00
Ganemulla Exchange and IPT Quarters Land	0.1564	77.00
Kelaniya Exchange Land, Kelaniya	0.1475	87.00
HQ Building, OTS Building and CTO Building Land, Lotus Road, Colombo 01.	1.3154	13,002.00
Welikada Wireless Station and Maritime Service Station Land	3.0878	7,325.00
Regional Telecom Engineer's Office Land, Dickmans Road, Colombo 05.	0.3360	1,860.00
No. 17, Sugathodaya Mawatha, Colombo 02.	0.2190	1,515.00
Punchi Borella Exchange Land, Maradana.	0.2625	1,401.00
No. 5, Anderson Road, Colombo 05.	0.1889	1,008.00
No. 7, Anderson Road, Colombo 05.	0.1363	727.00
No. 9, Anderson Road, Colombo 05.	0.1949	1,040.00
Telecom Training Centre Land, Welisara.	2.2280	793.00
Kegalle Exchange and RTOM Office Land, Kegalle.	1.4515	629.00
Regional Telecom Engineer's Office – Matara Exchange and DIT Office Land	0.2880	541.00
No. 106, St. Joseph's Street, Negombo.	0.6787	537.00
Kotugoda Stores Complex Land	7.6475	491.00
RTOM Building Land, Nugegoda.	0.1170	402.00
Earth Satellite Station Land, Padukka.	13.8960	412.00
Mount Lavinia Exchange Land, Minor Staff Room and Stores.	0.1913	329.00
Ratmalana Exchange Land, Rathmalana.	0.2076	349.00

Location	Extent (Hectare)	Value (LKR Mn.)
Regional Telecom Engineer's Office Matale Exchange Land.	0.3342	264.00
Regional Telecom Engineers' Office, Pollonnaruwa Exchange and IPT Quarters Land	0.3129	247.00
Driver's and LPT Quarters, Maithreepala Senanayake Mawatha, Anuradhapura.	0.1125	245.00
Engineer's Office and DSC, Maithreepala Senanayake Mawatha, Anuradhapura.	0.3355	398.00
DIT Quarters, No. 108 and No. 109, Walawwaththa Road, Anuradhapura.	0.2434	72.00
DIT and IPT Quarters, Godage Mawatha, Anuradhapura.	0.1523	90.00
Regional Telecom Engineers Office and Switching Centre Land, Jaffna.	1.1810	630.34
Badulla District Switching Centre and Engineer's Quarters Land	0.4020	278.13
Monaragala Exchange and IPT/Linemens Quarters Land	0.3160	281.09
District Switching Centre Land, Mannar.	0.3238	128.00
Regional Telecom Engineer's Office and Exchange, Galkantha Mawatha, Ampara.	0.7657	227.05
DIT/IPT Quarters Land – Bandarawela.	0.0705	104.51
Regional Telecom Engineer's Office Land – Kalmunai	0.4326	153.95
Haputale Exchange Land	0.4080	120.98
RTOM Office Land, Vavuniya. Lot 1772, 1773	0.4047	120.01
Narammala Old and New Exchange Land	0.0970	86.29
Minuwangoda Exchange and IPT Quarters Land	0.0759	90.00
Mannar Transmission Tower Land	0.2645	125.48
P-1 ,P-2, P-3, P-4 Thimbirigaskatuwa Poththode – Quarters Land, Negombo.	0.6037	65.63
Balangoda Telecom Exchange Land Lot 1 and Lot 2	0.0807	79.75
Akkaraipattu Exchange Land	0.2049	101.25
Wellampitiya Exchange Land	0.1020	80.64
Kiribathkumbura Land (Proposed for Training Centre)	0.5805	80.33

Location	Extent (Hectare)	Value (LKR Mn.)
Kalawanchikudy Exchange Land	0.1693	66.93
Moratuwa Exchange Land, Moratuwa.	0.1119	77.42
Kadawatha Exchange Land Lot 1, 2	0.0567	63.53
Pelmadulla Telecom Exchange Land	0.0950	75.12
Piliyandala Exchange Land	0.0632	68.75
Mattegoda Exchange Land	0.1265	67.50
Eravur Auto Exchange Land	0.0925	73.14
Buttala Exchange Land	0.2020	59.90
Dickwella Auto Exchange and Quarters Land	0.1554	76.80
Hambantota Exchange Land, No. 66, Barrak Street	0.1920	68.31
Thambutegama Exchange Land	0.0860	54.40
Dunagaha Exchange Land	0.1710	60.84
Nugegoda RSU 2 Land, Kirulapane	0.0244	57.90
Boralesgamuwa Exchange Land	0.0310	49.00
Nugegoda RSU 4 Land, Kalubowila.	0.0241	47.70
Repeater Station Land, Primrose Hill.	0.1233	41.43
Bibile Exchange Land (Lot 770, 773,774)	0.2740	70.41
Angoda Exchange Land, Angoda.	0.0900	62.27
Exchange and IPT Quarters Land, Mahawa Lot 176, 177, 179	0.4620	54.80
HP Quarters Land, Primrose Hill.	0.0534	52.78
Malwana Exchange	0.1057	52.24
DGM Quarters Land, Rifle Green, Trincomalee.	0.1577	71.70
OPMC, Teleshop, Station Road, Batticaloa.	0.0228	22.50
OPMC, Teleshop, Station Road, Batticaloa.	0.0288	28.50
Beliatta Exchange Land, Beliatta.	0.4420	65.53
IPT Quarters and Stores Land Mannar Road, Vavuniya.	0.3060	60.49
Weligama Exchange and IPT Quarters Land	0.1069	73.96
Gampola Singha Pitiya Road Land, Gampola.	0.2529	65.00

Location	Extent (Hectare)	Value (LKR Mn.)
Kotte RSU 6 Land, Nawala.	0.0304	45.00
IPT Quarters Land, Station Road, Vavuniya.	0.1500	53.37
DIT Quarters Land, 99/1, Rathnapura Road, Avissawella.	0.1592	56.66
Kadugannawa Exchange	0.0356	52.76
Akurassa Exchange Land	0.0711	63.25
Browns Hill Repeater Station Land, Browns Hill Lot 1, 2, 3, 4, 5	0.1415	55.94
Hokandara Exchange Land	0.0857	59.29
Chilaw DIT/IPT Quarters Land	0.0468	46.25
HP's Quarters Land, Bandarawela.	0.2328	55.22
Batapola Exchange	0.1160	45.86
Tangalle Exchange, IPT Quarters and Repeater Station Land	0.1960	58.12
RSU Building and Exchange Land, Beruwela.	0.2100	58.12
Pallekale Land	0.0899	53.33
Kamburupitiya Exchange Land	0.0890	61.58
Weliweriya Exchange Land, Gampaha Road. Lot 1, 2, 3, 4	0.0438	47.45
Mutur Exchange Land	0.2838	56.10
Digana Old Exchange and Repeater Station Land Ahaspokuna.	0.3560	49.26
Mirigama Telecom Building, DIT Office and IPT Quarters Land, Lot 1,2,3	0.1874	55.56
Eheliyagoda Exchange Land	0.0802	47.55
Kirindiwela Exchange and IPT Quarters Land – Lot 1, 2	0.2129	42.09
Rajakadaluwa Exchange Land	0.1490	44.18
Katugastota Exchange and IPT Quarters Land	0.0395	42.93
Kekirawa Auto Exchange Land	0.1310	44.02
Rikillagaskada Exchange, and IPT Quarters Land	0.1300	43.68
Kilinochchi Exchange and Repeater Station Land	0.5799	51.59
Wilgamuwa RSU Land	0.1878	55.69

**Portfolio of Lands**

Location	Extent (Hectare)	Value (LKR Mn.)
Valachchanai Auto Exchange Land	0.2036	48.30
Kotte RSU 2 Land, Talawathugoda.	0.0220	32.63
Mawanella Auto Exchange Land	0.0910	44.98
IPT Quarters Land – No. 7, Gattuwana.	0.1210	35.88
Ranpokunugama Exchange and IPT Quarters Land, Ranpokunugama.	0.1532	39.36
Baddegama Exchange Land	0.1340	45.02
Veyangoda Exchange Land, Negombo Road.	0.0889	35.14
Laggala Repeater Station (Riverston) Land (Lot 62, 69, 70, 76, Lot A, B)	1.0497	41.50
Wellawaya Exchange Land	0.1300	43.68
Ambalantota Exchange Land	0.1721	51.03
Elpitiya Exchange and Kiosk Land	0.1460	43.29
RTOM Quarters Land, Donald Janz Road, Galle.	0.0511	40.40
Kekanadura Exchange and Quarters Land, Kekanadura.	0.1020	40.33
Galnawa Exchange and Linemen Quarters Land	0.1453	37.34
Mawatagama New Exchange Land, Mawatagama.	0.1015	50.16
Palavi Exchange Land (Double Kiosk) Palavi.	0.2024	42.01
Makandura Exchange Land	0.4040	43.92
Passara Exchange and Linemen Quarters Land	0.3744	62.91
Sevanagala Exchange and LPT Qts Land Lot 4900, 4901	0.6420	38.07
Circuit Bungalow Land – Bandarawela.	0.1718	44.15
Keselwatta RSU Building Land, 34, Srimathi Road, Keselwatta.	0.0632	37.50
Hali-Ela Exchange Land	0.0940	33.44
Karaveddy RSU Land	0.3110	36.89
Pulmoddai Exchange Land	0.3103	30.67
Exchange Land, Padukka.	0.0607	38.40
RSU 1 Land, No. 47/1A, Church Road, Mattakkuliyia.	0.0304	39.00

Location	Extent (Hectare)	Value (LKR Mn.)
Dodangoda RSU Land	0.1510	35.82
Welimada Exchange and Kiosk Land	0.1110	37.30
Kotiyakumbura Exchange Land	0.1012	28.80
Exchange Land, Thimbolketiya (Lot 1,2,3)	0.6771	28.68
Kinniya Exchange Land	0.1080	36.30
Tower land (Opposite to the RTOM Office Separated by Highway), Gampaha.	0.0157	24.80
Imaduwa Exchange and Kiosk Land Lot 473, 474	0.2150	42.50
Nikaweratiya Exchange Land. Lot 586, 680	0.1400	63.65
Kotte RSU 1 Land, Madiwela.	0.0278	24.75
Wattegama Exchange Land Kudugalla Road (Part 2)	0.1512	26.90
Kottekoda Exchange Land	0.1036	36.86
Naula Exchange Land	0.1380	40.92
Akkaraipattu Old Exchange Land (PP A 1355, Lot 1 and PP Am787 Lot 1)	0.0999	33.58
Kebithigollewa Exchange Land (Lot 314, 315)	0.2628	25.98
Haddon Hill Land – Nuwara-Eliya Lot 1, 2 (Road Reservation)	0.0721	38.50
Potthuwil Exchange Land	0.2570	50.81
Chunnakam RAX Land	0.1912	34.02
Bakamuna RSU Building Land	0.3750	25.95
Hungama Exchange Land, Hungama.	0.1250	32.12
Biyagama RSU 2 Land, Biyagama (Bandarawatta Land)	0.0374	25.90
Kantalai Exchange Land	0.1244	29.51
VHF Station Land – Batticaloa (Kaliyankadu)	0.1019	30.21
Samanturai Exchange Land	0.1990	31.47
Marawila Auto Exchange Land (Lot 2)	0.0500	27.29
Thelijjawila Auto Exchange and Quarters Land	0.0690	24.55
Gonapola Land	0.0759	27.00
Bingiriya Exchange and Kiosk Land	0.1680	29.89

Location	Extent (Hectare)	Value (LKR Mn.)
Ella Kiosk	0.0330	26.08
Gampola Exchange	0.0285	27.53
Galgamuwa Auto Exchange Land	0.1580	21.86
Horowpathana Exchange Land	0.4180	28.92
Kotte RSU 5 Land, Kotuwegoda.	0.0311	24.60
LPT Quarters Land, Station Road, Vavuniya.	0.0777	26.11
IPT Quarters (No. 1,2 and 3) and, District Switching Centre land, No. 26, Badulla.	0.0340	26.88
IPT Quarters Land – 13 A/1, Galwala Road, Hambantota.	0.1020	26.21
Rakwana Telecom Exchange Land.	0.2035	22.13
Chavakachcheri RAX and RSU Land	0.1214	19.20
Akurana Land	0.0759	27.00
Moratuwa RSU 3 Land, Rawathawatte.	0.0202	18.00
Welikanda Exchange Land	0.2988	20.67
Sithankerni RSU Land	0.1745	16.81
Hettipola Exchnage Land	0.0980	29.06
Urubokka Exchange Land	0.1290	24.23
Nugegoda RSU 3 Land, Gangodawila.	0.0164	17.88
Tissamaharama New Exchange Land	0.0820	24.31
Hakmana Exchange Land	0.1260	24.91
Pannala Exchange Land	0.0940	27.87
Habaraduwa Exchange Land	0.0796	25.18
Udugama Exchange Land, Udugampola MSAN Land	0.1391	27.50
Yatiyantota Auto Exchange Land	0.0511	4.55
Mahiyangana Exchange Land	0.0790	23.42
Kosgoda Exchange Land	0.0920	25.46
Galewela RSU Land Lot 1185, Lot 1188 and Lot 1190	0.1822	25.21
Kalpitiya Exchange Land, Kalpitiya.	0.1093	22.69
Angoda RSU 1 Land, IDH	0.0364	18.00
Piliyandala RSU 5 Land, Bokundara.	0.0316	16.88

Location	Extent (Hectare)	Value (LKR Mn.)
Kandapola Land	0.0894	22.97
Kotte RSU 3 Land, Battaramulla.	0.0185	21.00
Kotte RSU 4 Land, Thalangama North	0.0354	18.90
Nikalalupotha Exchange Land, Hiripitiya.	0.1180	17.49
Ninthavur Exchange Land	0.0863	25.59
Galigamuwa Auto Exchange Land	0.1031	22.42
Hasalaka Exchange Land, Hasalaka.	0.0794	21.59
Gintota (Dodanduwa Exchange) Land	0.0513	18.25
Weeraketiya Exchange and Quarters Land	0.1700	16.80
Hemmathagama Land	0.1017	22.11
Biyagama RSU 1 Land, Heiyanduwa.	0.0506	18.00
Kotadeniyawa Exchange Land	0.1686	18.33
Ingiriya Exchange Land Lot 1, 2, 3	0.2800	19.37
Alawwa Exchange Land, Narammala Road.	0.0760	19.53
Kadawatha RSU 1 Land, Ranmuthugala.	0.0329	19.50
RSU Land-Rattota Lot 6 and Lot 7	0.1220	16.88
Galenbindunuwewa Land	0.1921	17.09
Visaka Hill Repeater Station Land, Bandarawela.	0.0958	22.72
RSU Building and IPT Quarters Land, Matugama.	0.0597	21.24
Warakapola Exchange Land	0.0867	20.57
Habarana Land	0.1182	17.52
Nugegoda RSU 2 Land, Embuldeniya.	0.0234	16.19
Ensalwatta Repeater Station Land – Deniyaya.	0.3040	15.02
Ethagala Repeater Station Land	0.2530	15.00
Piliyandala RSU 1 Land, Honnanthara.	0.0519	17.00
Ukuwela Exchange land	0.1518	15.00
IPT Quarters Land – Diyathalawa	0.0226	17.86
Nochchiyagama Exchange Land (Lot 1666, 1668)	0.1794	12.41
Kahatagasdigiliya Exchange Land	0.0993	14.72

Portfolio of Lands

Location	Extent (Hectare)	Value (LKR Mn.)
RSU Land-Pallepola Lot 403	0.0970	13.42
Pitabaddara Exchange Land, Pitabaddara.	0.2160	17.08
Kadawatha RSU 2 Land, Ihala Karagahamuna.	0.0430	15.30
Medirigiriya Land	0.2140	14.81
Niwitigala Exchange and Linemen Quarters Land	0.2830	16.78
Pundaluoya Exchange Land	0.2620	15.54
Deraniyagala Exchange Land (Lot 1, 2)	0.1390	16.49
Galagedara Exchange Land, Rambukkana Road.	0.1386	15.07
Ampitikanda Exchange	0.2078	14.38
Moratuwa RSU 2 Land, Moratumulla	0.0276	16.38
Galapitamada Land	0.0990	14.32
Mawarala Exchange Land	0.2070	16.37
Wattegama Exchange Land Kudugalla Road (Part 1)	0.0827	19.62
Hingurakgoda Auto Exchange Land	0.0583	17.29
Rideegama Exchange Land	0.2530	15.00
Anandankulam Land	0.2020	17.97
RSU Building Bulathsinghala Land Lot 1, 2	0.2017	15.95
Oluvil Exchange Land	0.1006	17.90
Pasyala Exchange and IPT Quarters Land, Nittambuwa Road, Pasyala. Lot 1, 2	0.0534	14.77
Kollonna Exchange Land	0.3320	16.41
Angunakolapalassa Exchange Land Lot 525, 755	0.1960	17.44
Kuruwita Telecom Exchange Land	0.0653	16.78
Mullaithivu Auto Exchange	0.6506	25.72
Akkaraipattu Road, Hingurana	0.3877	15.33
Tanamalwila Exchange Land	0.3200	15.81
Hanguranketha Ex.(New) Land	0.0851	13.46
Kosgama RSU Land, Kosgama (Lot 1, 2)	0.0759	18.00
Mulleriyawa Land (Angoda RSU 2)	0.0379	15.00

Location	Extent (Hectare)	Value (LKR Mn.)
Udathuttiripiya Exchange Land	0.1258	16.17
Kaduwela RSU 1 Land, Malabe.	0.0248	14.70
Watagoda Exchange	0.1850	12.80
Nagoda Exchange Land	0.1230	12.16
Post Office Road, Eppawela	0.0914	12.65
Madampe New Exchange Land, Kurunegala Road (Lot 1)	0.0907	16.13
Talawakelle Exchange Land Lot 1, 2, 3	0.1813	16.13
Rathmalana RSU 1 Land, Laxapathiya.	0.0253	13.50
Deniyaya Exchange and IPT Quarters Land Lot 764	0.1770	14.00
Bulathkohupitiya Exchange Land	0.2349	13.93
Kiri Ella Telecom Exchange Land	0.0875	14.70
Kadawatha RSU 4 Land, Makola North	0.0192	11.40
Middeniya Exchange Land, Middeniya.	0.2870	14.18
Chinabay Exchange Land – Lot 163 and Lot 165	0.0768	12.06
Mulatiyana Exchange Land, Mulatiyana.	0.1130	14.52
Single Tree Hill-Repeater Station Land Lot 1, 2, 3	0.1691	11.70
Talaimannar Repeater Station Land Lot 1 and Lot 2	0.1836	14.41
Namunukula Circuit Bangalow Land	0.2100	14.53
Wariyapola Exchange Land	0.1120	16.61
Moratuwa RSU 1 Land, Molpe	0.0257	10.18
Kochchikade Exchange Land	0.0410	12.16
Rakwana Kiosk Land.	0.0270	12.27
Walasmulla Exchange Land	0.0803	11.11
Halgaran-oya Exchange Land	0.0791	10.94
Lunuwila Exchange (New) Land	0.0900	12.45
Madolsima Exchange Land	0.3845	11.40
Thampalagam Exchange Land, Thampalagam.	0.1020	11.09
Thirukkovil RSU Land	0.1012	12.00

Location	Extent (Hectare)	Value (LKR Mn.)
Badalgama Exchange Land	0.0984	10.70
Ramboda Exchange Land Lot 1, 2, 3 and 4.	0.1120	11.65
Kandaketiya Exchange Land	0.0981	9.70
Medawachchiya Exchange and Linemen Quarters Land	0.1468	14.51
Rukmalgama Exchange Land	0.0817	32.29
Madukanda Repeater Station Land Lot 1523 and Lot 1525	0.6037	14.32
RSU Building Meegahatenna Land Lot 2828, 2829	0.2620	9.37
Kahawatta Kiosk Land	0.0140	10.23
Ruwanwella RSU Land, Ruwanwella	0.0673	13.30
Hanthana Repeater Station	0.2123	6.29
Alubornulla RSU Land	0.0759	9.75
Madawachchiya Land, Mannar Road, Medawachchiya.	0.3315	13.11
Ariyalai Land	0.0658	9.10
Point Pedro Land	0.0809	7.20
Kilinochchi RAX Land, Paranthan	0.1748	8.64
Raddolugama Land	0.0291	9.78
Thoppur Auto Exchange Land	0.1745	12.07
Padiyathalawa Trans Repeater Station Land	1.2610	12.46
Bogahakumbura Exchange	0.0637	12.60
Pulasthigama Land	0.2120	10.48
Nilaveli Exchange Land	0.0629	10.57
Kal-Eliya Exchange Land	0.1005	10.93
Kotapola Exchange Land, Kotapola.	0.1220	10.85
Kadawatha RSU 3 Land, Siyambalape.	0.0202	10.00
Bambarabotuwa Exchange Land	0.1204	9.52
Godakawela RSU Land	0.0490	12.59
Medamahanuwara New Exchange Land	0.1518	7.50
Del Repeater Station	0.3721	7.36

Location	Extent (Hectare)	Value (LKR Mn.)
Mahaoya Exchange Land, Main Street, Mahaoya.	0.1110	9.87
Pugoda ELU-2 Land, Owitigama,	0.0253	7.79
Padaviya Exchange, Padaviya.	0.1088	9.68
Maskeliya Exchange Land	0.1079	8.53
Kuchchaveli Exchange Land Lot 1689 and Lot 1690	0.1375	9.53
Ginigathenna Exchange and Quarters Land	0.1420	8.42
Padavi Siripura Exchange Land	0.2631	10.40
Rattota Kiosk Land	0.0209	7.43
Namunukula Exchange Land	0.1485	8.81
Neboda Auto Exchange Land	0.1032	7.14
Kalawana Exchange Land	0.2060	10.18
Tangalle Linemen's Quarters Land, Tissa Road, Marakolliya, Tangalle.	0.0824	8.14
Aliyamalagala Repeater Station	0.2027	8.01
Katana Land	0.1012	9.00
Polgahawela Exchange and Quarters Land Lots 1, 3, 5	0.0149	7.50
Piliyandala RSU 4 Land, Batakeththara.	0.0253	8.50
Handessa RSU Land	0.1012	8.00
Piliyandala RSU 3 Land, Wethara	0.0253	8.50
Lunugala Kiosk Land	0.1346	6.65
Katuwana Land	0.1000	6.92
Muruthalawa Exchange Land	0.0969	7.66
Watawela Land	0.1210	8.37
Agbopura Land	0.1920	7.59
Punagala (Ampitikanda) Repeater Station Land	0.1920	5.69
Delgoda RSU 1 Land, Delgoda.	0.0320	8.22
Madolsima Repeater Station Land, Madolsima.	0.1897	5.63
Rathmalana RSU 2 Land, Borupana	0.0190	6.25

Portfolio of Lands

Location	Extent (Hectare)	Value (LKR Mn.)
Gurugoda Exchange Land, Gurugoda.	0.0759	6.75
Seruwila Exchange Land	0.2320	7.80
Aranayaka Exchange Land	0.1200	8.30
Suriyakanda Repeater Station Land	0.1500	5.93
Galapitamada New Exchange Land	0.1789	7.07
Millenium City Land, Athurugiriya.	0.0197	7.02
Mamadala Kiosk Land	0.0879	6.08
Ibbagamuwa DRMASS Land	0.0154	6.00
Morawaka Exchange Land, Morawaka.	0.0458	7.06
Negampaha Exchange, Negampaha.	0.0840	6.64
Vakarai VHF Station Land	0.1645	5.53
Cheddikulam Exchange Land	0.2026	6.01
Repeater Station Land – Glen Course	0.2244	5.32
Kandalama-Radio Repeater Station Land	0.1555	4.61
Manipai RAX Land	0.0511	7.57
Ibbagamuwa RSU Land	0.0379	5.25
Millaniya Exchange Land, Millaniya	0.1012	6.00
Agarapathana Exchange and LPT Quarters Land	0.1500	7.41
Upcot Rural Exchange and Linemen Quarters Land, Lot 1, 2	0.1495	7.39
Undugoda Exchange Land	0.0969	4.79
Punguduthive RAX Land	0.3571	7.06
Bogawantalawa Exchange Land	0.1185	7.03
Waga Land	0.0938	5.56
Kitulgala Exchange Land, Ginigathena Road, Kitulgala.	0.0880	6.09
Galhinna Land	0.0759	5.25
Torwood Repeater Station Land, Matugama.	0.1607	4.76
Galahaa Exchange and IPT Quarters Land, Galaha – Lot 2 and Lot 3	0.1278	5.05
Malwatta Exchange Land	0.1568	6.20
Suriyawewa Exchange Land	0.0820	4.86

Location	Extent (Hectare)	Value (LKR Mn.)
Padiyathalawa Exchange Land	0.1020	6.05
Pankulam Exchange Land	0.0608	4.81
Norton Bridge Exchange Land	0.1519	6.01
Akurassa Repeater Station Land Lot 385,386,387,388,389,390 and 391.	0.0787	3.89
Maturata Exchange Land	0.1670	4.95
Balungala Repeater Station Land	0.2317	5.50
Thellipalai RSU Land	0.1098	5.43
Divurampitiya Repeater Station Land	0.1093	3.24
Murukkan Land	0.1062	5.25
Piliyandala RSU 2 Land, Makandana Land, Station	0.0177	4.55
Exchange Land, Yatiyana Lot 1, 2, 3 and 4	0.1288	19.75
Galoya Junction (LPT Quarters Land, Station Road.)	0.2023	4.80
Homagama RSU 1 Land, Panagoda.	0.0253	4.50
Pathiraja Kanda Repeater Station Land, Ambalangoda.	0.1010	2.99
Haldummulla Kiosk Land	0.0990	4.89
Ridiyagama Rural Exchange Land	0.0655	3.89
Madolkelle Exchange Land	0.0961	4.75
Rangala Exchange Land	0.1540	4.57
Badalgama IPT Quarters Land	0.0303	3.29
Udupussallawa Exchange Land	0.0906	3.58
Jaltara Housing Scheme Land	0.0253	3.50
Pettigala Repeater Station Land, Balangoda.	0.0730	2.89
Radella LPT Quarters Land	0.0438	3.89
Namunukula Repeater Station	0.1373	2.71
Ullukkulam (SR-500) Land (Periya-Ullukkulam)	0.0536	2.99
Benachi Radio Transmission	0.0777	5.38
Welimada RLL Base Station Land	0.0527	3.12
Valvettithurai RAX Land	0.0725	2.87
Kopay RAX Land	0.0206	3.05

Location	Extent (Hectare)	Value (LKR Mn.)
Inginiyagala Exchange Land	0.0470	3.25
Koslanda Exchange Land	0.0440	2.61
Pawakkulam Land	0.2091	4.13
Pandaththeruppu Land	0.0514	3.05
Pugoda ELU-1 Land, Giridara.	0.0051	1.50
Homagama RSU 2 Land, Magammana.	0.0152	2.70
Kotmale Kiosk	0.1012	3.00
Galewala Old Kiosk Land	0.0152	2.31
Dolosbage New Exchange Land Lot 1 and Lot 2	0.0930	2.46
Pasalai New Land	0.0908	2.15
Homagama LEU 1 Land, Pitipana North	0.0253	2.50
Agalawatta Kiosk Land – Lot 1, 2	0.0080	1.58
Potuhera Auto Exchange Land, ELU – KG206,209	0.0090	1.25
Kaduwela ELU4 Land, Welivita Junction	0.0022	1.10
Beragama Kiosk Land	0.0600	1.78
Yakkalamulla Radio Base Station Land (Nabadawa RBS Land)	0.0506	1.50
Hiniduma (Topparangala) Land	0.0500	1.48
Padukka LEU Land (Ihala Bope)	0.0266	1.84
Killiveddy Exchange Land	0.0331	1.64
Ingiriya Kiosk Land	0.0126	1.25
Agarapathana RSU Land, 150 K Project.	0.1500	1.64
Karinagar Land	0.0516	1.22
Kaduwela ELU 1 Land, Ranala.	0.0025	0.60
Giriulla Auto Exchange Land	0.1010	23.96
Regional Telecom Engineers Office, Tower Hill Road Hambantota. Lot 1 and Lot 2	0.2150	148.75
Udugampola Land (MSAN)	0.0025	0.75
Payagala SLT Site	0.0241	6.19

Location	Extent (Hectare)	Value (LKR Mn.)
Galaha Transmission Tower Land	0.0556	1.32
Sub Stores Land, Nivanthaka Chethiya Road. Anuradhapura	0.0971	57.57
LPT Quarters, Nivanthaka Chethiya Road, Anuradhapura.	0.0466	15.66
Wathumulla Exchange	0.0770	8.37
Regional Telecom Engineer's Office and exchange Land, Court Road, Gampaha.	0.1366	270.00
RTOM and Auto Exchange Land, Batticaloa.	0.4383	303.00
Hatton Exchange and RTOM Office Land, Danbar Road, Hatton Lot 1	0.9651	229.00
Training Centre Land, Horethuduwa (Sirimathi Road)	1.4346	213.00
Dambulla Exchange	0.4047	240.00
Telecom Training Centre Land, No. 176, Matara Road, Unawatuna, Galle	0.7910	235.00
Exchange Land, Homagama.	0.0065	180.00
Ginigathena Land, Kurundugolla.	0.1310	10.36
Maskeliya Linemen Quarters	0.1048	9.32
Unit 205, Liberty Plaza Building	1560 sqft	54.60
Unit 302, Liberty Plaza Building	1442 sqft	50.47
Madolkelle Repeater Station	0.0961	2.85
Norwood Exchange.	0.0370	2.93
Katupotha NC 201	0.0051	0.60
Commercial Junction – RN 202, Rathnapura	0.0063	0.50
		58,723.03

# GRI Index

GRI Standard/Other Source	Disclosure	Location	
<b>General disclosures</b>			
GRI 2: General Disclosures 2021	2-1 Organisational details	inner back cover	
	2-2 Entities included in the organisation's sustainability reporting	03, 12	
	2-3 Reporting period, frequency and contact point	03	
	2-4 Restatements of information	03	
	2-6 Activities, value chain and other business relationships	20	
	2-7 Employees	69	
	2-8 Workers who are not employees	69	
	2-9 Governance structure and composition	82-92	
	2-10 Nomination and selection of the highest governance body	93	
	2-11 Chair of the highest governance body	82	
	2-12 Role of the highest governance body in overseeing the management of impacts	92-105	
	2-13 Delegation of responsibility for managing impacts	92-105	
	2-14 Role of the highest governance body in sustainability reporting	92-105	
	2-15 Conflicts of interest	95	
	2-16 Communication of critical concerns	92-97	
	2-17 Collective knowledge of the highest governance body	82-92	
	2-18 Evaluation of the performance of the highest governance body	92-97	
	2-19 Remuneration policies	94-97	
	2-20 Process to determine remuneration	94-97	
	2-22 Statement on sustainable development strategy	14-18	
	2-23 Policy commitments	03,25-31	
	2-24 Embedding policy commitments	32-80	
	2-25 Processes to remediate negative impacts	27-30, 72-73	
	2-26 Mechanisms for seeking advice and raising concerns	27-30, 72-73	
	2-27 Compliance with laws and regulations	98-105	
	2-28 Membership associations	76-77	
	2-29 Approach to stakeholder engagement	28-31	
	2-30 Collective bargaining agreements	69-75	
	<b>Material topics</b>		
	GRI 3: Material Topics 2021	3-1 Process to determine material topics	27
3-2 List of material topics		27	
3-3 Management of material topics		33-112	
<b>Economic performance</b>			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	37	
	201-3 Defined benefit plan obligations and other retirement plans	69-75	

GRI Standard/Other Source	Disclosure	Location
<b>Indirect economic impacts</b>		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	7-8, 78-80
	203-2 Significant indirect economic impacts	78-80
<b>Tax</b>		
GRI 207: Tax 2019	207-1 Approach to tax	33-37
<b>Energy</b>		
GRI 302: Energy 2016	302-4 Reduction of energy consumption	51
<b>Waste</b>		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	51-52
	306-2 Management of significant waste-related impacts	51-52
<b>Employment</b>		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	71
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	71-72
<b>Occupational health and safety</b>		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	74
	403-2 Hazard identification, risk assessment, and incident investigation	74
	403-3 Occupational health services	74
	403-4 Worker participation, consultation, and communication on occupational health and safety	74
	403-6 Promotion of worker health	74
<b>Training and education</b>		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	74
	404-2 Programs for upgrading employee skills and transition assistance programs	71-75
	404-3 Percentage of employees receiving regular performance and career development reviews	72
<b>Diversity and equal opportunity</b>		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	69, 82-91
<b>Local communities</b>		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	78-80

# Abbreviations

4G	– Fourth Generation	KPI	– Key Performance Indicator
5G	– Fifth Generation	KPO	– Knowledge Process Outsourcing
ADSL	– Asymmetric Digital Subscriber Line	LED	– Light Emitting Diode
BPO	– Business Process Outsourcing	LGN	– Lanka Government Network
BSS	– Billing Support System	LTE	– Long-Term Evolution
CAPEX	– Capital Expenditure	MBB	– Mobile Broadband
CCC	– Colombo City Centre	Mbps	– Megabits per second
CDMA	– Code Division Multiple Access	MIMO	– Multiple-Input and Multiple Output
CRM	– Customer Relationship Management	MoU	– Memorandum of Understanding
CSP	– Communication Service Provider	MPLS	– Multi Protocol Label Switching
DC HSPA+	– Dual-Carrier High Speed Packet Access	NB-IoT	– Narrowband Internet of Things
DSP	– Digital Service Provider	NBN	– National Backbone Network
EBITDA	– Earnings Before Interest, Taxes, Depreciation and Amortisation	NED	– Non-Executive Director
EPF	– Employees' Provident Fund	NFV	– Network Functions Virtualisation
ERP	– Enterprise Resource Planning	NGN	– Next Generation Network
ETF	– Employees' Trust Fund	OPEX	– Operating Expenses
FBB	– Fixed Broadband	OSS	– Operational Support System
FTTP	– Fibre-To-The-Premises	OTT	– Over The Top
FTTN	– Fibre-To-The-Node	PAT	– Profit After Tax
Gbps	– Gigabits per second	PBT	– Profit Before Tax
GRI	– Global Reporting Initiative	PEO TV	– Personalised Entertainment Option Television
GTH	– Global Telecommunications Holdings	PIOCMA	– Pacific and Indian Ocean Cable Maintenance Agreement
HDTV	– High Definition Television	PoP	– Point of Presence
HSPA	– High Speed Packet Access	PSTN	– Public Switched Telephone Network
ICT	– Information and Communication Technologies	RCS	– Rich Communications Suite
ICTA	– Information and Communication Technology Agency	SAFA	– South Asian Federation of Accountants
IDD	– International Direct Dialling	SDN	– Software-Defined Networking
IMS	– IP Multimedia Subsystem	SEA ME WE	– South East Asia – Middle East – West Europe
INED	– Independent Non-Executive Director	SEAIOCMA	– South East Asia and Indian Ocean Cable Maintenance Agreement
IoE	– Internet of Everything	SLBN	– Sri Lanka Telecom Broadband Network
IoT	– Internet of Things	SLFRS	– Sri Lanka Financial Reporting Standards
IPTV	– Internet Protocol Television	SLIM	– Sri Lanka Institute of Marketing
ISP	– Internet Service Provider	SME	– Small and Medium Enterprise
ITU	– International Telecommunication Union	SOA	– Service Oriented Architecture

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Twenty Seventh (27th) Annual General Meeting of Sri Lanka Telecom PLC will be held at 10.00 am on Tuesday, 14 May 2024 at the Main Hall of the Bandaranaike Memorial International Conference Hall (BMICH), Bauddhaloka Mawatha, Colombo 07 for the purpose of conducting the following business:

## Agenda

### 1. Routine Business

- 1.1 To receive and consider the Annual Report of the Board of Directors on the Affairs of the Company and the Statement of Accounts for the year ended 31 December 2023 with the Report of the Auditors thereon.
- 1.2 To elect as a Director, Mr A K D D D Arandara, who retires in terms of Articles 97 of the Articles of Association.
- 1.3 To elect as a Director, Prof K M Liyanage, who retires in terms of Articles 97 of the Articles of Association.
- 1.4 To elect as a Director, Dr K A S Keeragala, who retires in terms of Articles 97 of the Articles of Association.
- 1.5 To elect as a Director, Dr D M I S Dassanayake, who retires in terms of Articles 97 of the Articles of Association.
- 1.6 To elect as a Director, Mr M M C P Mohottigedara, who retires in terms of Articles 97 of the Articles of Association.
- 1.7 To elect as a Director, Mr Dinesh Vidanapathirana, who retires in terms of Articles 97 of the Articles of Association
- 1.8 To reappoint as a Director, Mr Lawrence Michael Paratz who is over the age of 70 years and who vacates his office in terms of Section 210 of the Companies Act No. 07 of 2007 ("the Act")

Notice is hereby given to propose the undenoted Ordinary Resolution in compliance with Section 211 of the Act, in relation to his reappointment.

**"RESOLVED THAT** Mr Lawrence Paratz who has reached the age of 70 years be and is hereby re-appointed a Director of the Company and it is hereby declared that the age limit of 70 years referred to in Section 210 of the companies Act No. 07 of 2007 shall not apply to the said Mr Lawrence Paratz"

- 1.9 To reappoint as a Director, Mr V U Kumar who has reached the age of 70 years and who vacates his office in terms of Section 210 of the Companies Act No. 07 of 2007 ("the Act")

Notice is hereby given to propose the undenoted Ordinary Resolution in compliance with Section 211 of the Act, in relation to his reappointment.

**"RESOLVED THAT** Mr V U Kumar who has reached the age of 70 years be and is hereby reappointed a Director of the Company and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Mr V U Kumar"

- 1.10 To re-elect as a Director, Mr Chan Chee Beng, who retires by rotation in terms of Articles 91 and 92 of the Articles of Association.
- 1.11 To reappoint Messrs Ernst & Young, Chartered Accountants as Auditors for the ensuing year and to authorise the Directors to determine their remuneration.
- 1.12 To authorise the Directors to determine and make donations to charities.
- 1.13 To transact any other business of which due notice has been given.

## 2 Special Business

To consider and if thought fit, to pass the following Special Resolutions to amend the Articles of Association of the Company, to comply with the Listing Rules of the Colombo Stock Exchange that are currently in force.

### Special Resolution 1 :

**IT IS HEREBY RESOLVED THAT** the following article be included as Article 56 (2) and the existing Article 56 to be renumbered as Article 56 (1)

56(2).A meeting of shareholders (including a meeting where it is intended to propose a resolution as a special resolution) may be held either:

- a) by a number of shareholders who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; and/or
- b) by means of audio or audio and visual communication by which all shareholders participating and constituting a quorum, can simultaneously hear each other throughout the meeting.

### Special Resolution 2 :

**IT IS HEREBY RESOLVED THAT** Article 79 be deleted in its entirety and substituted with the following Article as Article 79:

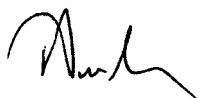
79 The Directors shall not be less than five nor more than ten in number.

### Special Resolution 3:

**IT IS HEREBY RESOLVED THAT** the following Articles be included as Article 113 (ii) (iii) and (iv) and the existing Article 113 (ii) to (v) be renumbered as (v) to (viii)

- 113 (ii) Alternate Directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment.
- (iii) If an Alternate Director is appointed for a Non-Executive Director, such alternate should not be an executive of the Company.
- (iv) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence specified in the Listing Rules and the Company shall satisfy the requirements relating to the minimum number of Independent Directors specified in the Listing Rules. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made,

By Order of the Board  
SRI LANKA TELECOM PLC



**Mahesh Athukorale**  
Group Company Secretary

15 April 2024  
Colombo

#### Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her.
2. A proxy need not be a member of the Company.
3. A Form of Proxy accompanies this Notice.

# Form of Proxy

I/We..... (holder of NIC No.....) )

of .....

being a member/members of Sri Lanka Telecom PLC hereby appoint.....

..... (holder of NIC No.....) )

of..... whom failing\*

Mr A K D D D Arandara	whom failing*
Mr Chan Chee Beng	whom failing*
Mr Lawrence Paratz	whom failing*
Mr V U Kumar	whom failing*
Mr Suren Amarasekera	whom failing*
Prof K M Liyanage	whom failing*
Dr K A S Keeragala	whom failing*
Dr D M I S Dassanayake	whom failing*
Mr M M C P Mohottigedara	whom failing*
Mr Dinesh Vidanapathirana	

as my/our\* proxy to represent me/us\* to speak and vote for me/us\* and on my/our\* behalf as indicated below at the 27th Annual General Meeting of the Company, to be held on 14 May 2024 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. <b>Routine Business</b>		
1.1 To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and the Statement of Accounts for the year ended 31 December 2023 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
1.2 To elect as a Director, Mr A K D D D Arandara, who retires in terms of Articles 97 of the Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>
1.3 To elect as a Director, Prof K M Liyanage, who retires in terms of Articles 97 of the Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>
1.4 To elect as a Director, Dr K A S Keeragala, who retires in terms of Articles 97 of the Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>
1.5 To elect as a Director, Dr D M I S Dassanayake, who retires in terms of Articles 97 of the Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>
1.6 To elect as a Director, Mr M M C P Mohottigedara, who retires in terms of Articles 97 of the Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>
1.7 To elect as a Director, Mr Dinesh Vidanapathirana , who retires in terms of Articles 97 of the Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>
1.8 To reappoint as a Director, Mr Lawrence Paratz who is over the age of 70 years and who vacates his office in terms of Section 210 of the Companies Act No. 07 of 2007 ("the Act").	<input type="checkbox"/>	<input type="checkbox"/>
1.9 To reappoint as a Director, Mr V U Kumar who is over the age of 70 years and who vacates his office in terms of Section 210 of the Companies Act No. 07 of 2007 ("the Act").	<input type="checkbox"/>	<input type="checkbox"/>
1.10 To re-elect as a Director, Mr Chan Chee Beng, who retires by rotation in terms of Articles 91 and 92 of the Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>
1.11 To reappoint Messrs Ernst & Young, Chartered Accountants as Auditors for the ensuing year and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
1.12 To authorise the Directors to determine and make donations to charities.	<input type="checkbox"/>	<input type="checkbox"/>

	For	Against
2. <b>Special Business</b>		
To pass the Special Resolution indicted in the Notice of the Meeting to amend the Articles of Association of the Company.		
Special Resolution 1	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution 2	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution 3	<input type="checkbox"/>	<input type="checkbox"/>

In witness my/our hand/seal given on this..... day of ..... Two Thousand and Twenty-Four.

\*Please delete what is inapplicable.

Note: Instructions as to completion are given below.

#### INSTRUCTIONS AS TO COMPLETION OF FORM OF PROXY

1. Kindly perfect the Form of Proxy by filling in legibly your full name address and the National Identity Card number and signing in the space provided and filling in the date of signature.
2. Please indicate with an "X" in the space provided, how your proxy is to vote on each resolution. If no indication is given the proxy in his/her discretion will vote as he/she thinks fit.
3. In the case of a corporate member the proxy must be executed in accordance with the Articles of Association. If the Form of Proxy is signed by an Attorney, the relative Power of Attorney should also accompany the completed Form of Proxy, if it has not already been registered with the Company.
4. The completed Form of Proxy should be deposited at the Registered Office of the Company, Sri Lanka Telecom PLC, Lotus Road, Colombo 01 or sent to the e-mail address - [slttagm2024@slt.com.lk](mailto:sltagm2024@slt.com.lk) not later than 48 hours before the time fixed for the holding of the meeting.

# Corporate Information

## Name of the Company

Sri Lanka Telecom PLC

## Legal Form

A public limited liability Company incorporated in Sri Lanka in September 1996, under the Conversion of Public Corporations of Government-Owned Business Undertakings into Public Limited Companies Act No. 23 of 1987 and quoted on the Colombo Stock Exchange in January 2003.

## Company Registration Number

PQ 7

## Stock Exchange Listing

1,804,860,000 Ordinary Shares of the Company are listed in the Colombo Stock Exchange.

## Registered Address

Telecom Headquarters,  
Lotus Road, Colombo 01.

## Board of Directors

Mr A K D D D Arandara (Chairman)  
Mr Chan Chee Beng  
Mr Lawrence Paratz  
Mr V U Kumar  
Mr Suren Amarasekera  
Prof K M Liyanage  
Dr K A S Keeragala  
Dr D M I S Dasanayake  
Mr Dinesh Vidanapathirana  
Mr M M C P Mohottigedara

## Technology Subcommittee

Mr Suren Amarasekera (Chairman)  
Prof KM Liyanage  
Dr D M I S Dasanayake

## Group Senior Tender Board

Mr M M C P Mohottigedara (Chairman)  
Mr V U Kumar  
Mr Lawrence Paratz  
Dr K A S Keeragala

## Group Audit Committee

Mr V U Kumar (Chairman)  
Mr Suren Amarasekera  
Mr Dinesh Vidanapathirana  
Mr M M C P Mohottigedara

## Related Party Transactions Review Committee

Mr Suren Amarasekera (Chairman)  
Mr V U Kumar  
Mr Dinesh Vidanapathirana  
Mr M M C P Mohottigedara

## Nomination and Governance Committee

Mr V U Kumar (Chairman)  
Mr Chan Chee Beng  
Mr A K D D D Arandara  
Mr Dinesh Vidanapathirana

## Remuneration Committee

Mr Chan Chee Beng (Chairman)  
Mr Lawrence Paratz  
Mr A K D D D Arandara  
Dr K A S Keeragala

## Auditors

Ernst & Young (Chartered Accountants)  
Rotunda Towers  
No.109, Galle Raod  
P.O. Box 101, Colombo 03  
Sri Lanka

## Company Secretary

Mr Mahesh Athukorale, Attorney-at-law  
ACG – UK

## Credit Rating

**Fitch Rating**  
National Long-Term Rating of A(Ika)

## Bankers

Bank of Ceylon  
Bank of China  
Citi Bank N.A  
Commercial Bank of Ceylon PLC  
Deutsche Bank  
DFCC Bank PLC  
Hatton National Bank PLC  
HSBC  
National Savings Bank  
Nations Trust Bank PLC  
NDB Bank PLC  
Pan Asia Banking Corporation PLC  
People's Bank  
Sampath Bank PLC  
Seylan Bank PLC  
Standard Chartered Bank

